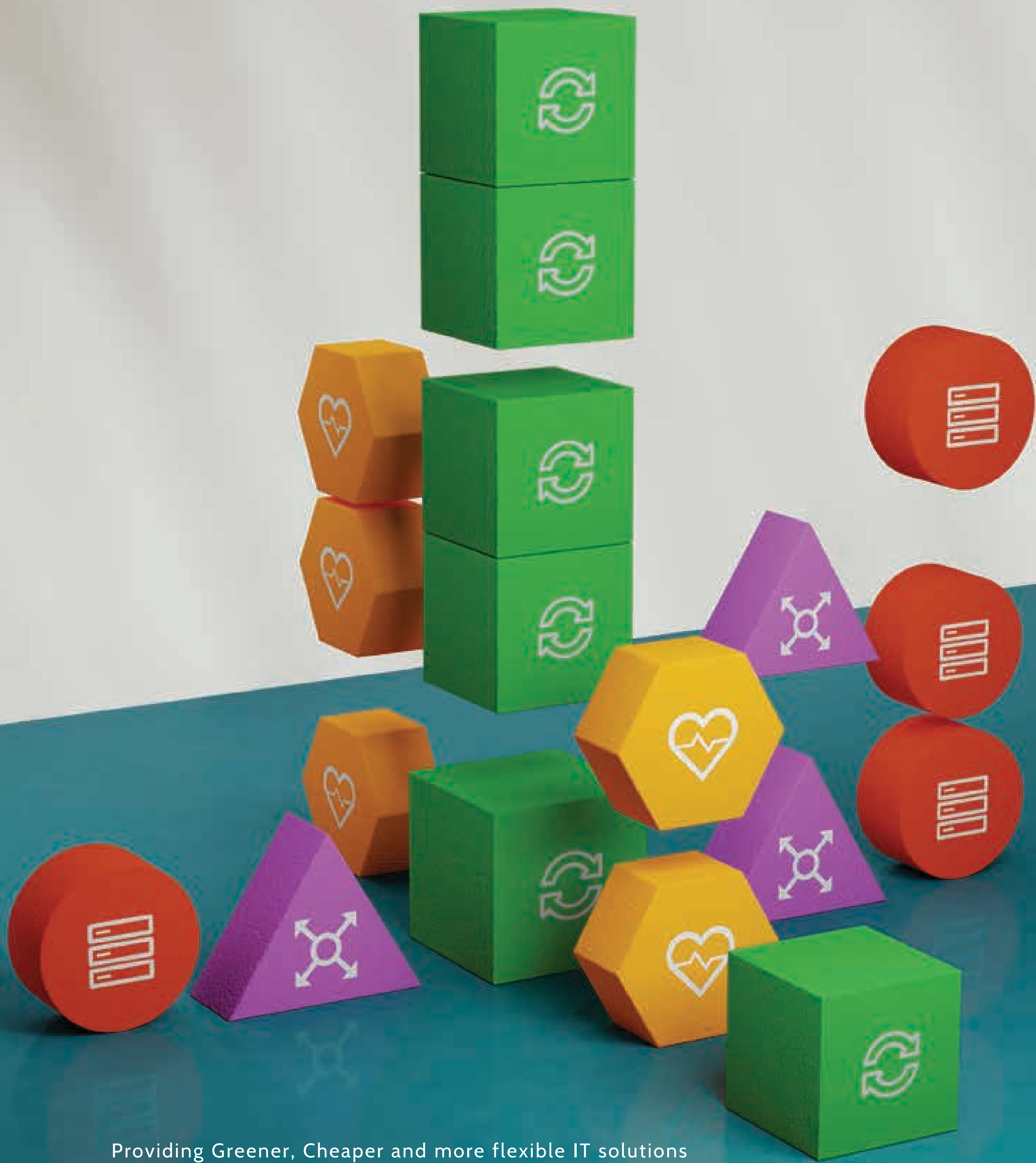
PROCURRI

Annual Report 2022



Providing Greener, Cheaper and more flexible IT solutions

Contents

Our Values

Procurri is a leading global provider of sustainable IT solutions. Our mission is to help enterprises increase the sustainability of their IT hardware operations by reducing cost, lengthening uptime, and reducing environmental footprint. With our three offerings, Third Party Maintenance ("TPM"), IT asset disposition ("ITAD"), and cost-effective enterprise hardware, we help the channel community bring the Cloud closer.

Excellence

When it comes to customer service and partnership formation, there is only one global standard that we strive for – Excellence. Our pursuit of excellence showcases our conscious effort to go above and beyond for our customers, offering true value to them. This is how we enshrine ourselves with their trust and loyalty and have established a solid reputation in the industry.

Innovation

A key driver of Procurri's success and growth is our ability to continuously innovate the customer experience based on clients' needs across a breadth of industries. Procurri constantly seeks new and improved ways to better serve the needs of our customers and partners. Creativity and a dare-to-experiment attitude are traits we value and nurture.

Commitment

As industry experts, we take pride in being accountable for everything that we do at Procurri. We commit to deliver the best results in every aspect of our service, be it packing a server or managing a complex project. Our dedication is illustrated through our consistent high quality of service delivery which resonates throughout our organization globally.

Integrity

Honesty and transparency are central to everything we do. We hold ourselves to the highest ethical standards to form long-term, sustainable relationships built on trust with our clients, partners and vendors. We believe that integrity and ethics are key in shaping a stellar reputation in the long term.

> Vision

Create the most value for businesses through our sustainable Integrated IT Lifecycle Service Solutions.

> Mission

Run IT infrastructure greener, cheaper, and more flexibly with Procurri's Integrated Lifecycle Service Solutions.

> Purpose

Sustain and extend the life of IT assets.

Who We Are

Procurri Corporation Limited ("Procurri", and together with its subsidiaries, the "Group") is a leading global independent provider of sustainable IT solutions. Procurri has been listed on the Main Board of Singapore Exchange Securities Trading Limited since 20 July 2016.

250.0
Revenue (s$m)

65.2
Gross Profit (s$m)

5.5
EBITDA (s$m)

(0.2)
Net Profit After Tax (s$m)

129.5
Total Assets (s$m)

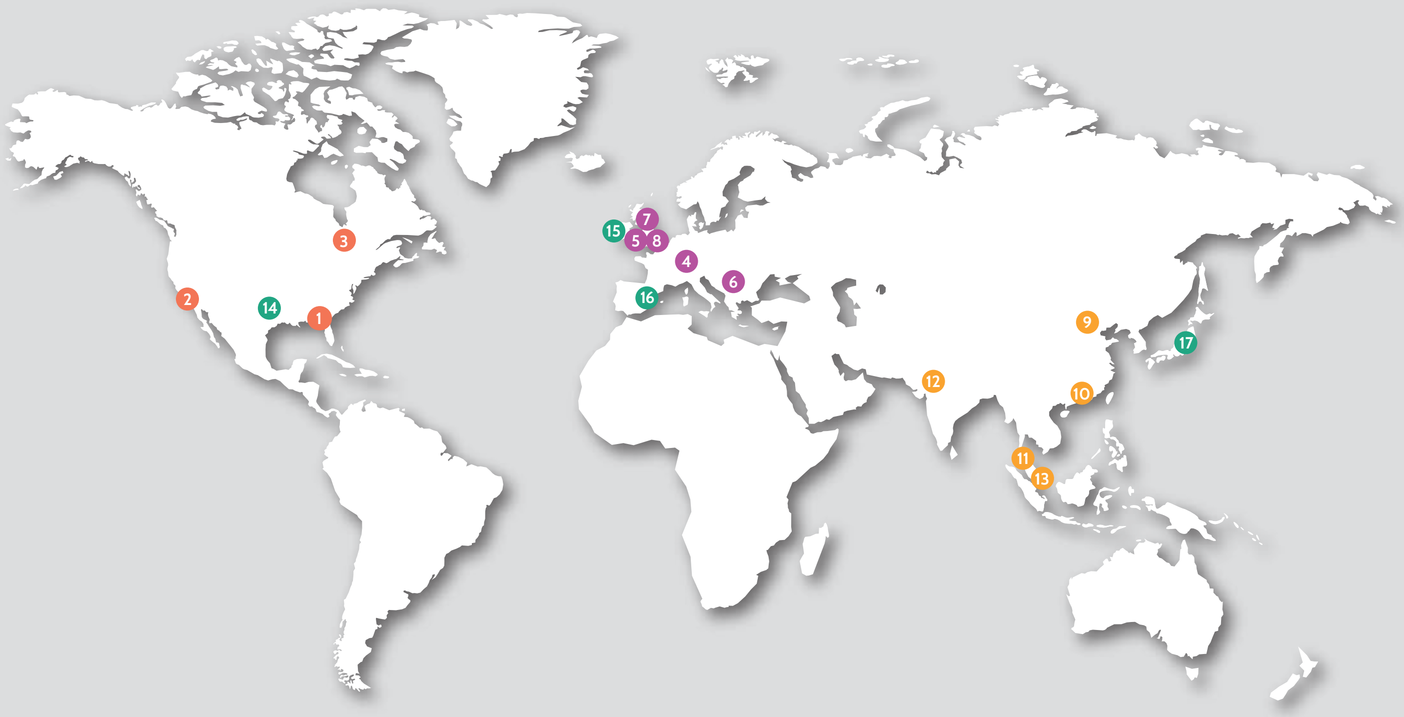
52.1
Shareholders Equity (s$m)

Established global sourcing, distribution & logistics network

7
Offices

100+
Countries Under Coverage

480+
Employees



Americas

1. Atlanta (US)
2. Laguna Beach (US)
3. Toronto (CA)

EMEA

4. Baiersdorf (DE)
5. Cirencester (UK)
6. Kosovo (RKS)
7. Warrington (UK)
8. Wokingham (UK)

APAC

9. Beijing (CN)
10. Hong Kong (HK)
11. Kuala Lumpur (MY)
12. New Delhi (IN)
13. Singapore (SG)*

Circular Hub

14. Dallas (US)
15. Galway (IE)
16. Valencia (ESP)
17. Tokyo (JP)

* Global HQ

Message from the Chairman

Vesmond Wong
Chairman

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present Procurri's annual report for the financial year ended 31 December 2022 ("FY2022").

2022 Was A Challenging Year

2022 proved to be a difficult year for many businesses, especially those in the technology sector, but Procurri has managed to mitigate numerous challenges while working to recover from the lingering impact of the COVID-19 pandemic. Consequently, the Group has emerged stronger and more resilient, with this performance reflected in our financial results, and also in the trust our clients continue to place in us.

DeClout Group Emerges as Major Shareholder

One of the most significant happenings in 2022 was the successful mandatory conditional cash offer made by DeClout Group for Procurri's shares. DeClout, Procurri's largest shareholder, has strong financial backing as a subsidiary of Tokyo Stock Exchange-listed EXEO Group, Inc.

As a result, Procurri can now leverage on DeClout's capabilities and collaborate with the remaining entities within the DeClout Group to offer its clients, vendors and partners an all-encompassing suite of solutions to add greater value to their businesses. Furthermore, DeClout's synergies align with Procurri's objective to develop it into a world-class company and realize its potential in becoming a global leader in the IT lifecycle services industry.

Keeping Procurri's Mainboard Listing

Procurri has been a key component of the DeClout Group, and we have closely collaborated with the management team to ensure Procurri's successful listing on SGX Mainboard since 2016. We recognize the potential in our business, given the increasing demand for sustainable enterprise solutions and the widespread adoption of flexible IT solutions across various industries. Procurri stands out as one of the few companies with a global presence across more than 100 countries and an all-inclusive set of IT lifecycle services solutions. We are committed to building on this success to generate greater returns for our shareholders.

Reinvigorating Our Business

Procurri underwent a strategic review after DeClout's acquisition. The management team has identified areas where the company's costs and operational processes can be improved, and as a result, has taken measures to streamline the business and position it for future growth. The introduction of new board members and cost-cutting measures were implemented, including budget reviews and the reinvestment of profits into high-growth activities.

These changes have streamlined the business to operate more efficiently and Procurri will continue to improve on its operational efficiency in the coming fiscal year and the years ahead.

Evolving Our Service Offerings

Procurri's expertise in the IT industry has allowed us to develop a suite of solutions that meets the evolving demands of the market. Our integrated Lifecycle Services proposition provides comprehensive offerings that support all stages of a client's IT journey, including hardware resale, distribution of new and legacy OEM parts, maintenance services, and professional services. We have also introduced a new service, "Modern Workplace," which enables us to track, store, and dispatch end-client assets on a global scale. This suite of products offered by Procurri is aimed at strengthening their base by building recurring revenue.

Strategic Opportunities for Growth

Procurri's potential market expansion offers strategic opportunities for growth. Three factors are key to this growth: 1) forming partnerships with large-scale data centers, or hyperscalers, 2) leveraging the geographical reach of EXEO Group in Asia, and 3) capitalizing on industry tailwinds.

As more customers seek ways to prolong the lifespan of their IT hardware beyond the traditional three-year mark, which is usually enforced by increased support costs and End of Service Life (EOSL), Procurri intends to collaborate with hyperscalers that experience high IT hardware turnover. This would enable Procurri to provide credible solutions to generate recurring revenue as part of its Lifecycle Services proposition and Third Party Maintenance.

With the support of DeClout's parent, Japan's EXEO Group, Procurri aims to expand its addressable market in Asia by focusing on the geographical footprint. Specifically, EXEO Group provides access to its Japanese multinational customer base, which would create a balanced portfolio in terms of market coverage. This aligns with Procurri's aim to enhance contributions from the Asia-Pacific region to match those of the Americas and EMEA.

The global shift towards sustainability is likely to be further encouraged by government policies and taxes aimed at meeting country emission targets as we approach 2030. This would motivate corporations to seek out sustainable solutions to extend IT equipment lifecycles instead of opting for replacements. Furthermore, supply-chain constraints due to semiconductor shortages and evolving buying habits, partly due to shrinking IT corporate budgets in the face of slowing global growth, have prompted businesses to look for more affordable alternatives and extend the life of existing assets.

As Procurri looks to the future, it remains optimistic about the opportunities ahead. The shift towards sustainability in the market and changes in IT hardware consumption patterns present significant growth opportunities for Procurri. Being one of the world's leading solution providers for IT infrastructure lifecycle management, Procurri stands to benefit from these structural tailwinds. The company will continue to focus on innovation and investing in its people, processes, and technology to drive growth and success.

Procurri is enthusiastic about the future and looks forward to delivering even more value to its stakeholders in the coming years.

Rewarding Shareholders, Boosting Transparency

To continue creating value for our shareholders, the Group has proposed a final dividend of 1.0 Singapore cent per share for FY2022, marking its first dividend payout in six years, and rewarding our shareholders for their continued support.

Additionally, Procurri will voluntarily resume quarterly reporting of its financial statements from the next fiscal quarter to improve transparency and corporate governance. This will benefit all shareholders, offering greater clarity into our operational performance, as well as highlighting areas of potential growth and opportunity.

Appreciation

Last but not least, I would like to express my gratitude to our stakeholders, team members, clients and business partners for their continuing support and collaboration over the past few years and in the years ahead. Your support has allowed us to grow from strength to strength. Together, as we embark on the next stage of Procurri's growth journey, I look forward to achieving our shared goals and contributing to the Group's continued success.

Vesmond Wong

Vesmond Wong
Chairman, Procurri

Message from the Global Head of Operations

Mat Jordan
Global Head of Operations

2022 has been a year of change for Procurri; notably with one of our major shareholders making a general offer to become controlling and a change in the board composition as a result.

A strategic review of our Third Party Maintenance business occurred, resulting in a restructuring exercise to better take advantage of our global footprint.

We have also seen the Covid pandemic relegated to the rear-view mirror and have found ourselves building solutions for our partners for what we call the 'Modern Workplace'; a hybrid work environment, with many now electing to work from home, and the administrative and management complexities associated with this new working style.

2022 has seen the conclusion of our global systems roll out, Project Unity, within the Third Party Maintenance business, enabling our customers and service delivery teams' visibility via a single portal.

This allows us to unlock global skill sets to help enhance client experience.

Similarly, the Lifecycle Services business concluded the implementation of our bespoke inventory management system, facilitating all business lines to report consistently and provide a more collaborative share of inventory.

2023 will see continued evolution within the Group, including the re-structuring of some business units, clearly separating our Third Party Maintenance business to present a clearer picture to our client base and affording greater visibility of costs associated within it.

Our Hardware, IT Asset Disposition ("ITAD"), Distribution and Professional Services business along with 'Modern Workplace' solutions will fall under our Lifecycle Services.

This slight restructuring should help Procurri take advantage of what we feel is a shift in market conditions favouring our business model and offerings.

The global shift toward more sustainable business practices has firmly stabilized post-pandemic with indications showing that policies meet country emission targets.

With many countries and territories setting renewed ambitions for 2030 following delay due to the pandemic, corporates are being rapidly encouraged to seek out more 'green' and sustainable solutions for their IT asset portfolios.

The continued international shortage of semi-conductors has driven corporates to look outside of the classic distribution channel to source or rent hardware.

Procurri has, without doubt, benefitted with our deep, global sourcing network coupled with our stock holdings of quality refurbished hardware ready to take on the challenge.

Economic headwinds ahead with rising interest rates, inflation and talk of global recession, we anticipate shifting to a time of austerity, forcing businesses to review spend. As organizations search out cheaper alternatives to traditional IT procurement and sweat existing assets longer, Procurri is well positioned to assist with our balanced portfolio.

While each of the turbulent conditions facing the market can be considered a threat to the classic IT channel in isolation, combined they present significant opportunity for Procurri and are of a magnitude that will likely lead to a shift in long-term buying and consumption habits of businesses worldwide, thereby increasing Procurri's addressable market share.

It is reflective of Procurri's sustainable and forward-looking business model that such potential remains on the horizon.

A survey conducted by TechReset on State of IT Asset Management suggested that over 50% of companies surveyed felt they had an undefined, unstructured and non-existent IT Asset Management and ITAD strategy, 53.19% of all organizations surveyed said that the pandemic and related market conditions had made it more difficult for them to acquire IT assets from their usual suppliers; and only 20.37% are currently in the position of using a specialist organisation to retire legacy IT Assets, potentially exposing them to data breach.

We continue to invest in best practices as a business maintaining all our global ISO 9001, 14001, 27001 accreditations, along with in country certifications, such as Investors in People, R2, ADISA and Cyber essentials.

Sustainability

Certified Carbon Neutral Operation

Per our 2021 report, Procurri is not only delivering sustainable solutions for our customers, but we also seek to lead by example and embody sustainability as a company. We continue to be recognised by 'Support The Goals' with our 5-star rating, championing the 17 goals identified in 2015 by the United Nations as helping make the world a better place for all.

We were proud to announce in May of 2022 that Procurri had been awarded and recognised as a Carbon Neutral business, CO_2 assessed through the Carbon Footprint Standard, which recognised Procurri as a Carbon Neutral Organization and a CO_2e Reduced Organization across our core processing facilities.

This hugely impressive accreditation, that we are unaware of any of our peer group achieving, applies to the business' global operations spanning Germany, USA (x2), UK (x2), Malaysia, Singapore and Canada; and, as a result, positively impacts the Scope 3 reporting of Procurri's customers, who can now report back that, as well as sourcing high quality solutions for IT Lifecycle Services and Third Party Maintenance, all are now processed within a zero-carbon emissions facility.

Procurri has continued to monitor its emissions during 2022 and remains committed to seek out lower IT carbon solutions for our customers, as well as help present solutions and thinking on how to reduce and monetise carbon reduction within organisations.

In the interests of transparency we do and will continue to present our sustainability efforts on our website www.procurri.com. An overview of Procurri's journey to certified carbon neutrality, full explanations of Scope 1, 2 and 3 reports, and the Group's working methodologies are all available for public access and consumption.

This allows customers both existing and potential to create competitive business cases, gain education and potentially working with Procurri or with the industry as a whole to better understand what can be achieved when companies work to do better.

Appreciation

I would like to express my appreciation to all our stakeholders for their continued support.

I would especially like to acknowledge our management team and employees for their dedication and hard work over the past year despite the challenging environment.

We will continue working together to execute our long-term strategy on increasing investor engagement and reporting further progress as we continue to navigate through the global market.

Mat Jordan

Mat Jordan
Global Head of Operations

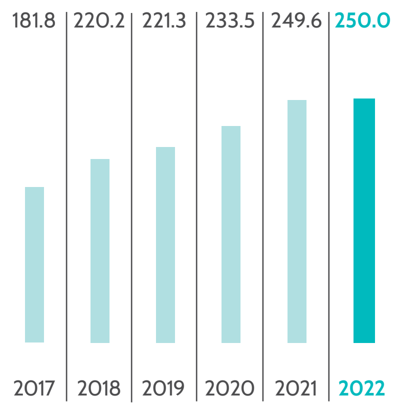
5- Year Financial Highlights

Financial year ended 31 December	2022	2021*	2020	2019	2018
Income Statement (S$'000)					
Revenue	250,040	249,628	233,467	221,289	220,236
Gross Profit	65,229	60,498	64,745	78,104	80,503
EBITDA	5,517	6,597	12,637	17,345	19,737
Profit before Tax	178	1,578	4,031	4,737	10,077
Net Profit after Tax	(178)	2,168	2,696	3,775	5,337
Balance Sheet (S$'000)					
Inventories	24,827	20,928	26,035	26,354	21,816
Total Assets	129,545	135,944	129,716	149,914	141,326
Total Loans & Borrowings	15,002	14,360	21,028	16,693	14,087
Total Liabilities	77,463	80,837	77,213	103,214	72,285
Total Equity	52,082	55,107	52,503	46,700	69,041
Cash Flow (S$'000)					
Cash Flows from Operating Activities	8,913	7,162	27,479	18,413	11,037
Cash Flows from Investing Activities	(1,395)	899	2,728	(1,148)	(7,004)
Cash Flows from Financing Activities	(3,236)	(10,375)	(10,503)	(16,231)	(9,061)
Per Share Information (Singapore Cents)#					
Earnings per Share – Basic	(0.06)	0.74	0.92	1.33	1.89
Net Tangible Asset per Share	13.98	14.47	13.61	11.60	19.74
Net Assets Value per Share	17.62	18.73	17.88	16.40	24.25
Number of Shares ('000)	295,590	294,238	293,687	284,689	284,689
Ratios					
Debt-to-Equity Ratio	(0.341)	(0.276)	(0.221)	(0.008)	(0.06)
Current Ratio (times)	1.49	1.53	1.61	1.24	1.57

* Amount for FY2021 was restated
\# As at 31 December of the respective years

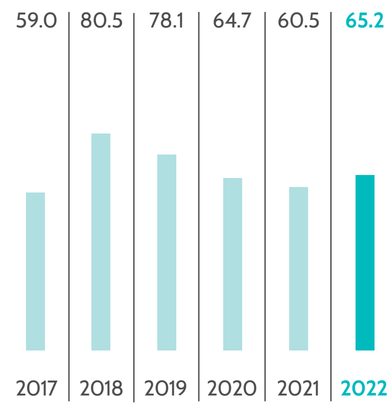
Revenue (S$million)

+0.2%



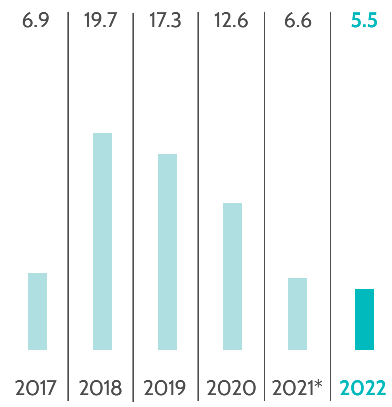
Gross Profit (S$million)

+7.8%



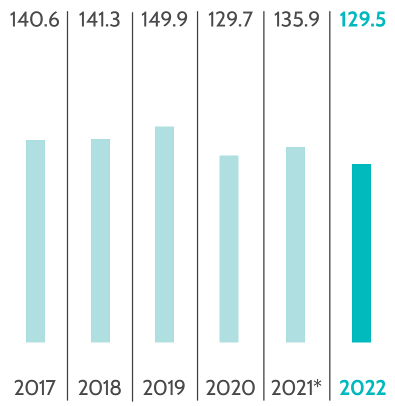
EBITDA (S$million)

-16.7%



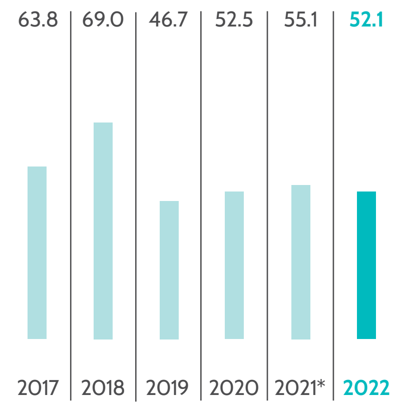
Total Assets (S$million)

-4.7%



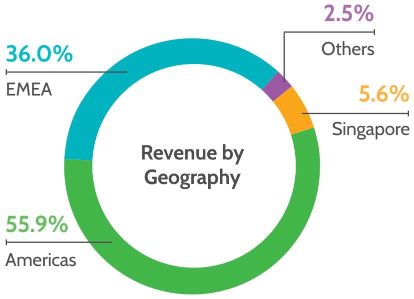
Shareholders' Equity (S$million)

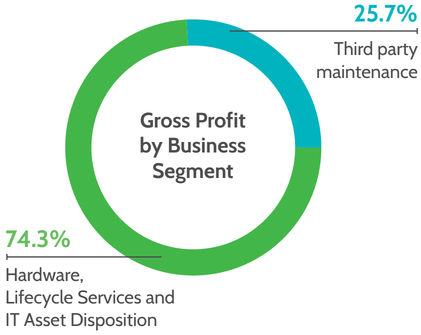
-5.5%

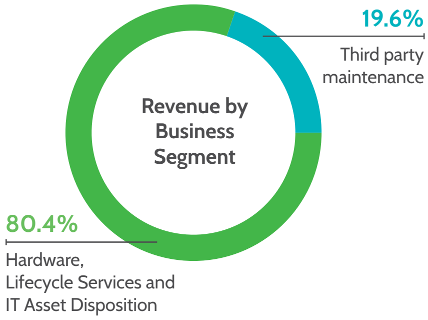


* Amount for FY2021 was restated

Financial Review







The Group recorded a 0.2% year-on-year increase in revenue in FY2022 from S$249.6 million in FY2021 to S$250.0 million and a 7.8% in gross profit from S$60.5 million in FY2021 to S$65.2 million in FY2022.

The Lifecycle Services business segment's revenue increased by 3.9% from S$193.5 million in FY2021 to S$201.0 million in FY2022, attributable to the better performance from the United States of Americas (the "Americas") and the Asia Pacific. The revenue from the TPM business segment decreased by 12.8% from S$56.2 million in FY2021 to S$49.0 million in FY2022, mainly due to the lower contribution from the Americas as a result of increased competition in the marketplace.

During the year, gross profit margin improved by 1.9 percentage point to 26.1%. This was due mainly to a combination of favorable sales mix achieved during the year and the decrease in allowance for stock obsolescence from S$4.3 million in FY2021 to S$1.6 million in FY2022. This was achieved through our centralised trading and inventory platform that enable us to achieve better productivity and more efficient inventory management.

The Group recorded a decrease in other credits of S$0.9 million from S$1.1 million in FY2021 to S$0.1 million as a result of lower foreign exchange gain from the revaluation of the US Dollar ("USD") denominated receivables.

The USD strengthened against the Singapore Dollar ("S$") by 3.0% in 1H2022 from S$1.35/USD in December 2021 to S$1.39/USD in June 2022 and subsequently depreciated 3.4% in 2H2022 to S$1.34/USD in December 2022 as compared to FY2021 where USD strengthen from S$1.32/USD in December 2020 to S$1.35/USD in December 2021.

Selling expenses increased by S$2.9 million from S$27.1 million in FY2021 to S$29.9 million in FY2022 mainly due to higher payout of sales commission from the growth in gross profit and the increase in commission rate from tiered commission plan. The growth in selling expenses is in tandem with the growth in gross profit.

Administrative expenses increased by S$1.5 million from S$32.5 million in FY2021 to S$34.0 million in FY2021, mainly due to the additional non-recurring expenses incurred from the cost optimisation exercise undertaken in 2H2022 and the increase in travelling expenses as a result of the lifting of travelling restrictions.

In 2H2022, the Group made a strategic move to optimise operations by implemented cost-cutting measures and realigned its future growth strategies. Taking into account the current market trends and shifting economic conditions, the Group relocated much of its first level network operations team from the United Kingdom and Americas to Malaysia and Kosovo, thereby benefitting from the greater availability of talent at a more competitive cost base.

Additionally, in order to improve operational efficiency, the Group retired its 50,000 sq. ft. facility in Boston, and consolidated and centralised its facilities into Norcross, Atlanta and Richardson, Texas. This enabled the Group to better manage efficiency, maximise resources and reduce costs.

As a result of the move, the Group incurred additional one-off non-recurring expenses of S$0.7 million in FY2022 including relocation to new facilities and retrenchment benefits. The Group expects to reap the rewards of these initiatives in its Lifecycle Services and Third Party Maintenance ("TPM") segments in 2023.

The Group recorded a goodwill impairment of S$0.3 million and an increase in finance costs of S$0.3 million as a result of the higher interest rate in FY2022.

As a result of the above, the Group recorded a profit before tax of S$0.2 million in FY2022. The income tax expense of S$0.3 million in FY2022 was due to the under provision of income tax in FY2021 while the income tax credit recorded in FY2021 was due to the reversal of over provision of income tax. As a result, the Group recorded a loss after tax of S$0.2 million.

Normalised EBITDA and Profit before tax

	FY2022 '$'000	FY2021 $'000 (Restated)	Change $'000	Change %
EBITDA	**5,517**	6,597	(1,080)	(16.4)
Profit before tax	**178**	1,578	(1,400)	(88.7)
Non-recurrring items				
Exchange gain	**118**	1,060	(942)	(88.9)
Global Parts Centre ("GPC") sales tax recovery	-	1,118	(1,118)	N.M.
Goodwill impairment	**(250)**	-	(250)	N.M.
Cost optimisation exercise	**(663)**	-	(663)	N.M.
Total non-recuring items	**(795)**	2,178	(2,973)	N.M.
Normalised EBITDA	**6,312**	4,419	1,893	42.8
Normalised Profit before tax	**973**	(600)	1,573	N.M.

Normalised EBITDA and Profit before tax

For FY2021, the Group recorded a one-off non-recurring income of S$2.2 million (S$1.1 million from the exchange gain and S$1.1 million sales tax recovery), as compared to a one-off non-recurring expense of S$0.8 million in FY2022 (S$0.7 million from the cost optimisation exercise and S$0.3 million from the goodwill impairment, partially offset by the exchange gain of S$0.1 million).

Excluding the non-recurring income and expenses, the Group's normalised EBITDA for FY2022 has improved by 42.8% from S$4.4 million (restated) in FY2021 to S$6.3 million in FY2022. Similarly, the Group's normalised profit before tax would have been S$1.0 million in FY2022 as compared to a loss of S$0.6 million (restated) in FY2021.

Cashflow

During the year, the Group generated a positive net operating cashflow of S$8.9 million. The Group spent approximately S$1.4 million in Investing Activities. These mainly comprise of the purchase of plant and equipment. The Group has also spent approximately S$3.2 million in Financing Activities which mainly comprise of payment of leases and financing cost.

Overall, the Group generated net positive cashflow of S$4.3 million. As at 31 December 2022, the Group's cash and cash equivalents stood at S$32.6 million and net cash position of S$17.7 million after deducting borrowings of S$15.0 million.

Operations Review

HARDWARE
& ITAD

2023 will see a remodelling of the Procurri business to help us better address and benefit from shifting market trends.

We will see our EMEA and USA Maintenance further distinguished and re-branded as Procurri Europe Maintenance and Procurri Americas Maintenance; registered and operating as standalone business units. Our remaining business units will be assimilated under Lifecycle Services, comprising Hardware & IT Asset Disposal, Distribution, Professional Services and Modern Workplace Solutions.

We are also anticipating the launch of a new Customer Relationship Manager ("CRM") based in the Hubspot system. This new platform will be installed with the goal of improving our marketing to our target audience, providing better analytics helping us to better engage with our client base on topics they believe are relevant to them.

Operational Report: - Lifecycle Services

The following will be reported under the collective banner of Lifecycle Services moving forward.

Hardware & ITAD – purchase and sale of physical hardware

Procurri's Hardware & ITAD pillar flourished and grew significantly during 2022.

While global supply chain constraints have remained, Procurri has risen above these issues by continuously delivering and surpassing customer expectations. 2022 has seen the addition of a new e-commerce team to the business, selling hardware with Amazon, eBay and Ingram Micro. This has showed growth during the year. We are excited what 2023 will deliver from this new addition, as indications look productive.

The unique market conditions of businesses recovering from a pandemic, the global shortage of semi-conductors and the contamination of some 16 billion gigabytes of flash storage saw demand outstripping supply across markets; creating a degree of panic amongst those looking to purchase.

Utilizing the business' global presence, deep sourcing channels and distribution warehouses across 3 continents, Procurri has benefitted from these conditions, especially with rentals as corporates waited extended periods for new hardware to arrive. Our stockholding, worldwide occupancy, product expertise and swift delivery times demonstrate Procurri's ongoing relevance within this space; able to predict, pivot and source hardware to fulfil channel shortages.

Of note during 2022 is the business ongoing partnership with Celestica. This has continued to grow, leveraging Celestica's global footprint to provide 'under the cover' facilities operating and delivering Procurri processes and procedures within Ireland, USA (Texas) and Japan (Hino) with opportunity for further partnerships within strategic European locations.

As in the Third Party Maintenance tower, 2022 has seen Procurri exit our Boston facility for ITAD and hardware parts, relocating to Richardson, Texas and Atlanta, Georgia. The Richardson facility is a Celestica plant that Procurri occupy part of, providing us with greater capacity and processing capabilities, working with our partner to deliver solutions to both of our customer bases. System interfaces have been established between Celestica's and Procurri's Enterprise Resource Planning (ERP) / Warehouse Management System (WMS) helping ensure accuracy of data.

The roll-out of our bespoke, in-house developed, global software platform, Morse, in 2021 concluded during 2022; delivering improved inventory management, processes and consistent reporting globally. We will continue to invest in our processes and systems through the year ahead, searching out efficiencies within operations helping reduce cost and increase throughout for our high velocity business while maintaining high quality standards. The business continues to secure ISO certifications ISO 9001, 14001, 27001, R2 and ADISA.

With an ever-increasing drive for sustainable IT solutions, Procurri is well positioned to benefit with our credible, certificated cradle-to-grave solutions.

DISTRIBUTION SERVICES

PROFESSIONAL SERVICES

MODERN WORKPLACE

Distribution – new hardware or services bought through the channel and resold

Procurri's Distribution business, similar to our refurbished Hardware & ITAD sales business, witnessed increased demand as customers struggled to find supply to meet their needs. Procurri has historically planned and held stock of new authorised products, especially Hewlett Packard Enterprises ("HPE") spares; by far our largest distribution line accounting for circa S$20 million in revenues a year.

Our planning and ability to draw authorised parts directly from the manufacturer certainly complemented our portfolio offering during 2022 and is expected to in the future. Procurri is one of two Platinum Resellers within EMEA and one of three in the Americas for the HPE authorised spares program. Similarly, positive traction has been found with Dell and HP Inc product lines during 2022, growing our relationship with both manufacturers.

Hardware & ITAD Services along with Distribution Services have proved solid contributors to Procurri's bottom line through 2022, with this business set only to grow in the year ahead.

Professional Services – hands and eyes delivering a service

With the addition of a dedicated Professional Services team in Kosovo, supplementing our existing solutions, we have seen rapid growth within these offerings through 2022. Offering solutions such as data erasure, ad hoc day engineering, longer term hands and eyes, lifts and shift services, and data center cabling projects.

We have built a book of independent engineering resources available for access on a per day/half day basis of some 2,372 engineers, spanning the globe. There is clearly demand within our client base for such solutions coupled with the benefit of our Third Party Maintenance tower leveraging an in-house book of available specialists.

Modern Workplace – delivering solutions to the post pandemic client, helping manage assets within the hybrid workplace

Procurri has historically provided end user roll-out solutions. However, during the pandemic and post-pandemic there has been continued engagement and demand within the client base for these solutions, both locally and globally

With the modern workplace evolving, likely now permanently, more of the world's workforce than ever are choosing to access employment remotely. It is clear that new thinking is required on how corporates manage this disparate workforce and their IT estate. With our global, carbon neutral, processing facilities, the ability to manage inventory, deliver a roll out service and also manage the obsolete assets within an estate places Procurri in a strong position to capitalise.

It also appears that Internet Of Things (IOT) devices are starting to be returned, devices that straddle technology and internet with white goods, seemingly with no current solutions to manage – We are keeping an open mind whether such products fall within our remit.

GLOBAL
MAINTENANCE

Operational Report: Global Maintenance

Procurri Maintenance has continued to progress well during 2022. Project Unity concluded with the implementation of one global system to enable improved collaboration between the technical resources within the Group, along with a portal for direct client engagement.

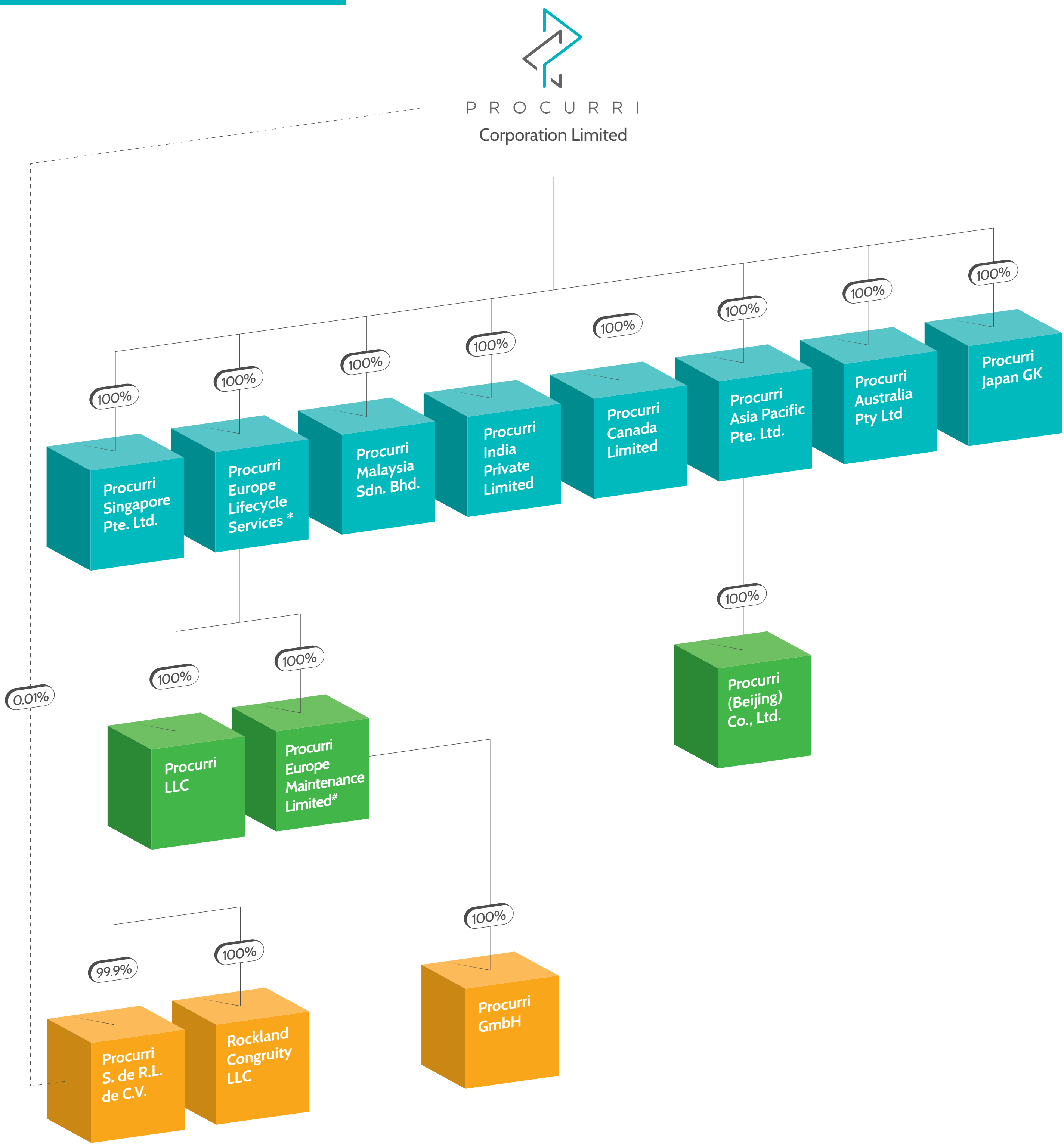
Similarly, it has enabled additional restructuring; specifically within our Level 1 Network Operations Centers ("NOC") relocating to Kosovo and Malaysia (Kuala Lumpur) providing financial benefit to the business over the historic USA and UK delivered NOC centers.

The European business held up well during 2022, with growth across the APAC region; but the businesses suffered with continued revenue reduction in the USA. This in turn led to a restructuring exercise during the second half of 2022, parting company with some of the delivery and sales team along with closing and relocating our maintenance parts warehouse in Boston to Atlanta.

The Group expects to reap the benefits from these initiatives in 2023. Market conditions during 2022 have been tough, but Procurri's shifting business model has allowed us to adapt to it in the best way possible: resizing, refocusing and starting to see signs of growth once again within the US business. 2022 has seen a greater focus placed on renewals with a dedicated renewals team emerging within each region (Americas, EMEA and APAC), with almost immediate returns on the investment made.

The team will continue to work hard and are prepared to make the tough decisions where necessary to return the tower to profitability.

Group Structure



*Formerly known as ASVIDA UK Limited
#Formerly known as Procurri Europe Limited

Board of Directors

Vesmond Wong
Executive Chairman

Mr. Vesmond Wong has more than 25 years of leadership experience in the IT industry and is currently the Group Chief Executive Officer of DeClout Pte. Ltd, a company which he founded and successfully listed on the SGX-ST Catalist Board in 2012. DeClout is the founding shareholder of Procurri, and successfully listed Procurri on the SGX-ST Mainboard in 2016. As a serial entrepreneur, Mr. Wong also established and achieved exits from two other IT companies, Cavu Corp Pte Ltd and Vanda Systems (Singapore) Pte Ltd, prior to founding DeClout. Mr. Wong graduated with a Diploma in Electronics & Communication Engineering from Singapore Polytechnic.

Lim Swee Yong
Non-Independent Non-Executive Director

Mr. Lim Swee Yong is currently the CEO of DeClout Ventures Pte. Ltd, the corporate venture arm of the DeClout Group. Prior to joining DeClout, Mr. Lim was Vice President, Legal at Fullerton Fund Management Company Ltd, and before that, a Director with Stamford Law Corporation specializing in mergers and acquisitions, capital markets, venture capital and private equity. Mr. Lim graduated with a Bachelor of Laws (Honours) from the National University of Singapore and was previously admitted as an advocate and solicitor of the Supreme Court of Singapore and as a solicitor of the Supreme Court of England and Wales.

Steven Lwi
Non-Independent Non-Executive Director

Mr. Steven Lwi is the Chief Corporate Development Officer of DeClout Pte. Ltd., the controlling shareholder of the Company. Prior to re-joining DeClout in August 2021, Mr. Lwi held senior leadership positions as the Chief Financial Officer of Yangon Aerodrome Company Limited (the Airport operator of Yangon International Airport) and three listed companies on the SGX-ST including DeClout Limited from 2011 to 2013. Mr. Lwi graduated with a Bachelor of Accountancy (Honours) from the Nanyang Technological University of Singapore and is a Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants.

Peter Ng Loh Ken
Lead Independent Director

Mr. Peter Ng is our Lead Independent Director. Mr. Ng has been in financial advisory, fund management and direct investments for over three decades and has held senior positions in several large institutions. He is currently the Managing Director of Peterson Asset Management Pte. Ltd. Mr. Ng was the General Manager of Investments in Hong Leong Assurance Bhd, based in Malaysia. For nine years till 1996, he served as the Head of Treasury, Investments and Corporate divisions at various stages of his career with The Great Eastern Life Assurance Co Ltd. Prior to that, he was Senior Manager of an international public accounting firm and had worked for several years in their Australian and Singapore offices. From 2009 to 2010, Mr. Ng also served as a member on the Accounting and Corporate Regulatory Authority's Investment Committee. Mr. Ng graduated with a Bachelor of Accountancy degree (with Honours) from the National University of Singapore, and is also a Chartered Financial Analyst charterholder. He completed the Advanced Management Program at Harvard Business School in 1993.

Wong Quee Quee, Jeffrey
Independent Director

Mr. Wong Quee Quee, Jeffrey, is our Independent Director. He has more than 20 years of experience in corporate transactional work covering the legal and investment banking aspects. Mr. Wong is a Partner of Solitaire LLP and a Senior Advisor to Soochow CSSD Capital Markets (Asia) Pte. Ltd. ("SCCM"). Prior to that, he was Chief Executive of SCCM. Before joining SCCM, he held various senior positions within the Religare Capital Markets group. Before Religare Capital Markets, Mr. Wong worked at UBS AG and Allen & Gledhill LLP. Mr. Wong was awarded Singapore In-house Lawyer of the Year at the Asian Legal Business South-East Asia Law Awards 2009 and was a member of the Auditing and Assurance Standards Committee in the Institute of Certified Public Accountants of Singapore (now known as the Institute of Singapore Chartered Accountants) for the 2009/2010 term. Mr. Wong graduated with a Bachelor of Laws (Honours) from the National University of Singapore and has been admitted as an advocate and solicitor of the Singapore Supreme Court and as a solicitor of Supreme Court of England and Wales. He is also a Chartered Valuer and Appraiser, Institute of Valuers and Appraisers Singapore.

Dr. Lim Puay Koon
Independent Director

Dr Lim has over 30 years of extensive international experience in information technology solutions and infrastructure businesses across the Asia Pacific region. He is a non-executive independent director of Nera Telecommunications Ltd and Novo Tellus Alpha Acquisition Ltd, each of which is listed on the SGX-ST. He was a non-independent non-executive director at HupSteel Limited from 1993 to 2019, which was formerly listed on the SGX-ST. He was the Chief Executive Officer of Dimension Data North Asia from October 2014 to December 2019, and the Managing Director of Dimension Data ASEAN from April 2008 to October 2019. He was also Director & General Manager for Outsourcing Services (South East Asia) for 12 years at Hewlett Packard Asia Pacific. He has held executive positions in Dell Asia Pacific and IDA. Dr Lim received his PhD (Computer & Systems Engineering) in 1990, Master of Business Administration (Management) in 1989, Master of Engineering (Computer and Systems Engineering) in 1986 and Bachelor of Science (Computer and Systems Engineering) in 1983 from Rensselaer Polytechnic Institute, New York.

Leadership Team

Mat Jordan
Global Head of Operations

Mr. Mat Jordan has over 25 years' experience within the IT sector, joining Procurri in 2014 as Sales Director for UK after the acquisition of Tindirect by Procurri and was appointed Head of EMEA in 2016. Progressing to Global Head of Lifecycle Services in 2020 and appointed Global Head of Operations in 2022. Mat participated in a management buyout of Tindirect Ltd in 2005, following which he became an owner of the holding company, Tinglobal, now named Procurri Europe Maintenance Ltd. Mat has worked with numerous venture capitalists raising capital and participated in business sales, acquisitions and mergers whilst at Tinglobal and Procurri. Mat Graduated from Southampton Solent University with a BA(Hons) Business Studies.

Zack Sexton
Head of Hardware & Distribution – Lifecycle Services

Mr. Zack Sexton joined Procurri in January 2013 as President of Procurri LLC - helping launch the US business. He was later appointed Head of the Americas in 2016 and has worked in various roles since, from Head of the Group's Global Accounts to Global President. He currently oversees the Group's Hardware and Distribution business unit. Mr. Sexton has more than 20 years of working experience in data center hardware and services. He started his career at Canvas Systems, LLC and worked in numerous sales roles there, with a specific focus on delivering secondary market solutions to the reseller channel. Mr. Sexton graduated with a Bachelor of Science in Business Administration from the University of North Carolina at Chapel Hill and was selected in 2016 as one of Atlanta's 40 under 40 by the Atlanta Business Chronicle.

Evrim Eravci
Head of IT Asset Disposition – Lifecycle Services

Mr. Evrim Eravci joined Procurri as Executive Vice President and Head of Global ITAD in April of 2019 and has since been appointed President, Global Hardware & Lifecycle Services as of October 2020. He is responsible for our Group's Hardware, ITAD, and Lifecycle Services operations globally. Mr. Eravci has over two decades of IT industry experience working in a variety of roles ranging from Business Development, Sales & Purchasing, CFO, CEO, and Managing Director/Partner. He currently focuses on programmatic ITAD and Lifecycle Service Solutions for a wide range of companies ranging from Fortune 100 to small and mid-size enterprises, with an emphasis on seamless and secure solutions for the most demanding clients. Mr. Eravci graduated from the University of Iowa with degrees in finance and computer science.

Matt Trial
Head of Third Party Maintenance

Mr. Matthew Trial joined Procurri in December 2016 as Chief Operating Officer for Procurri LLC and was appointed as our Head of Asia-Pacific in July 2018. He oversees our Group's Global operations. A Certified Public Accountant, Mr. Trial also served as Procurri LLC's Financial Controller between 2013 and 2015. He previously headed operations at a NASDAQ-listed hospitality software technology company. Mr. Trial holds a Master of Business Administration from the Georgia State University. He graduated from Berry College with a Bachelor of Accountancy.

Stephanie Sin
Group Chief Financial Officer

Ms. Stephanie Sin was appointed as the Group Chief Financial Officer in January 2022. She is responsible for the Group's accounting and financial function. Ms. Sin has more than 15 years of experience in accounting and financial management in various industries including retail, manufacturing, pharmaceutical and information technology. Ms. Sin was the Corporate Finance Manager of Metal Component Engineering Limited prior to joining the Group as the Group Finance Manager in 2017. She most recently served as the Director of Finance (Projects) of iX Biopharma Limited. Ms. Sin is a Chartered Accountant of the Institute of Singapore Chartered Accountants, as well as a Fellow Member of the Association of Chartered Certified Accountants.

Natasha Maguire
Global Marketing Director

Ms. Natasha Maguire joined Procurri in 2017 to lead marketing for the EMEA region and was appointed to Global Marketing Director in 2021. Ms. Maguire is responsible for overseeing the marketing strategy, planning and execution for the Procurri group. With over 20 years' experience in Marketing, Ms. Maguire is a hands-on, results-driven, agile marketing leader who works with key stakeholders and the executive management team within the business to help grow sales and improve client engagement through digital marketing and automation. Ms. Maguire's professional background is in B2B tech and channel marketing working with large OEMs. such as IBM, Cisco, NetApp and HPE. She holds a BA Communications degree from the University of Lincoln.

Our Growth Journey

2022

July
DeClout Pte. Ltd. launches General Offer for Procurri

2022

May
Incorporation of Procurri Japan GK in Tokyo, Japan

2019

March
Acquisition of balance 49% of Rockland Congruity LLC in the US

2018

November
Procurri GmbH registered

2017

January
Acquisition 51% of Rockland Congruity LLC in the US

April
Incorporation of Procurri India Private Limited in Bangalore, India

2016

March
Incorporation of Procurri (Beijing) Co,. Ltd. in Beijing, the PRC

July
Listed Procurri Corporation Limited on SGX-ST Main Board

November
Acquisition of EAF Supply Chain Holdings Limited and its wholly-owned subsidiary, EAF Supply Chain Limited in the UK

2015

March
Launch of global brand "Procurri" and rebranded Tindirect, Verity, and ASVIDA Asia to Procurri UK, Procurri Malaysia, and Procurri Singapore respectively

2014

April
Integration of ASVIDA Asia into Procurri Corporation Pte. Ltd.

May
Acquistion of Tinglobal Holdings Limited and its wholly-owned subsidiary, Tindirect Limited ("Tindirect") in the UK

June
Acquisition of Verity Solutions Sdn. Bhd. ("Verity") in Malaysia

2013

April
Acquisition of Procurri LLC in the US by Declout

Sustainability Report

Greener, Cheaper and more flexible IT solutions

Carbon
Neutral
Organisation

CO_2e
Reduced
Organisation

Contents

Board Statement

Dear Investors

2022 has seen world industries continue to recover from the impacts of the coronavirus pandemic, with Procurri gaining traction and competitive advantage through such conditions.

Our dedication to compliance with rigorous standards is reflected in our internal audits and certifications, which are managed by a meticulous resource in each region, overseen by our Compliance Manager and Global Operations Director.

We ensure adherence to various certifications, including ADISA (1&2), ISO 9001 (3&4), ISO 14001 (5&6), ISO 27001 (7), Investors In People, Safe Contractor (8), Cyber Essentials (15) at Procurri Europe, ISO 9001 (9), ISO 14001 (10), ISO 27001 (7) at Procurri GmbH, ISO 14001, ISO 9001, ISO 45001, R2 (11) at Procurri Canada, and NAID AAA (12), R2(13), ISO 14001, ISO 9001, ISO 45001 (14) at Procurri LLC Boston. In the APAC region, we comply with ISO 9001 (16) and ISO 14001 (17).

This commitment to compliance ensures that we meet the highest standards in sustainability, quality management, information security, and occupational health and safety.

To ensure efficient and accurate reporting, we partner with industry leaders such as Sustrax, Carbon Footprint, and Paia.

Our relationships with these experts ensure that we follow best practices, paving the way towards a more sustainable future.

Focus has remained on the continuation of the business' growth strategy within each core offering, with spotlights on Hardware & Distribution, ITAD, and Third-Party Maintenance. The Group's headline story for 2022 was the successful general offer made by DeClout Pte. Ltd., moving from a substantial shareholder to controlling.

DeClout Pte. Ltd. is a wholly owned subsidiary of EXEO Group, Inc.

Procurri fits immaculately with its reputation and ongoing commitment to sustainability and innovation within industry.

2023 will see continued evolution within Procurri, with the restructuring of some business units. This aims to clearly separate our Third Party Maintenance business to present a clearer picture to our client base and affording greater visibility of costs associated within it. Our Hardware, ITAD, Distribution and Professional Services business along with 'Modern Workplace' solutions will fall under our Lifecycle Services.

This slight restructure of business pillars should help Procurri take advantage of what we feel is a shift in market conditions favouring our business offerings.

During 2022, we have witnessed much of our customer and partner eco-system continue to embrace sustainable IT. Procurri has continued to work hard to address and promote more sustainable solutions to the market whilst reviewing and addressing our own carbon footprint.

This continued focus saw Procurri's global processing operations achieve 'carbon neutral' certification in May 2022; something the team are particularly proud of. This accreditation currently comprises our Singapore, Malaysian, American, German, United Kingdom and Canadian processing facilities.

We have also maintained a 5-star rating with the 'Support the Goals' initiative, adding #13, 'Climate Action' to our achievable list. Support the Goals operates to drive awareness surround the 17 centrally set goals, unanimously approved by the United Nations member states (197 countries) to help put an end to poverty, protect the planet and improve the lives and prospects of everyone, everywhere.

In the 2021 Procurri Board Statement report, we referred to the three frontiers of sustainability. During 2022, we have seen this continued convergence, further fuelled by key market drivers.

The Customer Frontier

Our large global channel and enterprise customer base is increasingly shifting towards sustainable business practices, including sustainable IT. Customer demand is clearly emerging behind a 'double bottom line' approach to growing IT sustainably: customers want to lower emissions but also need stronger return on IT investments.

The Market Frontier

We're seeing shifts in the entire global market around sustainability. Leading institutional investors are setting new ESG goals and allocating new pools of capital to invest in sustainability.

Regulators and policymakers are adopting stimulative and punitive policies to accelerate sustainability. Customers and suppliers are evolving business offerings and practices to respond to new sustainability needs.

The Strategy Frontier

The convergence of customer demand and broader market shifts creates a compelling strategic opportunity for Procurri. Our solutions deliver the double bottom line benefits of sustainable IT while reducing costs and increasing ROI. Our global platform and powerful channel network give us broad access to the growing demand worldwide. What we offer is rare: few providers today are capable of offering the breadth of services that Procurri offers to enterprises to manage the 'cradle to grave' sustainable IT lifecycle, from purchasing equipment to operating it and recycling/upcycling it effectively at the end of life.

We continue to believe that the convergence of these frontiers presents a compelling window of opportunity for Procurri to shine over the coming years. We continue to see customers and channel partners increasingly consulting with us to create more sustainable solutions for IT operations; with the notable addition of contract manufacturers and hyper scalers engaging during 2022.

Additional market drivers have also emerged during 2022 that we anticipate further driving consumer purchasing habits towards more sustainable and refurbished solutions. The semi-conductor shortages have blighted much of the manufacturing industry from automotive to IT; consumers have actively sought out alternative supply chain solutions to those of the classic distribution model as product shortages and lead time delays occurred. Similarly, as the globe faces a possible recession during 2023, we would expect that our consumers will look for more economical solutions for their IT infrastructure and/or extend the life of their existing asset base.

Sustainability continues to provide fresh reason to reach out to customers to prompt new conversations around re-thinking their approach to IT and to connect with Procurri's sustainable IT offerings. 2022 has seen a plethora of literature socialised within our customer base and the wider marketplace. Without doubt, the market, the customer demand and the strategic opportunity are there for us: Procurri must continue to focus on executing effectively to capture the growing demand worldwide.

2022 has seen Procurri conclude our global systems roll out, working to leverage the benefits of a single platform. This enables sales teams to access and process orders globally, coupled with the provision of more consistent reporting.

Milestones in Sustainability

Our continued progress building the business in 2022 is reflected in the following key milestones we achieved in sustainability for Procurri:

Awarded Carbon Neutral status by The Carbon Footprint Standard

Procurri's global processing facilities for scope 1 and 2 were independently verified, resulting in a carbon value associated with our business activities. Procurri chose to purchase carbon offset via recognised programs to obtain Net Carbon Neutral status.

5-Star rating maintained on the UN Global Goals

Procurri retains the highest 5-star rating in the UN 'Support the Goals' initiative to drive awareness and commitment to the UN Global Goals. These were agreed in 2015 with 193 world leaders agreeing to 17 goals to tackle poverty, equality and climate change. Adding #13 'Climate Action' to our existing list of #7 'Affordable and Clean Energy' #9 'Industry, Innovation & Infrastructure' and #12 'Responsible Consumption and Production'.

ISO Accreditation

Procurri has maintained all our global ISO certifications and will continue to expand on these during 2023.

Procurri has continued to shift from SASB reporting to that of GRI and will be reporting on the majority of Singapore Exchange 'Core ESG Reporting Metrics' as part of this report.

The Task Force on Climate-related Financial Disclosures (TCFD) suggests a review by the business on risks and opportunities that may be created as a consequence of global warming.

Procurri has undertaken a review based on two scenarios.

1. **That the Paris agreement holds true, effectively promoting the reduction in Carbon emissions limiting global temperature rises to 2 degrees this century**

A successful Paris agreement requires continuous reporting every 5 years of all 194 member nations. The Paris agreement came into force 4 November 2016, thus reporting years are 2021, 2026, 2031 with each country submitting a Nationally Determined Contribution (NDC). It is likely that governments will need to focus business minds to help them achieve their commits and historically this tends to fall as tax benefits or punishments to drive behavior.

With the Procurri business focused on IT lifecycle extension, it is logical that we stand to see our addressable market size grow, pushing more businesses towards product lifecycle extension, or searching our ESG reporting metrics to support positive behavior such as re-use of assets rather than recycling and recycling assets in preference to landfill.

With our carbon neutral certified facilities, Procurri can further assist organizations in reducing their scope 3 emissions.

2. **That the world remains Business as Usual, the Paris agreement fails, and global warming is in excess of the 2-degree target.**

This somewhat grim scenario is likely to see a continuation in the adverse weather conditions, with ever greater extremes. Procurri will review each of our facilities during 2023 – 2024 and provide risk assessment based against flood risk, temperature rises, drought, and population shift.

We believe that Procurri's sustainable market positioning, broad offering, and awareness maximizes a favorable outcome for all our stakeholders.

Mission Driven Sustainability

Procurri's mission is simple and has remained the same since the company's inception: to deliver premium products that don't cost the Earth.

Operating built on the principles of the circular economy, we reclaim and refurbish ICT assets and reconfigure and redeploy them within the industry, maintaining and extending the natural life of IT hardware.

Each global business pillar enables and provides comfort to customers looking to extend the product life of their IT infrastructure, enabling further reuse of assets once they are no longer required.

In a world increasingly driven by data, there is growing recognition that innovation, technology and digitalization lie at the heart of economic development and environmental stewardship. We help businesses adopt these and flourish as a result.

In the IT industry, demand is growing for goods and services all the time – a trend that has continued for decades.

As a result of this, the UN has predicted that e-waste will be the fastest growing waste stream in the world by 2030, if not before: with 75 million metric tonnes of it by then.

This, and the industry's rapid growth due to societal reliance on it, clearly demonstrates the need for systemic change.

This is exactly what Procurri works to enact, starting with the reduction of carbon emissions that occur up the resource supply chain, while making a positive contribution to the resource value chain.

Perhaps the highlight of 2022's sustainability operations at Procurri was the achievement of accredited titles 'Carbon Neutral Organisation' and 'CO_2e Reduced Organisation', certified by the Carbon Footprint Standard.

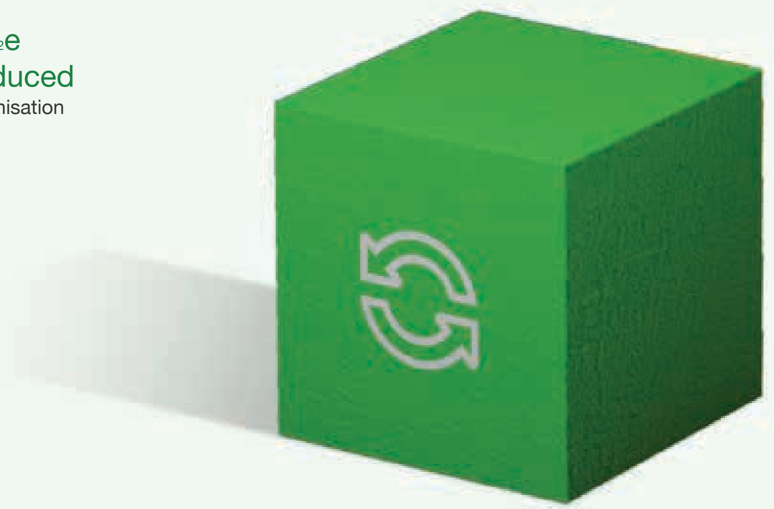
However, these accolades will not allow us to rest on our laurels. Instead the team across all of our global pillars will continue to build upon this reputation and adapt and flex our services to meet the wants, needs and idiosyncrasies of our customers.

This approach will allow us to help more organizations meet sustainable goals and achieve more in their corporate social responsibility efforts.

2023 will see Procurri continue on our ambitious path to promoting sustainability and encouraging more businesses to do more, better.

Carbon Neutral Organisation

CO_2e Reduced Organisation



The UN has predicted that e-waste will be the fastest growing waste stream in the world by 2030.

Procurri has continued through 2022 to contribute towards its UN Sustainable Development Goals (SDGs).

These core goals revolve around prioritizing reuse over recycle, reducing our electricity consumption and transitioning to renewable sources of energy.

Our progress toward each of our sustainability goals has been shaped by the ongoing shifts in the market and demands from Procurri customers, and this has seen us develop some of our targets into more ambitious figures for the years ahead.

We have made a commitment to achieve the following by 2025:

- Reducing energy consumed as a percentage of revenue by 1% year on year
- Increasing renewable sourced electricity
- Saving 2 million kgs of CO_2 emissions through offering alternative solutions and promoting low or carbon-neutral devices
- Diverting 10 million kgs of technological waste from landfill between 2020 - 2025
- Operating on a carbon neutral basis

	Strategic Direction	Goal
7 AFFORDABLE AND CLEAN ENERGY	We share the vision of increasing renewable energy use in our operations as part of responsible ESG management.	By 2025, to reduce energy consumed as a percentage of revenues by 1% YoY, and to increase our renewable sourced electricity.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	We continue to be a pioneer in the refurbished hardware, Lifecycle Services and Third Party Maintenance space, providing innovative solutions for our customer base.	By 2025, saving 2,000,000kgs of CO_2 through offering alternative solutions and switching customer buying habits to low or Carbon Neutral devices.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	By promoting reuse over recycle, we close resource and product loops by enabling people and businesses to restore, refurbish, and redeploy ICT products.	By 2025, divert 10,000,000kgs of technology waste from landfill.
13 CLIMATE ACTION	Procurri's operations are accredited as Carbon Neutral – meaning the Group's net impact on the environment is zero in terms of carbon emissions. As more business is taken on and more partners worked with and for, Procurri's input to the carbon offset programs will increase and the positive effects will develop and grow.	For all Procurri operations to remain operational on a Carbon Neutral basis; continuing to demonstrate our passion for sustainability and doing good for the environment within which we work.

[1] See https://www.itu.int/en/ITU-D/Environment/Documents/Toolbox/GEM_2020_def.pdf

The Layman's guide to Carbon Neutrality

Procurri's journey to Carbon Neutral

Be part of

Something

It's about the many doing a little rather than the few doing a lot.

Carbon Neutral Organisation

CO_2e Reduced Organisation

The Paris Agreement, adopted within the United Nations Framework Convention on Climate Change (UNFCC) in December 2015, commits participating countries to limit global temperature rise, adapt to changes already occurring, and regularly increase efforts over time. The primary focus being to control, manage and reduce our global output of Greenhouse Gases.

What are Greenhouse Gases?

These are gases that trap heat in the atmosphere, all typically occur naturally but are influenced by human activity. The main contributing gases are:

Carbon Dioxide (CO_2) This enters the atmosphere through burning fossil fuels (coal, natural gas and oil), solid waste, trees and other biological materials along with certain chemical reactions (for example, in the production of cement).

Methane (CH^4) is emitted during the production and transport of coal, natural gas and oil, solid waste landfills and livestock and agriculture activities.

Nitrous oxide (N^2O) emitted during agriculture and industrial activities in the combustion of fossil fuels and solid waste, as well as water treatment.

Fluorinated gases: Hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride, and nitrogen trifluoride are synthetic, powerful greenhouse gases that are emitted from a variety of household, commercial, and industrial applications and processes. Emitted in less volume but are viewed as potent greenhouse gases trapping substantially more heat per kg emitted than CO_2.

As with anything if you have an ambition to try and regulate it, then reduce it, you first need to be able to understand it and then have a methodology to calculate it.

The Greenhouse Gas Protocol (GHG Protocol), part of the World Resource Institute (WRI), is developing standards, tools and online training that helps countries and cities track progress towards their climate goals. They are generally acknowledged as the global authority on setting the standard on which organisations, corporate and government sector reference when measuring their Greenhouse Gases.

In their own words, "GHG Protocol supplies the world's most widely used greenhouse gas accounting standards. The Corporate Accounting and Reporting Standard provides the accounting platform for virtually every corporate GHG reporting program in the world. In 2016, 92% of Fortune 500 companies responding to the CDP used GHG Protocol directly or indirectly through a program based on GHG Protocol."

So, what about the ICT sector specifically?

Emissions from the ICT sector projected in 2030 – calculated based on the assumption that ICT emissions are predicted to be approximately 2% of total emissions in 2030, equivalent to 1.25 gigatons CO_2e in 2030 or 1,250,000,000 tons of CO_2.

So, whilst ICT may only represent 2% there is still a significant amount of CO_2 associated with it.

Back to our fundamental Procurri building block – it is about the many doing a little rather than the few doing a lot. It is up to all of us to make some positive changes.

ICT CO_2 emissions are predicted to be **1.25 gigatons** in 2030.

The GHG Protocol breaks down the reporting of Greenhouse Gases into 3 reporting criteria

SCOPE	
1	All fossil fuels consumed within the business in its owned or leased facilities & company vehicles. Also includes refrigerant loss found within air conditioning.
2	Electricity consumed in owned or leased facilities & company vehicles.
3	All other areas, identified as 15 core reporting lines, typically representing up to 80% of an organisations' CO_2 emissions.

It is generally thought that up to **80%** of companies' Greenhouse Gas emissions can be found in Scope 3 reporting.

Scope 3 captures movements within the supply chain of an organisation – areas that the organisation does not necessarily have direct control over.

GHG Protocol breaks these down into 15 sub-sets to assist with reporting. Some may not be relevant to an organisation but the 15 sub-sets should create a good foundation for capturing the lifecycle GHG emissions of all activities associated within an organisation.

GHG Protocol
Scope 3 sub-sets

1. **Purchased goods & services**
   Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not otherwise included in Categories 2 - 8.

2. **Capital goods**
   Traction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year.

3. **Fuel and energy related activities**
   (not included in scope 1 or scope 2)
   Extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in scope 1 or scope 2.

4. **Upstream transportation and distribution**
   Transportation and distribution of products purchased by the reporting company in the reporting year between a company's tier 1 suppliers and its own operations (in vehicles and facilities not owned or controlled by the reporting company along with transportation and distribution services purchased by the reporting company in the reporting year, including inbound logistics, outbound logistics (e.g., of sold products), and transportation and distribution between a company's own facilities (in vehicles and facilities not owned or controlled by the reporting company.

5. **Waste generated in operations**
   Disposal and treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company.

6. **Business travel**
   Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company).

7. **Employee commuting**
   Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company).

8. **Upstream leased assets**
   Operation of assets leased by the reporting company (lessee) in the reporting year and not included in scope 1 and scope 2 – reported by lessee.

9. **Downstream transportation and distribution**
   Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer (if not paid for by the reporting company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting company).

10. **Processing of sold products**
    Processing of intermediate products sold in the reporting year by downstream companies (e.g., manufacturers).

11. **Use of sold products**
    End use of goods and services sold by the reporting company in the reporting year.

12. **End of life treatment of sold products**
    Waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life.

13. **Downstream leased assets**
    Operation of assets owned by the reporting company (lessor) and leased to other entities in the reporting year, not included in scope 1 and scope 2 – reported by lessor.

14. **Franchises**
    Operation of franchises in the reporting year, not included in scope 1 and scope 2 – reported by franchisor.

15. **Investments**
    Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in scope 1 or scope 2.

Carbon Neutral Organisation

CO_2e Reduced Organisation

From Procurri's perspective, that is it in a nutshell. We have been working hard to collate our emissions as an organisation and have them independently verified, something we have achieved during 2021, receiving our CO_2 Assessed recognition in April 2022.

Once you have an independently certified value for your carbon footprint, you can elect how to manage it. Procurri has elected to offset our global carbon footprint, purchasing credits from two recognised carbon offset programs. It is important to ensure you engage globally recognised and regulated carbon offset programs. By purchasing this offset we are in effect carbon neutral as a global business - it's been a bit of a journey to get here, but let us tell you, it feels pretty good.

Gold Standard

Up Energy Improved Cookstoves Programme, Uganda

Certified by Gold Standard,
climate security & Sustainability Development

UpEnergy's stoves replace primarily the traditional three-stone fires. Since it was founded, UpEnergy has served over 125,000 Ugandans. The environmental impact is considerable, with 30,000 tonnes of CO_2 emissions avoided and over 120,000 trees saved thus far.

Support the goals

7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 13 CLIMATE ACTION

VERRA

Energising India using Solar Energy Projects

Certified by Verified Carbon Standard
(A Verra Standard)

The project is a step towards supporting the implementation and installation of five grid connected renewable solar energy power plants in India. The main goal of project activity is to implement renewable energy projects in the country and the significant importance of revenues from sale of carbon credits to achieve this goal forms the basis of the implementation of this project.

The total capacity of the project activity is 480MW and the power produced displaces an equivalent amount of power from the activity and is expected to reduce emissions by around 850,000 tonnes of CO_2e each year.

Support the goals

7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 13 CLIMATE ACTION

What does this mean when working with Procurri ?

Procurri is a certified Carbon Neutral business, not only can you be assured of the usual quality and expertise associated with Procurri, but also that working with us positively impacts your scope 3 reporting.

We have discussed the importance of scope 3 reporting and how much of an organisations Carbon footprint resides in their supply chain.

Working with Procurri enables your organisation to piggy back on our Carbon Neutral status as part of your scope 3 reporting for your own organisations benefit and importantly your customers.

Carbon Neutral
Organisation

CO_2e
Reduced
Organisation

Be part of

Something

It's about the many doing a little, rather than the few doing a lot.

For more information on our journey to Carbon Neutral and how your organisation can do **something**, visit procurri.com/something.

Procurri's Material ESG Issues:

A Comprehensive Overview of our Corporate Sustainability Efforts

FIGURE 1: Material ESG Issues for Procurri Operations

Environment

Material to Procurri	Electricity consumption; Waste avoided; Renewable energy sourcing; GHG emissions; Waste management; Waste generation
Material to Sector but not to Procurri	Hardware environmental footprint; Fuel use onsite; Wastewater management

Social

Material to Procurri	Equal employment; Employee training & development; Employee diversity; Customer data collection/ privacy; Onsite & offsite fatalities; Data security breaches; Onsite & offsite injuries
Material to Sector but not to Procurri	Government data requests

Governance

Material to Procurri	Safety management; Business ethics; Data management
Material to Sector but not to Procurri	N/A

Source: Analysis by independent consultant with input from SASB materiality review

Procurri is committed to create impactful long-term value for our employees, shareholders and partners. We have taken note of their main topics of concerns and frequently engaged them in different frequencies and on different platforms to ensure we address properly their concerns and interests.

TABLE 1: Stakeholder Engagement

Stakeholder Group	Topic	Platform for engagement	Frequency of engagement
Employees	Corporate Direction & Strategy	Induction program for new employees and monthly newsletters	Monthly
	Fair Remuneration	Procurri Intranet providing training manuals and access to forms and literature	
	Opportunity for Career Development	Training and Development opportunities	
	Staff Valued	Refreshment trainings provided	
	Labour and Human Rights	Staff social activities (gatherings, parties, etc.) organized	Annually/Twice Yearly
	Safe Working Environment	Annual Appraisals	Annually
		Fully managed Health & Safety guide available to all staff	
Shareholders	SGX Compliance	Annual General Meetings	Annually
	Returns On Investment	Annual Sustainability Reports	Annually
		Investor relations section on corporate website	Monthly
		Annual and half yearly results announced and reported	Half yearly
		Face to Face meetings	Quarterly
Partners	Delivery of innovative solutions	Regular engagement, both phone and face to face	Monthly
	Compliance with the RBA (Responsible Business Alliance) code of conduct	Promote RBA on our website and as part of our new suppliers account application setup	
	Compliance with legislation including GDPR and Environmental and Social governance	GDPR compliant – ISO 9001, 14001 within most entities	
	Quality & Safety of product	Managed Website and Linked in profiles	Monthly

Responsible Governance

We believe that practicing good governance is central to our business and we proactively review and promote ethical business conduct and transparency. Our Corporate Social Responsibility framework was established in 2021 and it sets out our commitment and responsibility towards our environment and the communities we operate in. We are committed to conducting our business in a manner that is both sensitive and responsible with proper regard for our legal obligations, directives and codes of practice.

Data & Security

Procurri is bound by privacy regulations around the world. To ensure Group-wide compliance, the Data Protection Policy was formalized during the financial year 2018. Procurri does not materially collect personal client data as part of its business operations or for use in its business operations.

Procurri is exposed to client data as part of its IT Asset Disposition ("**ITAD**") offering, when clients entrust their end-of-life IT equipment to Procurri for testing and verification, data erasure and/or disposal. Procurri handles this electronic equipment with the utmost security and ensures data security is maintained at all times.

Telephone numbers, customer identification numbers, address details and other personal information is destroyed as part of the ITAD process and not stored for ongoing use. Each region operates in adherence to local requirements and best practices, though key processes are the same.

Asset testing and verification premises are in a caged and secure location and only accessible by authorized personnel.

All storage equipment that is erased has certificates generated citing the type of erasure standard requested.

For data erasure, the Procurri Group utilizes Blancco software; an internationally recognized and accredited disk erasure software.

The UK is both ISO 27001 and ADISA accredited. Procurri Europe was awarded ISO 27001 and the UK's Warrington ITAD facility was certified to ADISA standard in 2019, the Cirencester facility has been ADISA certified since 2012.

Singapore is 27001 certified ISO 9001 and 14001.

For asset disposal, the three regions use third party vendors detailed below:

- Singapore: National Environment Agency-approved vendor.
- USA: R2-certified recycler audited annually.
- UK: UK Environment Agency licensed and authorized recycler.

Specifically, and for the purposes of transparency, data security details are given below.

Anti-Bribery & Corruption Policy

Procurri is committed to acting lawfully, ethically and with integrity in every aspect of its business. Our Anti-Bribery and Corruption policy was reviewed in 2021 and sets standards of behavior that all employees, including contract and temporary employees, must adhere to in their dealings on behalf of Procurri. Procurri operates a zero-tolerance policy towards bribery and corruption in any situation or form. This is fundamental to fostering investor and stakeholder confidence, and aligns with the principles of sustainability on which we operate.

TABLE 2: Data & Security

Item	2020	2021	2022
Number of confirmed or suspected data security breaches that occurred in the past financial year?	Nil	1	**Nil**
Number of breaches that concerned the potential for personal identification material being compromised?	Nil	Nil	**Nil**
Number of breaches that led to the company incurring fines or other penalties and what was the value of these penalties?	Nil	Nil	**Nil**

Cultivating Ethical and Socially Responsible Practices at Procurri

At Procurri, we are committed to upholding the highest standards of ethical behavior and social responsibility. As part of this commitment, we have established a whistleblowing policy that encourages employees, customers, and other stakeholders to report any concerns or suspected violations of our Code of Conduct or applicable laws and regulations.

Our whistleblowing policy is designed to ensure that all reports are handled in a fair, confidential, and timely manner, and that appropriate action is taken to address any wrongdoing.

Furthermore, we are also committed to combatting modern slavery and human trafficking in all our operations and supply chains.

We believe that by working together with our stakeholders, we can create a more sustainable and ethical business that benefits everyone involved.

Environmental Impacts

Scope 1

Includes direct emissions from sources which a company owns or controls. This includes direct emissions from fuel combustion and industrial processes.

Scope 2

Covers indirect emissions relating solely to the generation of purchased electricity that is consumed by the owned or controlled equipment or operations of the company.

Scope 3

Covers other indirect emissions including third-party provided business travel.

TABLE 3: Group Environmental Impacts

Item	Units	2020	2021[1 2]	2022
Energy Use				
Purchased electricity	kWh	2,333,861	1,965,197	**1,823,464**
Natural gas consumption	kWh	258,269	946,486	**874,381.3**
Business Travel				
Air – international	km	165,032	42,741	**1,343,511**
Air – domestic	km	115,068	604,445	**4,714**
Private vehicle	km	87,354	193,085	**281,518.6**
Company vehicle	km	116,364	280,198	**181,564.9**
Rail	km	2,992	1,985	**18,934**
Greenhouse Gases				
Scope 1	tCO_2e	136	306	**244.668**
Scope 2 (location-based)[3 4]	tCO_2e	641	594	**578.561**
Scope 2 (market-based)	tCO_2e	–	–	**–**
Scope 3 [5]	tCO_2e	79	118	**324.568**
Water Withdrawal				
Operational	m^3	2,488	2,120	**1,850**
Waste Arisings				
Waste sent to landfill or incinerator	kg	90,533	7,634	**82,981**
Waste recycled	kg	448,586	294,855	**221,450**
Hazardous waste	kg	924	3,310	**2939**

1 The decreases in energy use, business travel, Greenhouse Gas emissions, water withdrawal and waste were due to reduced operations and activities due to the COVID-19 pandemic.

2 2020's scope of reporting was expanded to include the Germany site.

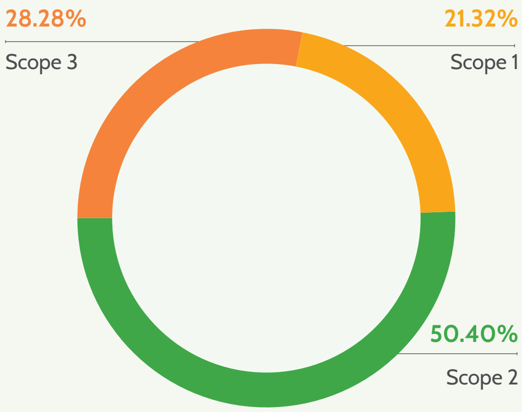
3 Scope 2 Greenhouse Gas emissions data for 2018 and 2019 were revised due to a revision of historical grid emission factors in Singapore.

4 Procurri Europe (EMEA) uses United Kingdom's Greenhouse Gas reporting emission factors; Procurri Germany site uses German government's emission factors for Beiersdorf. 2020 figures for both sites are categorized as location-based emissions.

5 Procurri Europe's (EMEA), Germany, LLC, and Singapore calculated Scope 3 emissions from all transportation activities using the Greenhouse Gas Protocol Calculation Tool for GHG Emissions from Transport or Mobile Sources

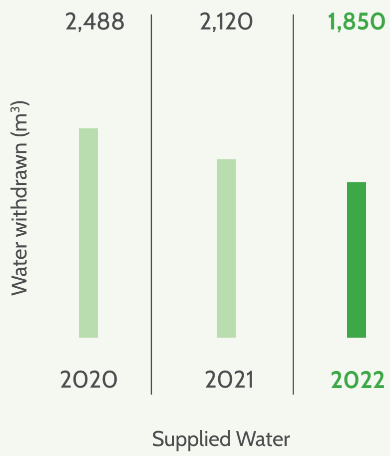
FIGURE 2: Waste Hierarchy at Procurri

FIGURE 3: GHG Emissions by Scope



The majority (75%) of the captured GHG emissions were associated with purchased electricity across the sites. Currently, our Scope 3 emissions includes only business travel.

FIGURE 4: Water Withdrawal by Source



Procurri use only supplied water across all its sites globally, and the majority of use is associated with domestic requirements, such as toilets and hand basins. Partly due to reduced operations and activities, we've continued to prudently manage our water usage across our operations and water withdrawal volume saw further reductions from 2,120 cubic meters in 2021 to 1,850 cubic meters in 2022.

Social Impacts

Procurri aims to create an environment that encourages and values diversity within our workforce and builds on the differences individuals bring. We aim to draw upon the widest possible range of views and experiences in order to meet the changing needs of employees, clients and partners.

In 2022, Procurri made significant investments in a third-party field engineering team to enhance our global field services. Our goal is to build a world-class team of field engineers who can provide hands-on support whenever necessary.

As of now, we have successfully onboarded over 2,500 skilled engineers, carefully capturing their CVs and expertise. This has empowered Procurri to quickly deploy top-quality field engineers on an ad hoc basis, whenever and wherever needed.

It is worth noting that these engineers are not full-time employees of Procurri, but rather are available to be hired on an as needed hourly basis.

Employee Diversity & Inclusion

Procurri believes in diversity and inclusion. As such, business activities, such as hiring, training, compensation, career progressions opportunities, terminations and recreational events, are conducted without discrimination, based on merits and unhampered by artificial barriers, prejudices or preferences.

Employee Development & Training

Employee development is important and Procurri recognizes that regular performance reviews and training help keep staff motivated and the company successful.

Procurri offers a Training and Development program to employees, including on-the-job training, as well as training conducted by accredited institutions or organizations, where appropriate.

To this end, annual appraisals are conducted, coupled with monthly sales meetings. The Europe office was re-certified as an Investors in People employer in 2019, which is a standard in leadership development and performance evaluation.

Procurri believes diversity and inclusion:

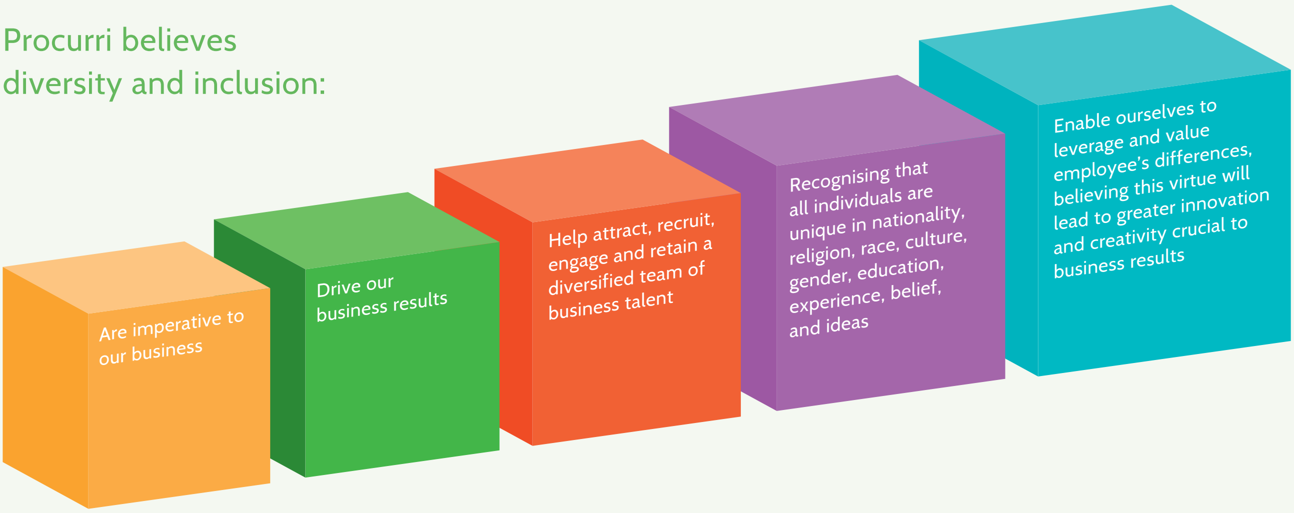


TABLE 4: Group Diversity and Employee Representation

	2019		2020		2021		2022	
Item	No. of Employees	%	No. of Employees	%	No. of Employees	%	No. of Employees	%
Gender of Employees[6]								
Male	310	74%	310	76%	318	73.61%	271	63.62%
Female	104	26%	99	24%	114	26.39%	155	36.38%
Age Diversity								
Under 30	125	28%	98	24%	94	21.76%	84	19.72%
30 – 50	218	54%	231	56%	247	57.18%	241	56.57%
Over 50	71	18%	83	20%	91	21.06%	101	23.71%

[6] 1 employee did not specify their gender.

TABLE 5: Employee Development

	2019		2020		2021		2022	
Item	No. of Employees	%	No. of Employees	%	No. of Employees	%	No. of Employees	%
Employee Development								
Percentage of employees Receiving regular performance and career development reviews	325	66%	375	78%	432	100%	426	100%
Employee groups not receiving reviews	171	34%	105	22%	0	0%	0	0%

TABLE 6: Employee Training[7]

	2019	2020	2021	2022
Hours of training given	2,266	1,158.5	2,263	6,399
Hours of training received per employee	5.47	2.81	5.24	15

[7] The decrease in hours of training give up to 2021 was due to reduced operations and activities due to the COVID-19 pandemic. All sites have collected data on number of training per employee in 2021 whereas only the UK (EMEA) data was reported 2017 and 2018. However, employee training hours were reduced due to the COVID-19 pandemic restrictions and reduced operations..

Health & Safety

Procurri prioritizes the health and safety of its employees. All five headquarters are governed by workplace health and safety policies, including publishing Health and Safety Policy Statements signed by a director of the relevant entity, plus inclusion of health and safety monitoring within internal audits.

The Singapore headquarters is certified with bizSAFE Level 3; both EMEA and Germany headquarters operate under the guidance of ISO 45001, but they have not sought certification. Both sites conduct regular internal audits, and the results are discussed during operation meetings which has health and safety as a permanent agenda subject. Both sites also record and discuss near misses and incidents during the meeting.

The Group also carries out health and safety training at induction and annually thereafter.

TABLE 7: Group Health and Safety

	2019		2020		2021		2022	
Item	**No. of Employees**	**Per 100 Staff**	**No. of Employees**	**Per 100 Staff**	**No. of Employees**	**Per 100 Staff**	**No. of Employees**	**Per 100 Staff**
Recorded injuries	5	1.2	0	0	2	0.46	0	0
Exposure to hazardous substances	0	0	0	0	0	0	0	0
Recorded injuries off company premises	0	0	0	0	0	0	0	0
Exposure to hazardous substances off company premises	0	0	0	0	0	0	0	0

Social Engagement

With safe working practices having been well re-established in a post-Covid environment across Procurri's sites, the team have been able to enjoy socializing together again.

Captions for images, clockwise from top:

This has meant an increase in team building and team bonding activities for those who choose to participate as well as some great 'in-person' opportunities for Corporate Social Responsibility initiatives within the geographical areas which Procurri operates.

In many cases, teams have expanded and taken on new talent because of business units developing; and the chance for face-to-face engagements has allowed for all to get to know each other better.

Aside from Procurri's standard CSR and sustainability commitments, the team have chosen to organize their own efforts to contribute positively to their local communities.

In the UK, the EMEA team worked to initiate a site-wide collection for the Cirencester Foodbank and give a large donation in time for their Christmas rush.

The Trussell Trust manage over 1,200 foodbanks across the country, providing emergency food and compassionate, practical support to people in crisis, while campaigning for long-term change to the structural issues that lock people into poverty.

Of course, Procurri being such a well-spread business geographically means that there's a variety of holidays and occasions to be celebrated.

The team in Norcross, US, celebrated Cinco de Mayo with regional food and a basketball competition as well as a traditional American-style cookout. In Britain, a summer fayre was held with magic tricks, food and dancing, and in Singapore, Halloween was enjoyed with games and a fancy dress competition to welcome the team's new starters.

As the team continues to grow worldwide, Procurri remains committed to being a fantastic place to work and such events will be hosted across sites to encourage empowerment, entertainment, and bonding amongst colleagues.

GRI Content Index

GRI Standard	Disclosure number & title		Disclosure remarks	Page ref.	Omission	
	GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	**The Organization and its Reporting Practices**				Requirement omitted	Reason
	2.1	Organizational details		Page 1 to 3		
	2.2	Entities included in the organization's sustainability reporting		Page 49		
	2.3	Reporting period, frequency and contact point		Page 36		
	2.4	Restatements of information	There are no restatements of information.	n/a		
	2.5	External assurance	This sustainability report is not externally assured. However, it has been internally reviewed to ensure the accuracy and reliability of narratives and data.	n/a		
	Activities and Workers					
	2.6	Activities, value chain and other business relationships		Page 42		
	2.7	Employees	Provide info. on # of permanent, temporary, non-guaranteed hours, full-time and part-time employees by gender and region	Page 42		
	Governance					
	2.8	Governance structure and composition	Provide info. on sustainability governance structure and composition, incl. any committees, of the highest governance body.	See board statement Pg 23		
	2.9	Nomination and selection of the highest governance body	Describe nomination/selection process of highest governance body including criteria, etc	See board statement Pg 23		
	2.10	Chair of the highest governance body	Disclose if chairperson of highest governance body is also a senior executive of the company. If so, explain their function.			
	2.11	Role of the highest governance body in overseeing the management of impacts	Self-explanatory	See board statement Pg 23		
	2.12	Delegation of responsibility for managing impacts	Provide info. on who does what, when and how in relation to governing & managing sustainability	See board statement Pg 23		
	2.13	Role of the highest governance body in sustainability reporting	Additionally, provide info. on how material topics are reviewed and approved.	See board statement Pg 23		
	2.14	Conflicts of interest	Provide info. on how highest governing body manages conflicts of interest and if it is disclosed to stakeholders	See board statement Pg 23		
	2.15	Communications of critical concerns	Provide info on how concerns about organisation's impacts are communicated to highest governance body including # and nature of incidences	See board statement Pg 23		
	2.16	Collective knowledge of the highest governance body	Provide info on measures to enhance sustainability knowledge of highest governance body	See board statement Pg 23		
	2.17	Evaluation of the performance of the highest governance body	Provide info. on how sustainability performance of highest governance body is evaluated and if evaluation is independently done	See board statement Pg 23		

GRI Standard	Disclosure number & title		Disclosure remarks	Page ref.	Omission	
GRI 2: General Disclosures 2021	**Governance cont.**				Requirement omitted	Reason
	2.18	Remuneration policies	Additionally, provide info on how remuneration of highest governance body is pegged to sustainability performance		Currently Board remuneration is not pegged to sustainability achievements	Whilst Sustainable practices are a key focus within Procurri, we are focused on other board Priorities that are aligned to remuneration
	2.19	Process to determine remuneration	Additionally, provide information if external consultants and/or stakeholders were engaged to facilitate this process		Procurri do not currently report on this data	
	2.20	Annual total compensation ratio	Provide info. on ratio of highest paid individual to median annual compensation		Procurri do not currently report on this data	
	2.21	Statement on sustainable development strategy	Self-explanatory - in the form of Letter from CEO	Pg 23		
	2.22	Policy commitments	Commitments to international standards including human rights, precautionary principle	n/a		
	2.23	Embedding policy commitments	Provide info. on how policy commitments are implemented and any training involved	Pg 37 & 38		
	2.24	Processes to remediate negative impacts	Provide info. on grievance mechanisms	Pg 37 & 38		
	2.25	Mechanisms for seeking advice and raising concerns	Provide info. on whistleblowing mechanisms	Pg 37 & 38		
	2.26	Compliance with laws and regulations	Self-explanatory; info. on # of incidences of non-compliance	Pg 37 & 38		
	2.27	Membership associations	Self-explanatory	Pg 24 & 25		
	Stakeholder Engagement					
	2.28	Approach to stakeholder engagement	To include stakeholder map and plans for stakeholder engagement moving forward. Current engagement methods: customer satisfaction surveys and employee engagement surveys	Page 36		
	2.29	Collective bargaining agreements	Provide info. on % of employees under collective bargaining agreements (eg. Unions)			No Procurri employees are members of collective barganing agreements
GRI 3: Material Topics 2021	**Material Topics**					
	3.1	Process to determine material topics		Pg 35		
	3.2	List of material topics		Pg 35		
	TOPIC SPECIFIC DISCLOSURES: ECONOMICS					
GRI 203: Indirect Economic Impacts 2016	**Indirect Economic Impacts**					
	3.3	Management of material topics		Pg 34		
	203.2	Significant indirect economic impacts		Pg 34		
	TOPIC SPECIFIC DISCLOSURES: GOVERNANCE					
GRI 205: Anti-corruption 2016	**Anti-Corruption**					
	3.3	Management of material topics		Pg 37		
	205.1	Operations assessed for risks related to corruption		Pg 37		
	205.2	Communication and training about anti-corruption policies and procedures		Pg 37		
	205.3	Confirmed incidents of corruption and actions taken		Pg 37		

GRI Standard	Disclosure number & title		Disclosure remarks	Page ref.	Omission	
	TOPIC SPECIFIC DISCLOSURES: ENVIRONMENTAL					
GRI 302: Energy 2016	**Energy**				Requirement omitted	Reason
	3.3	Management of material topics		Pg 39		
	302.1	Energy consumption within the organization		Pg 39		
	302.3	Energy Intensity		Pg 39		
GRI 303: Water & Effluents 2018	**Water**					
	3.3	Management of material topics		Pg 39		
	303.5	Water Consumption		Pg 39 & 40		
GRI 305: Emissions 2016	**Emissions**					
	3.3	Management of material topics		Pg 39 & 40		
	305.1	Direct (Scope 1) GHG emissions		Pg 39 & 40		
	305.2	Energy indirect (Scope 2) GHG emissions		Pg 39 & 40		
	305.3	Other indirect (Scope 3) GHG emissions		Pg 39 & 40		
	305.4	GHG emissions intensity		Pg 39 & 40		
GRI 306: Waste 2020	**Waste**					
	3.3	Management of material topics		Pg 39 & 40		
	306.3	Waste generated		Pg 39		
	TOPIC SPECIFIC DISCLOSURES: SOCIAL					
GRI 403: Occupational Health & Safety 2018	**Occupational Health & Safety**					
	3.3	Management of material topics		Pg 43		
	403.9	Work-related injuries		Pg 43		
	403.10	Work-related ill health		Pg 43		
GRI 404: Training & Education 2016	**Training & Education**					
	3.3	Management of material topics		Pg 42		
	404.1	Average hours of training per year per employee		Pg 42		
GRI 405: Diversity & Equal Opportunity 2016	**Diversity & Equal Opportunity**					
	3.3	Management of material topics		Pg 42		
	405.1	Diversity of governance bodies and employees		Pg 42		

Facilities included

Facility location	Country	Certified tCO_2e	Quantity of parts processed	Processing CO_2 in kg per part	Percentage Weighting per facility	Weighted average CO_2 emissions globally
Baiersdorf	Germany	15.296	36000	0.425	3.14	0.0133
Boston	USA	240.351	216000	1.113	18.89	0.21
Cirencester	UK	233.091	330000	0.706	28.86	0.204
Kuala Lumpur	Malaysia	56.319	3500	16.091	0.31	0.005
Norcross Atlanta	USA	169.607	225000	0.754	19.68	0.1484
Singapore	Singapore	105.861	6000	17.644	0.53	0.094
Toronto	Canada	14.207	107000	0.133	9.36	0.0124
Warrington	UK	180.89	220000	0.822	19.24	0.1582
Totals		**1015.622**	**1143500**			
Global average CO_2 Processing overhead per part						**0.8453**

About This Report

Procurri recognizes the importance of identifying issues that are significant to the financial operation of the business, as well as stakeholders, such as investors, society and customers. This report focuses on the regional head offices of Procurri. These offices are: Procurri Global Headquarter in Singapore – Asia Pacific region (APAC); Procurri LLC (Procurri's United States subsidiary in Atlanta); and Procurri Europe (the United Kingdom) – EMEA. Data from Boston, Massachusetts-based Rockland Congruity LLC, renamed to PTSS during 2020 acquired by Procurri LLC in 2019, is fully included in our FY2022 sustainability reporting scope. We have also included Germany (Procurri GmbH) and Canada (Procurri Canada) in our FY2022 report as these new facilities have begun operating during 2020. These sites represent our key locations and cover 90% of the total employees of Procurri's global operations. The remaining 10% of employees are widely spread across numerous geographical bases.

Appendix

Calculating Greenhouse Gas Emissions

Different GHGs have different Global Warming Potentials ("GWP")8 or abilities to contribute to rising temperatures. Data is standardized by converting the different greenhouse gases into their carbon dioxide equivalent according to the GWP index published by the Intergovernmental Panel on Climate Change ("IPCC")9. The index identifies the radiative effects of different GHGs in the atmosphere relative to an equal mass of CO_2 over a 100-year timeframe. GWP enables all the GHGs to be expressed in terms of CO_2 equivalents, or CO_2e. Quantities of GHG emissions are derived from data on operational and vehicle fuel consumption, electricity use and business travel. Emission factors are from Singapore's Energy Market Authority, United States Environment Protection Agency and United Kingdom Department for Business, Energy & Industrial Strategy and Procurri's electricity suppliers in the UK.

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Governance Report

The board of directors (the "Board") of Procurri Corporation Limited (the "Company", and together with its subsidiaries, the "Group") recognises the importance of corporate governance and is committed to ensuring that a high standard of corporate governance is practised within the Group.

The Group adopts practices based on the Code of Corporate Governance 2018 (the "Code") issued on 6 August 2018. This report shall reference the principles and provisions laid down in the Code and accompanying Practice Guidance issued on 6 August 2018 and updated as of 7 February 2020, which forms part of the continuing obligations of the Mainboard Listing Rules of Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Company has complied with the Code, except where otherwise explained. In areas where the Group has not complied with the Code, the Group will continue to assess its needs and implement appropriate measures accordingly.

(A) BOARD MATTERS

THE BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

1.1 The Board's principal duties include:

(a) deciding on matters in relation to the Group's activities which are of a significant nature, including the approval of major investments and divestments;

(b) overseeing the business and affairs of the Company, establish, with Management, the strategies and financial objectives to be implemented by Management, and monitor the performance of Management;

(c) identifying the key stakeholder groups and recognise that their perceptions affect the Company's reputation;

(d) overseeing processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance, and satisfy itself as to the adequacy of such processes;

(e) assuming responsibility for corporate governance;

(f) setting the Company's values and standards (including ethical standards);

(g) considering sustainability policies and issues as part of its strategic formulation; and

(h) approving the appointment of the CEO, directors, and succession planning process.

1.2 All directors recognise that they have to discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. Each director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as is practicable after the relevant facts have come to his knowledge. On an annual basis, each director is also required to submit details of his associates for the purpose of monitoring interested persons transactions. Where a director has a conflict or potential conflict of interest in relation to any matter, he should immediately declare his interest and abstain when the conflict-related matter is discussed, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion. In such event, he is to abstain from voting in relation to the conflict-related matters. <Provision 1.1>

1.3 The Board decides on matters requiring its approval and communicates its decision to Management in writing. To assist the Board in the execution of its responsibilities, the Board has constituted various Board committees, namely the Audit Committee, the Nominating Committee, the Remuneration Committee and the Strategy Committee (collectively, the "Board Committees"). The Strategy Committee has been dissolved with effect from 13 August 2022. The role and function of each Board Committee is described in subsequent sections in this report. Clear written Terms of Reference ("TOR") set out the duties, authority, and accountabilities of each committee as well as qualifications for committee membership. The TORs are reviewed on a regular basis, along with committee structures and membership to ensure their continued relevance. While these Board Committees are delegated with certain responsibilities, the ultimate responsibility and decision lies with the Board. Please refer to the various Principles in this Corporate Governance Report for further information on the activities of the respective Board Committees. <Provision 1.4>

1.4 The Board conducts regularly scheduled meetings on a quarterly basis. Ad-hoc meetings are convened as and when circumstances require. The Constitution of the Company (the "Constitution") permits directors to attend meetings by telephony or video conference. <Provision 1.5>

In addition, the Directors are in frequent contact with one another outside the Board and hold constant informal discussions amongst themselves.

Governance Report

The number of Board and Board Committee meetings, and the record of attendance of each director for FY2022 are set out below:

	Board		Remuneration Committee ("RC")		Nominating Committee ("NC")		Audit Committee ("AC")	
	No. of meetings		No. of meetings		No. of meetings		No. of meetings	
Name	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Wong Kok Khun(1)	5	2	2	1	3	1	4	2
Mr Ng Loh Ken Peter	5	5	2	2*	3	3	4	4
Mr Wong Quee Quee, Jeffrey	5	5	2	2	3	3	4	4
Dr. Lim Puay Koon	5	5	2	2	3	3	4	4
Mr Lim Swee Yong(2)	5	5	2	2*	3	2	4	4
Mr Lwi Tong Boon(3)	5	2	2	1*	3	1*	4	2*
Mr Thomas Sean Murphy(4)	5	4	2	1*	3	2*	4	3*
Mr Loke Wai San(5)	5	1	2	1	3	1	4	1
Mr Toh Hsiang -Wen Keith(6)	5	2	2	1*	3	1*	4	1*

Notes:
The number of meetings held as shown above refer to the number of meetings held during the financial year applicable to the respective directors.
* Attended as invitees.
(1) Mr Wong Kok Khun was appointed as director and a member of the Audit, Nominating, Remuneration and Strategy Committees on 15 June 2022. He ceased to be a member of the Audit and Remuneration Committees on 11 November 2022.
(2) Mr Lim Swee Yong was appointed as a member of the Nominating Committee on 1 May 2022.
(3) Mr Lwi Tong Boon was appointed as director on 15 June 2022, and appointed as a member of the Audit and Remuneration Committees on 11 November 2022.
(4) Mr Thomas Sean Murphy retired as Executive Director and Global Chief Executive Officer on 30 September 2022.
(5) Mr Loke Wai San resigned as director on 15 June 2022 and ceased to be a member of the Audit, Nominating, Remuneration and Strategy Committees concurrently.
(6) Mr Toh Hsiang-Wen Keith ceased to be Alternate Director to Mr Loke Wai San on 15 June 2022.

1.5 The Board is provided with adequate information prior to Board meetings and on an on-going basis. The Company circulates copies of the minutes of the meetings of all Board Committees and the Board to all members of the Board to keep them informed of on-going developments within the Group. The Board also has separate and independent access to Management. <Provision 1.6>

1.6 Information provided to the Board include financial management reports, reports on performance of the Group against the budget, papers pertaining to matters requiring the Board's decision, and updates on key outstanding issues, strategic plans and developments in the Group. <Provision 1.6>

1.7 The directors have separate and independent access to the Company Secretary. The Company Secretary and/or their representatives attend all scheduled Board and Board Committee meetings. The Company Secretary administers and prepares minutes of Board and Board Committee meetings and assists the Chairman in ensuring that Board procedures are adhered to in compliance with applicable statutory and regulatory rules and regulations. <Provision 1.7>

1.8 The appointment and removal of the Company Secretary is subject to approval of the Board. <Provision 1.7>

1.9 Where decisions to be taken require expert opinion or specialised knowledge, the directors, whether as a group or individually, may seek independent professional advice as and when necessary in furtherance of their duties at the Company's expense. <Provision 1.7>

1.10 The Board has adopted a set of guidelines on matters that require its approval. Matters which are specifically reserved for the Board's approval include those involving business plans and budgets, material acquisitions and disposals of assets, corporate or financial restructuring, share issuances, dividends and other returns to shareholders, and Management acts only upon written direction and instruction from the Board for such matters. <Provision 1.3>

Governance Report

1.11 An induction program is conducted for all new directors appointed to the Board which aims to familiarise the directors with the Group's businesses, board processes, internal controls and governance practices. The Company also provides the opportunity for the directors to attend seminars and trainings to enable them to keep pace with regulatory changes, particularly where changes to regulations and accounting standards have a material bearing on the Company and to enable them to discharge their duties. The Company is responsible for arranging and funding the training of directors as prescribed by Listing Rule 210(5)(a) (including a director who has no prior experience as a director of an issuer listed on the SGX-ST). <Provision 1.2>

1.12 Each Board Committee is constituted with clear terms of reference to assist the Board and Board Committees in discharging their respective functions and responsibilities. The terms of reference are provided to each newly appointed director.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

2.1 The Executive Chairman of the Board is Mr Wong Kok Khun. The Board is required by the Code to have more than half of the Board made up of independent directors, where the Chairman is not independent. The Board currently comprises six directors, three of whom are independent non-executive directors and two of whom are non-independent non-executive directors, and the Executive Chairman. The independent directors currently make up half of the Board. The Board deems the current independent directors competent as they are respected individuals from different backgrounds whose core competencies, qualifications, skills and experiences are extensive and complementary to the Company. As there is a strong, independent and non-executive element on the Board and given the size of the Board, the Board is of the view that it is not currently necessary or cost-effective to have independent directors to make up a majority of the Board. <Provision 2.2>

2.2 The Board is able to exercise objective judgment independently from Management and no individual or small group of individuals dominate the decisions of the Board. Each independent director is required to complete a confirmation form annually to confirm his independence. <Provision 2.1>

2.3 The Board currently comprises: <Provision 2.3>

Mr Wong Kok Khun (Executive Chairman)

Mr Ng Loh Ken Peter (Lead Independent Director)

Mr Wong Quee Quee, Jeffrey (Independent Director)

Dr. Lim Puay Koon (Independent Director)

Mr Lwi Tong Boon (Non-Independent Non-Executive Director)

Mr Lim Swee Yong (Non-Independent Non-Executive Director)

After taking into account the views of the Nominating Committee (the "NC") and Mainboard Listing Rule 210(5)(d), the Board is satisfied that each independent director is independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could affect, the director's judgement. <Provision 2.1>

2.4 The Board confirms that no independent director has served on the Board beyond nine years from the date of his first appointment. <Provision 2.1>

2.5 The Board is of the view that, given the scope and nature of the Group's operations, the current size of the Board is appropriate for effective decision making, taking into account the nature and scope of the Company's operations.

2.6 The Board is of the opinion that the current Board comprises persons who, as a group, have core competencies, such as finance, accounting, legal, business and industry knowledge, necessary to lead and govern the Company. The profiles of each of the directors are set out in the Board of Directors section in this Annual Report.

2.7 The Company recognises and embraces Board diversity as an essential element in the achievement of business objectives and sustainable development. However, diversity is not merely limited to gender or any other personal attributes. The benefits of Board diversity are harnessed when the directors adopt an independent mindset when carrying out their responsibilities. In order to leverage on diverse perspectives, the Board strives to cultivate an inclusive environment where all directors are able to speak and participate in decision making. Each director has been appointed on the strength of his calibre, experience and stature and is expected to bring a valuable range of experiences and expertise to contribute to the development of the Group's strategies and the performance of its business.

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In reviewing the composition of the Board, the NC considers the benefits of Board diversity from a number of aspects, including but not limited to gender, age, educational background, professional experience, skills and knowledge. All Board appointments are based on merit, and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board. The ultimate decision for new Board appointments will be based on merit and contribution that the selected candidates are expected to bring to the Board. <Provision 2.4>

2.8 The independent directors, led by the Lead Independent Director, have meetings amongst themselves without the presence of the Management and the Executive Chairman to discuss and evaluate the performance of the Management. As appropriate, the feedback and views expressed by the independent directors is communicated by the Lead Independent Director to the Executive Chairman after the meetings. <Provision 2.5>

CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

3.1 The Executive Chairman's role in the Company is assumed by Mr Wong Kok Khun. The Board is of the view that the accountability and independence of the Board as a whole has not been compromised despite the Chairman having an executive role in the Company, taking into consideration that a majority of the Board is comprised of non-executive directors, with half of the Board being independent directors who have demonstrated their commitment in their roles. The Board believes there is sufficient element of independence and adequate safeguards against a concentration of power in one single person. <Provision 3.1>

3.2 The Executive Chairman is responsible to, among others: <Provision 3.2>

(a) lead the Board to ensure its effectiveness on all aspects of its role;

(b) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;

(c) promote a culture of openness and debate within the Board;

(d) ensure that the directors receive complete, adequate and timely information;

(e) ensure effective communication with shareholders;

(f) encourage constructive relations within the Board and between the Board and Management;

(g) facilitate the effective contribution of non-executive directors in particular; and

(h) promote high standards of corporate governance.

3.3 The Board has appointed Mr Ng Loh Ken Peter as the Lead Independent Director. The Lead Independent Director is directly available to shareholders (email at nglohken@gmail.com) where they have concerns for which contact through the normal channels of the Executive Chairman, or the Chief Financial Officer (the "CFO") has failed to resolve such concerns or for which such contact is not appropriate. <Provision 3.3>

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

4.1 The NC comprises:

Mr Wong Quee Quee, Jeffrey (Chairman and Independent Director)

Mr Ng Loh Ken Peter (Member and Lead Independent Director)

Dr. Lim Puay Koon (Member and Independent Director)

Mr Wong Kok Khun (Member and Executive Chairman)

Mr Lim Swee Yong (Member and Non-Independent Non-Executive Director)

The majority of the NC, including the NC Chairman, are independent. The Lead Independent Director is one of the members of the NC. <Provision 4.2>

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4.2 The NC is responsible for the following under its terms of reference: <Provision 4.1>

(a) reviewing and recommending the nomination or re-nomination of the directors, having regard to the director's contribution and performance;

(b) reviewing the composition of the Board, having regard to the future requirements of the Group, as well as the need for directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Group;

(c) developing a process for evaluation of the performance of the Board, its committees and the directors;

(d) determining on an annual basis whether or not a director is independent;

(e) in respect of a director who has multiple board representations on various companies, to review and decide whether or not such director is able to and has been adequately carrying out his duties as director, having regard to the competing time commitments that are faced by the director when serving on multiple boards and discharging his duties towards other principal commitments;

(f) deciding whether or not a director is able to and has been adequately carrying out his duties as a director;

(g) reviewing and approving any new employment of related persons and the proposed terms of their employment; and

(h) reviewing board succession plans, as well as training and professional development programs for the Board.

The evaluation of appointment and re-appointment of a director takes into consideration, among others, the composition and progressive renewal of the Board and each director's competencies, commitment, contribution and performance. <Provision 4.3>

All directors shall submit themselves for re-nomination and re-appointment at regular intervals of at least once every three years in accordance with Rule 720(5) of the SGX Listing Rules. Pursuant to Regulation 117 of the Constitution, at each AGM, one-third of the directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third with a minimum of one, shall retire from office and a director at an AGM shall retain office until the close of the meeting, whether adjourned or not. In addition, Regulation 122 of the Constitution also provides that a person so appointed by the directors shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the number of directors who are to retire by rotation at such meeting.

At the forthcoming AGM, Mr Ng Loh Ken Peter and Mr Wong Quee Quee, Jeffrey will retire pursuant to Regulation 117, while Mr Wong Kok Khun and Mr Lwi Tong Boon will retire pursuant to Regulation 122.

Mr Ng Loh Ken Peter and Mr Wong Quee Quee, Jeffrey, being eligible, have offered themselves for re-election. Mr Wong Kok Khun and Mr Lwi Tong Boon, both being eligible, have offered themselves for election. The information of Mr Ng Loh Ken Peter, Mr Wong Quee Quee, Jeffrey, Mr Wong Kok Khun, and Mr Lwi Tong Boon are set out in the Board of Directors section of this Annual Report and in Appendix 7.4.1 as per Listing Rule 720(6) found at paragraphs 4.7 and 4.8 of this section.

4.3 The NC's assessment of the independence of a director is guided by the Code and takes into account factors such as relationship with the Company, its related corporations, its substantial shareholders or its officers, and whether these relationships interfere with his business judgement. <Provision 4.4>

4.4 The NC ensures that the new directors are aware of their duties and obligations. For re-nomination and re-appointment of directors, the NC takes into consideration the competing time commitments faced by directors and their ability to devote appropriate time and attention to the Company. Based on the directors' annual confirmation and their contributions to the Company, which are also evident in their level of attendance and participation at Board and Board Committee meetings, the NC and the Board are satisfied that all the directors were able to and have been adequately carrying out their duties as directors of the Company in FY2022. <Provision 4.5>

4.5 In its search and selection process for new directors, among others, the NC taps on the resources of the directors' contacts and recommendations of potential candidates and appraises the candidates to ensure that they possess relevant experience and have the calibre to contribute to the Group and its businesses, having regard to the attributes of the existing Board and the requirements of the Group.

Governance Report

4.6 The following sets forth the respective dates of appointment and the dates of last election/re-election, and (if applicable) cessation, as well as membership in the Board Committees, of each director:

Name of Directors and Board Membership	Date of First Appointment	Date of Last Election / Re-Election	Date of Cessation	Audit Committee	Remuneration Committee	Nominating Committee	Strategy Committee
Wong Kok Khun Executive Chairman	15 June 2022	–	–	–	–	Member	Member
Ng Loh Ken Peter Lead Independent Director	27 June 2016	26 April 2022	–	Chairman	–	Member	–
Wong Quee Quee, Jeffrey Independent Director	27 June 2016	29 April 2021	–	Member	Member	Chairman	–
Lim Puay Koon Independent Director	1 April 2020	26 April 2022	–	Member	Chairman	Member	–
Lwi Tong Boon Non-Independent Non-Executive Director	15 June 2022	–	–	Member	Member	–	–
Lim Swee Yong Non-Independent Non-Executive Director	9 November 2021	26 April 2022	–	Member	–	Member	–
Thomas Sean Murphy Chairman and Global CEO	2 January 2014	17 June 2020	30 September 2022	–	–	–	Chairman
Loke Wai San Non-Independent Non-Executive Director	29 April 2019	29 April 2021	15 June 2022	Member	Member	Member	Member
Toh Hsiang-Wen Keith Alternate to Loke Wai San	1 June 2021	N/A	15 June 2022	–	–	–	–

Governance Report

Additional Information on Director Seeking Re-Election and Appointment

4.7 Pursuant to Rule 720(6) of the Listing Rules, the information relating to the director who is seeking re-election and appointment at the forthcoming AGM of the Company, as set out in Appendix 7.4.1 to the Listing Rules, is set out below:

	Re-Election	Re-Election
	Mr Ng Loh Ken Peter	**Mr Wong Quee Quee, Jeffrey**
Date of Appointment	27 June 2016	27 June 2016
Date of last re-appointment (if applicable)	26 April 2022	29 April 2021
Age	69	47
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the NC, and assessed Mr Ng's qualifications and experience, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as Lead Independent Director of the Company.	The Board, having considered the recommendation of the NC, and assessed Mr Wong's qualifications and experience, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as an independent director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Lead Independent Director	Independent Non-Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director, AC Chairman, and NC Member	NC Chairman, AC Member, and RC Member
Working experience and occupation(s) during the past 10 years	i. 2000 – Present: Managing Director of Peterson Asset Management Pte Ltd	i. Jan 2023 - Present: Partner, Solitaire LLP ii. Feb 2023 - Present: Senior Advisor to Soochow CSSD Capital Markets (Asia) Pte. Ltd. ("SCCM") iii. Dec 2017 - Jan 2023: Chief Executive Officer of SCCM iv. Jul 2010 - Nov 2017: Head of Investment Banking, Religare Capital Markets Corporate Finance Pte. Ltd.
Shareholding interest in Procurri Corporation Limited and its subsidiaries	Yes 41,600 Ordinary Shares	Yes 41,100 Ordinary Shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, Procurri Corporation Limited and/or substantial shareholder of Procurri Corporation Limited or of any of its principal subsidiaries	No	No

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	Re-Election Mr Ng Loh Ken Peter	Re-Election Mr Wong Quee Quee, Jeffrey
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to Procurri Corporation Limited	Yes	Yes
Other Principal Commitments including Directorships		
Past (for the last 5 years)	OWW Investments III Ltd.	Libra Group Limited Religare Capital Markets Corporate Finance Pte. Ltd. Bartleet Wealth Management (Private) Limited Honestbee Pte. Ltd. Solum Capital Limited The Cub SG Pte. Ltd. Sunstone Capital Markets Pte. Ltd. Rich Capital Holdings Limited Soochow CSSD Capital Markets (Asia) Pte. Ltd.
Present	iFast Financial Pte Ltd	GKE Corporation Limited GSS Energy Limited Truth Assets Management (S) Pte. Ltd. Truth Wealth Management VCC Hwa Chong Alumni Association Singapore Judo Federation MCST 3682 DHC Capital Pte. Ltd.
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

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Governance Report

	Re-Election	Re-Election
	Mr Ng Loh Ken Peter	**Mr Wong Quee Quee, Jeffrey**
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	Yes Mr Wong Quee Quee, Jeffrey was previously a non-executive board director of Honestbee Pte. Ltd. ("Honestbee") and resigned from such position with effect from 15 August 2019. Subsequent to his resignation, the Singapore court had, on 7 July 2020, issued an order for Honestbee to be wound up.
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

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Governance Report

	Re-Election	Re-Election
	Mr Ng Loh Ken Peter	**Mr Wong Quee Quee, Jeffrey**
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	Yes	No
If yes, please provide full details	N/A	N/A
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No

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Governance Report

	Re-Election	Re-Election
	Mr Ng Loh Ken Peter	**Mr Wong Quee Quee, Jeffrey**
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Yes Mr Ng is the Lead Independent Director of Procurri Corporation Limited (“Procurri”). On 4 August 2020, the Monetary Authority of Singapore issued a reminder to Procurri to comply with Section 137G(1) of the Securities and Futures Act.	Yes Mr Wong was previously a director of Soochow CSSD Capital Markets (Asia) Pte. Ltd. (“SCCM”). In February 2023, SCCM received a supervisory reminder from the Monetary Authority of Singapore (“Authority”) to maintain its base capital at or above the minimum requirement required by the Authority. Mr Wong is an Independent Non-Executive Director of Procurri Corporation Limited (“Procurri”). On 4 August 2020, the Authority issued a reminder to Procurri to comply with Section 137G(1) of the Securities and Futures Act.

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Governance Report

	Re-Election	Re-Election
	Mr Ng Loh Ken Peter	**Mr Wong Quee Quee, Jeffrey**
(k) Continued...		Mr Wong Quee Quee, Jeffrey was an executive board director of Religare Capital Markets Corporate Finance Pte. Limited ("RCMCF") between December 2010 and November 2017. In July 2016, RCMCF received a supervisory reminder from the Authority informing RCMCF in respect of its breach of Regulation 6(1)(a) of the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations ("SF(FRM) R"), which required the holder of the capital markets services licence granted under the Securities and Futures Act to ensure that its financial resources do not fall below its total risk requirement. In July 2017, another breach of the SF(FRM)R by RCMCF was discovered. After his resignation as executive director of RCMCF in November 2017, he was informed by RCMCF that the Authority had, in February 2018, issued another supervisory reminder to remind RCMCF to ensure compliance with all applicable regulations at all times.

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Governance Report

Additional Information on Directors Seeking Election and Appointment

4.8 Pursuant to Rule 720(6) of the Listing Rules, the information relating to the directors who are seeking election and appointment at the forthcoming AGM of the Company, as set out in Appendix 7.4.1 to the Listing Rules, is set out below:

	Election	Election
	Mr Wong Kok Khun	**Mr Lwi Tong Boon**
Date of Appointment	15 June 2022	15 June 2022
Date of last re-appointment (if applicable)	N/A	N/A
Age	57	53
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the NC, and assessed Mr Wong's qualifications and experience, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as the Executive Chairman of the Company.	The Board, having considered the recommendation of the NC, and assessed Mr Lwi's qualifications and experience, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as a Non-Executive Non-Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive Chairman	Non-Independent Non-Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and NC Member	Non-Independent Non-Executive Director, AC and RC Member
Working experience and occupation(s) during the past 10 years	2011 - Present: Group CEO of DeClout Pte. Ltd. ("DeClout").	i. August 2021 - Present: Chief Corporate Development Officer of DeClout Pte. Ltd. ii. February 2019 - July 2021: Chief Financial Officer of Yangon Aerodrome Company Limited iii. October 2014 - November 2018: Senior Manager / Team Lead of Tricor Singapore Pte. Ltd. iv. November 2013 - October 2014: Chief Financial Officer of Riverton (S) Pte. Ltd. v. April 2011 - October 2013: Chief Financial Officer of DeClout Limited
Shareholding interest in Procurri Corporation Limited and its subsidiaries	Yes 500,000 ordinary shares	Yes 300,000 ordinary shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, Procurri Corporation Limited and/or substantial shareholder of Procurri Corporation Limited or of any of its principal subsidiaries	Mr Wong is the Group CEO of DeClout. DeClout is a substantial shareholder of the Company.	Mr Lwi is the Chief Corporate Development Officer of DeClout. DeClout is a substantial shareholder of the Company.

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Governance Report

	Election	Election
	Mr Wong Kok Khun	**Mr Lwi Tong Boon**
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to Procurri Corporation Limited	Yes	Yes
Other Principal Commitments including Directorships		
Past (for the last 5 years)	ARCO Pte. Ltd. Asia Wiring Systems Pte. Ltd. CamelOne Pte. Ltd. Corous360 Pte. Ltd. Epicsoft Asia Pte. Ltd. FundTier Pte. Ltd. FundTier Holdings Pte. Ltd. Guud (Africa) Pte. Ltd. Gudd (Source) Pte. Ltd. Intelledox Australia Pty Ltd. Pacific Wave Pte. Ltd. Play-E Pte. Ltd. Play-E (Taiwan) Pte. Ltd. Play-E Corporation Pte. Ltd. Playworks Pte. Ltd.	Nil
Present	3rd Space Pte. Ltd.* Aeqon Pte. Ltd. Ascent Solutions Pte. Ltd. DeClout Pte. Ltd. DeClout Investments Pte. Ltd. DeClout Ventures Pte. Ltd. Guud Pte. Ltd. Hexaton Capital Pte. Ltd. Mise En Plas Private Limited vCargo Cloud Pte. Ltd. *Appointment as Chief Executive Officer (i.e. not Directorship)	Ascent Solutions Pte. Ltd. Accitius Services Pte. Ltd. SMMZ Pte. Ltd. Mach Stevens Pte. Ltd.
a) Whether at any time during the last 10 (years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

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Governance Report

	Election	Election
	Mr Wong Kok Khun	**Mr Lwi Tong Boon**
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

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Governance Report

	Election	Election
	Mr Wong Kok Khun	**Mr Lwi Tong Boon**
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	Yes	No
If yes, please provide full details	Please refer to the announcements released by DeClout Limited (as it was then known) dated 11 July 2017, 18 July 2017, 24 October 2017, 7 November 2017, 20 March 2018, and 4 February 2019 on SGXNET in relation to the litigation. The matter was fully settled in 2019 with no admission of liability whatsoever.	N/A
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

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Governance Report

	Election	Election
	Mr Wong Kok Khun	**Mr Lwi Tong Boon**
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

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Governance Report

Disclosure applicable to the appointment of Director only.

	Election	Election
	Mr Wong Kok Khun	**Mr Lwi Tong Boon**
Any prior experience as a director of a listed company?	Yes	No
If yes, please provide details of prior experience.	Previously served as: Executive Director and Group Chairman of DeClout Limited (as it was then known). Non-Independent Non-Executive Director and Chairman of Procurri Corporation Limited.	N/A
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N/A	Mr Lwi is currently a member of the Singapore Institute of Directors and has served as Chief Financial Officer for three listed companies, including companies listed on the Mainboard of the SGX-ST. The three companies are as follows: Interra Resource Limited Pteris Global Limited DeClout Limited He was also the company secretary of a company listed on the Mainboard of the SGX-ST, Pteris Global Limited. Mr Lwi will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N/A	N/A

Governance Report

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

5.1 The NC conducts an annual assessment of the performance of the Board as a whole and the Board Committees in view of the complementary and collective nature of the directors' contributions. This process is conducted using a questionnaire designed to assess the performance of the Board and the Board Committees. The Board's and Board Committees' performance will be evaluated by each director and the findings are collated for the final review by the NC and the Board. Following the review in FY2022, the Board is of the view that the Board and its Board Committees operate effectively, and each director is contributing to the overall effectiveness of the Board. <Provision 5.1>

5.2 The NC has established objective performance criteria, such as frequency of meetings and participation in strategic planning, risk management and internal controls to evaluate the Board's performance as a whole. <Provision 5.1>

5.3 The Board reviews the assessment conducted by the NC, and where necessary, makes changes to further improve the effectiveness of the Board. Following the review, the Board is of the view that the Board and the Board Committees operate effectively. <Provision 5.2>

5.4 Each member of the NC abstains from voting on any resolutions in respect of the assessment of his performance or re-nomination as a director. <Provision 5.2>

5.5 There was no external consultant involved in the Board evaluation process in FY2022. <Provision 5.2>

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

6.1 The RC comprises:

Dr. Lim Puay Koon (Chairman and Independent Director)

Mr Wong Quee Quee, Jeffrey (Member and Independent Director)

Mr Lwi Tong Boon (Member and Non-Independent Non-Executive Director)

The majority of the RC, including the RC Chairman, are independent. <Provision 6.2>

6.2 The key roles of the RC include:

(a) recommending to the Board a framework of remuneration for the directors and the executive officers, and determining specific remuneration packages for each of them, with the recommendations of the RC submitted to the entire Board for endorsement. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and benefits in kind shall be covered by the RC; <Provision 6.1>

(b) conducting an annual review of the remuneration of employees related to the directors and substantial shareholders, with the assistance of expert advice inside and/or outside the Company if needed, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and approve any bonuses, pay increases and/or promotions for these employees and will also review the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. In the event that a member of the RC is related to an employee under review, the said director abstains from participating in the review; and <Provision 6.3>

(c) administering the Procurri Employee Share Option Scheme (the "ESOS") and the Procurri Performance Share Plan (the "PSP").

6.3 If necessary, the RC shall seek expert advice on remuneration of directors and key management personnel. For FY2022, the RC did not seek the service of an external remuneration consultant. <Provision 6.4>

Governance Report

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

7.1 The Group adopts a compensation philosophy where the directors' and key management personnel's remuneration framework are structured in a way that links rewards to corporate and individual performance, taking into account comparable benchmarks. In building a sustainable and performing organization, the Group believes in creating a compensation structure that embraces competitive remuneration taking into consideration of prevailing market conditions, whilst aligning with the long-term interests of the Group. The review covers all aspects of remuneration including salaries, fees, allowances, bonuses, share options, share-based incentives and awards, and benefits-in-kind. The RC's recommendations are submitted for endorsement by the entire Board. <Provision 7.1 and 7.3>

7.2 The Company has in place long-term incentive schemes, including the ESOS and the PSP, that serve to motivate and reward the executive director and key management personnel, and better align their interests with that of the Company. The Company has not granted share options under the ESOS so far. As at 31 December 2022, the Company has granted a total of 2,515,200 share awards pursuant to the PSP. The table below shows the share awards granted pursuant to the PSP during FY2022:

Date of grant of award	Number of awards* granted	Market price of the shares of the Company on date of grant (S$)	Number of awards* granted to directors and controlling shareholders (and their associates), if any
13 January 2022	2,049,000	0.3191	554,400
4 March 2022	466,200	0.3153	466,200

7.3 Any shares to be issued pursuant to the share options and awards granted are subject to certain vesting schedules or performance conditions to be satisfied by the participants. Please refer to the Directors' Statement and Notes to the Financial Statements set out in this Annual Report for more information on the ESOS and the PSP.

7.4 The remuneration for directors is appropriate to attract, retain, and motivate directors to provide good stewardship of the Company. The non-executive directors receive directors' fees in accordance with their level of contribution and commensurate with their appointment, taking into account factors, such as responsibilities, effort and time spent for serving on the Board and Board Committees. The Company believes that the current remuneration of independent directors is at a level that will not compromise their independence. <Provision 7.2>

7.5 The Company currently uses contractual provisions to reclaim incentive components of remuneration from the executive director and key management personnel in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Company.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

8.1 Mr Wong Kok Khun's current service agreement with the Company will end on 10 November 2025. His service agreement is renewable thereafter as may be agreed between the Company and him.

The remuneration package comprises a basic salary component and a Target Long Term Incentive (LTI) component, which are Performance Share Plan (PSP) shares to be cliff vested over 5 calendar years. The on-Target LTI are conditional on certain Earning Per Shares (EPS) and/or Objective Key Results targets (as outlined in a schedule of targets).

All revisions to the remuneration packages of directors and key management personnel are subject to review and approval of the Board. Directors' fees are further subject to the approval of shareholders at the AGM. No directors participate in decisions on their own remuneration.

There are no retirement and post-employment benefits that are granted to the executive director.

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8.2 The remuneration of the executive director is linked directly to the Company's Earning Per Share. The Group's incentive bonus is allocated based on the Group's financial performance and the senior management may be rewarded with business unit level bonus on achievement of the key performance indicators. <Provision 8.1>

8.3 A breakdown showing the level and mix of each individual director's remuneration paid/payable for FY2022 in bands of S$250,000 is as follows: <Provision 8.3>

Remuneration bands/Name of director	Salary[1] (%)	Bonus (%)	Director's Fees (%)	Others[2] (%)	Total (%)
(i) S$1,500,000 to below S$1,750,000					
Mr Thomas Sean Murphy[3]	38	–	–	62	100
(iii) Below S$250,000					
Mr Wong Kok Khun	–	–	–	–[4]	–
Mr Ng Loh Ken Peter	–	–	100	–	100
Mr Wong Quee Quee, Jeffrey	–	–	100	–	100
Mr Loke Wai San	–	–	100	–	100
Dr Lim Puay Koon	–	–	100	–	100
Mr Lim Swee Yong	–	–	100[4]	–	100
Mr Lwi Tong Boon	–	–	–[4]	–	-
Toh Hsiang-Wen Keith	–	–	–	–	–

Notes:
(1) Includes fixed allowances.
(2) Includes fair value of the awards under PSP for FY2022 vested during the year on or before 31 December 2022.
(3) Retired with effect from 30 September 2022.
(4) The approved payment of additional Directors' emoluments in the form of up to 9,000,000 share awards granted under and in accordance with the provisions of the Procurri Corporation Performance Share Plan during the extraordinary general meeting on 11 January 2023, was granted on 7 March 2023 and will be accounted in FY2023.

The Board has, on review, decided not to disclose the remuneration of the directors to the nearest thousand, as the Board believes that the disclosure is commercially sensitive and could encourage talent-poaching which possibly leads to the Company and its subsidiaries being exposed to unnecessary risks. Whilst sustaining the long-term benefit of the Company, the Board is of the view that the disclosure of the remuneration in bands has sufficiently balanced the Company's interests and the necessity to provide sound information to the investors for their investment decisions.

8.4 Given the competitive condition of the industry that the Group operates in, it is in the best interest of the Group to maintain confidentiality of the names and remuneration details of its top 5 key executives (who are not directors) of the Group. For FY2022, the remuneration bands (including any bonuses, allowances, options and share-based incentives) of each of the top 5 key executives (who are not directors) of the Group are provided below: <Provision 8.1>

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Remuneration bands	Number of Executives
S$1,000,000 to S$1,249,999[1]	1
S$750,000 to S$999,999[1]	2
S$500,000 to S$749,999[1]	1
S$250,000 to S$499,999[1]	1

Note:
(1) Included employers' CPF and fair value of the awards under the PSP for FY2022 vested during the year on or before 31 December 2022.

The total remuneration, in aggregate, paid to the top 5 key executives of the Group (who are not directors) for FY2022 is approximately S$3,897,532.

8.5 The Company does not have any employees who are substantial shareholders of the Company or are immediate family members of a director.

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

9.1 The Board oversees management in the area of risk management and internal control systems. The Board regularly reviews the Company's business and operational activities to identify areas of significant risks, as well as to take appropriate measures to control and mitigate these risks.

9.2 Management provides reports of risk management to the Board on a quarterly basis. The Company's risk management framework and internal control system covers financial, operational, compliance and information technology risks and internal controls. The Group has an in-house internal audit function that is carried out by Group Internal Audit ("GIA"). The Audit Committee evaluates the findings of the external and internal auditors on the Group's internal controls annually. <Provision 9.1>

9.3 The Group's internal controls are designed to provide reasonable assurance with regards to the keeping of proper accounting records, integrity and reliability of financial information, and physical safeguard of assets. Management takes into consideration the risks which the Group is exposed to, the likelihood of occurrence and the cost of prevention while designing internal controls.

Based on:

(a) the internal controls established and maintained by the Group;

(b) work performed by the internal and external auditors, and reviews performed by Management, the Board and the Board Committees; and

(c) the confirmations received from the Executive Chairman, the CFO, and the chief executive officers of the respective subsidiaries that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and that the Group's internal control procedures in place are adequate and effective in addressing the financial, operational, compliance, information technology controls and risk management systems, <Provision 9.2>

The Board, with the concurrence of the AC, is of the opinion that the Group's current internal control procedures in place to address financial, operational, compliance, information technology controls and risk management systems are adequate and effective though continuous improvements are needed as the Group grows its business.

Notwithstanding the foregoing, the Board and Management acknowledge that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities.

9.4 The AC collectively oversees risk management and does not have a separate Board risk committee.

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AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

10.1 The AC comprises:

Mr Ng Loh Ken Peter (Chairman and Lead Independent Director)

Mr Wong Quee Quee, Jeffrey (Member and Independent Director)

Dr. Lim Puay Koon (Member and Independent Director)

Mr Lwi Tong Boon (Member and Non-Independent Non-Executive Director)

Mr Lim Swee Yong (Member and Non-Independent Non-Executive Director)

The majority of the AC, including the AC Chairman, are independent.

10.2 At least three members of the AC, including the AC Chairman, have sufficient accounting and related financial management expertise. The Board considers that the members of the AC are suitably qualified to discharge the AC's responsibilities. The AC does not comprise former partners and/or directors of Company's existing audit firm, Ernst & Young LLP.

10.3 The AC has the authority to investigate any matters within its terms of reference and the discretion to invite any director or executive officer to attend its meetings. Management grants full cooperation and resources to enable the AC to discharge its functions properly.

10.4 The key roles of the AC include: <Provision 10.1>

(a) assisting the Board in discharging its statutory responsibilities on financing and accounting matters;

(b) reviewing significant financial reporting issues and judgments to ensure the integrity of the financial statements and any formal announcements relating to financial performance;

(c) reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors;

(d) reviewing the external auditors' audit plan and audit report, and the external auditors' evaluation of the system of internal accounting controls, as well as reviewing the Group's implementation of any recommendations to address any control weaknesses highlighted by the external auditors;

(e) reviewing the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by the Board, including those in connection with compliance with environmental laws and regulations;

(f) reviewing the statements to be included in the annual reports concerning the adequacy and effectiveness of the risk management and internal controls systems, including financial, operational, compliance and information technology controls;

(g) reviewing all interested person transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the latest audited NTA of our Group every quarter, and monitoring the procedures established to regulate interested person transactions, including ensuring compliance with the Group's internal control system and the relevant provisions of the Listing Rules, as well as all conflicts of interests to ensure that proper measures to mitigate such conflicts of interests have been put in place, and approving all interested person transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% of the value of the latest audited NTA of our Group, prior to such transactions being entered into;

(h) reviewing the scope and results of the internal audit procedures, the implementation of recommendations by internal auditors, and at least annually, the adequacy and effectiveness of the internal audit function;

(i) approving the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced;

(j) appraising and reporting to the Board on the audits undertaken by the external auditors and internal auditors, and the adequacy of disclosure of information; and

(k) making recommendations to the Board on the proposals to shareholders on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor.

Governance Report

10.5 The AC has met with the external auditors and the GIA, in each case, without the presence of the Management, at least annually. These meetings enable the auditors to raise any issues in the course of their work directly to the AC. <Provision 10.5>

10.6 The AC reviews the independence of the external auditor annually. In the selection of suitable auditing firms, the AC takes into consideration several factors, such as the adequacy of resources, experience of the accounting auditing firm, the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the audit and its ability to provide audit service to our foreign subsidiaries. The selected auditing firm based in Singapore is engaged as auditors for the Company, as well as the Company's Singapore-incorporated subsidiaries.

Most of the Group's subsidiaries have appointed the member firms of EY Global while the rest have appointed different auditors. The AC is satisfied that the appointments would not compromise the standard and effectiveness of the audit of these subsidiaries. Accordingly, the Company has complied with Rules 712, 715, and 716 of the Listing Rules.

The AC has reviewed the independence of the external auditor of the Company, including the volume of non-audit services performed, as well as the cost-effectiveness. The aggregate amount of fees paid and payable to the external auditor of the Company and other member firms of EY Global in FY2022 are tabulated in the table below:

Fees Paid and Payable	S$	%
Audit Services	403,500	96.07
Non-Audit Services	16,500	3.93
Total	420,000	100.00

The non-audit fees were mainly in relation to tax returns compliance services. The AC is satisfied that the nature and extent of such services will not prejudice the independence of the external auditors of the Company.

10.7 The Group has implemented a whistle blowing policy. The whistle blowing policy provides well-defined and accessible channels in the Group through which the employees of the Group may raise concerns about improper conduct within the Group in writing or by email submission. The objectives of such a policy are to ensure that arrangements are in place for independent investigation of such matters and for appropriate follow-up action. There were no reported incidents pertaining to whistle blowing during FY2022 until the date of this Annual Report.

10.8 The AC is updated annually on any changes in accounting standards by the external auditor. This ensures that the AC is kept abreast of changes to accounting standards and issues which have a direct impact on the Group's financial statements. The AC conducted meetings in FY2022 during which results announcements, external audit report, internal audit report, independence of auditors, appointment of auditors and interested person transactions were reviewed, and the duties as described above were carried out.

10.9 No former partner or director of the Company's existing auditing firm is a member of the AC. <Provision 10.3>

Governance Report

10.10 **Key Audit Matters ("KAM")**

In the review of the financial statements, the AC had discussions with Management on the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with Management and the external auditor, and were reviewed by the AC:

KAM	How the AC reviewed these matters and what decisions were made
(a) Revenue Recognition (b) Impairment Assessment of Goodwill and Cost of Investment in Subsidiaries (c) Impairment Assessment of Trade Receivables (d) Inventories Write-down	The AC examined the findings on these and other financial reporting matters together with the external auditors and management. In these KAMs, the AC assessed the management's judgements and estimates, considered the approach and methodology applied to valuation models, and reviewed the accounting treatments adopted by management. The AC concurred with the external auditors' opinion on the KAMs. The AC considered the KAMs reported by the external auditors and how those KAMs have been addressed by the external auditors.

Internal Audit<Provision 10.4>

10.11 The Group's in-house internal audit function ("GIA") is independent of the Management and assists the Group in evaluating and assessing the effectiveness of internal controls and to consequently highlight the areas where control weakness exist, if any, and thus improvements could be made.

10.12 GIA reports primarily to the AC Chairman. GIA operates under a charter from the AC that gives it unrestricted access to review the documents, records, properties and personnel of the Group. GIA reports to the AC on a quarterly basis regarding the progress and major findings of the internal audit process.

10.13 The AC is satisfied that the GIA function is independent, competent, and adequately resourced by personnel with the relevant qualifications and experience. <Rule 719(3) of Mainboard Listing Manual>

10.14 The GIA function is carried out in accordance with the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

10.15 The GIA comprises an individual, Group Internal Auditor, Mr Nicholas Chan Kin Yaw ("Mr Chan"). Mr Chan has over 13 years' experience in the field of internal audit, internal controls, and risk management. He has an honors degree in the Bachelor of Accounting from the National University of Malaysia. He is a Certified Internal Auditor (CIA) with the Institute of Internal Auditors and a Certified Information Systems Auditor (CISA). He is also a fellow member of the Association of Chartered Certified Accountants (ACCA) and a Chartered Accountant with the Malaysian Institute of Accountants as well as an ASEAN Chartered Professional Accountant (ASEAN CPA).

The AC reviews the adequacy and effectiveness of the Group's internal controls, including financial operational, compliance and information technology controls and risk management systems through discussions with the management, its external auditors and GIA, and reports to the Board annually. Where material weaknesses are identified by the Board or the AC, the Company will disclose them with the steps taken to address those weaknesses. There were no material weaknesses identified by the Board or AC during FY2022 until the date of this Annual Report. <Rule 1207 (10) and Rule 1207 (10C) of Listing Manual>

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETING

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

11.1 To facilitate shareholder ownership rights, the Company ensures that timely and adequate disclosure of information on matters of material impact on the Company are made to all shareholders of the Company, in compliance with the requirements set out in the Listing Rules. The Company recognises that the release of timely and relevant information is central to good corporate governance and promotes informed decisions by shareholders as regard their investments.

Governance Report

11.2 Shareholders are entitled to participate in, and vote at, general meetings and shareholders are informed of the rules, including the voting procedures that govern the general meetings of shareholders. <Provision 11.1>

11.3 Resolutions at general meetings are on each substantially separate issue. The Company avoids bundling resolutions unless they are interdependent and linked. Shareholders present are given an opportunity to clarify or direct questions on issues pertaining to the proposed resolutions before they are voted on. <Provision 11.2>

11.4 General meetings are held in Singapore. At such meetings, shareholders of the Company are given the opportunity to air their views and ask the directors questions regarding the Company. A proxy form is sent with the notice of general meeting to all shareholders so that those shareholders who are unable to attend the general meeting in person can appoint a proxy or proxies to attend and vote on their behalf. The Annual Report, Notice of AGM and Proxy form will be made available to shareholders by electronic means via publication on SGXNET and on the Company's website.<Provision 11.4>

11.5 All the Directors attend the general meetings of the Company to address shareholders' questions relating to the Company's development and the work of the Board Committees. The external auditors are also present to address shareholders' queries about the conduct of the audit and preparation and content of the auditors' report. The attendance of the directors at meetings held in FY2022 is published in section 1.4 of this report. <Provision 11.3>

11.6 The Company Secretary prepares minutes of general meetings which capture the essence of the comments and queries from shareholders and the responses to them by the Board and Management. Minutes of the general meetings are publicly available on the Company's website, as soon as practicable. <Provision 11.5>

11.7 The Company employs electronic polling at all general meetings. Separate resolutions are proposed on each substantially separate issue. To ensure transparency in the voting process, the detailed results of all resolutions put to vote showing the number of votes cast for and against each resolution, and the respective percentages are tallied and displayed live on-screen to shareholders immediately after the vote has been cast and is also announced via SGXNET after the conclusion of the general meeting.

11.8 The Company currently does not have a fixed dividend policy. In considering the form, frequency and amount of dividends that the Board may recommend or declare in respect of any particular year or period, the Board takes into account the Company's retained earnings, expected future earnings, operations, cash flow, capital requirements, general business and financing conditions, as well as other factors which the Board may determine appropriate. <Provision 11.6>

11.9 The declaration of final dividends, if any, is to be recommended by the Directors and subject to the approval of the shareholders by ordinary resolution. The Board is recommending to distribute a dividend of 1 Singapore cent per share for FY2022.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

12.1 The Company has an investor relations and corporate marketing team who assists in facilitating the communications with all stakeholders – shareholders, analysts and media – on a regular basis, to attend to their queries or concerns, as well as to keep the market and investors publicly appraised of the Group's major corporate developments and financial performance. <Provision 12.1>

12.2 The Company maintains regular dialogue with shareholders and the investment community through analyst briefings, investor meetings, non-deal roadshows and at the general meetings. Analyst briefings are conducted for members of the investment community and media generally after results announcements. Key management personnel, including the Executive Chairman and the CFO, are typically present in these briefings. The results announcements and the analyst briefing presentations are all published timely on SGXNET and are also made available on the Company's website, www.procurri.com. Provision 12.2 of the Code provides that the company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. The Company does not currently have a written investor relations policy, which constitutes a variation from Provision 12.2 of the Code. The Company is of the view that the intent of Principle 12 is met, as there is a section on "Investor Relations" on the Company's website. From this section, the Company's latest annual reports, financial results, corporate announcements and share trading information can be assessed. <Provision 12.2>

12.3 To enable shareholders to contact the Company easily, the contact details of the investor relations team are set out in this Annual Report as well as on the Company's website. The investor relations team has procedures in place for following up and responding to shareholders queries as soon as applicable. <Provision 12.3>

Governance Report

12.4 Information is disclosed in a timely manner to the shareholders through SGXNET and is also made available on the Company's website. The Company ensures fair access of information to all shareholders at the same time and does not practise selective disclosure of material information.

12.5 Shareholders are given the opportunity to air their views at general meetings.

(E) ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

13.1 The Company has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth. <Provision 13.1>

13.2 The Company has identified the impacts that are material to investors and other stakeholders in order to streamline available resources. The Company also recognizes the importance of identifying issues that are significant to the financial operation of the business, as well as stakeholders, such as investors, society and customers.

13.3 The Company has undertaken a process to determine the environmental, social and governance ("ESG") issues which are important to these stakeholders. Please refer to Sustainability Report section of this Annual Report for further details. <Provision 13.2>

13.4 All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNET, press releases and the Company's website. The Company does not practice selective disclosure of material information. All materials on different period financial results are available on the Company's website – www.procurri.com. The comprehensive website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders. <Provision 13.3>

(F) OTHER CORPORATE GOVERNANCE MATTERS

MATERIAL CONTRACTS

Save for the service agreement between the Executive Chairman and the Company, there were no material contracts entered into by the Company and any of its subsidiaries involving the interests of any director or controlling shareholders, either still subsisting at the end of FY2022 or if not then subsisting, entered into since the end of the previous financial year.

DEALING IN SECURITIES

With reference to Listing Rule 1207(19), the Company issues a directive to all directors and employees not to deal in the Company's securities during the period commencing one month immediately preceding the announcement of the Company's half year result and full-year results, as the case may be, and ending on the date of announcement of the relevant results. Reminders are sent via email to remind all directors and employees. To reinforce the Board's continuing commitment to transparency and disclosure, the Company announced, on 1 March 2023, that it would resume quarterly reporting of its financial statements. The first report following this resumption of quarterly reporting would be for the period ending 31 March 2023, and would be published no later than 15 May 2023.

In addition, the directors and employees are advised not to deal in the Company's securities for short-term considerations and are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures for recording and reporting interested person transactions in a timely manner to the AC and that transactions are conducted at an arm's length basis and will not be prejudicial to the interests of the Company and its minority shareholders.

The Company does not have any general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the SGX-ST.

There was no interested person transaction (excluding transactions less than S$100,000) entered into for FY2022.

Governance Report

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING ("IPO")

The Company received net proceeds (after deducting IPO expenses of approximately S$3.8 million) from the IPO of approximately S$34.8 million (the "Net Proceeds"). The allocated amount from IPO net proceeds for merger and acquisitions, joint ventures and partnerships strategy amounting to S$2,289,000 has been re-allocated to working capital purposes use. As at the date of this Annual Report, the Net Proceeds have been fully utilised as follows:

Use of Proceeds	Amount S$ '000	Net Proceeds utilised S$ '000	Net Proceeds unutilized S$ '000
Merger and acquisitions, joint ventures and partnerships strategy	17,800	17,800	-
Enhancement of infrastructure	1,911	1,911	–
Repayment of the DeClout loans	6,081	6,081	–
Working capital purposes - Funding of capital injection into Procurri (Beijing) Co., Ltd – S$700,000 - Meeting trade expenses – S$500,000 - Meeting operating and other expenses – S$3,833,000 - Procurri maintenance parts for the lift cycle services business of the Group – S$4,000,000	9,033	9,033	–
Total	**34,825**	**34,825**	-

Directors' Statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Procurri Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2022.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Ng Loh Ken Peter
Wong Quee Quee, Jeffrey
Lim Puay Koon
Lim Swee Yong
Lwi Tong Boon (Appointed on 15 June 2022)
Wong Kok Khun (Appointed on 15 June 2022)

Arrangements to enable directors to acquire shares and debentures

Except as described in the paragraph below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Statement

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required, to be kept under Section 164 of the Singapore Companies Act 1967 ("the Act"), an interest in shares and share options of the Company and related corporations as stated below:

	Direct interest			Deemed interest		
Name of directors	**At beginning of the financial year or date of appointment**	**At end of the financial year**	**At end of 21 January 2023**	**At beginning of the financial year or date of appointment**	**At end of the financial year**	**At end of 21 January 2023**
The Company Ordinary shares						
Ng Loh Ken Peter	305,200	500	500	–	–	–
Wong Quee Quee, Jeffrey	278,400	–	–	–	–	–
Lim Puay Koon	24,400	–	–	–	–	–
Lim Swee Yong	110,100	–	–	–	–	–
Thomas Sean Murphy (Retired on 30 September 2022)	10,518,211	–	–	–	–	–
Loke Wai San (Resigned on 15 June 2022)	–	–	–	57,402,978	–	–
Share awards granted under Procurri Performance Share Plan						
Thomas Sean Murphy (Retired on 30 September 2022)	213,900	617,800	617,800	–	–	–

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Share options and awards

Procurri Corporation Performance Share Plan (the "Procurri PSP")

The Group operates a Performance Share Plan, the Procurri PSP, which was approved pursuant to a written resolution passed by the shareholders on 27 June 2016.

The Procurri PSP is administered by the Remuneration Committee (the "RC"), whose members are:

- Lim Puay Koon (Chairman of the RC and independent and non-executive director)
- Wong Quee Quee, Jeffrey (Chairman of the NC and independent and non-executive director)
- Lwi Tong Boon (Non-independent and non-executive director)

Subject to the absolute discretion of the RC, awards may be granted to the following participants under the Procurri PSP:

- confirmed employees of the group;
- directors of the Company and/or any of its subsidiaries and/or any of its associated companies who perform an executive function; and
- directors of the Company and/or any of its subsidiaries, other than those who perform an executive function

(subject to the rules of the Procurri PSP).

Directors' Statement

Share options and awards (cont'd)

The maximum number of shares issuable or to be transferred by the Company under the Procurri PSP, when aggregated with the aggregate number of shares over which options or awards granted under any other share option schemes or schemes of the Company, will be 15% of the Company's total number of issued shares (excluding treasury shares) from time to time.

The table below summarizes the number of shares which are the subject of the awards granted under the Procurri PSP that were outstanding, their fair value price as at the end of the reporting year, as well as the movement during the reporting year.

	Number of shares which are the subject of the awards granted under the Procurri PSP outstanding as at beginning of the year	Number of shares which are the subject of the awards granted under the Procurri PSP granted during the year	Number of shares issued pursuant to the awards during the year	Number of shares forfeited/lapsed pursuant to the awards during the year	Number of shares which are the subject of the awards granted under the Procurri PSP outstanding as at end of the year
2021	1,078,700	89,600	(551,400)	–	616,900
2022	616,900	2,515,200	(1,352,000)	(165,900)	1,614,200

The Company has granted 89,600 shares on 18 February 2021, and 2,049,000 and 466,200 of shares on 13 January 2022 and 4 March 2022 respectively under the Procurri PSP. In the financial year ended 31 December 2022, a total of 1,352,000 and 165,900 number of shares have been vested and lapsed respectively.

The information on directors (holding office at the date of this statement) of the Group participating in the Procurri PSP is as follows:

Participants	Aggregate number of shares comprised in awards granted since the start of the plan to end of year	Number of shares comprised in awards granted during the year	Aggregate number of shares comprised in awards vested since the start of the plan to end of year	Number of shares comprised in awards forfeited/ lapsed/disposed/ exercised since the start of the plan to end of year	Aggregate number of shares comprised in awards outstanding as at end of year
Directors					
Wong Kok Khun	–	–	–	–	–
Ng Loh Ken Peter	336,500	31,300	336,500	336,500	–
Wong Quee Quee, Jeffrey	309,700	31,300	309,700	309,700	–
Lim Puay Koon	55,700	31,300	55,700	55,700	–
Lim Swee Yong	110,100	–	110,000	110,000	–
Lwi Tong Boon	–	–	–	–	–
Thomas Sean Murphy (Retired on 30 September 2022)	2,717,200	926,700	2,099,400	2,099,400	617,800

Procurri Corporation Employee Share Option Scheme (the "Procurri ESOS")

The Group operates an Employee Share Option, the Procurri ESOS, which was approved pursuant to a written resolution passed by the shareholders on 27 June 2016.

The Procurri ESOS is administered by the Remuneration Committee (the "RC"), whose members are:

- Lim Puay Koon (Chairman of the RC and independent and non-executive director)
- Wong Quee Quee, Jeffrey (Chairman of the NC and independent and non-executive director)
- Lwi Tong Boon (Non-independent and non-executive director)

Directors' Statement

Share options and awards (cont'd)

Subject to the absolute discretion of the RC, awards may be granted to the following participants under the Procurri ESOS:

- confirmed employees of the group;
- directors of the Company and/or any of its subsidiaries and/or any of its associated companies who perform an executive function; and
- directors of the Company and/or any of its subsidiaries, other than those who perform an executive function

(subject to the rules of the Procurri ESOS).

The maximum number of shares issuable or to be transferred by the Company under the Procurri ESOS, when aggregated with the aggregate number of shares over which options or awards granted under any other share option schemes or schemes of the Company, will be 15% of the Company's total number of issued shares (excluding treasury shares) from time to time.

No awards have been granted under the Procurri ESOS for the financial years ended 31 December 2022 and 2021.

Audit Committee

The members of the Audit Committee (the "AC") at the date of this statement are as follows:

- Ng Loh Ken Peter (Chairman of AC and lead independent and non-executive director)
- Wong Quee Quee, Jeffrey (Chairman of the NC and independent and non-executive director)
- Lim Puay Koon (Chairman of the RC and independent and non-executive director)
- Lim Swee Yong (Non-independent and non-executive director)
- Lwi Tong Boon (Non-independent and non-executive director)

The AC carried out its functions in accordance with the Companies Act 1967, the SGX-ST Listing Manual and the Code of Corporate Governance. Among other functions, it performed the following:

- reviewed with the external auditors their audit plan, the results of their audit and their report on the financial statements and the assistance given by the Company's officers to them;
- reviewed with the internal auditors the internal audit plan, the scope and results of the internal audit procedures and findings, the adequacy of the internal audit resources, the cost effectiveness and the assistance given by the management to the internal auditors;
- reviewed the semi-annual financial information and annual financial statements of the Group and the Company prior to their submission to the Directors of the Company for adoption; and
- reviewed the interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

Other functions performed by the AC are detailed in the corporate governance report section in the annual report of the Company.

The AC is satisfied with the independence and the objectivity of the external auditors and has recommended to the Board of Directors that the auditors, Ernst & Young LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Wong Kok Khun
Director

Ng Loh Ken Peter
Director

31 March 2023

Independent Auditor's Report

For the financial year ended 31 December 2022

Independent Auditor's Report to the Members of Procurri Corporation Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Procurri Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2022, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the "ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Revenue Recognition

The Group recognized revenue from sale of goods of $178,319,000 during the financial year. We identified the appropriateness of the timing of revenue recognition from sale of goods to be an area of audit focus due to its significance.

As part of our audit procedures, we evaluated the appropriateness of the Group's revenue recognition accounting policies. We obtained an understanding of management's internal controls over the revenue recognition process and tested a sample of revenue transactions and the related supporting documents to assess if the related revenue and trade receivables are recorded in the correct accounting period. We performed sales cut-off test and reviewed credit notes issued to customers after year end to ascertain whether revenue is recorded in the correct period. We performed gross margins and trend analysis and compared them against prior year actual results and used data analytic procedures to analyze relationships between revenue, trade receivables and cash to identify any unusual trends. Lastly, we considered the adequacy of the disclosures in respect of revenue in Note 4 to the financial statements.

Independent Auditor's Report

For the financial year ended 31 December 2022

Key Audit Matters (cont'd)

Impairment Assessment of Goodwill and Cost of Investment in Subsidiaries

As at 31 December 2022, the net carrying value of the goodwill is $10,418,000, which represents 43% of the total non-current assets and 20% of total equity. As disclosed in Note 15 to the financial statements, goodwill is allocated to two cash generating units ("CGUs"), Procurri Europe Limited ("PEL") and Procurri Malaysia Sdn Bhd ("PMY").

The net carrying value of the Company's cost of investment in subsidiaries amounted to $44,643,000 as at 31 December 2022.

Management conducts impairment assessment of goodwill by preparing value-in-use computations using discounted cash flow models to determine the recoverable amount of each CGU. Management also prepares value-in-use computations to determine the recoverable amounts of those subsidiaries with impairment indicators. In determining the value-in-use, management is required to apply judgements and make assumptions on estimates supporting underlying projected cash flows, taking into account current market conditions which has been impacted by the COVID-19 pandemic. We considered the audit of management's annual impairment test of goodwill and cost of investment in subsidiaries to be a key audit matter because the assessment process is complex and involved significant management judgement.

We assessed the method and evaluated the reasonableness of the key assumptions used by management in the impairment test to estimate the recoverable amount, in particular the forecasted revenue growth and gross margin rate, terminal growth rates and discount rates. We considered the robustness of management's budgeting process by comparing actual financial performance against previously forecasted results. We assessed the reasonableness of the forecasted revenue growth rate and gross margin rate by comparing them to historical performance and business plans, including the impact of COVID-19 pandemic. We evaluated the terminal growth rates by comparing them to external sources such as economic growth and expected inflation rates. We involved our internal valuation specialists to assess the reasonableness of the discount rates used by checking to comparable companies in the same industry. We reviewed management's analysis of the sensitivity of the value-in-use calculations to a reasonably possible change in the key assumptions. We also reviewed the adequacy of the Group's disclosures in Note 14 and 15 to the financial statements.

Impairment Assessment of Trade Receivables

The Group's trade receivable balances were significant as they represent 34% of the total current assets in the consolidated balance sheet. The gross trade receivables and allowance for expected credit loss of trade receivables amounted to $37,517,000 and $1,794,000 respectively as at 31 December 2022. The Group uses a provision matrix to calculate expected credit losses for trade receivables which is determined based on the Group's historical observed default rates, customers' ability to pay and adjusted with forward-looking information. The determination of expected credit losses require management to exercise significant judgement and estimation uncertainty. As such, we determined this as a key audit matter.

The collectability of trade receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by management. We assessed the Group's processes and controls relating to the monitoring of trade receivables and considered the age of the debts to identify collection risks. We requested trade receivable confirmations for selected trade debtors and reviewed for collectability by obtaining evidence of subsequent receipts from debtors. We also reviewed the past payment history and credit worthiness of debtors. We had discussions with management on the recoverability of long outstanding debts. We tested the ageing of the receivables and reviewed management's grouping of the receivables into category with similar loss patterns. We assessed the reasonableness of the allowance for expected credit losses by comparing the actual loss trends across periods against loss rate applied to management's grouping in the different geographical area. We also assessed the reasonableness of the adjustments made to historical loss rates to incorporate current conditions of the debtors and forward-looking information based on specific economic data, including the current business environment. We assessed the adequacy of the Group's disclosures on the trade receivables in Note 18 and the related risks such as credit risk and liquidity risk in Note 30.

Independent Auditor's Report

For the financial year ended 31 December 2022

Key Audit Matters (cont'd)

Inventories Write-down

The Group's net inventories amounted to $24,827,000 as at 31 December 2022 and the allowance to write-down to net realizable value ("NRV") amounted to $1,554,000 during the financial year. The Group's inventories mainly consist of computer hardware and peripheral equipment, which are subject to risks of obsolescence due to technological advancements or changes in consumers' preference. The determination of inventory write-down to NRV requires management to exercise judgement in identifying slow-moving and obsolete inventories and make estimates of the quantum of such write down based on their market value. As such, we determined this to be a key audit matter.

As part of our procedures, we obtained the inventory ageing report and discussed with management their procedures to identify slow-moving and obsolete inventories and assessed the adequacy of slow-moving and obsolete inventories write down to NRV. We selected samples of inventories and tested that they were stated at the lower of cost and NRV by verifying to market prices of products with similar technical specifications, and/or to selling prices of the inventories subsequent to year-end. We performed physical observations and stock counts on sampling basis to ascertain existence of inventories. We also assessed the adequacy of the disclosures related to inventories in Note 17 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report

For the financial year ended 31 December 2022

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tee Huey Yenn.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

31 March 2023

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2022

	Note	Group	
		2022	2021 (Restated)*
		$'000	$'000
Revenue	4	250,040	249,628
Cost of sales		(184,811)	(189,130)
Gross profit		65,229	60,498
Other items of income			
Other income	5	174	568
Other credits	8	118	1,060
Other items of expense			
Selling expenses		(29,903)	(27,050)
Administrative expenses		(33,982)	(32,452)
Finance costs	7	(893)	(639)
Other charges	8	(565)	(407)
Profit before tax	9	178	1,578
Income tax (expense)/credit	10	(356)	590
(Loss)/Profit for the year		(178)	2,168
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		(3,519)	352
Other comprehensive income for the year		(3,519)	352
Total comprehensive income for the year		(3,697)	2,520
(Loss)/Profit for the year attributable to:			
Owners of the Company		(178)	2,168
Total comprehensive income attributable to:			
Owners of the Company		(3,697)	2,520
Earnings per share attributable to owners of the Company (cents per share)			
Basic	11	(0.06)	0.74
Diluted	11	(0.06)	0.74

* Details of restatement as disclosed in Note 35.
The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

Balance sheets

As at 31 December 2022

	Note	Group			Company		
		31-Dec-22	31-Dec-21 (Restated)*	1-Jan-21	**31-Dec-22**	31-Dec-21 (Restated)*	1-Jan-21
		$'000	$'000	$'000	**$'000**	$'000	$'000
ASSETS							
Non-current assets							
Plant and equipment	12	**2,212**	2,260	2,957	**3**	–	8
Right-of-use assets	13	**4,614**	4,409	7,004	**–**	90	306
Investment in subsidiaries	14	**–**	–	–	**44,643**	44,367	44,323
Intangible assets	15	**10,760**	12,528	12,528	**–**	–	–
Finance lease receivables	16	**8**	50	210	**–**	–	–
Deferred tax assets	10	**6,536**	5,261	4,233	**–**	–	325
		24,130	24,508	26,932	**44,646**	44,457	44,962
Current assets							
Inventories	17	**24,827**	20,928	26,035	**–**	–	–
Trade and other receivables	18	**37,714**	51,412	34,564	**28,401**	27,238	27,815
Prepayments	19	**10,072**	8,971	9,186	**71**	17	17
Finance lease receivables	16	**57**	528	299	**–**	–	–
Cash and bank balances	20	**32,745**	29,597	32,700	**8,605**	4,162	4,753
		105,415	111,436	102,784	**37,077**	31,417	32,585
Total assets		**129,545**	135,944	129,716	**81,723**	75,874	77,547
EQUITY AND LIABILITIES							
Current liabilities							
Trade and other payables	21	**44,042**	36,318	27,206	**1,584**	2,120	2,360
Deferred income	22	**9,425**	20,561	16,197	**–**	–	–
Loans and borrowings	23	**13,164**	12,522	16,232	**–**	–	1,322
Lease liabilities	13	**1,809**	1,531	2,876	**–**	93	220
Income tax payable		**2,111**	1,854	1,154	**1,000**	1,313	1,195
		70,551	72,786	63,665	**2,584**	3,526	5,097
Net current assets		**34,864**	38,650	39,119	**34,493**	27,891	27,488
Non-current liabilities							
Deferred tax liabilities	10	**60**	38	67	**60**	38	–
Loans and borrowings	23	**1,838**	1,838	4,796	**–**	–	–
Lease liabilities	13	**3,692**	3,896	5,191	**–**	–	93
Provisions	24	**812**	978	815	**–**	65	65
Deferred income	22	**510**	1,301	2,679	**–**	–	–
		6,912	8,051	13,548	**60**	103	158
Total liabilities		**77,463**	80,837	77,213	**2,644**	3,629	5,255
Net assets		**52,082**	55,107	52,503	**79,079**	72,245	72,292
Equity attributable to owners of the Company							
Share capital	25	**75,106**	74,695	74,541	**75,106**	74,695	74,541
Retained earnings/(accumulated losses)		**26,628**	26,806	24,638	**3,586**	(2,576)	(2,445)
Other reserves	26	**(49,652)**	(46,394)	(46,676)	**387**	126	196
Total equity		**52,082**	55,107	52,503	**79,079**	72,245	72,292
Total equity and liabilities		**129,545**	135,944	129,716	**81,723**	75,874	77,547

* Details of restatement as disclosed in Note 35.
The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2022

Group	Share capital (Note 25) $'000	Retained earnings $'000	Other reserves (Note 26) $'000	Equity attributable to owners of the Company $'000	Total equity $'000
Opening balance at 1 January 2022 (Restated)*	**74,695**	**26,806**	**(46,394)**	**55,107**	**55,107**
Total comprehensive income for the financial year	**–**	**(178)**	**(3,519)**	**(3,697)**	**(3,697)**
<u>Contributions by and distributions to owners</u>					
Issuance of new shares pursuant to performance shares plan	**411**	**–**	**(411)**	**–**	**–**
Share-based payment	**–**	**–**	**672**	**672**	**672**
	411	**–**	**261**	**672**	**672**
Closing balance at 31 December 2022	**75,106**	**26,628**	**(49,652)**	**52,082**	**52,082**
Opening balance at 1 January 2021	74,541	24,638	(46,676)	52,503	52,503
Total comprehensive income for the financial year (Restated)*	–	2,168	352	2,520	2,520
<u>Contributions by and distributions to owners</u>					
Issuance of new shares pursuant to performance shares plan	154	–	(154)	–	–
Share-based payment	–	–	84	84	84
	154	–	(70)	84	84
Closing balance at 31 December 2021 (Restated)*	74,695	26,806	(46,394)	55,107	55,107

Company	Share capital (Note 25) $'000	Accumulated losses $'000	Other reserves (Note 26) $'000	Total equity $'000
Opening balance at 1 January 2022	**74,695**	**(2,576)**	**126**	**72,245**
Total comprehensive income for the year	**–**	**6,162**	**–**	**6,162**
<u>Contributions by and distributions to owners</u>				
Issuance of new shares pursuant to performance shares plan	**411**	**–**	**(411)**	**–**
Share-based payment	**–**	**–**	**672**	**672**
Closing balance at 31 December 2022	**75,106**	**3,586**	**387**	**79,079**
Opening balance at 1 January 2021	74,541	(2,445)	196	72,292
Total comprehensive income for the year	–	(131)	–	(131)
<u>Contributions by and distributions to owners</u>				
Issuance of new shares pursuant to performance shares plan	154	–	(154)	–
Share-based payment	–	–	84	84
Closing balance at 31 December 2021	74,695	(2,576)	126	72,245

* Details of restatement as disclosed in Note 35.
The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

Consolidated Cash Flow Statement

For the financial year ended 31 December 2022

	Note	Group 2022 $'000	Group 2021 (Restated)* $'000
Cash flows from operating activities			
Profit before tax		178	1,578
Adjustments for:			
Depreciation of plant and equipment	12	1,247	1,180
Depreciation of right-of-use assets	13	2,919	2,928
Write-off of plant and equipment	12	49	52
Amortisation of intangible assets	15	280	272
Share-based payment	27	672	84
Impairment loss on goodwill	8	250	–
Interest income	5	(30)	(12)
Finance costs	7	893	639
Allowance for stock obsolescence	17	1,554	4,264
Impairment loss on trade and other receivables	8	271	355
Provisions	24	(79)	156
Exchange differences		(717)	8
Operating cash flows before changes in working capital		7,487	11,504
(Increase)/decrease in inventories		(5,399)	775
Decrease/(increase) in trade and other receivables		10,766	(16,722)
Decrease/(increase) in finance lease receivables		513	(70)
(Increase)/decrease in prepayment		(1,101)	215
(Decrease)/increase in deferred income		(11,928)	2,986
Increase in trade and other payables		7,721	9,111
Net cash generated from operations		8,059	7,799
Income taxes refund/(paid)		854	(637)
Net cash generated from operating activities		8,913	7,162
Cash flows from investing activities			
Purchase of plant and equipment		(1,425)	(434)
Proceeds from disposal of plant and equipment		2	–
Placement of fixed deposits		(2)	–
Proceeds from maturity of fixed deposits		–	1,321
Interest received		30	12
Net cash (used in)/ generated from investing activities		(1,395)	899
Cash flows from financing activities			
Proceeds from loans and borrowings		94,913	150,361
Repayments of loans and borrowings		(94,207)	(157,327)
Payment of principal portion of lease liabilities		(3,049)	(2,770)
Interest paid		(893)	(639)
Net cash used in financing activities		(3,236)	(10,375)
Net increase/(decrease) in cash and cash equivalents		4,282	(2,314)
Effect of exchange rate changes on cash and cash equivalents		(1,129)	532
Cash and cash equivalents at beginning of the financial year		29,472	31,254
Cash and cash equivalents at end of the financial year (Note 20)		32,625	29,472

* Details of restatement as disclosed in Note 35.
The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2022

1. CORPORATE INFORMATION

Procurri Corporation Limited (the "Company") is a public listed company incorporated and domiciled in Singapore. The Company is listed on the Main Board of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 July 2016.

The registered office and principal place of business of the Company is located at 29 Tai Seng Avenue, #01-01 Natural Cool Lifestyle Hub, Singapore 534119.

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

On 26 May 2022, the Company became a subsidiary of Declout Pte Ltd, a company incorporated and domiciled in Singapore and Exeo Group, Inc. became the ultimate holding entity of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values are rounded to the nearest thousand ($'000), unless otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 16: *Lease Liabilities in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired, and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognized as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognized in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquire are recognized on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognized as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rates at the date of balance sheet.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the cash-generating units may be impaired. Impairment for goodwill is determined by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	-	4 to 10 years
Restoration costs	-	5 years
Plant and equipment	-	3 to 6 years
Maintenance parts	-	5 years
Motor vehicles	-	5 to 10 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortized. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Amortization is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Software	-	5 years
Technical know-how	-	5 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss relating to goodwill cannot be reversed in future periods.

2.10 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investment in subsidiaries are accounted for at cost less impairment losses.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the entity becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The two measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income ("OCI") are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.12 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.14 Inventories

Inventories consist of computer equipments and peripherals, as well as component parts used for Third-Party Maintenance services.

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for using purchase costs on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Component parts used for Third-Party Maintenance services are written down at its consumption rates to reflect its value over the contract period.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Government grants

Government grants are recognized as a receivable when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants are recognized as income in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented as a credit in profit or loss under "Other income".

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.18 Employee benefits

(a) Defined contributions plan

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Share-based payments

Procurri PSP

Benefits to employees are provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is measured by reference to the fair value of the shares awarded or rights granted, which takes into account market conditions and non-vesting conditions. This cost is charged to profit or loss over the vesting period, with a corresponding increase in the share-based payment reserve. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of shares that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period and is recognised in employee benefits expense.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.19 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office premises - 2 – 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to Note 2.9.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

(a) Sale of goods

The Group supplies IT hardware equipment including but not limited to pre-owned servers, storage and networking equipment.

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are sold with the right of return within 30 days.

The amount of revenue recognized is based on the estimated transaction price, which comprises the contractual price, net of expected returns. Based on the Group's experience with similar types of contracts, expected returns are insignificant.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Group also updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods.

(b) Rendering of services

The Group renders IT maintenance services for a variety of IT system and networks as well as equipment refurbishment and data destruction services and asset disposal services.

Revenue derived from rendering of IT maintenance services are recognised over time on a straight-line basis, over the period of the contract when maintenance services are rendered.

For IT maintenance services, advance billings to customers are based on a payment schedule in the contract. A deferred income is recognised when the Group has yet to perform under the contracts but has received advanced payments from the customers.

Revenue derived from equipment refurbishment, data destruction, and asset disposal services, are recognised at the point in time upon completion of the service.

(c) Equipment rental and leasing income

Equipment rental and leasing income arising from operating leases on equipment is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) Cost to obtain a contract

The Group pays sales commission to its employees for each contract that they obtain for sale of goods, rendering of services and for equipment rental and leasing. The Group applies the optional practical expedient to immediately expense costs to obtain a contract if the amortisation period of the asset that would have been recognised is one year or less. As such, sales commissions are immediately recognised as an expense and included as part of selling expenses.

(e) Deferred income

Deferred income is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Deferred income is recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 Revenue recognition (cont'd)

(f) Interest income

Interest income including income arising from finance leases and other financial instruments, is recognised using the effective interest method.

For the revenue streams (a), (b) and (c) stated above, in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money for contracts with customers that include a significant financing component. In adjusting for the significant financing component, the Group uses a discount rate that would be reflected in a separate financing transaction between the Group and its customers of contract inception such that it reflects the credit characteristics of the party receiving financing in the contract.

2.21 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investment in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investment in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.21 Taxes (cont'd)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheets.

2.22 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.23 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group;

(b) a present obligation that arises from past events but is not recognised because

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;

or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheets of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of the revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

Notes to the Financial Statements

For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 18 to the financial statements.

The carrying amount of trade receivables at the end of the reporting period is disclosed in Note 18.

(b) Allowance for stock obsolescence

Inventory is stated at the lower of cost and net realisable value ("NRV"). The Group's inventories mainly consist of computer hardware and peripheral equipment, which are subject to risk of obsolescence due to technological advancements or changes in consumers' preferences.

The determination of allowances for stock obsolescence to NRV requires management to exercise judgement in identifying slow-moving and obsolete inventories and make estimates of write-down required. The carrying amount of inventories stated at the lower of cost and NRV as at 31 December 2022 was $24,827,000 (2021: $20,928,000) and the related allowance for stock obsolescence was $1,554,000 (2021 - restated: $4,264,000) during the financial year.

(c) Impairment assessment of goodwill and cost of investment in subsidiaries

The Group's goodwill and the Company's cost of investment in subsidiaries are subjected to impairment assessment for the financial year ended 31 December 2022. Management assesses goodwill impairment annually. For cost of investment in subsidiaries, management performs an assessment to ascertain whether indicators of impairment are present. For impairment assessment, management uses a discounted cash flow model which involves significant judgement in estimating the recoverable values of these assets. Any shortfall of the recoverable values against the carrying amounts of these assets will be recognized as impairment losses. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These key assumptions applied in the determination of the value-in-use including a sensitivity analysis, are disclosed and further explained in Notes 14 and 15 to the financial statements.

The carrying amounts of the Group's goodwill and the Company's cost of investment in subsidiaries as at 31 December 2022 were disclosed in Note 15 and 14 respectively.

Notes to the Financial Statements

For the financial year ended 31 December 2022

4. REVENUE

(a) Disaggregation of revenue

	Hardware, Lifecycle Services and IT Asset Disposition		Third Party Maintenance		Total	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000
Major revenue stream						
Sale of goods	**174,026**	174,453	**4,293**	4,344	**178,319**	178,797
Rendering of services	**20,652**	14,558	**44,718**	51,834	**65,370**	66,392
Equipment rental and leasing	**6,351**	4,439	**–**	–	**6,351**	4,439
	201,029	193,450	**49,011**	56,178	**250,040**	249,628
Timing of transfer of goods or services						
At a point in time	**194,678**	189,011	**4,293**	4,344	**198,971**	193,355
Over time	**6,351**	4,439	**44,718**	51,834	**51,069**	56,273
	201,029	193,450	**49,011**	56,178	**250,040**	249,628

	2022 $'000	2021 $'000
Primary geographical markets		
Singapore	**13,966**	9,826
Europe, the Middle East and Africa	**89,976**	99,437
Americas	**139,850**	134,551
Others	**6,248**	5,814
	250,040	249,628

(b) Judgement and methods used in estimating revenue

Estimating variable consideration for sale of goods

In estimating the variable consideration for the sale of goods, management relies on historical experience with product returns of customers, analysed by customers and geographical areas.

For product returns, management considers its historical experience to develop an estimate of variable consideration for expected returns using the expected value method.

Notes to the Financial Statements

For the financial year ended 31 December 2022

4. REVENUE (cont'd)

(c) Contract balances

Information about capitalized contract costs and deferred income from contract with customers is disclosed as follows:

	Group	
	2022 $'000	2021 $'000
Capitalized contract costs (Note 19)	1,722	4,454
Deferred income	9,935	21,862

Deferred income primarily relates to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for maintenance services.

Deferred income is recognized as revenue as the Group performs under the contract.

Significant changes in deferred income is explained as follows:

	Group	
	2022 $'000	2021 $'000
Revenue recognized that was included in the deferred income balance at the beginning of the year	14,724	16,197

5. OTHER INCOME

	Group	
	2022 $'000	2021 $'000 (Restated)
Interest income on:		
- Finance lease receivables	17	10
- Fixed deposits	13	2
Government grants	40	242
Sales of other ancillary services	20	3
Rental of carpark	33	30
Others	51	281
	174	568

Government grants mainly related to Jobs Support Scheme ("JSS") in Singapore and Coronavirus Job Retention Scheme in United Kingdom as support measures to relief operations affected by COVID-19 of $40,000 (2021: $242,000).

In Singapore, JSS provides wage support to employers to help them retain their local employees during this period of economic uncertainty. Employers who have made CPF contributions for their local employees will qualify for the payouts under the scheme.

In United Kingdom, any employer can apply to the scheme to temporarily cover people's salaries, including businesses, charities, agencies and public authorities. Employees have to agree to be put on furlough, and an individual can't apply by themselves.

Notes to the Financial Statements

For the financial year ended 31 December 2022

6. EMPLOYEE BENEFITS EXPENSE

	Group	
	2022 $'000	2021 $'000
Salaries, allowances, bonuses and commissions	**56,667**	54,113
Contributions to defined contribution plan	**3,516**	4,145
Share-based payments (Note 27)	**672**	84
Other short-term benefits	**1,605**	1,519
	62,460	59,861
The employee benefits expense is charged under:		
Administrative expenses	**18,283**	19,123
Cost of sales	**14,654**	13,982
Selling expenses	**29,523**	26,756
	62,460	59,861

7. FINANCE COSTS

	Group	
	2022 $'000	2021 $'000
Interest expense on:		
- Bank loans, trade receivables factoring, and line of credit	**483**	215
- Lease liabilities (Note 13)	**410**	424
	893	639

Notes to the Financial Statements

For the financial year ended 31 December 2022

8. OTHER CHARGES, NET

	Group	
	2022 $'000	2021 $'000
Other charges		
Impairment loss on trade and other receivables (Note 18)	**(271)**	(355)
Impairment loss on goodwill	**(250)**	–
Write-off of plant and equipment	**(49)**	(52)
Others	**5**	–
	(565)	(407)
Other credits		
Foreign exchange gain, net	**118**	1,060
Other (charges)/credit, net	**(447)**	653

9. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group	
	2022 $'000	2021 $'000
Employee benefits expense (Note 6)	**62,460**	59,861
Expense relating to short-term leases	**740**	501
Depreciation of plant and equipment (Note 12)	**1,248**	1,180
Depreciation of right-of-use assets (Note 13)	**2,919**	2,928
Amortization of intangible assets (Note 15)	**280**	272
Professional fees	**2,952**	2,448
Audit fees		
Auditors of the Company	**329**	432
Other auditors	**407**	144
Director fees	**297**	259

Notes to the Financial Statements

For the financial year ended 31 December 2022

10. INCOME TAX EXPENSE

Components of income tax expense

The major components of income tax expense for the financial years ended 31 December 2022 and 2021 are:

	Group	
	2022 $'000	**2021 $'000 (Restated)***
Current income tax:		
Current income taxation	**(1,718)**	(1,472)
Under provision in respect of previous years	**58**	1,005
	(1,660)	(467)
Deferred income tax:		
Origination and reversal of temporary differences	**1,310**	874
(Under)/Over provision in respect of previous years	**(6)**	183
	1,304	1,057
Income tax (expense)/credit recognised in profit or loss	**(356)**	590

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2022 and 2021 is as follows:

	Group	
	2022 $'000	**2021 $'000 (Restated)***
Profit before tax	**178**	1,578
Tax at the domestic rates applicable to profit in the countries where the Group operates	**192**	(139)
Non-deductible expenses	**(625)**	(444)
Income not subject to tax	**36**	246
Effect of partial tax exemption, tax incentives and tax relief	**2**	–
Under provision of income tax expense in respect of previous years	**58**	1,005
Over/(under) provision of deferred income tax expense in respect of previous years	**(6)**	183
Deferred tax assets not recognized	**(13)**	–
Utilisation of previously unrecognized deferred tax assets	**–**	(213)
Others	**–**	(48)
Income tax (expense)/credit recognised in profit or loss	**(356)**	590

Notes to the Financial Statements

For the financial year ended 31 December 2022

10. INCOME TAX EXPENSE (cont'd)

Deferred tax credit/(expense) recognised in profit or loss includes:

	Group	
	2022 $'000	2021 $'000
Differences in depreciation for tax purposes	**20**	(312)
Tax benefit arising from acquisition of non-controlling interests	**(378)**	179
Unutilized tax losses	**1,859**	1,181
Unutilized capital allowances	**(20)**	3
Provisions	**(196)**	(164)
Over/(under) provision of deferred income tax expense in respect of previous years	**(6)**	183
Others	**25**	(13)
Total deferred tax credit/(expense) recognised in profit or loss	**1,304**	1,057

Deferred tax balance in balance sheets:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Deferred tax assets/(liabilities)				
Tax benefit arising from acquisition of non-controlling interests	**1,693**	2,071	–	–
Differences in depreciation for tax purposes	**19**	(1)	–	–
Unutilized tax losses	**3,099**	1,240	–	–
Unutilized capital allowances	**–**	20	–	–
Unremitted foreign income	**(64)**	(38)	(64)	(38)
Provisions	**1,735**	1,931	4	–
Under provision of deferred income tax expense in respect of previous years	**(6)**	–	–	–
	6,476	5,223	(60)	(38)
Presented in the balance sheets as follow:				
Deferred tax assets	**6,536**	5,261	–	–
Deferred tax liabilities	**(60)**	(38)	(60)	(38)
	6,476	5,223	(60)	(38)

Unrecognized temporary differences relating to investment in subsidiaries

The Group has not recognized deferred tax liability in respect of undistributed profits subsidiaries because the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future. Such temporary differences for which no deferred tax liability has been recognized amounted to $9,756,921 (2021: $15,467,279). The deferred tax liability is estimated to be $487,846 (2021: $773,364).

The Group has not recognized deferred tax liability in respect of undistributed profits of one of the subsidiaries because the Group intends to apply for the tax exemption of foreign-sourced dividend income from the IRAS under section 13(12) of the Income Tax Act ("ITA"). The undistributed profits of this subsidiary will be exempted from tax the when the Company obtains an exemption approval from the IRAS under section 13(12) of the ITA. Such temporary differences for which no deferred tax liability has been recognized amounted to $18,261,314 (2021: $19,251,099). The deferred tax liability is estimated to be $3,104,423 (2021: $3,272,687).

Notes to the Financial Statements

For the financial year ended 31 December 2022

10. INCOME TAX EXPENSE (cont'd)

Unrecognized tax losses

At the end of the reporting period, the Group has tax losses of approximately $2,897,000 (2021: $1,293,000) that are available for offset against future taxable profits of the Group in which the losses arose, for which no deferred tax assets is recognized due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation of the country in which the subsidiary operates. These tax losses can be carried forward indefinitely.

Unrecognized deferred tax assets arising from acquisition of non-controlling interests

At the end of the reporting period, the Group has unrecognized deferred tax assets of approximately $3,242,000 (2021: $3,728,000) arising from the acquisition of non-controlling interests. From tax perspective, there is a step-up to the fair market value of the 49% non-controlling interests acquired, resulting in a difference between the tax base and accounting base. The Group has recognized $1,800,000 (2021: $2,071,000) of deferred tax assets as at 31 December 2022. The remaining deferred tax assets of $3,242,000 (2021: $3,728,000) are not recognized due to uncertainty of Its recoverability.

11. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing profit, net of tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The diluted earnings per share is calculated by dividing profit, net of tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 December:

	2022 $'000	2021 $'000 (Restated)*
(Loss)/Profit for the year attributable to owners of the Company	(178)	2,168

	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for earnings per share computation	295,508	294,238
Effect of dilutions:		
- Contingently issuable performance shares	2,278	617
Weighted average number of ordinary shares for diluted earnings per share computation	297,786	294,855

	2022	2021 (Restated)
Earnings per share attributable to owners of the Company (cents per share)		
Basic	(0.06)	0.74
Diluted	(0.06)	0.74

Notes to the Financial Statements

For the financial year ended 31 December 2022

12. PLANT AND EQUIPMENT

Group	Leasehold improvement $'000	Restoration costs $'000	Plant and equipment $'000	Maintenance parts $'000	Motor vehicles $'000	Total $'000
Cost:						
At 1 January 2021	3,607	140	10,746	4,418	262	19,173
Additions	78	–	340	–	16	434
Transferred to inventories*	–	–	(559)	–	–	(559)
Exchange differences	16	–	262	3	–	281
At 31 December 2021 and 1 January 2022	3,701	140	10,789	4,421	278	19,329
Additions	104	64	1,220	–	37	1,425
Write-off of plant and equipment	(1,852)	(65)	(1,753)	–	(5)	(3,675)
Transferred to inventories*	–	–	(1,293)	–	–	(1,293)
Exchange differences	(208)	(2)	(323)	(11)	(31)	(575)
At 31 December 2022	1,745	137	8,640	4,410	279	15,211
Accumulated depreciation:						
At 1 January 2021	2,680	140	8,884	4,370	142	16,216
Depreciation charge for the year	330	–	773	20	57	1,180
Transferred to inventories*	–	–	(507)	–	–	(507)
Exchange differences	10	–	167	3	–	180
At 31 December 2021 and 1 January 2022	3,020	140	9,317	4,393	199	17,069
Depreciation charge for the year	265	53	852	28	49	1,247
Write-off of plant and equipment	(1,816)	(65)	(1,740)	–	(5)	(3,626)
Transferred to inventories*	–	–	(1,240)	–	–	(1,240)
Exchange differences	(147)	(2)	(267)	(11)	(24)	(451)
At 31 December 2022	1,322	126	6,922	4,410	219	12,999
Net book value:						
At 31 December 2021	681	–	1,472	28	79	2,260
At 31 December 2022	**423**	**11**	**1,718**	**–**	**60**	**2,212**

* During the financial year 2022, the Group has reclassified certain of its plant and equipment to inventories. The reclassification from plant and equipment to inventories is due to the business decision to hold the computer parts, software, and equipment for trading purpose.

Notes to the Financial Statements

For the financial year ended 31 December 2022

12. PLANT AND EQUIPMENT (cont'd)

Company	Leasehold improvement $'000	Plant and equipment $'000	Total $'000
Cost:			
At 1 January 2021, 31 December 2021 and 1 January 2022	1,799	1,746	3,545
Additions	–	4	4
Write-off of plant and equipment	(1,799)	(1,740)	(3,539)
At 31 December 2022	–	10	10
Accumulated depreciation:			
At 1 January 2021	1,799	1,738	3,537
Depreciation charge for the year	–	8	8
At 31 December 2021 and 1 January 2022	1,799	1,746	3,545
Depreciation charge for the year	–	1	1
Write-off of plant and equipment	(1,799)	(1,740)	(3,539)
At 31 December 2022	–	7	7
Net book value:			
At 31 December 2021	–	–	–
At 31 December 2022	–	3	3

The depreciation expense is charged under:

	Group	
	2022 $'000	**2021 $'000**
Cost of sales	**37**	37
Administrative expenses	**1,210**	1,143
	1,247	1,180

Purchase of plant and equipment

During the financial year, the Group acquired plant and equipment with an aggregate cost of $1,425,000 (2021: $434,000). The cash outflow on acquisition of property, plant and equipment amounted to $1,425,000 (2021: $434,000).

Assets leased out under operating leases

The carrying amount of plant and equipment of the Group leased out under operating leases as at 31 December 2022 is $4,000 (2021: $62,000).

Notes to the Financial Statements

For the financial year ended 31 December 2022

13. LEASES

As a lessee

The Group has lease contracts for office premises. The Group's obligations under these leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension options which are further discussed below.

The Group also has certain leases of computer equipment, data centre racks and rental of office premises with lease terms of 12 months or less and with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Group	
	2022 $'000	2021 $'000
Office premises		
As at 1 January	**4,409**	7,004
Additions	**3,495**	109
Charge for the year	**(2,919)**	(2,928)
Termination of lease	**(108)**	–
Exchange differences	**(263)**	224
As at 31 December	**4,614**	4,409

	Company	
	2022 $'000	2021 $'000
Office premises		
As at 1 January	**90**	306
Charge for the year	**(54)**	(216)
Termination of lease	**(36)**	–
As at 31 December	**–**	90

Notes to the Financial Statements

For the financial year ended 31 December 2022

13. LEASES (cont'd)

As a lessee (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Note	Group	
		2022 $'000	2021 $'000
At 1 January		5,427	8,067
Additions		3,495	109
Accretion of interest	7	410	424
Payments		(3,396)	(3,194)
Termination of leases		(114)	–
Exchange differences		(321)	21
As at 31 December		5,501	5,427
Current		1,809	1,531
Non-current		3,692	3,896
Total lease liabilities		5,501	5,427

	Company	
	2022 $'000	2021 $'000
At 1 January	93	313
Accretion of interest	1	6
Payments	(56)	(226)
Termination of leases	(38)	–
As at 31 December	–	93
Current	–	93
Non-current	–	–
Total lease liabilities	–	93

The maturity analysis of lease liabilities is disclosed in Note 30(b).

Lease liabilities are mainly denominated in the following currencies:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Singapore Dollars	315	419	–	–
United States Dollars	3,042	2,131	–	–
Great Britain Pound	1,791	2,477	–	–
Euro	353	400	–	–

Notes to the Financial Statements

For the financial year ended 31 December 2022

13. LEASES (cont'd)

As a lessee (cont'd)

The following are the amounts recognised in profit or loss:

	Note	Group 2022 $'000	Group 2021 $'000
Depreciation expense of right-of-use assets		2,919	2,928
Interest expense on lease liabilities	7	410	424
Lease expense not capitalised in lease liabilities:			
- Expense relating to short-term leases and low value assets (included in sales and distribution costs and general and administrative expenses)		740	501
Total	9	740	501
Total amount recognised in profit or loss		4,069	3,853

The Group had total cash outflows for leases of $4,136,000 (2021: $3,695,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of $3,495,000 (2021: $109,000).

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised.

As a lessor

Operating leases – as lessor

The Group acts as a lessor for the managed services receivable and rentals receivable for certain plant and equipment. These leases have an average term of one month to two years.

Income from the operating lease recognized during the financial year was $6,351,000 (2021: $4,439,000).

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	Group 2022 $'000	Group 2021 $'000
Not later than one year	669	878
Later than one year and not later than five years	62	–
At 31 December	731	878

Notes to the Financial Statements

For the financial year ended 31 December 2022

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 $'000	2021 $'000
Shares, at cost	42,982	42,982
Additions	43	–
Issuance of Procurri PSP to employees of subsidiaries	2,456	1,813
	45,481	44,795
Less: Impairment loss	(838)	(428)
	44,643	44,367
The movement in impairment loss accounts is as follows:		
At 1 January	428	428
Impairment loss	410	–
At 31 December	838	428

Impairment assessment for investment in subsidiaries

The Company has performed the impairment assessment for investment in Procurri Singapore Pte Ltd ("PSG"), Procurri Asia Pacific Pte Ltd ("PAP") and Procurri Malaysia ("PMY") due to impairment indicators noted.

During the financial year, for impairment assessment for Procurri Malaysia ("PMY"), the Company had recognised an impairment loss of $410,000 (2021: $Nil) in profit or loss. As at 31 December 2022, the Company had provided for provision for impairment loss on investment in subsidiaries amounting to $838,000 (2021: $428,000). The recoverable amounts were determined based on the cash flow forecasts from the financial budgets approved by management that use various significant operational and predictive assumptions and taking into consideration of macroeconomic conditions as well as the historical trend and long term average growth rates. The key assumptions for the value in use calculations are those regarding the revenue growth rates, terminal growth rates, and the pre-tax discount rates as explained in Note 15.

Notes to the Financial Statements

For the financial year ended 31 December 2022

14. INVESTMENT IN SUBSIDIARIES (cont'd)

Composition of the Group

The Group has the following significant investment in subsidiaries.

Name of subsidiary/ Principal place of business	Principal activities	Percentage of equity held 2022 %	Percentage of equity held 2021 %
Procurri Singapore Pte. Ltd. ("Procurri Singapore") [a] Singapore	Business of supply, rental and maintenance and servicing of computer hardware and peripheral equipment	**100**	100
Procurri Malaysia Sdn. Bhd. ("Procurri Malaysia") [c] Malaysia	Sales of all kinds of computer systems and hardware, provision of maintenance and related services, and rental of computer parts and fully configured servers	**100**	100
Procurri Asia Pacific Pte. Ltd. ("Procurri Asia Pacific") [a] Singapore	Business of supply, rental and maintenance and servicing of computer hardware and peripheral equipment	**100**	100
Procurri Europe Lifecycle Services Limited (F.k.a. ASVIDA UK Limited) [d] United Kingdom	Investment holding	**100**	100
Procurri India Private Limited [c] India	Business of hardware sales, maintenance and services	**100**	100
Procurri Canada Limited [d] Canada	Sale of IT asset disposal, repair services, data center services, hardware resale and independent maintenance services of computer hardware and peripheral equipment	**100**	100
Procurri Australia Pty. Ltd. [d] Australia	Sale of IT asset disposal, repair services, data center services, hardware resale and independent maintenance services of computer hardware and peripheral equipment	**100**	100
Procurri Japan GK [d] Japan	Sale of IT asset disposal, repair services, data center services, hardware resale and independent maintenance services of computer hardware and peripheral equipment	**100**	–
Held through Procurri Asia Pacific:			
Procurri Beijing Co.,Ltd. [c] China, Beijing	Repair and maintenance of computer hardware and peripherals, and data processing equipment; computer network and system integration design, installation, commissioning, maintenance, and the provision of technical advice and services; data processing; enterprise management consulting; and wholesale, import and export of computer hardware and peripheral equipment	**100**	100

Notes to the Financial Statements

For the financial year ended 31 December 2022

14. INVESTMENT IN SUBSIDIARIES (cont'd)

Composition of the Group (cont'd)

Name of subsidiary/ Principal place of business	Principal activities	Percentage of equity held 2022 %	Percentage of equity held 2021 %
Held through Procurri Europe Lifecycle Services Limited:			
Procurri LLC [(e)] United States	Business of provision of information technology solutions	**100**	100
Procurri Europe Limited ("PEL") [(b)] United Kingdom	As an investment holding, engage in the distribution of information technology (IT) spare parts, refurbishment and subsequent sales of second user, reconfigured mid to high end IT equipment in the global market	**100**	100
Held through PEL:			
Procurri GmbH ("PGmbH") [(d)] United Kingdom	Sale and distribution of computer hardware products, maintenance and other services related to IT systems and networks	**100**	100
Held through Procurri LLC:			
Procurri S. de R.L. de C.V. [(d)] Mexico	Business of provision of information technology solutions	**100**	100
Rockland Congruity LLC [(e)] United States	Engage in IT hardware and enterprise support by offering independent maintenance and IT support services in the Americas	**100**	100

(a) Audited by Ernst & Young LLP in Singapore
(b) Audited by member firms of EY Global in the respective countries
(c) These subsidiaries are not significant to the Group and are audited by other firms of accountants other than member firms of Ernst & Young
(d) Not required to be audited under the laws of the country of incorporation
(e) Audited by Ernst & Young LLP in Singapore for group reporting purpose

Incorporation of subsidiaries

Procurri Japan GK

On 31 May 2022, the Company incorporated a new wholly-owned subsidiary, Procurri Japan GK in Japan with an authorised issued and paid-up share capital of JPY4,500,000.

Notes to the Financial Statements

For the financial year ended 31 December 2022

15. INTANGIBLE ASSETS

Group	Goodwill $'000	Customer relationship $'000	Technical know-how $'000	Software $'000	Total $'000
Cost:					
At 1 January 2021	12,006	946	2,598	1,332	16,882
Exchange differences	255	–	–	5	260
At 31 December 2021 and 1 January 2022	12,261	946	2,598	1,337	17,142
Exchange differences	(1,243)	–	–	37	(1,206)
At 31 December 2022	11,018	946	2,598	1,374	15,936
Accumulated amortization and impairment:					
At 1 January 2021	350	946	2,598	460	4,354
Amortization charge for the year (Note 9)	–	–	–	272	272
Exchange differences	–	–	–	(12)	(12)
At 31 December 2021 and 1 January 2022	350	946	2,598	720	4,614
Amortization charge for the year (Note 9)	–	–	–	280	280
Impairment loss (Note 8)	250	–	–	–	250
Exchange differences	–	–	–	32	32
At 31 December 2022	600	946	2,598	1,032	5,176
Net book value:					
At 31 December 2021	11,911	–	–	617	12,528
At 31 December 2022	10,418	–	–	342	10,760

Company	Technical know-how $'000
Cost:	
At 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 2022	2,598
Accumulated amortization and impairment:	
At 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 2022	2,598
Net book value:	
At 31 December 2021 and 31 December 2022	–

Notes to the Financial Statements

For the financial year ended 31 December 2022

15. INTANGIBLE ASSETS (cont'd)

Amortization expense

The amortization of software are included in the "Administrative expenses" line item in profit or loss.

Goodwill

Goodwill arising from the acquisitions has been allocated to the following cash generating units ("CGU"):

	Company	
	2022 $'000	2021 $'000
PEL [(a)]	8,646	9,742
Procurri Malaysia [(b)]	1,772	2,169
	10,418	11,911

(a) The recoverable amount was determined based on the value-in-use method. The value in use was measured by management using a discounted cash flow model covering a five-year period (2021: five-year period). Cash flow projections were based on a three-year budget and plans approved by management. This was further extrapolated for a five-year period. Cash flow projections have been extrapolated on the basis at up to 10.00% (2021: 5.00% to 10.00%) growth rate on revenue. A terminal growth rate of 1.00% (2021: 1.00%) was used on cash flows after the fifth year. The terminal growth rate does not exceed the long-term average growth rate of the sector. The discount rate applied (weighted average cost of capital "WACC" gross of tax effect) was 11.8% (2021: 11.4%) taking into account time value of money, individual risk of underlying assets and is comparable to market participants. No impairment charge was recognized as the carrying amount of the CGU was lower than its recoverable amount. Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value to materially exceed the recoverable amount.

(b) The recoverable amount was determined based on the value-in-use method. The value in use was measured by management using a discounted cash flow model covering a five-year period (2021: five-year period). Cash flow projections were based on a three-year budget and plans approved by management. This was further extrapolated for a five-year period. Cash flow projections have been extrapolated on the basis at 10.00% to 35.00% (2021: 9.00% to 20.00%) growth rate on revenue. A terminal growth rate of 2.00% (2021: 1.00%) was used on cash flows after the fifth year. The terminal growth rate does not exceed the long-term average growth rate of the sector. The discount rate applied (weighted average cost of capital "WACC" gross of tax effect) was 11.5% (2021: 10.6%) taking into account time value of money, individual risk of underlying assets and is comparable to market participants. As a result of this analysis, management has recognized an impairment charge of $250,000 (2021: $Nil) against goodwill associated with the acquisition of Procurri Malaysia. The impairment charge is recorded within the "Other charges" line item in profit or loss for the financial year ended 31 December 2022.

16. FINANCE LEASE RECEIVABLES

Group	Minimum payments $'000	Unearned finance income $'000	Present value $'000
31 December 2022			
Minimum lease payments receivable:			
Not later than one year	70	(13)	57
Later than one year and not later than five years	9	(1)	8
	79	(14)	65
31 December 2021			
Minimum lease payments receivable:			
Not later than one year	550	(22)	528
Later than one year and not later than five years	56	(6)	50
	606	(28)	578

The average lease term is one to three years (2021: one to three years). The average effective interest rate is 0.33% to 8.77% (2021: 0.33% to 8.77%) per year. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental receipts. The fair value of the finance lease receivables approximates the carrying value.

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For the financial year ended 31 December 2022

17. INVENTORIES

	Group	
	2022 $'000	2021 $'000
Balance sheet:		
Computer equipment and peripheral equipment held for sale	24,827	20,928
Income statement:		
Inventories recognized as an expense in cost of sales	131,886	136,961
Inclusive of the following charge:		
- Allowance for stock obsolescence	1,554	4,264

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Trade receivables				
- Third parties	37,517	48,601	–	–
Less: Impairment loss	(1,794)	(1,689)	–	–
	35,723	46,912	–	–
- Amount due from subsidiaries	–	–	–	8,510
Total trade receivables, net	35,723	46,912	–	8,510
Other receivables				
- Third parties	711	483	–	–
- GST receivables	106	27	20	13
- Sales tax receivables	873	1,093	–	–
- Advances to staff	322	54	–	–
- Deposit	615	1,054	–	45
- Amounts due from subsidiaries	–	–	24,131	14,382
- Loans to subsidiaries	–	–	4,250	4,288
- Tax recoverable	153	2,814	–	–
	2,780	5,525	28,401	18,728
Less: Impairment loss	(789)	(1,025)	–	–
Total other receivables, net	1,991	4,500	28,401	18,728

Notes to the Financial Statements

For the financial year ended 31 December 2022

18. TRADE AND OTHER RECEIVABLES (cont'd)

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Total trade and other receivables	**37,714**	51,412	**28,401**	27,238
Add: Cash and bank balances (Note 20)	**32,745**	29,597	**8,605**	4,162
Less: GST receivables	**(106)**	(27)	**(20)**	(13)
Less: Sales tax receivables, net	**(83)**	(68)	**–**	–
Less: Tax recoverable	**(153)**	(2,814)	**–**	–
Total financial assets carried at amortized cost	**70,117**	78,100	**36,986**	31,387

Trade receivables

Trade receivables are non-interest bearing and generally ranges from 30 to 60 days terms. They are recognised at their original invoice accounts which represent their fair values on initial recognition.

Trade and other receivables are mainly denominated in the following currencies:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Singapore Dollars	**2,726**	13,302	**19,038**	18,735
United States Dollars	**18,487**	14,065	**6,139**	8,503
Great Britain Pound	**7,861**	14,104	**3,224**	–
Euro	**4,284**	4,764	**–**	–
Malaysian Ringgit	**839**	1,748	**–**	–
Chinese Renminbi	**482**	327	**–**	–
Indian Rupee	**1,421**	1,367	**–**	–
Australian Dollars	**15**	5	**–**	–
Canadian Dollars	**1,599**	1,073	**–**	–

Expected credit losses ("ECL")

The movement in allowance for expected credit losses of trade and other receivables computed based on lifetime ECL are as follows:

	Group	
	2022 $'000	2021 $'000
Movement in allowance accounts:		
At 1 January	**2,714**	2,727
Charge for the year (Note 8)	**271**	355
Written off	**(402)**	(381)
Foreign exchange movements	**–**	13
At 31 December	**2,583**	2,714

Notes to the Financial Statements

For the financial year ended 31 December 2022

18. TRADE AND OTHER RECEIVABLES (cont'd)

Other receivables

Amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand by cash.

Loans to subsidiaries are unsecured, bears interest of 2.75% (2021: 2.75%), repayable within next twelve months and are to be settled in cash.

All loans to subsidiaries are denominated in United States Dollars.

19. PREPAYMENTS

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Advances to suppliers	**7,479**	3,589	**–**	–
Prepayments	**871**	928	**71**	17
Capitalized contract cost	**1,722**	4,454	**–**	–
	10,072	8,971	**71**	17

20. CASH AND BANK BALANCES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Cash and bank balances	**32,745**	29,597	**8,605**	4,162
Less: Fixed deposit	**(120)**	(125)	**–**	–
Cash and cash equivalents	**32,625**	29,472	**8,605**	4,162

Pledged deposits represent amounts held by banks as security for banking facilities (Note 23).

Fixed deposit is made for a period of twelve months (2021: twelve months) and earns interest at 0.20% to 2.60% (2021: 0.20% to 2.60%).

Notes to the Financial Statements

For the financial year ended 31 December 2022

20. CASH AND BANK BALANCES (cont'd)

Cash and bank balances are mainly denominated in the following currencies:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Singapore Dollars	1,895	2,724	253	1,556
United States Dollars	14,669	14,535	8,352	2,606
Great Britain Pound	9,172	8,163	–	–
Euro	2,503	946	–	–
Malaysian Ringgit	719	500	–	–
Chinese Renminbi	274	224	–	–
Indian Rupee	927	676	–	–
Australian Dollars	123	51	–	–
Japanese Yen	104	–	–	–
Canadian Dollars	2,239	1,778	–	–

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 $'000	2021 $'000 (Restated)	2022 $'000	2021 $'000
Trade payables				
- Third parties	32,313	25,658	–	11
- Amount due to subsidiaries	–	–	39	–
	32,313	25,658	39	11
Other payables				
- Third parties	2,245	1,858	312	174
- Withholding tax payable	125	125	126	125
- Sales tax payable	1,784	2,251	699	703
- Accrued operating expenses	7,575	6,426	408	1,099
- Amount due to subsidiaries	–	–	–	8
	11,729	10,660	1,545	2,109
Total trade and other payables	44,042	36,318	1,584	2,120
Add: Loans and borrowings (Note 23)	15,002	14,360	–	–
Less: Withholding tax payable	(125)	(125)	(126)	(125)
Less: Sales tax payable	(1,784)	(2,251)	(699)	(703)
Total financial liabilities carried at amortised cost	57,135	48,302	759	1,292

Notes to the Financial Statements

For the financial year ended 31 December 2022

21. TRADE AND OTHER PAYABLES (cont'd)

Trade payables are non-interest bearing and normally settled on 60 days terms.

Amount due to subsidiaries is unsecured, non-interest bearing and repayable on demand.

Trade and other payables are mainly denominated in the following currencies:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Singapore Dollars	**3,234**	3,759	**1,340**	1,963
United States Dollars	**23,373**	15,310	**244**	157
Great Britain Pound	**12,651**	12,653	**–**	–
Euro	**1,388**	2,064	**–**	–
Malaysian Ringgit	**1,054**	865	**–**	–
Chinese Renminbi	**392**	277	**–**	–
Indian Rupee	**821**	741	**–**	–
Australian Dollars	**55**	361	**–**	–
Japanese Yen	**89**	–	**–**	–
Canadian Dollars	**985**	288	**–**	–

22. DEFERRED INCOME

Deferred income is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Deferred income is recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer). Revenue will be recognized on a straight-line basis over the specified period of the maintenance contracts signed.

23. LOANS AND BORROWINGS

	Group		Company	
	2022 $'000	2021 $'000 (Restated)	2022 $'000	2021 $'000
Current				
Bank loan (I)	**460**	440	**–**	–
Bank loan (II)	**–**	2,000	**–**	–
Line of credit	**12,693**	10,057	**–**	–
Others	**11**	25	**–**	–
	13,164	12,522	**–**	–
Non-current				
Bank loan (I)	**1,838**	1,838	**–**	–
	1,838	1,838	**–**	–
Total loans and borrowings	**15,002**	14,360	**–**	–

Notes to the Financial Statements

For the financial year ended 31 December 2022

23. LOANS AND BORROWINGS (cont'd)

Bank loans

(I) This relates to the PPP loan received by the Group in financial year ended 31 December 2021. PPP loan is unsecured and repayable over a period of 5 years at 1% interest rate per annum. Details on the PPP loan is disclosed in note 35.

(II) Bank loans are unsecured and covered by a corporate guarantee by the Company on behalf of a subsidiary. The amount bears effective interest rate fixed at 1.80% (2021: 1.80%) per annum, and was fully repaid during the financial year ended 31 December 2022.

Line of credit

Line of credit is unsecured, repayable on demand and is covered by a corporate guarantee by the Company on behalf of a subsidiary. The interest rate is 1.65% to 8.50% (2021: 1.63% to 1.72%) per annum.

A reconciliation of liabilities arising from Group's financing activities is as follows:

	1.1.2022 $'000 (Restated)	Cash flows $'000	Addition / termination of leases, net $'000	Foreign exchange movements $'000	31.12.2022 $'000
Bank loans	4,278	(2,039)	–	59	2,298
Lease liabilities (Note 13)	5,427	(3,049)	3,386	(263)	5,501
Line of credit	10,057	2,756	–	(120)	12,693
Others	25	(11)	–	(3)	11
Total loans and borrowings	19,787	(2,343)	3,386	(327)	20,503

	1.1.2021 $'000	Cash flows $'000	Addition of new leases $'000	Foreign exchange movements $'000	31.12.2021 $'000 (Restated)
Bank loans	9,362	(5,149)	–	65	4,278
Lease liabilities (Note 13)	8,067	(2,770)	109	21	5,427
Trade receivables factoring	5,886	(6,055)	–	169	–
Line of credit	5,751	4,238	–	68	10,057
Others	29	–	–	(4)	25
Total loans and borrowings	29,095	(9,736)	109	319	19,787

Loans and borrowings are mainly denominated in the following currencies:

	Group		Company	
	2022 $'000	2021 $'000 (Restated)	2022 $'000	2021 $'000
Singapore Dollars	297	2,000	–	93
United States Dollars	18,033	14,637	–	–
Great Britain Pound	1,821	–	–	–
Euro	353	–	–	–

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For the financial year ended 31 December 2022

24. PROVISIONS

Provision for reinstatement costs

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
At 1 January	225	225	65	65
(Under)/over accrual in prior year	(65)	–	(65)	–
Provision during the year	63	–	–	–
Exchange difference	(3)	–	–	–
At 31 December	220	225	–	65

The provision for reinstatement costs is based on the present value of costs to be incurred to remove leasehold improvement from leased properties. The estimate is based on quotations from external contractors. The remaining lease period will be one year after renewal (2021: two years).

Provision for claims

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
At 1 January	753	590	–	–
Over provision in prior year	(99)	–	–	–
Provision during the year	16	156	–	–
Exchange difference	(78)	7	–	–
At 31 December	592	753	–	–
Total provisions	812	978	–	65

Provision for dilapidations claim relating to leasehold premises amounted to approximately $592,000 (2021: $753,000).

25. SHARE CAPITAL

	Group and Company			
	2022		2021	
	No. of ordinary shares	Amount $'000	No. of ordinary shares	Amount $'000
Ordinary shares				
At 1 January	294,237,973	74,695	293,686,573	74,541
Issuance of new shares pursuant to performance shares plan	1,352,000	411	551,400	154
At 31 December	295,589,973	75,106	294,237,973	74,695

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

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For the financial year ended 31 December 2022

26. OTHER RESERVES

Group	Foreign currency translation reserve $'000	Merger reserve $'000	Premium on acquisition of non-controlling interest $'000	Share-based payment reserve (Note 27) $'000	Total $'000
Opening balance at 1 January 2022	169	(4,420)	(42,267)	124	(46,394)
Share-based payment	–	–	–	672	672
Issuance of shares pursuant to performance shares plan	–	–	–	(411)	(411)
Exchange differences	(3,519)	–	–	–	(3,519)
Closing balance at 31 December 2022	**(3,350)**	**(4,420)**	**(42,267)**	**385**	**(49,652)**
Opening balance at 1 January 2021	(183)	(4,420)	(42,267)	194	(46,676)
Share-based payment	–	–	–	84	84
Acquisition of non-controlling interests	–	–	–	(154)	(154)
Exchange differences	352	–	–	–	352
Closing balance at 31 December 2021	169	(4,420)	(42,267)	124	(46,394)

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Merger reserve

The merger reserve represents acquisition involving entities under common control. The reserve arises from the difference between the purchase consideration and the net assets acquired.

Premium on acquisition of non-controlling interest

Premium on acquisition of non-controlling interest comprises the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received and attributed to the owners of the Company.

27. SHARE-BASED COMPENSATION

	Group and Company	
	2022 $'000	2021 $'000
Performance share plan	**672**	84

Notes to the Financial Statements

For the financial year ended 31 December 2022

27. SHARE-BASED COMPENSATION (cont'd)

Procurri PSP

The Group operates a Performance Share Plan (the "Procurri PSP") which was approved pursuant to a written resolution passed by the shareholders on 27 June 2016. The Procurri PSP is administered by the Awards Committee whose members are currently members of the RC.

Subject to the absolute discretion of the RC, awards may be granted to the following participants under the Procurri PSP:

- confirmed employees of the group;
- directors of the Company and/or any of its subsidiaries and/or any of its associated companies who perform an executive function; and
- directors of the Company and/or any of its subsidiaries, other than those who perform an executive function

(subject to the rules of the Procurri PSP).

The maximum number of shares issuable or to be transferred by the Company under the Procurri PSP, when aggregated with the aggregate number of shares over which options or awards granted under any other share option schemes or schemes of the Company, will be 15% of the Company's total number of issued shares (excluding treasury shares) from time to time.

The shares have a vesting period of one to three years. The fair value of the awards granted was based on the last traded price of the Company's shares on the date of grant. The exercise price for the share option is $nil.

The table below summarizes the number of shares which are the subject of the awards granted under the Procurri PSP that were outstanding, their fair value price as at the end of the reporting year, as well as the movement during the reporting year.

Grant date	Number of shares which are the subject of the awards granted under the Procurri PSP outstanding as at beginning of the year	Number of shares which are the subject of the awards granted under the Procurri PSP granted during the year	Number of shares issued pursuant to the awards during the year	Number of shares forfeited/lapsed pursuant to the awards during the year	Number of shares which are the subject of the awards granted under the Procurri PSP outstanding as at end of the year
2021	1,078,700	89,600	(551,400)	–	616,900
2022	**616,900**	**2,515,200**	**(1,352,000)**	**(165,900)**	**1,614,200**

The Company has granted 89,600 shares on 18 February 2021, and 2,049,000 and 466,200 of shares on 13 January 2022 and 4 March 2022 respectively under the Procurri PSP. In the financial year ended 31 December 2022, a total of 1,352,000 and 165,900 number of shares have been vested and lapsed respectively.

Performance share plan reserve

	Group and Company	
	2022 **$'000**	**2021** **$'000**
Balance at beginning of the year	**124**	194
Expense recognised in profit or loss	**672**	84
Issuance of shares pursuant to the Procurri PSP	**(411)**	(154)
Balance at end of the year	**385**	124

Notes to the Financial Statements

For the financial year ended 31 December 2022

27. SHARE-BASED COMPENSATION (cont'd)

Procurri Corporation Employee Share Option Scheme (the "Procurri ESOS")

The Group operates an Employee Share Option, the Procurri ESOS, which was approved pursuant to a written resolution passed by the shareholders on 27 June 2016.

Subject to the absolute discretion of the RC, awards may be granted to the following participants under the Procurri ESOS:

- confirmed employees of the group;
- directors of the Company and/or any of its subsidiaries and/or any of its associated companies who perform an executive function; and
- directors of the Company and/or any of its subsidiaries, other than those who perform an executive function

(subject to the rules of the Procurri ESOS).

The maximum number of shares issuable or to be transferred by the Company under the Procurri ESOS, when aggregated with the aggregate number of shares over which options or awards granted under any other share option schemes or schemes of the Company, will be 15% of the Company's total number of issued shares (excluding treasury shares) from time to time.

No awards have been granted under the Procurri ESOS for the financial year ended 31 December 2022 and 2021.

28. RELATED PARTY TRANSACTIONS AND BALANCES

Compensation of key management personnel

	Group	
	2022 $'000	2021 $'000
Salaries and other short-term employee benefits	**4,365**	4,670
Share-based payment	**670**	74
Central Provident Fund contributions	**31**	24
Others	**704**	458
	5,770	5,226
Key management compensation comprises the following:		
Remuneration to directors of the Company	**1,540**	1,431
Remuneration to other key management personnel	**3,933**	3,536
Director fees	**297**	259
	5,770	**5,226**

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

29. COMMITMENTS

Operating lease commitments – as lessee

Operating lease payments are for rentals payable for office and computer equipment, office premises and data centre racks. These leases have an average term of one to six years (2021: one to six years).

Minimum lease payments recognized as an expense in profit or loss for the financial year ended 31 December 2022 amounted to $740,000 (2021: $501,000).

Notes to the Financial Statements

For the financial year ended 31 December 2022

30. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The management reviews and agrees policies and procedures for the management of these risks. It is and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of management.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the borrower;
- Significant increases in credit risk on other financial instruments of the same borrower;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- There is a disappearance of an active market for that financial asset because of financial difficulty.

Notes to the Financial Statements

For the financial year ended 31 December 2022

30. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

(a) Credit risk (cont'd)

The Group categorizes a loan or receivable for potential write-off when a debtor fails to make contractual payments and in significant financial difficulties. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Trade and other receivables

The Group provides for lifetime expected credit losses for all trade and other receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The loss allowance provision as at 31 December 2022 is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions and expected inflation rates.

Summarised below is the information about the credit risk exposure on the Group's trade and other receivables using a provision matrix, grouped by geographical region:

(i) Singapore

		Past due		
31 December 2022	**Current $'000**	**Less than 90 days $'000**	**More than 90 days $'000**	**Total $'000**
Gross carrying amount	1,209	815	46	2,070
Loss allowance provision	–	–	(81)	(81)
31 December 2021				
Gross carrying amount	1,046	615	137	1,798
Loss allowance provision	–	–	(90)	(90)

(ii) Other geographical area

		Past due		
31 December 2022	**Current $'000**	**Less than 90 days $'000**	**More than 90 days $'000**	**Total $'000**
Gross carrying amount	24,338	9,515	4,374	38,227
Loss allowance provision	–	(40)	(2,462)	(2,502)
31 December 2021				
Gross carrying amount	28,173	15,557	8,598	52,328
Loss allowance provision	–	–	(2,624)	(2,624)

Notes to the Financial Statements

For the financial year ended 31 December 2022

30. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

(a) Credit risk (cont'd)

Information regarding loss allowance movement of trade and other receivables are disclosed in Note 18.

During the year, the Group wrote-off $402,000 (2021: $381,000) of trade and other receivables as the Group does not expect to receive future cash flows from and there are no recoveries from collection of cash flows previously written off.

Credit risk concentration profile

At the end of the reporting period, approximately 11% (2021: 15%) of the Group's trade receivables were due from 3 major customers.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarizes the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	One year or less $'000	1 to 5 years $'000	Total $'000
31.12.2022			
Financial assets:			
Trade and other receivables, net	37,372	–	37,372
Finance lease receivables	70	9	79
Cash and bank balances	32,745	–	32,745
Total undiscounted financial assets	70,187	9	70,196
Financial liabilities:			
Trade and other payables	44,042	–	44,042
Loans and borrowings	13,836	1,857	15,693
Lease liabilities	1,904	3,886	5,790
Total undiscounted financial liabilities	59,782	5,743	65,525
Total net undiscounted financial assets/(liabilities)	10,405	(5,734)	4,671

Notes to the Financial Statements

For the financial year ended 31 December 2022

30. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

Group	One year or less $'000	1 to 5 years $'000	Total $'000
31.12.2021 (Restated)			
Financial assets:			
Trade and other receivables, net	48,503	–	48,503
Finance lease receivables	550	56	606
Cash and bank balances	29,597	–	29,597
Total undiscounted financial assets	78,650	56	78,706
Financial liabilities:			
Trade and other payables	33,942	–	33,942
Loans and borrowings	13,161	1,912	15,073
Lease liabilities	1,612	4,102	5,714
Total undiscounted financial liabilities	48,715	6,014	54,729
Total net undiscounted financial assets/(liabilities)	29,935	(5,958)	23,977

	One year or less	
Company	**2022 $'000**	**2021 $'000**
31.12.2021 (Restated)		
Financial assets:		
Trade and other receivables	28,381	27,225
Cash and bank balances	8,605	4,162
Total undiscounted financial assets	36,986	31,387
Financial liabilities:		
Trade and other payables	1,584	1,292
Lease liabilities	–	93
Total undiscounted financial liabilities	1,584	1,385
Total net undiscounted financial assets	35,402	30,002

Notes to the Financial Statements

For the financial year ended 31 December 2022

30. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group does not hedge its investment in fixed rate debt securities.

The interest rate risk exposure is from changes in fixed rate and floating interest rates and it mainly concerns financial liabilities which are both fixed rate and floating rate. The following table analyses the breakdown of the financial liabilities by type of interest rate:

Group	Less than 1 year $'000	1 to 5 years $'000	Total $'000
31.12.2022			
Fixed rate			
Lease liabilities	1,809	3,692	5,501
Bank loans	460	1,838	2,298
Floating rate			
Line of credit	12,693	–	12,693
Others	11	–	11

Group	Less than 1 year $'000 (Restated)	1 to 5 years $'000 (Restated)	Total $'000 (Restated)
31.12.2021			
Fixed rate			
Lease liabilities	1,531	3,896	5,427
Bank loans	2,440	1,838	4,278
Floating rate			
Line of credit	10,057	–	10,057
Others	25	–	25

Company	Less than 1 year $'000	1 to 5 years $'000	Total $'000
31.12.2021			
Fixed rate			
Lease liabilities	93	–	93

Notes to the Financial Statements

For the financial year ended 31 December 2022

30. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

(c) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

At the end of reporting year, if the interest rates have been 100 (2021: 100) basis points lower/ higher with all other variables held constant, the Group's profit before tax would have been $127,000 (2021: $101,000) higher/lower, arising mainly as a result lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on currently observable market environment, showing a higher significantly volatility as in prior years.

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. The foreign currencies in which these transactions are denominated are mainly United States Dollars (USD) and Euro (EUR). The Group's trade receivable and trade payable balances at the end of the reporting period have similar exposures. The Group and the Company also hold cash and bank balances and loans and borrowings denominated in foreign currencies for working capital purposes and financing activities. At the end of the reporting period, such foreign currency balances are mainly in USD and EUR.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

			Group	
			2022 $'000	2021 $'000
USD/SGD	-	if strengthen by 10% (2021: 10%)	**811**	337
	-	if weaken by 10% (2021: 10%)	**(811)**	(337)
GBP/EUR	-	if strengthen by 10% (2021: 10%)	**35**	81
	-	if weaken by 10% (2021: 10%)	**(35)**	(81)
EUR/GBP	-	if strengthen by 10% (2021: 10%)	**110**	41
	-	if weaken by 10% (2021: 10%)	**(110)**	(41)
SGD/USD	-	if strengthen by 10% (2021: 10%)	**144**	(3)
	-	if weaken by 10% (2021: 10%)	**(144)**	3

31. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categorizes fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Notes to the Financial Statements

For the financial year ended 31 December 2022

31. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(a) Fair value hierarchy (cont'd)

Fair value measurements that use inputs of different hierarchy levels are categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair value

There are no assets and liabilities measured at fair value at 31 December 2022 and 2021 for which fair value is disclosed.

(c) Assets and liabilities not measured at fair value, for which fair value is disclosed

There are no assets and liabilities not measured at fair value at 31 December 2022 and 2021 for which fair value is disclosed.

(d) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Cash and bank balances (Note 20), trade and other receivables (Note 18), trade and other payables (Note 21), loans and borrowings (Note 23), and lease liabilities (Note 13).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values as they are short-term in nature, market interest rate instruments.

(e) Fair value of financial instrument classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

There are no financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value.

32. SEGMENT INFORMATION

The Group is organized into business units based on its products and services and has two reportable segments, as follow:

- Segment 1: Hardware, Lifecycle Services and IT Asset Disposition ("HW and ITAD") business includes revenue derived from (i) Hardware Resale, which comprises income derived from the distribution of IT hardware, including but not limited to pre-owned servers, storage and networking equipment; (ii) Supply Chain Management, where income is derived from assisting OEMs in the distribution of their goods as part of their supply chain activities; (iii) the provision of service to extend the life of IT equipment while extracting the highest possible value for retired technology, by means of equipment refurbishment, data destruction services, and other lifecycle services to help our customers yield greater corporate and environment sustainability; and (iv) disposal, recycling, refurbishment and resale of IT hardware before it is at its absolute end-of-life state ("ITAD Arbitrage").

- Segment 2: Third Party Maintenance ("TPM") business includes revenue derived from renewable maintenance contracts (i) where we provide the rendering of IT maintenance services for a variety of IT systems and networks; (ii) sales of maintenance parts tied to systems on the renewable contract and (iii) professional services tied to systems on the renewable contracts.

Management monitors the operating results of its segments separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is monitored based on revenue and gross profit. Selling expenses, administrative expenses, finance costs, assets and liabilities are managed on a legal entity basis.

Notes to the Financial Statements

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32. SEGMENT INFORMATION (cont'd)

	Hardware, Lifecycle Services and IT Asset Disposition		Third Party Maintenance		Per consolidated financial statements	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Revenue	**201,029**	193,450	**49,011**	56,178	**250,040**	249,628
Cost of sales	**(152,542)**	(152,507)	**(32,269)**	(36,623)	**(184,811)**	(189,130)
Gross profit	**48,487**	40,943	**16,742**	19,555	**65,229**	60,498

Geographical information

Non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Non-current assets	
	2022 $'000	2021 (Restated)* $'000
Singapore	417	417
Europe, the Middle East and Africa	11,062	13,136
Americas	4,297	3,420
Others	1,810	2,224
	17,586	19,197

Non-current assets information presented above consist of plant and equipment, right-of-use assets and intangible assets as presented in the consolidated balance sheets.

33. CAPITAL MANAGEMENT

The objectives when managing capital are to safeguard the reporting entity's ability to continue as a going concern so that it can continue to provide returns for owners and benefits for other stakeholders; and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Capital comprises all components of equity.

The management monitors the capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt divided by capital. Net debt is calculated as total borrowings less cash and bank balances.

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33. CAPITAL MANAGEMENT (cont'd)

	Group	
	2022	2021 (Restated)*
	$'000	$'000
Loans and borrowings (Note 23)	15,002	14,360
Less: cash and bank balances (Note 20)	(32,745)	(29,597)
Net cash	(17,743)	(15,237)
Total equity	52,082	55,107
Debt-to-capital ratio	(0.341)	(0.276)

34. CONTINGENCIES

Litigation

On 15 October 2021, Procurri Corporation Limited (the "Company", and together with its subsidiaries, the "Group") announced that its wholly-owned subsidiaries, Rockland Congruity LLC ("Rockland Congruity") and Procurri LLC ("PLLC"), have commenced the filing of a joint action by way of complaint against Brian Davidson ("Davidson"), Sean Brady ("Brady"), Congruity, LLC ("Congruity") and Congruity 360, LLC ("C360") (collectively, the "Defendants"), in the Court of Chancery of the State of Delaware (the "Chancery Court"), the United States. The Company has engaged legal counsel to represent Rockland Congruity and PLLC in this case

On 18 November 2021, the Group has added Park Place Technologies LLC ("Park Place") as an additional Defendant in the current action by filling an Amended Complaint in the Chancery Court.

On 26 July 2022, Rockland Congruity and PLLC have entered into a settlement agreement with Park Place to amicably settle all claims against Park Place in the current action in the Chancery Court. The claims against the other Defendants remain ongoing.

The Company is working with legal counsel to monitor the progress of this case. The Board will continue to take all necessary actions in the best interests of the shareholders and the Group and will update the shareholders by making further announcements as and when material developments occur in this regard.

Legal advice obtained indicates that it is too early in the litigation to assess if any significant contingent assets will arise. At the date of these financial statements, there are no contingent assets recognised.

Notes to the Financial Statements

For the financial year ended 31 December 2022

35. RESTATEMENT

In United States, Paycheck Protection Program (PPP) was created to provide certain small businesses with liquidity to support their operations during the COVID-19 pandemic. Under the PPP, eligible small businesses can apply to approved lender for a loan that does not require collateral or personal guarantees. PPP loan was disbursed by the lenders (i.e. participating banks appointed by the U.S. Small Business Administration ("SBA") to manage and process the PPP loan for applicants). The loans are eligible for forgiveness (in full or in part, including and any accrued interest) under certain conditions. If an entity expects to comply with the PPP eligibility and loan forgiveness criteria, it accounts for the forgivable PPP loan as, in substance, a government grant that is earned through the entity's compliance with the loan forgiveness criteria.

During last financial year ended 31 December 2021 (FY 2021), the Group has applied for PPP loan and received the PPP loan disbursements amounting to USD 1,709,000 (SGD 2,278,000) (i.e., Second Draw of the PPP loan). The Group has obtained the loan forgiveness for the First Draw of the PPP loan during FY2021 and was of the view that the Second Draw of the PPP loan would be similarly forgiven as it was reviewed, approved and made available to the Group by the participating bank. Therefore, the Group has recognized the Second Draw of the PPP loan as Other income - government grant in FY2021.

During current financial year ended 31 December 2022, the participating bank notified the Group that the application for the PPP loan forgiveness has been declined as the Group did not meet one of the conditions for forgiveness of the full loan amount. As a result, the Group will be required to repay the PPP loan over a period of 5 years and at 1% interest rate per annum. The full amount of PPP proceeds received will be restated to loan payables, as follow:

	31 Dec 21 As previously reported $	Prior period adjustment $	31 Dec 21 As restated $
Balance sheet			
Loans and borrowings	12,082,000	2,278,000	14,360,000
Retained earnings	29,084,000	(2,278,000)	26,806,000
Statement of comprehensive income			
Other income – government grant	2,846,000	(2,278,000)	568,000

Notes to the Financial Statements

For the financial year ended 31 December 2022

36. SUBSEQUENT EVENTS

As disclosed in Note 35, as of 31 December 2022, the Group did not meet one of the conditions as required by SBA for forgiveness of the PPP loan amount. Following the participating bank's notification to the Group that its application for the PPP loan forgiveness had been declined, the Group filed an appeal with SBA to request for a review of the decision by the participating bank and was subsequently notified that the appeal had been declined. As of 31 December 2022, there was no condition which may indicate that SBA will forgive the PPP loan. As a result of the foregoing, the Loans and Borrowings on the consolidated balance sheet as of 31 December 2022 and 31 December 2021 include a balance of US$ 1,709,000 (2022: S$2,298,000; 2021: S$2,278,000 Restated), representing the full amount of the PPP proceeds that the Group will be required to repay to the participating bank as of the respective balance sheet dates.

Despite there being no condition which may indicate that SBA will forgive the PPP loan as of 31 December 2022, subsequent to the year end, in January 2023, the Group received notice from SBA to notify that the full loan amounting to US$1,709,000 (SGD 2,278,000) has been forgiven. SBA requires the Group to maintain all records relating to the PPP loan for six years from the date the loan is forgiven. As at the date of this report, the Group has yet to receive any payment notification from the participating bank. The Group has assessed the conditions as of the balance sheet date and the subsequent developments. Given the chain of events and associated uncertainties, and Group has not recorded the loan forgiveness as an adjustment for the year ended 31 December 2022. The Group will monitor the situation and determine the appropriate accounting treatment in subsequent reporting periods.

37. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2022 were authorized for issue in accordance with a resolution of the Directors on 31 March 2023.

Statistics of Shareholdings

As at 15 March 2023

SHARE CAPITAL INFORMATION

Number of shares	:	320,220,373
Class of shares	:	Ordinary shares
Voting rights	:	On a poll (One vote for each ordinary share)
Number of treasury shares	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	Number of shareholders	%	Number of Shares	%
1 – 99	0	0.00	0	0.00
100 – 1,000	120	26.78	109,400	0.03
1,001 – 10,000	146	32.59	918,300	0.29
10,001 – 1,000,000	174	38.84	13,771,382	4.30
1,000,001 AND ABOVE	8	1.79	305,421,291	95.38
Total	**448**	**100.00**	**320,220,373**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	Number of shares held	%
1	DECLOUT PTE LTD	284,614,691	88.88
2	OCBC SECURITIES PRIVATE LTD	4,312,800	1.35
3	LOW HENG SIONG	3,003,100	0.94
4	KOH SWEE YONG	3,000,000	0.94
5	TOE TEOW HENG	3,000,000	0.94
6	POH BOON KHER MELVIN (FU WENKE MELVIN)	2,994,000	0.93
7	LIM HUI HOON IRENE (LIN HUIYUN IRENE)	2,496,700	0.78
8	CHARLES ANTONNY MELATI	2,000,000	0.62
9	KEN TAN KHIM SING	1,000,000	0.31
10	JOHAN DJAJA	890,600	0.28
11	LEE LAY HONG (LI LIHONG)	500,000	0.16
12	WONG KOK KHUN	500,000	0.16
13	TAN WEI MENG	400,000	0.12
14	DBS NOMINEES PTE LTD	336,886	0.11
15	CITIBANK NOMINEES SINGAPORE PTE LTD	300,087	0.09
16	HETTY JOYOMITRO	300,000	0.09
17	LIM SWEE YONG	300,000	0.09
18	SIN YI TIAN	300,000	0.09
19	TAN WENN YIT	295,200	0.09
20	CHOW SHIMIN SAMANTHA	288,000	0.09
	Total	**310,832,064**	**97.06**

Statistics of Shareholdings

As at 15 March 2023

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name of substantial shareholders	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
DECLOUT PTE LTD	284,614,691	88.88	-	-
EXEO GLOBAL PTE. LTD.[1]	-	-	284,614,691	88.88
EXEO GROUP, INC [1]	-	-	284,614,691	88.88

Notes:

(1) DeClout Pte. Ltd. is a wholly-owned subsidiary of Exeo Global Pte. Ltd., which in turn is a wholly-owned subsidiary of EXEO Group, Inc. Each of Exeo Global Pte. Ltd. and EXEO Group, Inc., are therefore deemed interested in the Shares directly held by DeClout Pte. Ltd.

PUBLIC FLOAT

Based on the information available to the Company as at 15 March 2023, approximately 10.74% of the issued ordinary shares of the Company is held by the public as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Rules"). Accordingly the Company has complied with Rule 723 of the Listing Rules.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the annual general meeting ("**AGM**") of Procurri Corporation Limited (the "**Company**") will be held at 29 Tai Seng Avenue, #01-01 Natural Cool Lifestyle Hub, Singapore 534119, on Friday, 28 April 2023 at 10:00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2022 and the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect / elect the following Directors retiring pursuant to the Company's Constitution:

   (a) Mr Ng Loh Ken Peter (Regulation 117) **(Resolution 2a)**

   (b) Mr Wong Quee Quee, Jeffrey (Regulation 117) **(Resolution 2b)**

   (c) Mr Wong Kok Khun (Regulation 122) **(Resolution 2c)**

   (d) Mr Lwi Tong Boon (Regulation 122) **(Resolution 2d)**

   Mr Ng Loh Ken Peter will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and member of the Nominating Committee, and shall be considered as independent for the purposes of Rule 704(8) of the Listing Manual (the "**Listing Manual**") of Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

   Mr Wong Quee Quee, Jeffrey will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee and member of the Audit and Remuneration Committees, and shall be considered as independent for the purposes of Rule 704(8) of the Listing Manual.

   Mr Wong Kok Khun will, upon election as a Director of the Company, remain as the Executive Chairman and member of the Nominating Committee.

   Mr Lwi Tong Boon will, upon election as a Director of the Company, remain as the Non-Independent Non-Executive Director and member of the Audit and Remuneration Committees.

   See Explanatory Note (a)

3. To approve the payment of one-off Directors' fees of S$24,000 for the financial year ended 31 December 2022, being payable to all Independent Non-Executive Directors in respect of FY2022. **(Resolution 3)**

4. To approve the payment of Directors' fees of up to S$360,000 for the financial year ending 31 December 2023 (2022: S$297,000). **(Resolution 4)**

   See Explanatory Note (b)

5. To declare a final one-tier tax exempt dividend of S$0.01 per ordinary share for the financial year ended 31 December 2022. **(Resolution 5)**

6. To re-appoint Messrs Ernst & Young LLP as auditors of the Company and to authorize the Directors to fix their remuneration. **(Resolution 6)**

7. To transact any other ordinary business which may be properly transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

8. Authority to allot and issue shares

   "That pursuant to Section 161 of the Companies Act, 1967 (the "**Companies Act**") and the Listing Manual, approval be and is hereby given to the directors of the Company (the "**Directors**") to:

   (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of bonus, rights or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit; and

Notice of Annual General Meeting

(b) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue Shares pursuant to any Instruments made or granted by the Directors while this resolution was in force, provided that:

(i) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued pursuant to the Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of Shares and convertible securities in the Company to be issued other than on a pro rata basis to the existing shareholders of the Company ("**Shareholders**") shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), and for the purpose of determining the aggregate number of Shares and Instruments that may be issued under this resolution, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for:

(1) new Shares arising from the conversion or exercise of convertible securities;

(2) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of passing this resolution, provided the share options or share awards were granted in compliance with the Listing Manual; and

(3) any subsequent bonus issue, consolidation or subdivision of Shares;

(ii) in exercising the authority conferred in this resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST and the Company's Constitution); and

(iii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.

See Explanatory Note (c) **(Resolution 7)**

9. Authority to grant share awards, allot and issue Shares under the Procurri Performance Share Plan

"That pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised to grant share awards in accordance with the provisions of the Procurri Performance Share Plan (the "**PSP**") and to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the share awards granted under the PSP (including but not limited to allotment and issuance of Shares at any time, whether during the continuance of such authority or thereafter, pursuant to awards made or granted by the Company whether granted during the subsistence of this authority or otherwise) provided always that the aggregate number of Shares to be issued pursuant to the PSP when aggregated together with Shares issued and/or issuable in respect of all share awards granted under the PSP, all other existing share schemes or share plans of the Company for the time being shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier."

See Explanatory Note (d) **(Resolution 8)**

10. Authority to grant share options, allot and issue Shares under the Procurri Employee Share Option Scheme

"That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to grant share options in accordance with the provisions of the Procurri Employee Share Option Scheme (the "**ESOS**") and to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the share options under the ESOS (including but not limited to allotment and issuance of Shares at any time, whether during the continuance of such authority or thereafter, pursuant to options made or granted by the Company whether granted during the subsistence of this authority or otherwise) provided always that the aggregate number of Shares to be issued pursuant to the ESOS when aggregated together with Shares issued and/or issuable in respect of all share options granted under the ESOS, all other existing share schemes or share plans of the Company for the time being shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier."

See Explanatory Note (e) **(Resolution 9)**

Notice of Annual General Meeting

11. Renewal of Share Purchase Mandate

"That:

(A) the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued and fully paid-up Shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) an on-market purchase ("**On-Market Purchase**") transacted through the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

(ii) an off-market purchase ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme (as defined in Section 76C of the Companies Act 1967 (the "**Companies Act**")) as may be determined or formulated by the Directors as they consider it fit, which scheme shall satisfy all the conditions prescribed by the Companies Act and the listing manual of the SGX-ST (the "**Listing Manual**"),

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(B) unless varied or revoked by an ordinary resolution of shareholders of the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on:

(a) the date on which the next annual general meeting of the Company is held or required by law to be held;

(b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or

(c) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest;

(C) in this Resolution:

"**Prescribed Limit**" means the number (subject to any proportionate adjustments as may result from any capital subdivision and/or consolidation of the Company) of issued Shares representing 10 per cent. (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings as defined in the Listing Manual) of the Company as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means an amount (excluding related brokerage, commission, clearance fees, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Purchase, five per cent. (5%) above the average of the closing market prices of the Shares over the last five Market Days (as defined in the Listing Manual) on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day of the On-Market Purchase and deemed to be adjusted for any corporate action occurring during such five Market Days period and the date of the On-Market Purchase by the Company; and

(ii) in the case of an Off-Market Purchase, 20 per cent. (20%) above the average of the closing market prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day on which the Company makes an announcement of an offer under an equal access scheme; and

(D) the Directors and each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents, as may be required) as they or he may consider expedient or necessary to give effect to the transactions contemplated by this Resolution."

See Explanatory Note (f) **(Resolution 10)**

BY ORDER OF THE BOARD

Lin Moi Heyang
Company Secretary
Date: 13 April 2023
Singapore

Notice of Annual General Meeting

EXPLANATORY NOTES:

(a) The key information of Mr Ng Loh Ken Peter, Mr Wong Quee Quee, Jeffrey, Mr Wong Kok Khun and Mr Lwi Tong Boon can be found in the "Board of Directors" and the "Board Membership" sections of the Governance Report of the Annual Report.

(b) The ordinary resolution 4 is to request shareholders' approval for the directors' fees which includes S$189,000 (in share base) for the financial year ending 31 December 2023. In the event the Directors' fees proposed for the financial year ending 31 December 2023 are insufficient (e.g. due to enlarged Board size), approval will be sought at next year's AGM for additional fees to meet the shortfall. If the ordinary resolution 8 is not passed, the directors' fees in share base of S$189,000 would be paid in the form of cash. The approved payment of additional Directors' emoluments in the form of up to 9,000,000 share awards granted under and in accordance with the provisions of the Procurri Corporation Performance Share Plan during the extraordinary general meeting on 11 January 2023, was granted on 7 March 2023 and will be accounted in FY2023.

(c) The ordinary resolution 7 above, if passed, will empower the Directors from the date of the AGM until the date of the next AGM, or the date by which the AGM is required by law to be held or when varied or revoked by the Company in general meeting, whichever is earlier, to allot and issue Shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company, of which the total number of Shares and convertible securities issued other than on a pro-rata basis to existing Shareholders shall not exceed 20% of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company.

(d) The ordinary resolution 8 above, if passed, will empower the Directors to grant share awards under the PSP and to allot and issue Shares in accordance with the PSP.

(e) The ordinary resolution 9 above, if passed, will empower the Directors to grant share options under the ESOS and to allot and issue Shares upon the exercise of such share options in accordance with the ESOS.

(f) The proposed ordinary resolution 10, if passed, will empower the Directors from the date of the AGM until the date of the next AGM to purchase or acquire up to ten per cent. (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings as defined in the Listing Manual) of the Company as at the date of the passing of this Resolution. Details of the proposed Renewal of Share Purchase Mandate are set out in the Appendix to this Annual Report.

Notes:

1. The AGM will be held physically at 29 Tai Seng Avenue, #01-01 Natural Cool Lifestyle Hub, Singapore 534119 on Friday, 28 April 2023 at 10.00 a.m. **There will be no arrangement made for Shareholders to participate the AGM virtually**. This Notice has been made available on the SGX-ST's as well as the Company's websites at the URLs stated below. Printed copies of this Notice of AGM, Proxy Form and related documents will not be despatched to members.

   SGX's website: https://www.sgx.com/securities/company-announcements

   Company's website: https://investor.procurri.com/sgx_announcements.html

Submission of questions in advance of the AGM

2. Shareholder may also submit questions relating to the resolutions to be tabled for approval at the AGM in advance of the AGM. Such questions must be submitted by **10.00 a.m. on 20 April 2023** in the following manner:-

   - in hard copy by post to reach the Company at 29 Tai Seng Avenue, #01-01 Natural Cool Lifestyle Hub, Singapore 534119; or
   - by email to IR@procurri.com.

   Shareholders submitting questions are required to state: (a) their full name; and (b) their identification/registration number, and (c) the manner in which his/her/its shares in the Company are held (e.g. via CDP, CPF, SRS and/or scrip), failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.

   All questions submitted in advance of the AGM must be received by the Company by the time and date stated above to be treated as valid.

3. The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the AGM via SGXNET and on its corporate website by **23 April 2023**.

4. The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNET and the Company's website, and the minutes will include the responses to the questions referred to above.

Voting by Proxy

5. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning given to it in Section 181 of the Companies Act 1967.

6. A proxy need not be a member of the Company.

7. The instrument appointing a proxy(ies) of the AGM must be submitted in the following manner:

   (a) if submitted by post, be lodged with the Company's Share Registrar at 80 Robinson Road #11-02 Singapore 068898; or

   (b) if submitted electronically, via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com,

   in either case, by **10.00 a.m. on 25 April 2023**, being no later than 72 hours before the time fixed for the AGM.

   A member who wishes to submit an instrument of proxy can do so via post or email and must first download, print, complete and sign the proxy form, before either submitting it by post to the address provided above, or by scanning and sending it to the email address provided above. **Instruments of proxy submitted by post are sent at the member's own risk. All instruments of proxy must be received by the Company by the time and date stated above to be treated as valid.**

Notice of Annual General Meeting

8. For investors who hold shares through relevant intermediaries, including Central Provident Fund Investment Schemes ("**CPF Investors**") and/or Supplementary Retirement Scheme ("**SRS Investors**") should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM. CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operators for any queries they may have with regard to the appointment of proxy for the AGM.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxy(ies) appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/ or guidelines (the "**Purposes**"); (b) warrants that where the member discloses the personal data of the member's proxy(ies) to the Company (or its agents or service providers) the member has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) for the Purposes; and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PROCURRI

Proxy Form

PROCURRI CORPORATION LIMITED

(Company Registration No. 201306969W) (Incorporated in the Republic of Singapore)

IMPORTANT:

1. Pursuant to Section 181(1C) of the Companies Act, Relevant Intermediaries may appoint more than 2 proxies to attend, speak and vote at the annual general meeting.
2. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by Central Provident Fund ("CPF") Investment Scheme ("CPFIS")/Supplementary Retirement Scheme ("SRS") investors who hold the Company's Shares through CPF Agent Banks/SRS Operators.
3. CPFIS/SRS investors who wish to vote should approach their respective CPF Agent Banks/SRS Operators to submit their voting instructions at least seven (7) working days before the date of the AGM.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the notice of annual general meeting dated 13 April 2023.

*I/We (Name) ______________________________

(NRIC/ Passport No.) ______________________________

of (Address) ______________________________

____

being *a member/members of PROCURRI CORPORATION LIMITED (the "**Company**"), hereby appoint:

Name ______________________________

NRIC / Passport No. ______________________________

Address ______________________________

____

Proportion of shareholdings to be represented to be represented by proxy (%) ______________

and/or *(delete as appropriate)*

Name ______________________________

NRIC / Passport No. ______________________________

Address ______________________________

____

Proportion of shareholdings to be represented to be represented by proxy (%) ______________

or failing which, the chairman of the annual general meeting of the Company (the "AGM"), as *my/our proxy(ies) to attend and vote on *my/our behalf at the AGM to be held at 29 Tai Seng Avenue, #01-01 Natural Cool Lifestyle Hub, Singapore 534119, on Friday, 28 April 2023 at 10:00 a.m. and at any adjournment thereof. *I/We direct *my/our proxy(ies) to vote for or against or abstain the ordinary resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the proxy(ies) will vote or abstain from voting at *his/her/their discretion, as he/she/they will on any other matter arising at the AGM.

No.	Resolutions relating to:	For	Against	Abstain
	Ordinary Business			
1.	Audited Financial Statements of the Company for the financial year ended 31 December 2022 and the Directors' Statement and the Auditors' Report thereon			
2a.	Re-election of Mr Ng Loh Ken Peter			
2b.	Re-election of Mr Wong Quee Quee, Jeffrey			
2c.	Election of Mr Wong Kok Khun			
2d.	Election of Mr Lwi Tong Boon			
3.	Payment of one-off Directors' fees amounting to S$24,000 for the financial year ended 31 December 2022			
4.	Payment of Directors' fees of up to S$360,000 for the financial year ending 31 December 2023			
5.	Declaration of final one-tier tax exempt dividend of S$0.01 per ordinary share for the financial year ended 31 December 2022.			
6.	Re-appointment of Messrs Ernst & Young LLP as auditors of the Company			
	Special Business			
7.	Authority to allot and issue shares			
8.	Authority to grant share awards, allot and issue shares under the PSP			
9.	Authority to grant share options, allot and issue shares under the ESOS			
10.	Renewal of Share Purchase Mandate			

Voting will be conducted by poll. If you wish your proxy / proxies to cast all your votes "For" or "Against" the resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of the resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of the resolution. If you wish your proxy / proxies to abstain from voting on the resolution, please indicate with an "X" in the "Abstain" box provided in respect of the resolution. Alternatively, please indicate the number of shares your proxy / proxies is directed to abstain from voting in the "Abstain" box provided in respect of the resolution. **In any other case, the proxy / proxies may vote or abstain as the proxy / proxies deem(s) fit on the resolution if no voting instruction is specified.**

Dated this ________ day of ______________________ 2023

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Members	

____

Signature(s) of Member(s)/Common Seal

IMPORTANT: Please read notes overleaf

Notes:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act 1967, a member is entitled to appoint not more than 2 proxies to attend, speak and vote at the AGM. A proxy needs not be a member of the Company. Where a member appoints more than 1 proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form (expressed as a percentage of the whole).

2. Pursuant to Section 181(1C) of the Companies Act 1967, a member who is a Relevant Intermediary is entitled to appoint more than 2 proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than 2 proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with the Company's Constitution and Section 179 of the Companies Act 1967.

5. The instrument appointing a proxy(ies) of the AGM must be submitted in the following manner:

   (a) if submitted by post, be lodged with the Company's Share Registrar at 80 Robinson Road #11-02 Singapore 068898; or

   (b) if submitted electronically, via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com,

   in either case, by **10.00 a.m. on 25 April 2023**, being no later than 72 hours before the time fixed for the AGM.

   A member who wishes to submit an instrument of proxy can do so via post or email and must first download, print, complete and sign the proxy form, before either submitting it by post to the address provided above, or by scanning and sending it to the email address provided above. **Instruments of proxy submitted by post are sent at the member's own risk. All instruments of proxy must be received by the Company by the time and date stated above to be treated as valid.**

6. A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the AGM.

7. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register as defined under the Securities and Futures Act, Chapter 289 of Singapore, he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares.

8. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

9. Completion and return of the instrument appointing a proxy(ies) does not preclude a member from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.

10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Corporate Information

Company Information

Procurri Corporation Limited
Incorporated in the Republic of Singapore on 15 March 2013
Company Registration No.: 201306969W

Registered Office

29 Tai Seng Avenue
#01-01 Natural Cool Lifestyle Hub
Singapore 534119

Board of Directors

Wong Kok Khun
(appointed on 15 June 2022)
Executive Chairman

Ng Loh Ken Peter
Lead Independent Director

Wong Quee Quee, Jeffrey
Independent Director

Dr. Lim Puay Koon
Independent Director

Lim Swee Yong
Non-Independent Non-Executive Director

Lwi Tong Boon
(appointed on 15 June 2022)
Non-Independent Non-Executive Director

Audit Committee

Ng Loh Ken Peter (Chairman)
Wong Quee Quee, Jeffrey
Lwi Tong Boon
Dr. Lim Puay Koon
Lim Swee Yong

Remuneration Committee

Dr. Lim Puay Koon (Chairman)
Wong Quee Quee, Jeffrey
Lwi Tong Boon

Nominating Committee

Wong Quee Quee, Jeffrey (Chairman)
Ng Loh Ken Peter
Wong Kok Khun
Dr. Lim Puay Koon
Lim Swee Yong

Company Secretary

Lin Moi Heyang

Share Registrar

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

Independent Auditors

Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583
Partner-in-charge: Tee Huey Yenn
(Date of appointment: since financial year ended 31 December 2021)

Stock Information

Listed on the SGX-ST Mainboard on 20 July 2016

Stock Codes
Bloomberg: PROC SP EQUITY
Reuters: PROC.SI
SGX: BVQ

Investor Relations

For enquiries, please contact Procurri's Investor Relations at +65 6486 1300 or ir@procurri.com

P R O C U R R I

www.procurri.com

Procurri Corporation Limited
(Company Registration Number: 201306969W)
(Incorporated in the Republic of Singapore on 15 March 2013)

29 Tai Seng Avenue
#01-01 Natural Cool Lifestyle Hub
Singapore 534119

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