PROCURRI

Annual Report
2023

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.

Who We Are

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

197.2
Revenue (s$m)

41.9
Gross Profit (s$m)

(6.0)
EBITDA (s$m)

(8.5)
Net Profit After Tax (s$m)

114.9
Total Assets (s$m)

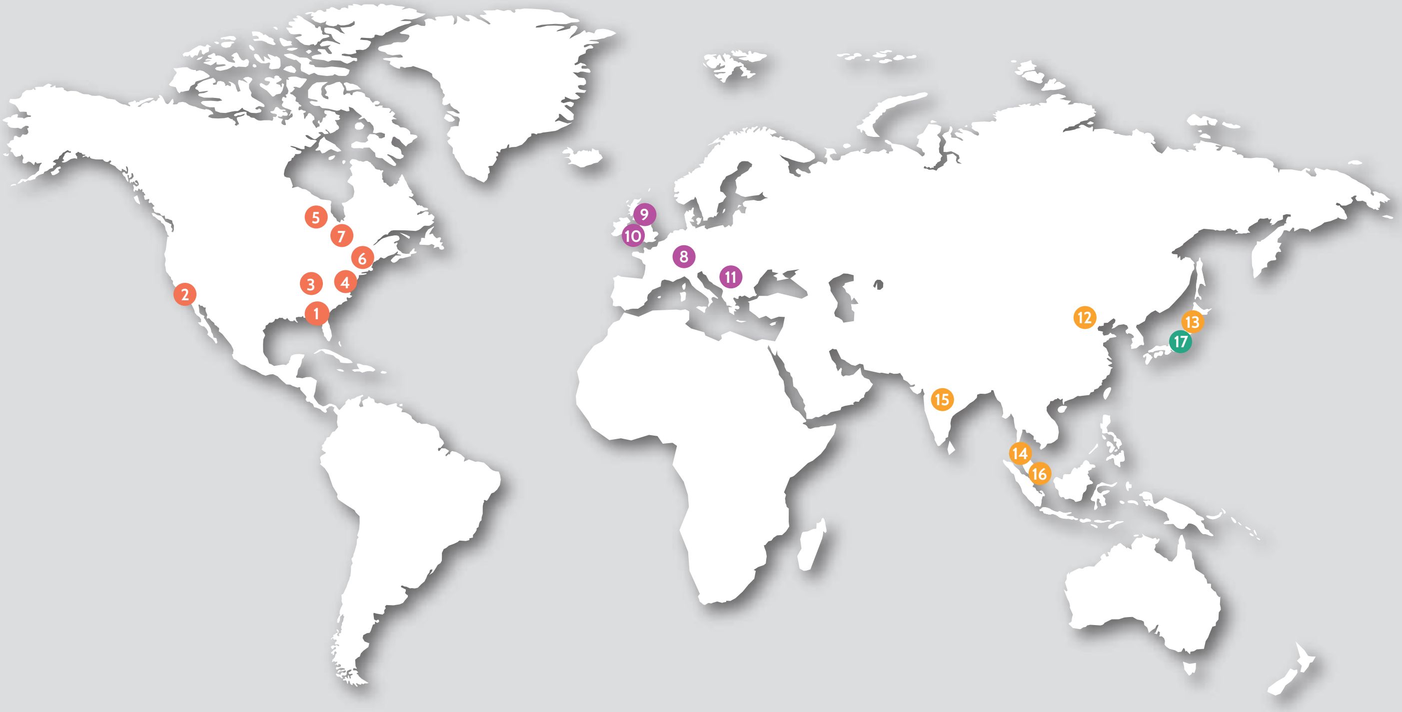
48.5
Shareholders Equity (s$m)

Established global sourcing, distribution & logistics network

16
Offices

100+
Countries Under Coverage

490+
Employees



Americas

1. Atlanta (US)
2. Laguna Beach (US)
3. Norcross (US)
4. Towson (US)
5. Chicago (US)
6. Charlotte (US)
7. Toronto (CA)

EMEA

8. Barsinghausen (DE)
9. Warwick (UK)
10. Wokingham (UK)
11. Kosovo (RKS)

APAC

12. Beijing (CN)
13. Tokyo (JP)
14. Kuala Lumpur (MY)
15. Bangalore (IN)
16. Singapore (SG)★

Circular Hub

17. Tokyo (JP)

★ Global HQ

Message from Imaizumi Fumitoshi, Non-Independent Non-Executive 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 2023 ("FY2023").

2023 – A Year of Change and Headwinds

2023 was a challenging year for the technology sector; there was a strong growth in innovations, yet instability due to political unrest around the world, rising interest rates and inflation.

The year was particularly difficult for Procurri, as we had to deal with an unexpected ransomware attack which impacted our operations, as well as supply chain issues due to several quarters of pandemic causing businesses to be trapped with high levels of excess inventory.

With the adversities we faced throughout the year, we are extremely grateful to the team who persevered through and worked hard together to deal swiftly with arising issues and to minimise the impact on our business.

However, this made us realise we should always be prepared for any unexpected circumstances, and today, the team is fully geared up to defend the business against future cyberattacks. We've also continued to implement new structural reforms to evolve our business and keep it relevant and resilient in the coming years.

We would also like to express our sincerest appreciation to our valued shareholders who have continued to stand by us in difficult times, and we assure you that we will continue to look into ways to maximise value with a focus on ensuring growth and profitability for the business.

2024 – Growing Focus on Sustainability

Over the years, Procurri has helped businesses reduce their total cost of ownership on data center hardware by providing sustainable solutions that extend the lifecycle of their IT assets, to reduce society's carbon and waste footprint. Procurri is proud to be a certified Carbon Neutral Organisation, accredited by the Carbon Footprint Standard, and we remain committed to our sustainability goals, diligently measuring, reducing, and offsetting our carbon emissions.

Digital technology and infrastructure will continue to be a key driver of social and economic growth across the world, and with the increasing demand for IT equipment, there will be a growing need for greener, more sustainable solutions in the IT industry.

We believe that Procurri's solutions will continue to remain highly relevant to the industry especially with growing concerns on climate change, and the need for industries to play a more active role in reducing their carbon emissions.

We definitely look forward to partnering more clients as they transition to adopt greener IT solutions for their businesses.

Alignment with EXEO Group, Inc's 2030 Vision

DeClout, Procurri's largest shareholder, is a wholly owned subsidiary of EXEO Global Pte. Ltd., the global business arm of Tokyo Stock Exchange Prime-listed EXEO Group, Inc.

As a group of companies that strives to use its technological capabilities to make greater contributions to society, EXEO Group's goals are aligned with Procurri's ambitions to be a global leader in the provision of green technology solutions.

With its sustainable technology offerings, Procurri's solutions are a key complement to the Group's global businesses as they continue to expand their footprint, and EXEO Group is glad to work hand in hand with the Procurri team to work towards helping more organisations meet their sustainability goals and achieve more in their corporate social responsibility efforts.

Leveraging Opportunities, Growing the Business

Political uncertainty and growing lay-offs in the technology sector continue to pose challenges for the industry in the coming year. However, we are confident that Procurri will now be able to better manage any uncertainties that come our way.

The team will continue to stay focused and committed to delivering value to all our stakeholders and shareholders, who have continuously trusted and supported us throughout this journey.

With your strong support, we look forward to achieving our targets for the year of making a positive impact on society not only through the use of technology but through responsible and sustainable use and disposal of IT hardware, supporting more enterprises and businesses to meet their ESG and SDG targets.

Imaizumi Fumitoshi
Non-Independent Non-Executive Chairman

Message from Mat Jordan, Executive Director and Chief Executive Officer

Dear Shareholders,

In 2023, Procurri has navigated another year of transformation, further expanding upon the structural changes initiated in 2022.

Despite encountering challenges, the most significant being a cyber-attack in April 2023, where multiple systems across our global estate were extensively encrypted, to which Procurri adhered to its no-pay policy, Procurri stood resilient. While the recovery process was intricate, spanning two months to restore full functionality to our global operations, we successfully retrieved much of the compromised data. The diligent efforts continue as we work towards rebuilding data up to the year's end.

In a strategic move, our Third-Party Maintenance offering has been separated from the Lifecycle Services and Hardware Trading business. It now operates as its own company entity in the UK and the US. The structural adjustments initiated in late 2022, including the relocation of our front-line Network Operating Centers ("NOC") from the US and the UK to Kosovo and Malaysia, have yielded favourable results for the business.

Procurri continued its success journey initiated by Project Unity, amplifying collaboration and employee efficiency through Salesforce. The platform elevated data analytics, steering the business with greater precision. Restructuring benefits, a global focus on contract renewals, and enhanced renewal rates underscored our dedication to excellence.

Despite a dip in Maintenance revenue, strategic contracts propelled segment profitability, notably in the US, while we adeptly navigated challenges in EMEA and APAC. Procurri adjusted its strategy and focused on top-tier clients, along with a global systems roll-out, bringing the business back to profit in 2023.

2023 witnessed a continuation of streaming our Lifecycle services and hardware business units, sub-dividing Lifecycle Services (into Professional Services, Modern Workplace and Contract Manufacturers & Hyperscalers) and Hardware (into Hardware, Distribution and e-commerce) to create greater reporting clarity. We continue to see strong growth opportunities within the Professional Services and Modern Workplace arenas. We continue to invest and have chalked up some notable wins during 2023. We will continue to invest in the services business units, diversifying the business from what has historically been a heavy weighting on the Hardware side.

Navigating the hardware landscape proved complex in 2023 – there was a prevailing indifference within the marketplace, sluggish demand, coupled with an abrupt end to the semi-conductor shortages reported in previous years; supply being re-established from many of the Original Equipment Manufacturers ("OEMs"), resulting in instances of oversupply and subsequent price reductions, which in turn impacted secondary market values.

Consequently, our sales teams worked diligently throughout 2023 to unload excess inventory and rebalance assets.

This undertaking, coupled with the aftermath of the cyber breach, significantly contributed to the challenging results witnessed in 2023.

Procurri remains committed to our core strategy. Despite the challenges encountered in hardware trading in 2023, we retain confidence in the strength of our market proposition.

Our foundational messaging, particularly centered around sustainability and our globally operated carbon-neutral certified facilities, continues to resonate with many customers.

The emphasis on promoting reuse over recycle and extending product lifecycles serves as a compelling market message. This, coupled with the growth in our IT services business and a return to profitability in maintenance, positions us as a provider of a well-balanced solution for all our customers' IT hardware needs.

Looking ahead to 2030, where numerous countries have committed to carbon reduction targets, Procurri is dedicated to maintaining a strong position to benefit.

Our commitment involves ongoing efforts to promote sustainable thinking, reporting, and innovative solutions to our clients.

We actively uphold our commitment to excellence by continually investing in best practices, ensuring the maintenance of our global ISO 9001, 14001, and 27001 accreditations, along with in-country certifications like Investors in People, R2, ADISA, and Cyber Essentials.

Sustainability Commitment and Accreditations

Leading by example, Procurri maintained its Carbon Neutral certified status for all our global processing facilities, once again audited and certified by 'Carbon Footprint'. These include the US, Canada, UK, Germany, Singapore and Malaysia locations.

We also maintain our 5 star rating with 'Support the Goals' recognising and championing the 17 goals identified in 2015 by the United Nations, unanimously voting on them and agreeing that, if progressed by all, it would make the world a better place for everyone. Procurri was proud to add 'Climate Action' during 2023.

Procurri has continued to monitor its emissions during 2023 and remains committed to seek 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.

To foster transparency, we actively showcase our sustainability initiatives on our website, www.procurri.com. Visitors can explore Procurri's path to certified carbon neutrality, detailed insights into our Scope 1, 2, and 3 reports, and an in-depth understanding of our working methodologies.

This open access empowers both existing and potential customers to develop compelling business cases, acquire valuable education, and explore collaborative opportunities with Procurri. It is an invitation to discover the impactful outcomes achievable when companies strive for continuous improvement.

Our dedication to excellence is exemplified through our noteworthy achievements:

- We have attained the prestigious ADISA Standard 8 certification, endorsed by ISO and accredited by UKAS for all our European processing facilities both in the UK and Germany.
- Our ongoing commitment to security, quality and environmental standards is underscored by our recent recertifications for ISO 27001, 9001 and 14001 in Germany, Singapore, and the UK.
- Expanding our global footprint, our US operations have earned R2, ISO9001, 14001, and 45001 certifications for the Procurri Canada site.

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.

Procurri will continue working hard to execute our long-term strategy and increase investor value.

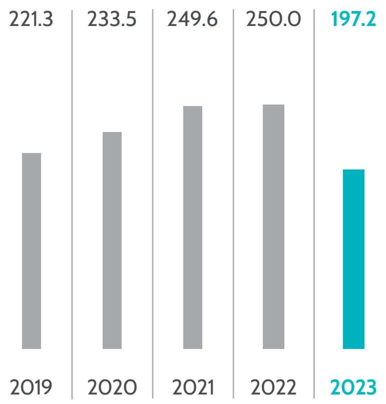
Mat Jordan
Chief Executive Officer

5- Year Financial Highlights

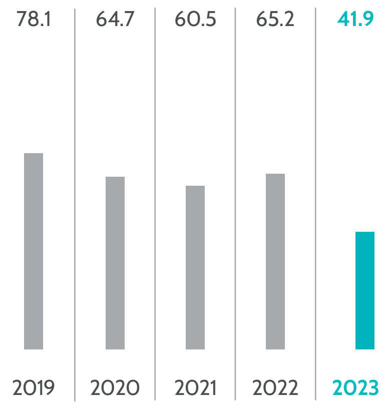
Financial year ended 31 December	2023	2022	2021#	2020	2019
Income Statement (S$'000)					
Revenue	197,192	250,040	249,628	233,467	221,289
Gross Profit	41,898	65,229	60,498	64,745	78,104
EBITDA	(6,031)	5,517	6,597	12,637	17,345
(Loss)/profit before Tax	(10,689)	178	1,578	4,031	4,737
Net (Loss)/profit after Tax	(8,469)	(178)	2,168	2,696	3,775
Balance Sheet (S$'000)					
Inventories	18,068	24,827	20,928	26,035	26,354
Total Assets	114,922	129,545	135,944	129,716	149,914
Total Loans & Borrowings	13,291	15,002	14,360	21,028	16,693
Total Liabilities	66,414	77,463	80,837	77,213	103,214
Total Equity	48,508	52,082	55,107	52,503	46,700
Cash Flow (S$'000)					
Cash Flows from Operating Activities	(1,431)	8,913	7,162	27,479	18,413
Cash Flows from Investing Activities	(225)	(1,395)	899	2,728	(1,148)
Cash Flows from Financing Activities	(387)	(3,236)	(10,375)	(10,503)	(16,231)
Per Share Information (Singapore Cents)*					
Earnings per Share – Basic	(2.66)	(0.06)	0.74	0.92	1.33
Net Tangible Asset per Share	11.80	13.98	14.47	13.61	11.60
Net Assets Value per Share	15.13	17.62	18.73	17.88	16.40
Number of Shares ('000)	320,541	295,590	294,238	293,687	284,689
Ratios					
Debt-to-Equity Ratio	(0.365)	(0.341)	(0.276)	(0.221)	(0.008)
Current Ratio (times)	1.47	1.49	1.53	1.61	1.24

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

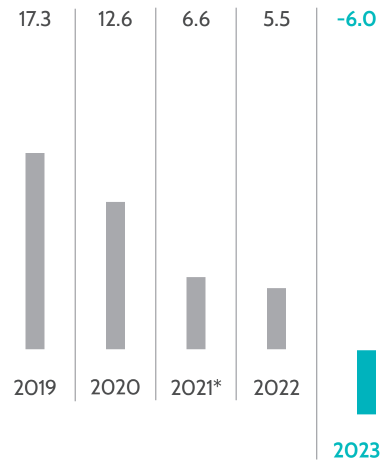
Revenue (S$million)
-21.1%



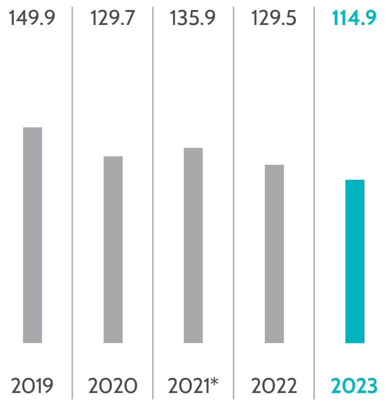
Gross Profit (S$million)
-35.8%



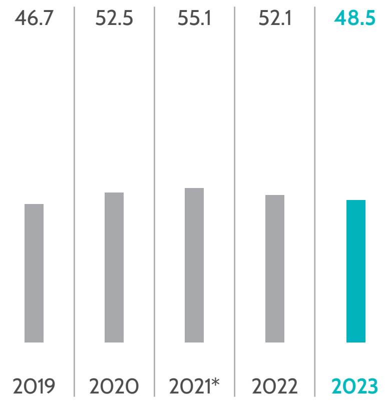
EBITDA (S$million)
-209.3%



Total Assets (S$million)
-11.3%

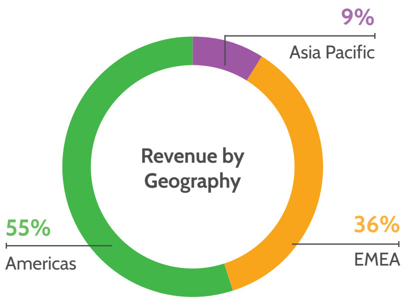


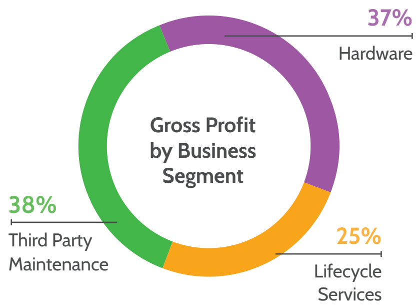
Shareholders' Equity (S$million)
-6.9%

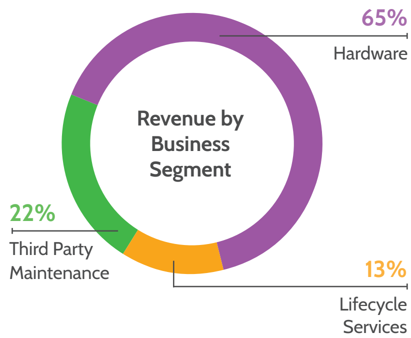


* Amount for FY2021 was restated

Financial Review







The Group's revenue decreased by 21.1% from S$250.0 million in FY2022 to S$197.2 million in FY2023, while gross profit decreased by S$23.3 million, or 35.8%, from S$65.2 million in FY2022 to S$41.9 million in FY2023.

The Hardware business segment's revenue decreased by 29.3% from S$180.4 million in FY2022 to S$127.5 million in FY2023, mainly due to a lower contribution from all regions resulting from the slowdown in investment in the IT sector and easing of supply chain bottlenecks in FY2023. The Lifecycle Services business segment's revenue increased by 26.9% from S$20.7 million in FY2022 to S$26.2 million in FY2023 due to an increase in demand for its service offerings. Revenue from the TPM business segment decreased by 11.2% from S$49.0 million in FY2022 to S$43.5 million in FY2023, mainly due to the decline in renewals and new sales across all regions.

The gross profit decrease resulted from a decline in revenue of S$52.9 million in the Hardware segment, leading to a corresponding reduction in gross profit of S$26.9 million. The drop in revenue was primarily due to the easing of post-pandemic supply chain bottlenecks, resulting in decreased demand. However, this decline was partially offset by the increased focus on Lifecycle Services, which saw a gross profit increase of S$4.3 million.

The Group's overall gross profit margin decreased by 4.8 percentage points, from 26.1% in FY2022 to 21.2% in FY2023, primarily due to a decrease in the gross profit margin in the Hardware segment and an increase in the allowance for stock obsolescence. This was a consequence of post-pandemic market corrections, where supply chain shortages eased, and the market was inundated with supplies. As a result, market prices declined, leading to a reduction in the Group's gross profit margin. However, this was partially offset by higher margins from the Lifecycle Services and TPM business segments, which increased from 29.9% in FY2022 to 39.9% in FY2023 and from 34.2% in FY2022 to 36.8% in FY2023, respectively.

Other income increased by S$3.1 million, from S$0.2 million in FY2022 to S$3.3 million in FY2023, mainly due to income received from settlements and interest income from fixed deposits in 2H2023.

Other credits decreased by S$0.1 million mainly due to the absence of foreign exchange gains from the revaluation of USD, GBP, and EUR-denominated receivables.

Selling expenses decreased by S$5.5 million from S$29.9 million in FY2022 to S$24.5 million in FY2023, mainly due to a lower payout of sales commissions resulting from the decrease in gross profit for FY2023.

Administrative expenses decreased by S$5.4 million from S$34.0 million in FY2022 to S$28.6 million in FY2023, mainly due to a decrease in staff costs resulting from a reduction in the number of employees, and the absence of one-off cost optimisation exercises of S$0.7 million and professional fees related to corporate actions of S$0.2 million incurred in FY2022.

The Group recorded an increase in other charges of S$0.8 million, from S$0.6 million in FY2022 to S$1.4 million in FY2023, due to higher allowances for trade receivables and foreign exchange losses incurred in FY2023. Finance costs increased by S$0.5 million as a result of the higher interest rate.

As a result of the above, the Group recorded a profit before tax loss of S$10.7 million in FY2023. An income tax credit of S$2.2 million was also recorded for FY2023. Consequently, the Group recorded a loss after tax of S$8.5 million.

Normalised EBITDA and (Loss)/profit before tax

	FY2023 $'000	FY2022 $'000	Change $'000	Change %
EBITDA	**(6,031)**	5,517	(11,548)	(209.3)
(Loss)/profit before tax	**(10,689)**	178	(10,867)	N.M.
Non-recurring items				
Income received from settlements	2,495	–	2,495	N.M.
Investment in additional resources	**(3,503)**	–	(3,503)	N.M.
Exchange (loss)/gain	**(292)**	118	(410)	N.M.
Goodwill impairment	–	(250)	250	N.M.
Cost optimisation exercise	–	(663)	663	N.M.
Total non-recurring items	**(1,300)**	(795)	(505)	63.5
Normalised EBITDA	**(4,731)**	6,312	(11,043)	N.M.
Normalised (Loss)/profit before Tax	**(9,389)**	973	(10,362)	N.M.

Normalised EBITDA and (Loss)/profit before tax

In FY2023, the Group recorded a one-off non-recurring expense of S$1.3 million, consisting of S$3.5 million from the deployment of additional resources for new business offerings and S$0.3 million in exchange losses, partially offset by S$2.5 million in income received from settlements. This compares to a one-off non-recurring expense of S$0.8 million in FY2022, which included S$0.7 million from a cost optimisation exercise and S$0.3 million from goodwill impairment, partially offset by an exchange gain of S$0.1 million. The S$3.5 million expense in FY2023 encompasses labor and resources dedicated to processing and disposing of end-of-life hardware for a global contract manufacturer in the hyperscale space, as well as expenses incurred in developing and expanding its e-Commerce business.

Excluding non-recurring income and expenses, the Group's normalised EBITDA for FY2023 would have been a loss of S$4.7 million. Similarly, the Group's normalised loss before tax for FY2023 would have been S$9.4 million compared to the reported loss before tax of S$10.7 million.

Cashflow

In FY2023, the Group utilised S$1.4 million in operating activities, compared to generating S$8.9 million in FY2022. The decrease was mainly due to the loss incurred in FY2023, partially offset by better working capital management. Net cash used in investing activities and financing activities amounted to S$0.2 million and S$0.4 million respectively in FY2023, compared to S$1.4 million and S$3.2 million in FY2022.

Overall, the Group experienced a net cash outflow of S$2.0 million in FY2023. As of 31 December 2023, the Group's cash and cash equivalents stood at S$30.9 million, with a net cash position of S$17.6 million after deducting borrowings of S$13.3 million.

Operations Review

Lifecycle services

Professional services, Modern Workplace and Contract Manufacturers & Hyperscalers

Procurri remains committed to enhancing our Lifecycle services, continually expanding our global portfolio. The growth of our professional services is evident on a global scale, encompassing a wide range of tasks categorized as people-centric requirements.

These tasks span from billable half-day consultations, managing cables, conducting global datacentre audits, executing volume rack de-installations as a datacentre concludes operations, to investing hundreds of man-hours in datacentre re-patching and ensuring secure data erasure of assets within client environments.

The investment in our Kosovo business, resulting in the establishment of a standalone entity in 2023, has seamlessly integrated as a valuable component of our offerings. With a robust team of over 2,500 3rd party engineers globally and complemented by our in-house resources, we seamlessly meet the demands for ad hoc and programmatic engineering resources virtually anywhere.

The success is evident, having secured significant contracts in 2023, and the potential for growth in this space remains abundant.

Procurri is also actively involved in a substantial volume of custom rack builds, encompassing receipting, construction, configuration, and rigorous testing of complete rack solutions within our facilities. This meticulous process ensures a swift plug-and-play experience upon deployment to datacentres, solidifying our commitment to efficiency and seamless service delivery.

Similarly, Procurri's modern workplace solutions, facilitating secure receipt and local shipping primarily for endpoint devices in the post-pandemic landscape where many have embraced hybrid work settings, have been effective during 2023.

There is a genuine interest in global solutions adept at managing in-country bulk hardware receipt, overseeing stock and serial numbers, and coordinating equipment preparations before onward shipping to local clients. Currently, the team is actively involved in multiple roll-outs for various large System Integrators, handling tens of thousands of assets annually.

We continue to build our global presence to enable us to support contract manufacturers and Hyperscalers, providing tailored solutions for the management of their end-of-life assets. Our focus is on promoting reusing over recycling whenever feasible.

This tangible opportunity has spurred Procurri to form strategic partnerships, resulting in the establishment of supplementary processing facilities alongside our existing ones in the US West Coast, Japan, and Australia throughout 2023.

Hardware

Hardware, Distribution, E-Commerce, Inventory As A Service ("IAAS")

2023 proved to be a challenging year for our hardware division, marked by substantial shifts in supply chain dynamics. After enjoying two consecutive record-breaking years, we encountered a significant transition in the market.

The onset of the COVID-19 pandemic had initially caused supply chain disruptions, leading to equipment shortages and prolonged lead times. This sudden surge in demand for Procurri's offerings, driven by the growing need for technology solutions during the pandemic, resulted in a remarkable upswing.

However, as we progressed into the early months of 2023, a normalising in the semiconductor shortages historically reported saw manufacturers successfully catch up with the demand, leading to a diminishing market requirement. The consequence was a notable price adjustment that impacted refurbished hardware globally.

The inventory levels we had initially anticipated, and our expected run rates didn't align with the evolving market conditions. It became evident that our inventory had become overinflated, necessitating rigorous inventory management throughout the year.

This situation had a significant impact on our financial performance as stock was off loaded. It was a similar story within our distribution brand also, historical extended lead times up to 5 or 6 months with projected sales volumes reduced, coupled with price cuts, left Procurri exposed to inventory arriving at a more expensive cost than retail was offering; again necessitating the need to off load inventory at a loss based on current market values.

Strategic Inventory Management

The team worked hard to reduce our inventory levels from their peak first half levels. These measures were taken with a global perspective in mind, as we aimed to achieve greater clarity in our inventory management planning and practices.

We also adapted our reporting structure to accommodate the inclusion of maintenance inventory within hardware management figures, streamlining our inventory processes. This transition allowed us to efficiently manage and lower our inventory levels. We are committed to continuing inventory management controls, ensuring that our hardware business remains well-positioned for the future.

Looking Forward

We remain confident in our authorised distribution partnership with Hewlett Packard Enterprise ("HPE"). The demand for certified spares is anticipated to rise during 2024, driven by expected price increases that tend to favour our model.

E-commerce Growth

Our e-commerce play continues to grow, contributing over $8M in revenues during 2023 despite the challenges we faced with inventory forecasting. Notably, our presence on Amazon continued to expand, yielding positive results. This accomplishment is a testament to our strategic focus on the e-commerce platform, and we will continue to invest in its growth.

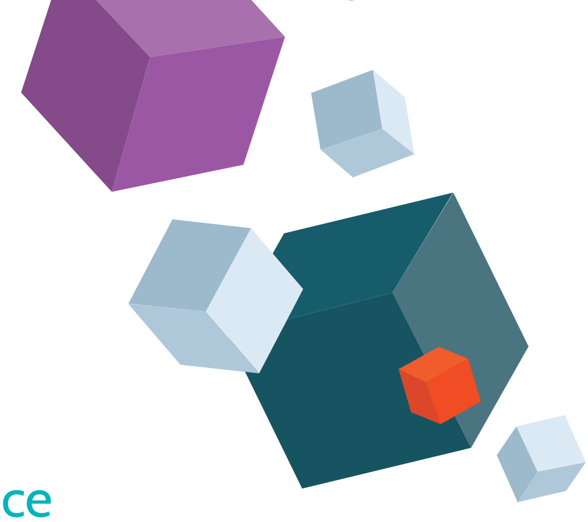
Key collaborations with leading distributors, such as Ingram Micro, played a pivotal role, particularly in leveraging their e-commerce platforms. While our inventory positions in e-commerce did impact our bottom-line results, mirroring challenges faced by our hardware division, we navigated these obstacles throughout the year. As we approach 2024, we remain optimistic about the continued growth and success of our e-commerce endeavours.

IAAS

Procurri's IAAS division has undergone a transformative journey, commencing as an inventory management service provider for prominent OEMs. In a major strategic shift, we extended these services to our maintenance division, transforming it into a lifecycle services hub.

This expansion bore fruit with the securing of two substantial US contracts. These successes were the result of collaborative efforts involving the US and European teams.

In Europe, these operations have matured into well-established processes, rooted



Maintenance

in the early days of Procurri. As we look ahead to 2024, our vision is to replicate this in the US.

This strategic roadmap aligns with Procurri's commitment to excellence and innovation, positioning our IaaS division for sustained growth and continued success in delivering top-tier inventory management services to clients worldwide.

The year 2023 brought forth challenges for our hardware division, triggered by unprecedented shifts in the supply chain landscape. Nevertheless, we are confident that our proactive inventory management and strategic adaptability have set the stage for success in 2024.

Our commitment to excellence and growth remains unwavering, supported by the strength of our partnerships, expanding e-commerce presence, and continuous optimisation of inventory management practices.

Procurri Maintenance Operational Report

Procurri Maintenance has once again demonstrated a year of notable progress and resilience throughout 2023. Building on the success of Project Unity, which was implemented in the previous year, Procurri has continued to foster improved collaboration within the business and improved utilisation of employees through the Salesforce platform.

The platform has also enabled improved data collection and analytics which has in turn improved the business direction. During 2023, the business realized the expected benefits from the series of restructuring initiatives initiated in the prior year.

An increased focus on contract renewals globally has also provided substantial returns on the investment of a dedicated team. The trending renewal rates over the course of 2023 have improved substantially as compared to prior periods, reinforcing the Group's commitment to operational excellence.

Regional Dynamics: Shaping Performance

While consolidated Maintenance revenue has declined as compared to the prior year, the division has returned to profitability marking a substantial improvement in overall performance. This marks a concerted effort to focus on more beneficial contracts and a smaller group of strategic customers.

There are encouraging signs of revenue growth, particularly within the US, while EMEA and APAC continue to face challenges with declining revenues.

Adapting to Market Realities

Procurri's Maintenance performance during the current year continues to reflect the ever-evolving market conditions. The organization's dynamic and adaptable business model has empowered Procurri to proactively resize and refocus its efforts.

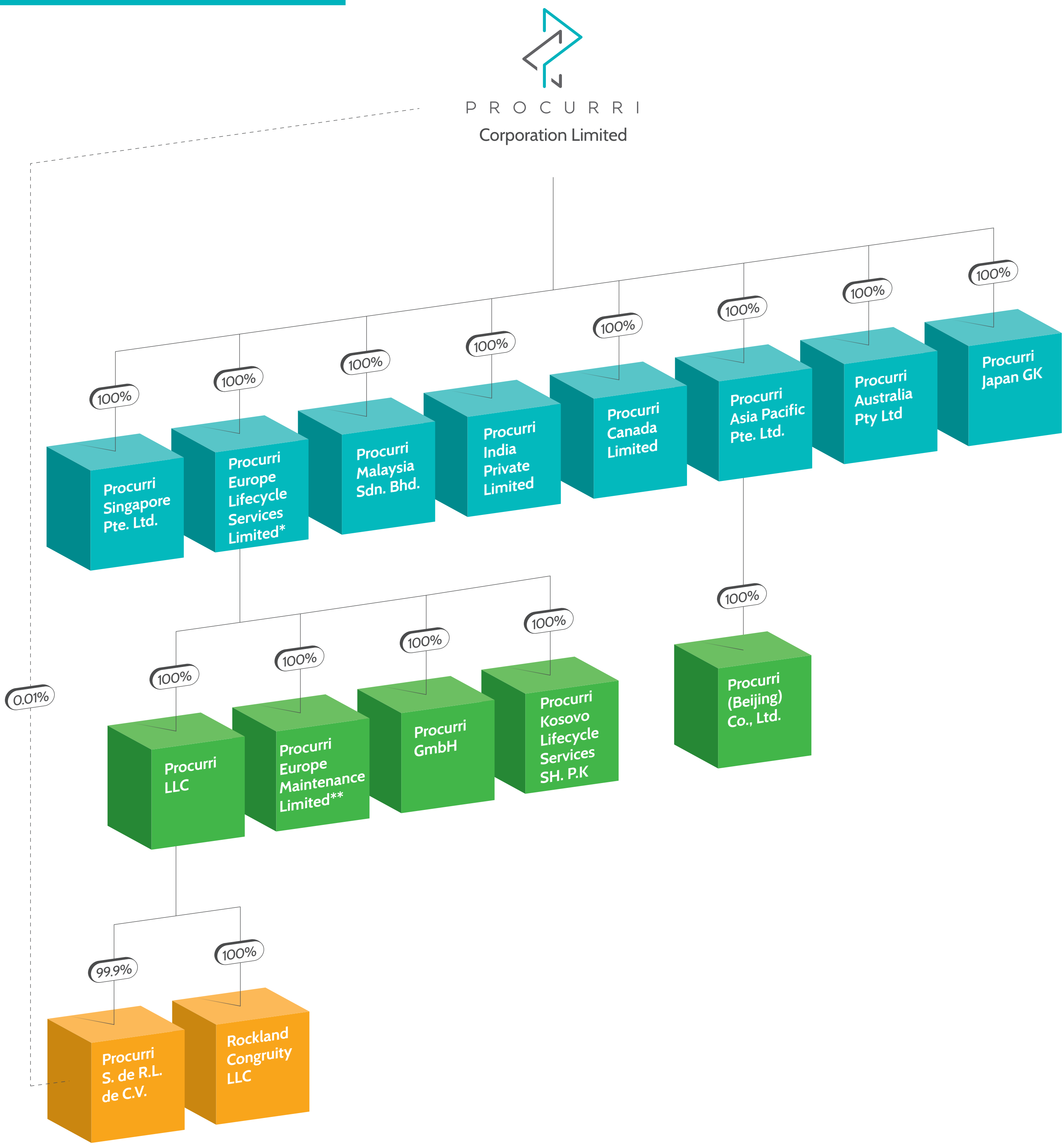
Commitment to Excellence and Adaptability

Procurri's unwavering commitment to excellence is evident through its readiness to adapt, resize, and refocus as required to navigate market challenges and ensure long term success.

The organization embraces a culture of adaptability and a strategic focus on key business areas, continuing to prioritize operational efficiency and financial performance. Procurri anticipates conducting regular reviews of its financial performance in its future annual reports.

As we look ahead to 2024, the Maintenance tower remains dedicated to driving success and profitability. We are steadfast in our commitment to making the necessary decisions to steer the organization toward an even more prosperous future.

Group Structure



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

Board of Directors

Imaizumi Fumitoshi
Non-Executive Non-Independent Chairman

As Chief Executive Officer of the EXEO Global, Mr Imaizumi Fumitoshi focuses on the strategic management and profitability of all subsidiaries under the EXEO Global Group, and provides guidance and leadership.

A senior management professional with more than 3 decades of experience in the ICT space, holding senior leadership positions for more than 15 years in the telecommunications industry, Mr Imaizumi Fumitoshi has been driving new business initiatives in Asia for more than a decade in EXEO Group, Inc and started EXEO Global Pte Ltd in Singapore under EXEO Group, Inc in 2018.

Mat Jordan
Executive Director and Chief Executive Officer

Mr. Mat Jordan, appointed CEO in April 2023, brings over 25 years' experience within the IT sector. He joined 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 Holdings Limited, ("Tinglobal"), now named Procurri Europe Maintenance Limited. 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.

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. Prior to that, he was the Chief Executive Officer of Soochow CSSD Capital Markets (Asia) Pte. Ltd ("SCCM") and then a Senior Adviser to 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 was also previously a Chartered Valuer and Appraiser, Institute of Valuers and Appraisers Singapore.

Board of Directors

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 was previously 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 previously 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 2014. 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.

Steven Lwi
Non-Independent
Non-Executive Director

Mr. Steven Lwi is the Chief Corporate Development Officer of EXEO Global Pte. Ltd., the holding company of the Company's controlling shareholder. Prior to re-joining DeClout Pte. Ltd. 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.

Shigeki Hayashi

Non-Independent
Non-Executive Director

As Chief Financial Officer of the EXEO Group, Mr Shigeki Hayashi is responsible for the capital policies and investment strategy of the entire group, and provides guidance and leadership.

Having abundant experience and insight in finance and global business, holding senior leadership position for more than 15 years in the ICT industry, Mr Shigeki Hayashi joined Exeo Group Inc. in 2021 and was appointed as Chief Financial Officer in 2022, and has been promoting business expansion and development across the entire group, focusing on enhancing the group's corporate value. Mr Shigeki Hayashi obtained his bachelor of economics degree from Osaka University.

Leadership Team

Zack Sexton

Global President, Hardware and Distribution

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

Global President, 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

Global President, 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.

Raffaele Silano
Head of Global Operations

Raffaele Silano is an experienced professional currently serving as Head of Global Operations, where he has demonstrated exceptional leadership skills and a deep understanding of operations management within the business for over 5 years. Before his current role, Raffaele held the position of Operations Manager at Procurri UK Ltd. During his tenure, he played a vital role in overseeing logistics, distribution, warehousing functions, and in-house/field service engineering operations.

Prior to joining Procurri UK Ltd, Raffaele served as an Operations Manager at Tinglobal. As a part of the senior management team, he showcased his expertise in worldwide logistics, distribution, warehousing, and in-house/field service engineering.

Our Growth Journey

2023

April
Procurri Kosovo registered

2022

July
EXEO - DeClout Pte. Ltd. launched General Offer for controlling share in Procurri

2022

May
Incorporation of Procurri Japan GK in Tokyo, Japan

2020

June
Incorporation of Procurri Australia

2019

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

2018

November
Procurri GmbH registered

2017

January
Acquisition of 51% of Rockland Congruity LLC in the US

April
Incorporation of Procurri India Private Limited in Banglore, 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
Acquisition 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

Procurri has been carbon-neutral since 2021. To achieve this, we avoid, reduce, or offset all CO_2 emissions generated by our business activities.

carbon footprint standard™ Carbon Neutral Organisation

carbon footprint standard™ CO_2e Reduced Organisation

Contents

Be part of

Something

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

carbon footprint standard™
Carbon Neutral Organisation

Board Statement

Dear Investors

2023 saw a continued commitment to sustainability emanating from the board room.

Sustainability initiatives have consistently been at the heart of the Procurri mission and are decentralized to in-country teams to manage. This includes the comprehensive collection of data pertaining to scope 1, 2, and a portion of scope 3 emissions. Procurri's compliance manager in the UK oversees these efforts, and Carbon Footprint independently verifies the data every year.

Procurri is committed to fostering a corporate culture that values and embraces diversity in all its forms. As a Singapore listed company, we recognize the importance of creating an inclusive environment that reflects the diversity of all our stakeholders, employees, and the broader community.

Our commitment to diversity is particularly evident in our approach to building and maintaining a diverse Board of Directors containing a range of different nationalities and skill sets. We believe that a diverse Board not only enhances corporate governance but also contributes to the overall success and sustainability of our business.

Board meets quarterly and is appraised of any significant additions or shifts in sustainability, strategy and reporting. The Board has reviewed and approved the reported information within the Procurri 2023 sustainability report.

2023 has, without doubt presented challenges to Procurri, with a cyber-attack in April of the year followed by a significant pricing correction for IT hardware as a result of oversupply and a fall in demand.

Whilst the business financials suffered as we adjusted stock volumes and sold down stock, our commitment to quality and compliance stood firm maintaining all our certifications globally, 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, ISO 9001, ISO 14001, ISO 27001, Investors In People, Safe Contractor, Cyber Essentials at Procurri Europe;
- ISO 9001, ISO 14001 , ISO 27001 at Procurri GmbH;
- ISO 14001, ISO 9001, ISO 45001, R2 at Procurri Canada;
- ISO 9001 and ISO 14001 and BizSafe in Singapore

To ensure efficient and accurate reporting, we partner with industry leaders, such as Sustrax, Carbon Footprint, TBL Services (Support the Goals), and Paia. Our relationships with these experts ensure that we follow best practices, paving the way towards a more sustainable future.

The board is kept abreast of sustainability related knowledge, regulatory changes and general trends and information through the ISO Management Review and internal/external audits.

Procurri keeps up to date with sustainability trends and changes as part of the Management Review and is proud that all our processing facilities were once again accredited as Carbon Neutral.

This achievement reflects our commitment to minimizing the environmental impact of our business activities. To attain this status, we actively pursue strategies to avoid and reduce CO_2 emissions, complemented by offsetting measures.

In 2023, we tackled business challenges and made important changes. We concluded the separation of our Maintenance business from the Hardware and Lifecycle services business units, closed US and UK Level 1 Network operation centres relocating them to Kosovo and Malaysia and closed our Boston facility.

We further split our Hardware and Lifecycle services business units, each with three main functions. Hardware involves buying and selling, distribution, and a new e-commerce business. Lifecycle services includes Professional services, Modern Workplace, and Contract Manufacturer & Hyperscale solutions.

This restructure of business pillars should help Procurri take advantage of what we feel is a shift in market conditions favouring our business offerings, coupled with enabling a more granular view of costs associated with each.

During 2023, we have continued to see much of our customer and partner eco-system embrace sustainable IT and solutions. Procurri continues to work hard to address and promote more sustainable solutions to the market whilst reviewing and addressing our own carbon footprint. The sustainability landscape continues to evolve with discussion and potential change relating to what 'Carbon Neutral' means and how organisations should articulate their messaging.

Procurri will continue to work hard and evolve with current best practice.

Procurri continues to maintain its 5-star rating with the 'Support the Goals'. Support the Goals operates to drive awareness surrounding 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.

It is something we believe in as a business, and should you wish to receive further information surrounding how you can participate, please contact natasham@procurri.com.

In 2021, Procurri identified what we referred to as the three frontiers of sustainability.

We continue to believe in these three frontiers.

1. 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.

2. The Market Frontier

We are 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.

3. 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 hyperscalers engaging.

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. 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.

We believe that the coming years offer an opportunity for Procurri to excel as these frontiers converge. We're observing a growing trend of customers and channel partners turning to us for guidance in creating more sustainable IT solutions. Notably, contract manufacturers and hyper scalers are joining this initiative.

Sustainability gives us a fresh reason to engage with customers, sparking conversations about rethinking their IT approach and connecting with Procurri's sustainable IT solutions.

The market, customer demand, and strategic opportunities are undoubtedly present for us. To seize the growing global demand, Procurri must remain focused on effective execution.

As we approach 2030 where many global governments have made commitments towards carbon reduction, and an update on progress due in 2026 we will likely see pressure mount to deliver; governments tools tend to be tax incentives or punishment to drive behaviour which in turn will likely monetise carbon reduction.

Procurri will be well positioned to assist clients in unlocking these benefits within their IT infrastructure.

Milestones in Sustainability

Our continued progress building the business in 2023 is reflected in the following key milestones we achieved in sustainability for Procurri:

Awarded Carbon Neutral status by The Carbon Footprint Standard for second year

Procurri's global processing facilities maintain Carbon Neutral certification for scope 1, 2 and some selected scope 3. Procurri reports data that is independently verified and 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.

Maintaining #13 'Climate Action', #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.

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.

We have also continued to expand our Sustainability reporting in line with SGX guidelines to include a new section relating to the Taskforce for Climate Related Financial Disclosures (TCFD), identifying and reporting on likely business risk associated with climate change.

We continue to work hard, staying true to our core market positioning and sustainability beliefs and believe that Procurri's broad offering, and sustainability awareness maximizes a favourable outcome for all our stakeholders.

Mission Driven Sustainability

Procurri's mission is simple and has remained the same since the Group's inception: to deliver premium products that don't cost the Earth whilst aiding our global customers to safely and securely extend the natural life of their IT estate.

Continuing to operate built on the principles of the circular economy, and IT lifecycle extension, 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, or safely and securely retire it, enabling further reuse of assets once they are no longer required.

It is reported that up to 80% of the carbon footprint contained within IT hardware occurs at the point of manufacture, thus reliably enabling products useful life to be extended lies at the heart of Procurri's offerings.

Carbon Neutral Organisation

CO_2e Reduced Organisation

In the UN report 'Time to seize opportunity, tackle challenge of e-waste', they state:

- **The world produces around 50 million tonnes of e-waste every year**
- **This is worth over $62.5 Billion annually**
- **E-waste contains 100 times more gold than a tonne of gold ore**
- **Less than 20% of e-waste is formally recycled**
- **More than 80% of e-waste goes to landfill or is informally recycled, often by unregulated child labour**

There is without doubt a continuing need for systemic change, and this is where Procurri works within our partner eco system to stimulate this change by offering genuine solutions to provide comfort to our clients who wish to sweat their IT hardware estate for longer; and once assets are at the point of retirement to securely erase and refurbish promoting resale over recycle in the first instance, but ensuring proper recycling and reporting where assets no longer have a viable use.

Procurri maintained its Carbon Neutral status, certified by Carbon Footprint, for all our global processing facilities via a combination of carbon reduction and offsetting through recognised and certified programs.

Similarly, Procurri has continued through 2023 to contribute towards its UN Sustainable Development Goals (SDGs) and once again retains our 5 star rating with 'Support the Goals' recognising Procurri's on going commitment to promote and deliver against our elected goals.

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

Procurri Commitments

By 2025 and extending to 2030 – continue to reduce energy consumed as a percentage of revenues by 1% YOY based on 2020 consumption of 2,333,861kWh.

Between 2020 and 2025 process 2,000,000kg of e-waste through formal recycling channels.

To continue to operate Procurri owned facilities on a carbon neutral basis, independently certified via a combination of carbon reduction and carbon offset.

Supporting the UN Global Goals

In 2015, the UN Member States met and agreed on 17 sustainable development goals that is a call-to-action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere. We are delighted to have been awarded 5-stars along with only a handful of other businesses for making a meaningful commitment to address our selected goals.

WE SUPPORT THE GLOBAL GOALS
SUPPORTTHEGOALS.ORG

Why do we support the goals?

- To end poverty
- Protect the planet
- Promote gender equality
- Reduce carbon footprint
- Promote health
- Reduce inequalities

Strategic Direction

We share the vision of increasing renewable energy use in our operations as part of responsible ESG management.

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 promoting reuse over recycle, we close resource and product loops by enabling people and businesses to restore, refurbish, and redeploy ICT products.

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.

Procurri has been awarded 5-stars along with only a handful of other businesses for making a meaningful commitment to address our selected goals.

Procurri's Material ESG Issues:

A Comprehensive Overview of our Corporate Sustainability Efforts

Materiality Analysis was conducted via desktop research by referencing international sustainability standards like SASB to identify the environmental, social, governance topics most relevant to Procurri and the industry in which we operate. Presented below are the prioritised material issues that are being actively managed.

FIGURE 1: Material ESG Issues for Procurri Operations

Environment

Material to Procurri

- Electricity consumption
- Waste avoided
- Renewable energy sourcing
- GHG emissions
- Waste management

Social

Material to Procurri

- Equal employment
- Employee training & development
- Employee diversity
- Customer data collection/ privacy
- Employee Health & Safety
- Information security

Governance

Material to Procurri

- Business ethics
- Information security

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
Partners including suppliers and customers	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 practising 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. The Board reviews and approves all material policies and procedures of Procurri.

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 Group utilizes Blancco software, an internationally recognized and accredited disk erasure software.

The Group holds a number of security accreditations, including ISO 27001 and ADISA, Cyber Essentials and R2.

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

- Singapore: National Environment Agency-approved vendor.
- US: 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.

The single data breach we experienced in 2023 was dealt with in accordance with the ISO 27001 Management System. As a result, we have reviewed, revised and strengthened our security protocols.

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 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	2021	2022	2023
Number of confirmed or suspected data security breaches that occurred in the past financial year?	1	Nil	1
Number of breaches that concerned the potential for personal identification material being compromised?	Nil	Nil	1
Number of breaches that led to the company incurring fines or other penalties and what was the value of these penalties?	Nil	Nil	Nil

In 2023, Procurri is committed to fostering a workplace culture that appreciates and welcomes diversity in all its forms. As a company listed on the Singapore Exchange, we recognize the importance of creating an inclusive environment that reflects the diversity of our stakeholders, employees, and the wider community.

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 operate 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. There have been no whistleblowing incidents reported during 2023.

Furthermore, Procurri provides statements on our website relating to combating Anti-Slavery and Anti-Bribery and Corruption.

Our Anti-Slavery and Anti-Bribery and Corruption statements can be found on our website and set out our policies and procedures for identifying and preventing these issues, as well as our efforts to train our employees and suppliers on these important topics.

We have a formal grievance policy and a dedicated email address for employees to report grievances.

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

Workforce and Governance Overview

Our global workforce comprises contractors and full-time employees across regions. In the UK, we have 4 contractors in Sales and Lead Generation, while our German entity employs 1 contractor in Sales. In the US, we engage 1 ITAD Technician (position held by Ryan P), and in Canada, we have 5 ITAD Technicians, 1 Accountant, and 2 Engineers in ITAD, with potential temporary services in Texas. APAC plays a vital role with contractors providing NOC and L1 services. Temporary employees are strategically hired to address project overflow and ensure timely project fulfilment.

Our definition of full-time employment varies by location: 35 hours a week in the UK, 40 hours in Germany and Kosovo, more than 32 hours a week in the US (eligible for all benefits), and at least 35 hours a week in APAC.

This snapshot illustrates our commitment to responsible governance and sustainable workforce practices. There were no significant occurrences of fines and penalties for non-compliance in FY2023.

Fostering Growth at Procurri Kosovo

We're proud to share that Procurri Kosovo has grown to a team of 44 employees, highlighting our focus on growth. Leadership roles are often filled through internal promotions, recognizing excellent performance, and building a strong understanding of our company culture.

We also provide opportunities for potential leaders to work on different projects, enhancing their skills. Our commitment to supporting employee growth through feedback, workshops, and regular group training sessions reflects a continuous culture of improvement at Procurri Kosovo Lifecycle Services.

In our pursuit of sustainability, we prioritize continuous learning. Our New Starter Guide and Hubspot training manual empower our team with essential knowledge. Virtual team training on platforms like Teams enhances collaboration and ensures a united approach towards our sustainability goals.

Climate-related Risks and Opportunities

Governance	Procurri's Inputs
Describe the board's oversight of climate related risks and opportunities	We integrate climate-based risks into our total risk management committee, which reports to the Group. The board oversees climate-related matters and reviews findings from risk assessments and internal audits.
Describe management's role in assessing and managing climate-related risks and opportunities	The Management team at Procurri take a key role in dealing with climate-related risks and opportunities. Our Compliance manager feeds environmental impact data and Procurri environmental data including Scope 1, 2 and 3 up through global operations to the CEO to the board.

Strategy	Procurri's Inputs
Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	The main risk for Procurri is from the rising sea and river levels which carries the risk of flooding.
Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	Investigation with the Environment Agency reveals that all Procurri offices in line with the Climate Central Projection are not within a predicted flood warning zone at this time (see Environmental Aspects Assessment). The sites have various unrestricted routes to ship or receive goods and business is unlikely to be affected at the sites.
Describe the resilience of the organisations strategy, taking onto consideration different climate-related scenarios, including a 2°C or lower scenario	We believe based on our global footprint with processing facilities in different regions that we are mitigating risks due to adverse climate changes in once specific region, all facilities operate on the same software platform with a unique instance for each region - thus if we were to experience an outage in one facility we could shift workload to others .

Metrics & Targets	Procurri's Inputs
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Procurri collates all our scope 1 and 2 emissions and some of our scope 3 emissions – these in turn are reported annually to the SGX, but also monitored internally month to month. In turn through a combination of carbon reduction and offsetting, Procurri's warehouse facilities have been certified as a Carbon Neutral since 2021. Procurri's take to market proposition is based around IT product lifecycle extension and providing credible alternatives to new, thus encouraging our partners to sweat assets for longer reducing the need for new and the carbon footprint associated with its manufacture.
Disclose Scope 1, scope 2 and if appropriate scope 3 greenhouse gas (GHG) emissions and related risks	In our sustainability report, we share our Scope 1 and Scope 2 emissions and some of our Scope 3. We've set energy reduction targets and continue to monitor these targets. Our Scope 1, 2 and 3 are independently reviewed and the data validated as part of our carbon neutral certification.
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Procurri utilised targets in line with the ISO 14001 Certification, the main climate related risk is emissions of greenhouse gas from energy usage, the corporation has decreased the use of energy year on year with a target to improve each year.

Risk Management	Procurri's Inputs
Describe the organisation's process for identifying and assessing climate related risks	Procurri's management team receives an annual risk survey to complete. The risk committee will pose questions based on the current environment; the risk committee members comprise senior heads from all our global operations. The survey is collated and a heat map produced identifying the top ten risks identified to the business. These in turn are reviewed at a board level coupled with mitigation for each.
Describe the organisation's process for managing climate-related risks	The Compliance Manager identifies environmental issues and suggests actions. The Director of Operations then works to minimize the impact or de-risk the business from these. If deemed to be a significant risk, they will feature as part of the risk committee's discussion. Procurri's Quality and Environmental Management System (QEMS) is maintained and kept up to date to help identify risk and resolution as they appear.
Describe how process for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	The Compliance Manager is responsible for identifying environmental aspects and recommending actions and controls for consideration by the senior management. The Director of Operations is responsible for determining the significance of the aspects and for implementing actions and controls to minimise any effects on the environment.

Environmental Stewardship

At Procurri, we're serious about the environment. We're committed to being responsible in everything we do, including managing emissions (Scope 1, 2, and 3) and being mindful of resources. We stand out by being more efficient with resources, reducing waste, and using energy wisely. During 2022, we strategically wound down the Boston facility, which was incurring high electricity costs due to excessive consumption, resulting in a significant reduction in our monthly electricity expenses.

TABLE 3: Group Environmental Impacts

Item	Units	2021 [1]	2022	2023
Energy Use				
Purchased electricity	kWh	1,965,197	1,823,464	**1,484,372**
Natural gas consumption	kWh	946,486	874,381	**458,503**
Business Travel				
Air – international	km	42,741	131,736	**165,966**
Air – domestic	km	604,445	1,216,489	**544,586**
Private vehicle	km	193,085	181,565	**198,245**
Company vehicle	km	280,198	281,519	**282,276**
Rail	km	5,891	18,934	**6,274**
Greenhouse Gases				
Scope 1	tCO_2e	306	245	**137**
Scope 2 (location-based) [2]	tCO_2e	594	579	**448**
Scope 2 (market-based)	tCO_2e	–	–	**0**
Scope 3	tCO_2e	118	325	**439**
Water Withdrawal				
Operational	m^3	2,120	1,850	**2,089**
Waste Arisings				
Waste sent to landfill or incinerator	kg	7,634	82,981	**35,019**
Waste recycled	kg	294,855	221,450	**97,855**
Hazardous waste [3]	kg	3,310	2,939	**1,840**

Scope 1
Fossil fuels, gas, diesel and oil consumed by the business.

Scope 2
Electricity consumed by the business.

Scope 3
Procurri include in its reporting, Employee-owned cars, Travel, Hotels and Waste.

[1] All sites calculated scope 3 emissions from all transportation activities using the greenhouse gas protocol calculation tool for GHG Emissions from transport or mobile sources.

[2] 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.

[3] Hazardous waste is treated in accordance with relevant local laws and legislation.

FIGURE 2: Waste Hierarchy at Procurri

Procurri globally ensures safe recycling of Used Electrical and Electronic Equipment (UEEE). Working items become Reuse Electrical and Electronic Equipment (REEE), sold for reuse, while non-functional ones are responsibly disposed of at authorized recycling facilities. Our global waste process efficiently incinerates general waste, generating renewable energy and managing by-products responsibly, aligning with our commitment to sustainability. Our waste is managed by third party providers in accordance with local laws and legislation.

UEEE = 2,103,087 Kg. WEEE = 97,855 Kg. % between UEEE (Reused) and WEEE (Recycled) = 95.35% Reused 4.65% Recycled

FIGURE 3: GHG Emissions by Scope

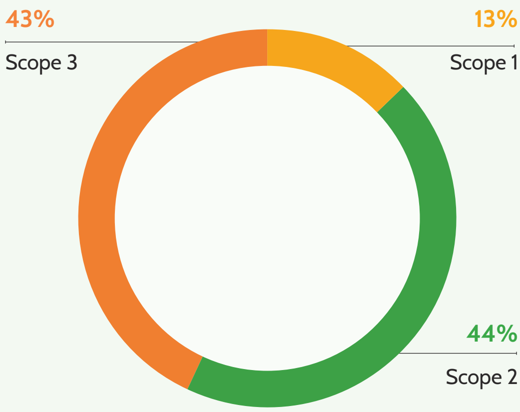
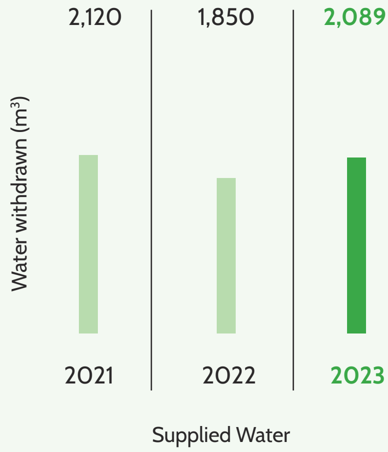


FIGURE 4: Water Withdrawal by Source



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.

Improvements – From the Management Review
All premises lighting continued to be upgraded to LED lamps which produce the same or better lighting with reduced energy use.

Additional improvements are continually sought and if, or when, identified would be implemented without awaiting the next management review.

The Group is looking to complete its Carbon Neutral Certification and audits by end of March, 2024.

Continue to upgrade to LED lamps.

Continue to investigate water saving devices especially in the toilet and ablutions.

Focus efforts to reduce general waste.

It was acknowledged that the desire for improvement in environmental performance had to be balanced with operational needs. It was nonetheless agreed to continually seek ways to improve the company's efforts to protect the environment from its business activities.

Improvement is shown under Table 3 Page 38.

Procurri uses 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. 2023 has seen a modest increase in water consumption to 2,089 cubic meters.

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.

During 2023, Procurri continued to invest in 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.

Board and Employee Diversity and Inclusion

Our commitment to diversity is evident in our efforts to create and maintain a diverse Board of Directors.

Our Board includes individuals from different nationalities and with various skills, showcasing our belief that diversity enhances corporate governance and contributes to our overall success.

This diverse composition reflects our dedication to building a Board that represents a range of backgrounds, reinforcing our commitment to inclusive and effective leadership.

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 2022 through to 2026, which is a standard in leadership development and performance evaluation.

Procurri believes in diversity and inclusion:

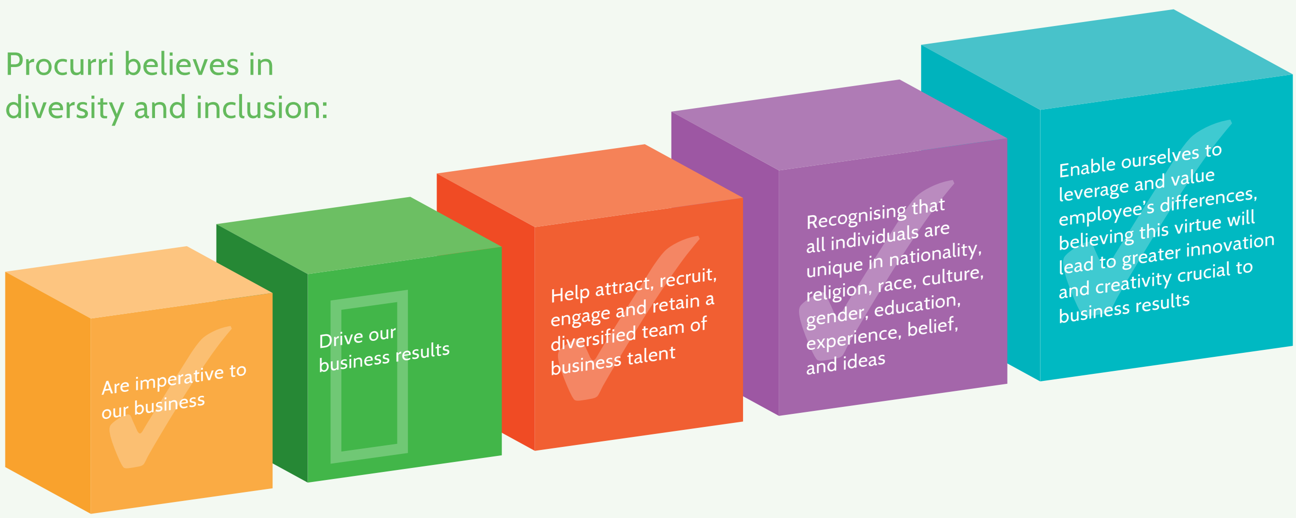


TABLE 4: Group Diversity and Employee Representation

	2020		2021		2022		2023	
Item	No. of Employees	%	No. of Employees	%	No. of Employees	%	No. of Employees	%
Gender of Employees								
Male	313	76%	318	74%	271	64%	375	75%
Female	99	24%	114	26%	155	36%	123	25%
Age Diversity								
Under 30	98	24%	94	22%	84	20%	144	29%
30 – 50	231	56%	247	57%	241	56%	266	53%
Over 50	83	20%	91	21%	101	24%	88	18%
Employment breakdown								
Full time	-	-	-	-	-	-	486	98%
Part time	-	-	-	-	-	-	12	2%
New starters	-	-	-	-	-	-	146	N.M.
Workers who are not employees	-	-	-	-	-	-	2,499	N.M.
Employees entitled to parental leave	-	-	-	-	-	-	167	34%
Employees who took parental leave	-	-	-	-	-	-	15	3%

Employee entitlements: Medical Health, Dental Plans, Pensions, Life Coverage, Parental Leave.
Additional Benefits: Provident Fund, Flexible Spending Account.

TABLE 5: Board of Directors

Board Composition Statement	
2 x Japanese	Imaizumi Fumitoshi, Shigeki Hayashi
4 x Singaporean	Wong Quee Quee, Jeffrey, Peter Ng Loh Ken , Dr. Lim Puay Koon, Steven Lwi
1 x European	Mat Jordan
Board Member's age brackets:	
Age: 40 to 50	2 members
Age: 50 to 60	3 members
Age: 60+	2 members

Diversity Policy

The Board is of the view that gender is an important aspect of diversity and will strive to ensure that:

a) any brief to external search consultants to search for candidates for appointment to the Board will include a requirement to present female candidates;

b) female candidates are included for consideration by the NC whenever it seeks to identify a new Director for appointment to the Board.

We currently do not have a direct link between executive remuneration and sustainability performance. However, our business strongly prioritizes sustainable practices within the IT sector. We acknowledge the potential link between our commitment to sustainability and overall business success. Exploring the incorporation of sustainability goals into executive remuneration is a strategic consideration for the future. The rationale is simple – excelling in sustainability not only attracts valuable partnerships but also contributes to overall business success, ensuring rewards for everyone, including our executives.

TABLE 6: Employee Development

Item	2020 No. of Employees	2020 %	2021 No. of Employees	2021 %	2022 No. of Employees	2022 %	2023 No. of Employees	2023 %
Employee Development								
Percentage of employees receiving regular performance and career development reviews	325	79%	432	100%	426	100%	**498**	**100%**
Employee groups not receiving reviews	87	21%	0	0%	0	0%	**0**	**0%**

TABLE 7: Employee Training[7]

	2020	2021	2022	2023
Hours of training given	1,158.5	2,263	6,399	**7,968**
Hours of training received per employee	2.81	5.24	15	**16**

[7] Procurri saw an increase in training, continuing to provide training to engineers and new starters during 2023, the implementation of Hubspot, Procurri's new CRM tool also necessitated additional training for users.

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. The Toronto site complies with OHSAS 18001 and reports and injury and illness incidents to the United States Department of Labor's OSHA's Form 301. Both UK and Germany facilities operate under the guidance of ISO 45001, but they have not sought certification.

Both UK and Germany 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 8: Group Health and Safety

Item	2020 No. of Employees	2020 Per 100 Employees	2021 No. of Employees	2021 Per 100 Employees	2022 No. of Employees	2022 Per 100 Employees	2023 No. of Employees	2023 Per 100 Employees
Recorded injuries	0	0	2	0.46	0	0	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	1	0.20
Exposure to hazardous substances off company premises	0	0	0	0	0	0	0	0
Recorded deaths	0	0	0	0	0	0	0	0

All regions reported no fatal injuries or fatalities due to work-related incidents during the reporting period. Safety remains a top priority across our global operations. Incidents involving injuries to third parties are documented in our system. Currently, there have been no reported accidents.

Social Engagement

Below left: The APAC Procurri Futsal teams.
Below: The 1st Orange County United Way E-Waste Recycling event.

In the spirit of our commitment to making a positive impact on our communities and nurturing the talents of tomorrow, Procurri has continued to engage in various initiatives that promote team building, corporate social responsibility, and a sense of unity among our global workforce.

Sweet Success in Cirencester EMEA

Our team in Cirencester organized a delightful "bake-off" event to raise funds for Macmillan, a charity dedicated to supporting families affected by cancer. The event featured a stunning array of cakes and snacks, along with board games, retro game consoles, and engaging party games. Not only did this event bring joy to our team, but it also contributed to a noble cause.

United Way E-Waste Recycling Success

We are thrilled to announce the resounding success of the 1st Orange County United Way E-Waste Recycling event, proudly sponsored by Ingram Micro and Procurri. This initiative not only prevented harmful materials from ending up in landfills but also raised awareness about the importance of e-waste recycling and environmental protection. We take pride in our contribution to creating more sustainable communities.

The proceeds from this event will support United Way's invaluable work, ensuring that underserved students receive the support they need to succeed, struggling OC families achieve financial security, and our homeless neighbors find a place to call home. We extend our heartfelt gratitude to everyone who participated and made this event a resounding success.

Procurri Futsal winners

Congratulations to the APAC Procurri team on their fantastic victory in the inter business unit futsal competition. Winning a futsal competition against seven teams from five different companies is a remarkable achievement. This victory is not only a source of pride for Procurri but also an inspiration for everyone to strive for excellence.

Procurri's Green and Sustainable Term Deposits: Building a Greener Tomorrow

At Procurri, we're excited about doing good for the environment. Our Green and Sustainable Term Deposits program is one way we're making a positive change, together with our valued partners.

In today's tech-driven world, it's essential to focus on being eco-friendly. Our Green and Sustainable Term Deposits support the creation of green buildings in important places like Singapore, Hong Kong, Australia, the United Kingdom, and the United States. Choosing Procurri means not just getting reliable IT solutions but also being part of building eco-friendly structures. These buildings are designed to be energy-efficient and good for the planet, reducing carbon emissions.

Investing in IT Talent

We understand that nurturing and investing in our own IT talent is vital for the growth of our industry. Our Senior Sales Manager, Julian Bannister, attended a Careers Fayre at Sir Thomas Rich's School in Gloucester, engaging with young students who are exploring their future opportunities. Julian shared his insights about the mechanics of a server and discussed the exciting career prospects awaiting them at Procurri.

Procurri's Journey Towards Sustainable Aviation

We are proud sponsors of the Freedom Flight Prize, challenging inventors to make a big passenger plane that runs on renewable energy for a trip from London to New York. Joining 380 other sponsors, we are working together to reshape aviation to be more eco-friendly for a sustainable future and to tackle climate change head-on.

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 41		
	2-2	Entities included in the organization's sustainability reporting		Page 48		
	2-3	Reporting period, frequency and contact point		Page 48		
	2-4	No restatements of information				
	2-5	External assurance		Page 48		
	Activities and Workers					
	2-6	Activities, value chain and other business relationships		Pages 12 - 14		
	2-7	Employees	Provide info. on # of permanent, temporary, non-guaranteed hours, full-time and part-time employees by gender and region	Page 41		
	2-8	Workers who are not employees		Page 41		
	Governance					
	2-9	Governance structure and composition	Provide info. on sustainability governance structure and composition, incl. any committees, of the highest governance body	Pages 16 - 21		
	2-10	Nomination and selection of the highest governance body	Describe nomination/selection process of highest governance body including criteria, etc	See board statement Page 52		
	2-11	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.	Page 53		
	2-12	Role of the highest governance body in overseeing the management of impacts	Self-explanatory	Page 50		
	2-13	Delegation of responsibility for managing impacts	Provide info. on who does what, when and how in relation to governing & managing sustainability	Page 26		
	2-14	Role of the highest governance body in sustainability reporting	Additionally, provide info. on how material topics are reviewed and approved.	Page 26		
	2-15	Conflicts of interest	Provide info. on how highest governing body manages conflicts of interest and if it is disclosed to stakeholders	Pages 75 & 76		
	2-16	Communications of critical concerns	Provide info on how concerns about organisation's impacts are communicated to highest governance body including # and nature of incidences	Pages 35, 75 & 76		
	2-17	Collective knowledge of the highest governance body	Provide info on measures to enhance sustainability knowledge of highest governance body	Page 26		
	2-18	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	Page 68		
	2-19	Remuneration policies	Additionally, provide info on how remuneration of highest governance body is pegged to sustainability performance	Page 69	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

GRI Standard	Disclosure number & title		Disclosure remarks	Page ref.	Omission	
GRI 2: General Disclosures 2021	**Governance cont.**				Requirement omitted	Reason
	2-20	Process to determine remuneration	Additionally, provide info. if external consultants and/or stakeholders were engaged to facilitate this process	Page 68	Procurri does not currently report on this data	
	2-21	Annual total compensation ratio	Provide info. on ratio of highest paid individual to median annual compensation	Page 69	Procurri does not currently report on this data	
	2-22	Statement on sustainable development strategy	Self-explanatory - in the form of Letter from CEO	Pages 26 - 28		
	2-23	Policy commitments	Commitments to international standards including human rights, precautionary principle	Pages 34 & 35		
	2-24	Embedding policy commitments	Provide info. on how policy commitments are implemented and any training involved	Pages 34 - 35 & 50		
	2-25	Processes to remediate negative impacts	Provide info. on grievance mechanisms	Pages 34 & 35		
	2-26	Mechanisms for seeking advice and raising concerns	Provide info. on whistleblowing mechanisms	Pages 34 & 35		
	2-27	Compliance with laws and regulations	Self-explanatory; info. on # of incidences of non-compliance	Pages 34 & 35		
	2-28	Membership associations	Self-explanatory	Page 30		
	Stakeholder Engagement					
	2-29	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	Pages 31 & 76		
	2-30	Collective bargaining agreements	Provide info. on % of employees under collective bargaining agreements (eg. Unions)	n/a	No Procurri employees are members of collective bargaining agreements	
GRI 3: Material Topics 2021	**Material Topics**					
	3-1	Process to determine material topics		Page 32		
	3-2	List of material topics		Page 32		
	TOPIC SPECIFIC DISCLOSURES: GOVERNANCE					
GRI 205: Anti-corruption 2016	**Anti-Corruption**					
	3-3	Management of material topics		Page 34		
	205-1	Operations assessed for risks related to corruption		Page 35		
	205-2	Communication and training about anti-corruption policies and procedures		Page 34		
	205-3	Confirmed incidents of corruption and actions taken		Page 35		
	TOPIC SPECIFIC DISCLOSURES: ENVIRONMENTAL					
GRI 302: Energy 2016	**Energy**				Requirement omitted	Reason
	3-3	Management of material topics		Page 38		
	302-1	Energy consumption within the organization		Page 38		
	302-4	Reduction of energy consumption		Page 38		
GRI 305: Emissions 2016	**Emissions**				Requirement omitted	Reason
	3-3	Management of material topics		Page 38		
	305-1	Direct (Scope 1) GHG emissions		Page 38		
	305-2	Energy indirect (Scope 2) GHG emissions		Page 38		
	305-3	Other indirect (Scope 3) GHG emissions		Page 38		
	305-5	Reduction of GHG emissions		Page 38		

GRI Standard	Disclosure number & title	Disclosure remarks	Page ref.	Omission
GRI 303: Water & Effluents 2018	**Water**			
	3-3 Management of material topics		n/a	Water is not a material topic for Procurri, see page 32 material list
	303-3 Water withdrawal		Page 39	
GRI 305: Emissions 2016	**Emissions**			
	3-3 Management of material topics		Page 38	
	305-1 Direct (Scope 1) GHG emissions		Page 38	
	305-2 Energy indirect (Scope 2) GHG emissions		Page 38	
	305-3 Other indirect (Scope 3) GHG emissions		Page 38	
	305-5 Reduction of GHG emissions		Page 38	
GRI 306: Waste 2020	**Waste**			
	3-3 Management of material topics		Page 39	
	306-3 Waste generated		Page 38	
	306-4 Waste diverted from disposal		Pages 39 & 47	
	306-5 Waste directed to disposal		Page 38	
	TOPIC SPECIFIC DISCLOSURES: SOCIAL			
GRI 401: Employment 2016	**Employment**			
	3-3 Management of material topics		Page 40	
	401-1 New employee hires and employee turnover		Page 41	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Page 41	
	401-3 Parental leave		Page 41	
GRI 403: Occupational Health & Safety 2018	**Occupational Health & Safety**			
	3-3 Management of material topics		Page 42	
	403-1 Occupational health and safety management system		Page 42	
	403-2 Hazard identification, risk assessment, and incident investigation		Page 42	
	403-4 Worker participation, consultation, and communication on occupational health and safety		Page 42	
	403-5 Worker training on occupational health and safety		Page 42	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Page 42	
	403-8 Workers covered by an occupational health and safety management system		Page 42	
	403-9 Work-related injuries		Page 42	

GRI Standard	Disclosure		Location
GRI 404: Training & Education 2016	**Training & Education**		
	3-3	Management of material topics	Page 40
	404-1	Average hours of training per year per employee	Page 42
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 42
GRI 405: Diversity & Equal Opportunity 2016	**Diversity & Equal Opportunity**		
	3-3	Management of material topics	Page 40
	405-1	Diversity of governance bodies and employees	Page 41
	405-2	Ratio of basic salary and remuneration of women to men	n/a
GRI 406: Non-discrimination 2016	**Non-discrimination**		
	3-3	Management of material topics	Page 40
	406-1	Incidents of discrimination and corrective actions taken	Page 73
GRI 418: Customer Privacy 2016	**Customer privacy**		
	3-3	Management of material topics	Page 34
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 34

Facilities Included

Facility location	Country	Certified CO^2 in kg	Quantity of parts processed	Processing CO^2 in kg per part	Percentage Weighting per facility	Weighted average CO^2 in kg emissions globally
Atlanta	US	385,360	162,080	2.377	20.4	0.485
Baiersdorf	Germany	30,190	59,372	0.508	7.47	0.038
Cirencester	UK	218,240	293,138	0.744	36.89	0.275
Kuala Lumpur	Malaysia	100,440	2,139	46.956	0.27	0.126
Singapore	Singapore	150,860	44,903	3.359	5.65	0.19
Toronto	Canada	17,350	65,860	0.263	8.29	0.022
Warrington	UK	103,340	167,095	0.618	21.03	0.13
Totals		**1,005,780**	**794,587**	**54.825**	**100**	**1.266**
Global average CO^2 Processing overhead per part						**1.266**

About This Report

In this annual sustainability report, we give an account of our financial and sustainability efforts for the financial year, 1 January 2023 to 31 December 2023, in accordance with the Global Reporting Initiatives ("GRI") Sustainability Reporting Standards, incorporating the latest GRI Universal Standards of 2021.

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. Whilst we have not sought external assurance for the reporting period, this report has been reviewed internally to verify the accuracy of the data presented. 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.

We also include Germany (Procurri GmbH), Canada (Procurri Canada) and Malaysia (Procurri Malaysia) in our FY2023 report. These sites represent our key locations and cover 80% of the total employees of Procurri's global operations. The remaining 20% of employees are widely spread across numerous geographical bases.

Procurri works with independent experts to provide external assurance. These include Carbon Footprint, Support the Goals and Paia.

For more information about this report, please contact:
enquiry.uk@procurri.com

Appendix

Calculating Greenhouse Gas Emissions

Different GHGs have different Global Warming Potentials ("GWP") 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"). 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.

Our Offices

APAC

Processing Facilities

Singapore
8 Aljunied Avenue 3
The Pulse
Singapore 389933
T: +65 6011 9700
enquiry.sg@procurri.com

Kuala Lumpur, Malaysia
Unit L3-2, 3rd Floor Infinite Centre,
No. 1 Jalan 13/6,
46200 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia
T: +60 3 7958 8829
enquiry.my@procurri.com

Bangalore, India
No 386, 1st Floor,
4th D Main, 12th Cross,
West Of Chord Road,
Mahalakshmipuram,
Bangalore, 560086

Noida, India
Plot No C-91,
Sector-63 Noida,
Gautam Budh Nagar Uttar Pradesh – 201301
India
T: +91 80 6743 1157
enquiry.in@procurri.com

Toyko, Japan
Mitsui Fudosan Logistics Park Hino 2F
3-1-1 Asahigaoka, Hino City,
Tokyo 191-0065
Japan

Office Locations

Beijing, China
Room A07, 4th Floor,
No. 26, North East
Third Ring Road,
Chaoyang District,
Beijing
T: +86 10 8592 5347
enquiry.cn@procurri.com

Singapore
8 Aljunied Avenue 3
The Pulse
Singapore 389933
T: +65 6011 9700
enquiry.sg@procurri.com

Circular Hub

Tokyo Japan
Mitsui Fudosan Logistics Park Hino 2F
3-2-7 Asahigaoka Hino-city,
Tokyo, Japan
ITAD@procurri.com

Americas

Processing Facilities

Norcross
5825 Peachtree Corners East, Suite A
Norcross,
Georgia 30092
T: +1 770 817 9049
enquiry.us@procurri.com

Norcross
6665 Corners
Industrial Court, Suite B,
Peachtree Corners,
GA 30092
T: +1 770 817 9049
enquiry.us@procurri.com

Dallas, Texas
2791 Telecom Parkway
Dock 44-47
Richardson, TX 75082
ITAD@procurri.com

Canada
3710 Nashua Drive,
Units 7-8A,
Mississauga,
L4V 1M5
T: +1 416 525 6677

Office Locations

Laguna Beach
3933 South Coast Highway
Laguna Beach,
CA 92651
US
T: +1 612-991-1111
itad@procurri.com

Towson
100 West Road,
Suite 300,
Towson, MD 21204

Atlanta
945 E.Paces Ferry Road,
Suite 1400
Atlanta, GA, 30326

Chicago
101 N. Main St,
Unit 16D , Crystal Lake,
Illinois, 60014

Charlotte
1901 Brunswick Ave,
Suite 102,
Charlotte NC 28207

EMEA

Processing Facilities

Cirencester
Bankside Park,
15 Love Lane,
Cirencester, Gloucestershire,
GL7 1YG,
England, UK
T: +44 1285 642 222
enquiry.uk@procurri.com

Warrington
Unit 1 Axis, Leacroft Road
Birchwood,
Warrington,
Cheshire,
WA3 6PJ,
England, UK
T: +44 1925 251 700
enquiry.uk@procurri.com

Germany
Baiersdorf,
Procurri GmbH,
Erlanger Strasse 9,
Deutschland
91083
T: +49 151 501 730 32
anfrage.Deutschland@procurri.com

Office Locations

Warwick
Lake View House,
Wilton Drive,
Warwick,
CV34 6RG,
England, UK
T: +44 1926 679 556
enquiry.uk@procurri.com

Wokingham
Markham House, 20 Broad Street,
Wokingham,
Berkshire RG40 1AH
T: +44 1189 120 000
enquiry.uk@procurri.com

Barsinghausen
Rontgenstasse 5, 30890,
Barsinghausen

Kosovo
33 Muhajareve,
Hajrullah Abdullahu Street,
Pristina, 3rd floor
Kosovo
T: +44 1285 642 222
enquiry.uk@procurri.com

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 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. Nonetheless, 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 and the Remuneration Committee. 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 FY2023 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 Fumitoshi Imaizumi(1)	5	1	1	–	1	–	6	1*
Mr Shigeki Hayashi(2)	5	1	1	–	1	–	6	1
Mr Mathew George Jordan(3)	5	3	1	–	1	–	6	4*
Mr Wong Kok Khun(4)	5	4	1	1*	1	1	6	4*
Mr Lwi Tong Boon, Steven	5	5	1	1	1	1*	6	6
Mr Ng Loh Ken Peter	5	5	1	1*	1	1	6	6
Mr Wong Quee Quee, Jeffrey	5	5	1	1	1	1	6	5
Dr. Lim Puay Koon	5	5	1	1	1	1	6	5
Mr Lim Swee Yong(5)	5	4	1	1	1	1	6	5

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 Fumitoshi Imaizumi was appointed as Non-Independent Non-Executive Chairman of the Company, and as a member of the Nominating Committee on 30 November 2023.
(2) Mr Shigeki Hayashi was appointed as Non-Independent Non-Executive Director of the Company, and as a member of Audit Committee on 30 November 2023.
(3) Mr Mathew George Jordan was appointed as Chief Executive Officer and Executive Director on 1 May 2023.
(4) Mr Wong Kok Khun ceased as Executive Chairman and Director of the Company, and as a member of the Nominating Committee on 30 November 2023.
(5) Mr Lim Swee Yong ceased as Non-Independent Non-Executive Director of the Company, and ceased as member of Audit and Nominating Committees on 30 November 2023.

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 the 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 Mr. Fumitoshi Imaizumi was appointed as Non-Independent Non-Executive Chairman of the Board of the Company in Mr Wong Kok Khun's stead on 30 November 2023. 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 seven directors, three of whom are independent, non-executive directors, two of whom are non-independent, non-executive directors, the Executive Director and Chief Executive Officer and the Non-Independent Non-Executive Chairman.

The independent directors currently make up less than 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. In addition to the above, the Executive Director makes up a minority on the Board while the non-executive directors form the majority. The non-executive directors, who make up a majority of the Board, always constructively challenge and help develop proposals on strategy and review the Management's performance in meeting agreed goals and objectives and monitor the reporting of the Management's performance.

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 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 Fumitoshi Imaizumi	(Non-Independent Non-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, Steven	(Non-Independent, Non-Executive Director)
Mr Shigeki Hayashi	(Non-Independent, Non-Executive Director)
Mr Mathew George Jordan	(Executive Director and Chief Executive Officer)

After taking into account the views of the Nominating Committee (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.

Governance 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.

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. Notwithstanding that the Board recognises the benefits of diversity and takes the same into consideration, the Board does not set any target on diversity as it does not engage in reverse discrimination. *<Provision 2.4>*

2.8 The independent directors, led by the Lead Independent Director, have meetings amongst themselves without the presence of the Management 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 Non-Independent Non-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 Chairman and the CEO are not related. Their roles are kept separate to ensure clear division of responsibilities, greater accountability and increased capacity for independent decision-making. The Non-Independent Non-Executive Chairman's role in the Company is assumed by Mr Fumitoshi Imaizumi while the CEO role in the Company is assumed by Mr Mathew George Jordan. The Board is of the view that the accountability and independence of the Board as a whole has not been compromised despite the Chairman being a non-independent director, taking into consideration that a majority of the Board is comprised of non-executive directors and 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 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 Non-Independent Non-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>*

Governance Report

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 Fumitoshi Imaizumi	(Member and Non-Independent Non-Executive Chairman)

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>*

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, Dr. Lim Puay Koon and Mr Wong Quee Quee, Jeffrey, will retire pursuant to Regulation 117, while Mr Fumitoshi Imaizumi, Mr Shigeki Hayashi and Mr Mathew George Jordan will retire pursuant to Regulation 122.

Dr. Lim Puay Koon and Mr Wong Quee Quee, Jeffery, being eligible, have offered themselves for re-election. Mr Fumitoshi Imaizumi, Mr Shigeki Hayashi and Mr Mathew George Jordan, being eligible, have offered themselves for election. The information of Dr. Lim Puay Koon, Mr Wong Quee Quee, Jeffrey, Mr Fumitoshi Imaizumi, Mr Shigeki Hayashi and Mr Mathew George Jordan 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>*

Governance Report

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 FY2023. *<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.

4.6 The following sets forth the respective dates of appointment and the dates of last 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
Fumitoshi Imaizumi *Non-Independent Non-Executive Chairman*	30 November 2023	–	–	–	–	Member
Ng Loh Ken Peter *Lead Independent Director*	27 June 2016	28 April 2023	–	Chairman	–	Member
Wong Quee Quee, Jeffrey *Independent Director*	27 June 2016	28 April 2023	–	Member	Member	Chairman
Lim Puay Koon *Independent Director*	1 April 2020	26 April 2022	–	Member	Chairman	Member
Lwi Tong Boon, Steven *Non-Independent Non-Executive Director*	15 June 2022	28 April 2023	–	Member	Member	–
Shigeki Hayashi *Non-Independent Non-Executive Director*	30 November 2023	–	–	Member	–	–
Mathew George Jordan *Executive Director and Chief Executive Officer*	1 May 2023	–	–	–	–	–
Wong Kok Khun *Executive Chairman*	15 June 2022	28 April 2023	30 November 2023	–	–	Member
Lim Swee Yong *Non-Independent Non-Executive Director*	9 November 2021	26 April 2022	30 November 2023	Member	–	Member

Please refer to the Board of Directors section in this Annual Report for the profile of each director's professional qualifications, principal commitments, and directorships both present and those held over the preceding three years in other listed companies.

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
	Dr Lim Puay Koon	Wong Quee Quee, Jeffrey
Date of Appointment	1 April 2020	27 June 2016
Date of last re-appointment (if applicable)	26 April 2022	28 April 2023
Age	63	48
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 Dr Lim'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.	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	Independent Non-Executive Director	Independent Non-Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman of RC, Member of AC and NC	Chairman of NC, Member of AC and RC
Working experience and occupation(s) during the past 10 years	2022 – 2024: Independent Non-Executive Director of Nova Tellus Alpha Acquisition Limited 2021 – 2023: Independent Non-Executive Director of Nera Telecommunications Limited 2019 – 2023: Director of Hercules Private Limited 2014 – 2019: CEO (North Asia) Dimension Data Asia Pacific Private Limited 2008 – 2014: Managing Director (ASEAN) Dimension Data Asia Pacific Private Limited	Jan 2023 – Present: Partner, Solitaire LLP Feb 2023 – April 2023: Senior Advisor to Soochow CSSD Capital Markets (Asia) Pte. Ltd. ("SCCM") Dec 2017 – Jan 2023: Chief Executive Officer of SCCM 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 95,100 Ordinary Shares	Yes 95,100 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
Conflict of interest (including any competing business)	No	No

Governance Report

	Re-Election Dr Lim Puay Koon	Re-Election Wong Quee Quee, Jeffrey
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)	HupSteel Limited Hennfa Private Limited Dimension Data Korea Dimension Data Hong Kong Limited Dimension Data China Hong Kong Limited Dimension Data Macau Limited Dimension Data Taiwan Limited Hercules Private Limited Nera Telecommunications Limited Novo Tellus Alpha Acquisition	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	Procurri Corporation Limited	GKE Corporation Limited Soochow CSSD Capital Markets (Asia) Pte. Ltd. Truth Assets Management (S) Pte. Ltd. Truth Wealth Management VCC GSS Energy Limited Katrina Group Ltd Soitaire LLP 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
(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.

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		Re-Election	Re-Election
		Dr Lim Puay Koon	Wong Quee Quee, Jeffrey
(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
(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?	No	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

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		Re-Election	Re-Election
		Dr Lim Puay Koon	Wong Quee Quee, Jeffrey
(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
	(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

Governance Report

		Re-Election	Re-Election
		Dr Lim Puay Koon	Wong Quee Quee, Jeffrey
(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	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. 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.
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

Governance Report

		Re-Election	Re-Election
		Dr Lim Puay Koon	Wong Quee Quee, Jeffrey
(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

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**	**Election**
	Mr Fumitoshi Imaizumi	**Mr Shigeki Hayashi**	**Mr Mathew George Jordan**
Date of Appointment	30 November 2023	30 November 2023	1 May 2023
Date of last re-appointment (if applicable)	N/A	N/A	N/A
Age	60	56	49
Country of principal residence	Singapore	Japan	United Kingdom
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 Nominating Committee, and having assessed Mr Fumitoshi Imaizumi's qualifications and experience, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as Non-Independent Non-Executive Chairman of the Company.	The Board, having considered the recommendation of the Nominating Committee, and having assessed Mr Shigeki Hayashi's qualifications and experience, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as Non-Independent Non-Executive Director of the Company.	The Board, having considered the recommendation of the Nominating Committee, and assessed Mr Jordan's qualifications and experience, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as Executive Director of the Company and Chief Executive Officer of the Group.
Whether appointment is executive, and if so, the area of responsibility	Non-Independent Non-Executive Chairman	Non-Independent Non-Executive Director	Executive Director and Chief Executive Officer
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent Non-Executive Chairman and Member of NC	Non-Independent Non-Executive Director, Member of AC	Executive Director and Chief Executive Officer

Governance Report

	Election	Election	Election
	Mr Fumitoshi Imaizumi	**Mr Shigeki Hayashi**	**Mr Mathew George Jordan**
Working experience and occupation(s) during the past 10 years	Under EXEO Group, Inc and subsidiaries: June 2022 – Present: Director and Managing Operating Officer General Manager of Global Business Dept, ICT Solutions HQ June 2021 – June 2022: Managing Operating Officer, GM of Global Business Dept June 2019 – June 2021: Operating Officer, GM of Global Business Dept, ICT Solutions HQ April 2019 – June 2019: GM of Global Business Dept, ICT Solutions HQ December 2018 – Present: Managing Director and Chief Executive Officer, EXEO Global Pte Ltd July 2018 – December 2018: GM of Solution Promotion Dept and Deputy GM of Solutions Sales July 2017 – July 2018: Deputy GM of Solutions Sales Division and Deputy GM of Solutions Promotion Dept, ICT Solutions HQ Under NTT Communications Corporation: July 2014 – July 2017: Head of Data Centers, Cloud Services Under NTT MSC Sdn. Bhd.: March 2008 – July 2014: Chief Executive Officer	June 2023 – Present: EXEO Group, Inc, Director and Operating Officer, Chief Financial Officer June 2022 – June 2023: EXEO Group, Inc, Operating Officer, Chief Financial Officer June 2021 – June 2022: EXEO Group, Inc, Operational Manager Jule 2019 – July 2021: NTT Ltd, SVP, Corporate Planning and Strategy Jule 2016 – July 2019: NTT Communications (Japan), Vice President, Global Business July 2007 – July 2016: NTT Communications (Japan), Director, Global Business	2023 – Present: Global Head of Operations of Procurri Corporation Limited 2021 – 2022: Head of Global Hardware Distribution of Procurri Corporation Limited 2014 – 2021: Head of EMEA of Procurri Corporation Limited 2013 – 2014: Sales Director of Tinglobal Ltd.
Shareholding interest in Procurri Corporation Limited and its subsidiaries	No	No	Yes 2,422,400 ordinary shares and 2,750,000 share awards
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. Imaizumi is a Director and Managing Operating Officer of EXEO Group, Inc. ("EXEO Group"), the Managing Director and Chief Executive Officer of EXEO Global Pte. Ltd. ("EXEO Global"), and a Director of DeClout Pte. Ltd. ("DeClout"). DeClout is a wholly-owned subsidiary of EXEO Global, which in turn is a wholly-owned subsidiary of EXEO Group. Each of EXEO Group, EXEO Global, and DeClout is a substantial shareholder of the Company.	Mr. Hayashi is a Director and Operating Officer of EXEO Group and a Director of EXEO Global. EXEO Global is a wholly-owned subsidiary of EXEO Group. Each of EXEO Group and EXEO Global is a substantial shareholder of the Company.	No

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	Election	Election	Election
	Mr Fumitoshi Imaizumi	Mr Shigeki Hayashi	Mr Mathew George Jordan
Conflict of interest (including any competing business)	Mr. Imaizumi is the Managing Director and Chief Executive Officer of EXEO Global. The services offering of EXEO Global may potentially have some overlaps with certain parts of the Company. To mitigate any potential conflicts of interest with EXEO Global, for so long as Mr. Imaizumi is the Managing Director and Chief Executive Officer of EXEO Global and the service offerings of EXEO Global has overlaps with the Company, Mr. Imaizumi will not participate in any proceedings of the Board, and shall in any event abstain from voting, in respect of any contract, arrangement, proposal, transaction or matter where there would be a material conflict of interest with EXEO Global. Mr. Imaizumi is cognisant that, as a director of the Company, he must act in the best interest of the Company and must not make improper use of his position or any information acquired by virtue of his position to gain, directly or indirectly, an advantage for himself or for any other person or to cause detriment to the Company.	Mr. Hayashi is a Director of EXEO Global. The services offering of EXEO Global may potentially have some overlaps with certain parts of the Company. To mitigate any potential conflicts of interest with EXEO Global, for so long as Mr. Hayashi is a Director of EXEO Global and the service offerings of EXEO Global has overlaps with the Company, Mr. Hayashi will not participate in any proceedings of the Board, and shall in any event abstain from voting, in respect of any contract, arrangement, proposal, transaction or matter where there would be a material conflict of interest with EXEO Global. Mr. Hayashi is cognisant that, as a director of the Company, he must act in the best interest of the Company and must not make improper use of his position or any information acquired by virtue of his position to gain, directly or indirectly, an advantage for himself or for any other person or to cause detriment to the Company.	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to Procurri Corporation Limited	Yes	Yes	Yes
Other Principal Commitments including Directorships			
Past (for the last 5 years)	None beyond the working experience and occupations stated above.	None beyond the working experience and occupations stated above.	Nil

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		Election	Election	Election
		Mr Fumitoshi Imaizumi	Mr Shigeki Hayashi	Mr Mathew George Jordan
Present		None beyond the working experience and occupations stated above.	None beyond the working experience and occupations stated above.	Procurri Singapore Pte. Ltd. Procurri Asia Pacific Pte. Ltd. Procurri Beijing Co. Ltd. Procurri Europe Lifecycle Services Ltd Procurri Kosovo Lifecycle Services SH P K Procurri Europe Maintenance Ltd Procurri GmBH Procurri Canada Limited Bright Green Investments Ltd Inside Sweat 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	No
(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	No
(c)	Whether there is any unsatisfied judgment against him?	No	No	No

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		Election	Election	Election
		Mr Fumitoshi Imaizumi	**Mr Shigeki Hayashi**	**Mr Mathew George Jordan**
(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	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	No
(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?	No	No	No
	If yes, please provide full details	N/A	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	No

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		Election	Election	Election
		Mr Fumitoshi Imaizumi	Mr Shigeki Hayashi	Mr Mathew George Jordan
(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	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	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	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	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	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	No

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	Election Mr Fumitoshi Imaizumi	Election Mr Shigeki Hayashi	Election Mr Mathew George Jordan
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	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	No

Disclosure applicable to the appointment of Director only.

Any prior experience as a director of a listed company?	No	No	No
If yes, please provide details of prior experience.	N/A	N/A	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.	Mr. Imaizumi will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by SGX-ST.	Mr. Hayashi will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by SGX-ST.	Mr Jordan has attended the training on the roles and responsibilities of a director of a listed issuer, as prescribed by 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	N/A

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 FY2023, 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>*

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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 FY2023. *<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, Steven	(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 FY2023, the RC did not seek the service of an external remuneration consultant. *<Provision 6.4>*

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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. During the financial year ended 31 December 2023, the Company has granted a total of 22,086,300 share awards pursuant to the PSP. The table below shows the share awards granted pursuant to the PSP during FY2023:

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
7 March 2023	22,086,300	0.2428	13,123,300

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 directors 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 Mathew George Jordan's current service agreement with the Company will end on 31 December 2025. His service agreement is renewable thereafter as may be agreed between the Company and him.

The remuneration package comprises a basic salary component, Target Short Term Incentive (STI), which is the annual target bonus in cash, and a Target Long Term Incentive (LTI), which are Performance Share Plan (PSP) shares to be cliff vested over 5 calendar years. Both the on-Target STI and 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.

8.2 The remuneration of the executive director is linked directly to the Group's financial performance through a profit-sharing scheme. 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>*

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8.3 A breakdown showing the level and mix of each individual director's remuneration paid/payable for FY2023 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$1,000,000 to below S$1,250,000					
Mr Mathew George Jordan[3]	56	7	–	37	100
(iii) Below S$250,000					
Mr Wong Kok Khun[4]	–	–	–	100[5]	100
Mr Ng Loh Ken Peter	–	–	100	–	100
Mr Wong Quee Quee, Jeffrey	–	–	100	–	100
Dr Lim Puay Koon	–	–	100	–	100
Mr Lim Swee Yong[4]	–	–	100[5]	–	100
Mr Lwi Tong Boon, Steven	–	–	100[5]	–	100
Mr Fumitoshi Imaizumi[6]	–	–	–	–	–
Mr Shigeki Hayashi[6]	–	–	–	–	–

Note:
(1) Includes fixed allowances.
(2) Includes fair value of the awards under PSP for FY2023 vested during the year on or before 31 December 2023.
(3) Appointed on 1 May 2023.
(4) Ceased on 30 November 2023.
(5) In an EGM held on 11 January 2023, 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 was approved. The share awards was granted on 7 March 2023 after the resumption of trading of the Company's shares on SGX and the completion of the Company's blackout period. The PSP shares will only vest upon meeting the prescribed performance conditions and vesting schedules in FY2023 to FY2027. In FY2023, 1,100,000 PSP shares were vested and accounted for in FY2023. On 30 November 2023, Mr. Wong Kok Khun and Mr. Lim Swee Yong ceased to be a director the Company. Accordingly, 6,200,000 of unvested PSP shares have been forfeited.
(6) Appointed on 30 November 2023.

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 as such disclosure is commercially sensitive and could encourage talent-poaching which possibly leads to the Company and subsidiaries being exposed to unnecessary risks. In addition, disclosure of specific remuneration information may encourage inappropriate peer comparisons and discontentment and may, in certain cases, give rise to recruitment and talent retention issues.

Whilst sustaining the long-term benefit of the Group, the Board is of the view that the disclosure of the remuneration in bands has sufficiently balanced the Group's interests and the necessity to provided sound information to the investors for their investment decisions.

Notwithstanding the abovementioned reasons for deviations, the level of information that had been disclosed is consistent with Principle 8 where there is transparency on remuneration policies, the level and mix of remuneration, the procedure for setting remuneration and the relationship between remuneration, performance and value creation as disclosed on pages 68 to 71.

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For FY2023, 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>*

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

Note:
(1) Included employers' CPF and fair value of the awards under the PSP for FY2023 vested during the year on or before 31 December 2023.

The total remuneration, in aggregate, paid to the top 5 key executives of the Group (who are not directors) for FY2023 is approximately S$4,082,522.79.

8.5 The Company has aligned and disclosed the remuneration information consistently with the intent of Principle 8. Transparency has been provided on the remuneration policies, and the Company has disclosed the level and mix of remuneration in bands of no wider than S$250,000 and the breakdown of the component of the directors' remuneration in section 8.3, and in bands of no wider than S$250,000 and the aggregate remuneration of the KMP in Section 8.4. The deviations are in view that the Group seeks to balance the intent with legitimate commercial concerns, such as information being exploited by competitors and maintaining confidentiality on remuneration matters.

8.6 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 Director and Chief Executive Officer, the CFO, and key management personnel 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>*

Governance Report

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.

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, Steven	(Member and Non-Independent Non-Executive Director)
Mr Shigeki Hayashi	(Member and Non-Independent Non-Executive Director)

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

10.2 At least two 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;

Governance Report

(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.

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 FY2023 are tabulated in the table below:

Fees Paid and Payable	S$	%
Audit Services	532,000	97.06
Non-Audit Services	16,100	2.94
Total	548,100	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 FY2023 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 FY2023 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 provision for obsolescence	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 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 The AC is satisfied that the internal audit function is independent, effective and adequately resourced by personnel with the relevant qualifications and experience. *<Rule 719(3) of Mainboard Listing Manual>*

10.13 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.

10.14 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 14 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).

Certain aspects of the internal audit scope of work were also outsourced to an internationally recognised accounting firm.

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 FY2023 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 FY2023 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 There was no dividend declared for FY2023 as the Group wishes to reserve funds for the future business development and expansion of the Group.

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 CEO 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>*

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.

Governance Report

(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 CEO 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 FY2023 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.

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.

Details of the interested person transactions for FY2023 are as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S$ '000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) S$ '000
EXEO Global Pte. Ltd.[(1)]	375[(2)]	–

(1) EXEO Global Pte. Ltd. wholly owned DeClout Pte. Ltd., the controlling shareholder of the Company. EXEO Global Pte. Ltd. is a wholly owned subsidiary of EXEO Group, Inc.
(2) Rental of office and warehouse space from EXEO Global Pte. Ltd.

Governance Report

USE OF PROCEEDS FROM PLACEMENT

During the year, the Company received net proceeds (after deducting placement expenses of approximately S$1.0 million) from the placement of approximately S$5.3 million (the "**Net Proceeds**"). As at the date of this Annual Report, the Net Proceeds have been utilised as follows:

<table>
<tr><th>Use of Proceeds</th><th>Amount
S$ million</th><th>Net Proceeds
utilised
S$ million</th><th>Net Proceeds
unutilised
S$ million</th></tr>
<tr><td>Merger and acquisitions, joint ventures and partnerships strategy</td><td>1.6 to 3.7</td><td>–</td><td rowspan="2">5.3</td></tr>
<tr><td>Working capital purposes</td><td>1.6 to 3.7</td><td>–</td></tr>
<tr><td>Total</td><td>5.3</td><td>–</td><td>5.3</td></tr>
</table>

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 2023.

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 2023 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	
Lwi Tong Boon	
Mathew George Jordan	(Appointed on 1 May 2023)
Fumitoshi Imaizumi	(Appointed on 30 November 2023)
Shigeki Hayashi	(Appointed on 30 November 2023)

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 2024**	**At beginning of the financial year or date of appointment**	**At end of the financial year**	**At end of 21 January 2024**
The Company						
Ordinary shares						
Ng Loh Ken Peter	500	41,600	95,600	–	–	–
Wong Quee Quee, Jeffrey	–	41,100	95,100	–	–	–
Lim Puay Koon	–	41,100	95,100	–	–	–
Lwi Tong Boon	–	300,000	300,000	–	–	–
Mathew George Jordan (Appointed on 1 May 2023)	–	1,630,700	2,422,400	–	–	–
Ultimate Holding Company						
EXEO Group Inc *Ordinary shares*						
Fumitoshi Imaizumi (Appointed on 30 November 2023)	10,106	10,562	10,562	–	–	–
Shigeki Hayashi (Appointed on 30 November 2023)	2,486	2,505	2,505	–	–	–
Share awards granted under Procurri Performance Share Plan						
Lwi Tong Boon	–	1,700,000	1,700,000	–	–	–
Mathew George Jordan (Appointed on 1 May 2023)	83,400	3,541,700	2,750,000	–	–	–

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.

Directors' Statement

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).

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
2022	616,900	2,515,200	(1,352,000)	(165,900)	1,614,200
2023	1,614,200	22,086,300	(3,951,400)	(6,200,000)	13,549,100

The Company has granted 2,049,000 and 466,200 of shares on 13 January 2022 and 4 March 2022 respectively, and 22,086,300 of shares on 7 March 2023 under the Procurri PSP. In the financial year ended 31 December 2023, a total of 3,951,400 and 6,200,000 number of shares have been vested and lapsed respectively.

Directors' Statement

Share options and awards (cont'd)

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					
Ng Loh Ken Peter	377,600	41,100	377,600	–	–
Wong Quee Quee, Jeffrey	350,800	41,100	350,800	–	–
Lim Puay Koon	96,800	41,100	96,800	–	–
Lwi Tong Boon	2,000,000	2,000,000	300,000	–	1,700,000
Mathew George Jordan (Appointed on 1 May 2023)	4,838,200	4,000,000	1,296,500	–	3,541,700

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)

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 2023 and 2022.

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 the 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)
- Lwi Tong Boon (Non-independent and non-executive director)
- Shigeki Hayashi (Non-independent and non-executive director)

Directors' Statement

Audit Committee (cont'd)

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,

Mathew George Jordan

Director

Ng Loh Ken Peter

Director

1 April 2024

Independent Auditor's Report

For the financial year ended 31 December 2023

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 2023, 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 material accounting policy information.

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 2023 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* ("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 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 recognised revenue from sale of goods of $125,483,000 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.

Impairment Assessment of Goodwill and Cost of Investment in Subsidiaries

As at 31 December 2023, the net book value of goodwill is $10,603,000, which represents 39% of the total non-current assets and 21% of total net assets. As disclosed in Note 15 to the financial statements, goodwill is allocated to two cash generating units ("CGUs"), Procurri Europe Maintenance Limited ("PEM") and Procurri Malaysia Sdn Bhd ("PMY").

The net book value of the Company's cost of investment in subsidiaries amounted to $45,847,000 as at 31 December 2023.

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. 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.

Independent Auditor’s Report

For the financial year ended 31 December 2023

Key Audit Matters (cont’d)

Impairment Assessment of Goodwill and Cost of Investment in Subsidiaries (cont’d)

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. 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 37% 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 $35,331,000 and $2,610,000 respectively as at 31 December 2023. 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.

Inventories Write-down

The Group’s net inventories amounted to $18,068,000 as at 31 December 2023 and the allowance to write-down to net realizable value (“NRV”) amounted to $3,341,000 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.

Independent Auditor's Report

For the financial year ended 31 December 2023

Key Audit Matters (cont'd)

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 unauthorised use or disposition; and transactions are properly authorised 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 scepticism 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.
- 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, actions taken to eliminate threats or safeguards applied.

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.

Independent Auditor's Report

For the financial year ended 31 December 2023

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

1 April 2024

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2023

	Note	Group	
		2023	2022
		$'000	$'000
Revenue	4	**197,192**	250,040
Cost of sales		**(155,294)**	(184,811)
Gross profit		**41,898**	65,229
Other items of income			
Other income	5	**3,292**	174
Other credits	8	**5**	118
Other items of expense			
Selling expenses		**(24,452)**	(29,903)
Administrative expenses		**(28,564)**	(33,982)
Finance costs	7	**(1,440)**	(893)
Other charges	8	**(1,428)**	(565)
(Loss)/Profit before tax	9	**(10,689)**	178
Income tax credit/(expense)	10	**2,220**	(356)
Loss for the year		**(8,469)**	(178)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		**972**	(3,519)
Other comprehensive income for the year		**972**	(3,519)
Total comprehensive income for the year		**(7,497)**	(3,697)
Loss for the year attributable to:			
Owners of the Company		**(8,469)**	(178)
Total comprehensive income attributable to:			
Owners of the Company		**(7,497)**	(3,697)
Earnings per share attributable to owners of the Company (cents per share)			
Basic	11	**(2.66)**	(0.06)
Diluted	11	**(2.61)**	(0.06)

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

Balance sheets

As at 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
ASSETS					
Non-current assets					
Plant and equipment	12	**1,688**	2,212	**1**	3
Right-of-use assets	13	**4,724**	4,614	**-**	-
Investment in subsidiaries	14	**-**	-	**45,847**	44,643
Intangible assets	15	**10,671**	10,760	**-**	-
Other receivables	18	**123**	-	**-**	-
Finance lease receivables	16	**5**	8	**-**	-
Deferred tax assets	10	**9,919**	6,536	**-**	-
		27,130	24,130	**45,848**	44,646
Current assets					
Inventories	17	**18,068**	24,827	**-**	-
Trade and other receivables	18	**33,733**	37,714	**25,485**	28,401
Prepayments	19	**4,939**	10,072	**76**	71
Finance lease receivables	16	**66**	57	**-**	-
Cash and bank balances	20	**30,986**	32,745	**13,443**	8,605
		87,792	105,415	**39,004**	37,077
Total assets		**114,922**	129,545	**84,852**	81,723
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	21	**33,538**	44,042	**1,877**	1,584
Deferred income	22	**9,488**	9,425	**-**	-
Loans and borrowings	23	**13,291**	13,164	**-**	-
Lease liabilities	13	**2,193**	1,809	**-**	-
Income tax payable		**1,234**	2,111	**1,000**	1,000
		59,744	70,551	**2,877**	2,584
Net current assets		**28,048**	34,864	**36,127**	34,493
Non-current liabilities					
Deferred tax liabilities	10	**51**	60	**51**	60
Other payables	21	**2,254**	-	**-**	-
Loans and borrowings	23	**-**	1,838	**-**	-
Lease liabilities	13	**3,311**	3,692	**-**	-
Provisions	24	**272**	812	**-**	-
Deferred income	22	**782**	510	**-**	-
		6,670	6,912	**51**	60
Total liabilities		**66,414**	77,463	**2,928**	2,644
Net assets		**48,508**	52,082	**81,924**	79,079
Equity attributable to owners of the Company					
Share capital	25	**81,483**	75,106	**81,483**	75,106
Retained earnings/(accumulated losses)		**14,954**	26,628	**(697)**	3,586
Other reserves	26	**(47,929)**	(49,652)	**1,138**	387
Total equity		**48,508**	52,082	**81,924**	79,079
Total equity and liabilities		**114,922**	129,545	**84,852**	81,723

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 2023

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 2023	**75,106**	**26,628**	**(49,652)**	**52,082**	**52,082**
Total comprehensive income for the financial year	**–**	**(8,469)**	**972**	**(7,497)**	**(7,497)**
Contributions by and distributions to owners					
Share issuance	**5,356**	**–**	**–**	**5,356**	**5,356**
Issuance of new shares pursuant to performance shares plan	**1,021**	**–**	**(1,021)**	**–**	**–**
Share-based payment	**–**	**–**	**1,772**	**1,772**	**1,772**
Dividends (Note 33)	**–**	**(3,205)**	**–**	**(3,205)**	**(3,205)**
	6,377	**(3,205)**	**751**	**3,923**	**3,923**
Closing balance at 31 December 2023	**81,483**	**14,954**	**(47,929)**	**48,508**	**48,508**
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)
Contributions by and distributions to owners					
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

Company	Share capital (Note 25) $'000	Retained Earnings/ (Accumulated losses) $'000	Other reserves (Note 26) $'000	Total equity $'000
Opening balance at 1 January 2023	**75,106**	**3,586**	**387**	**79,079**
Total comprehensive income for the year	**–**	**(1,078)**	**–**	**(1,078)**
Contributions by and distributions to owners				
Share issuance	**5,356**	**–**	**–**	**5,356**
Issuance of new shares pursuant to performance shares plan	**1,021**	**–**	**(1,021)**	**–**
Share-based payment	**–**	**–**	**1,772**	**1,772**
Dividends (Note 33)	**–**	**(3,205)**	**–**	**(3,205)**
Closing balance at 31 December 2023	**81,483**	**(697)**	**1,138**	**81,924**
Opening balance at 1 January 2022	74,695	(2,576)	126	72,245
Total comprehensive income for the year	–	6,162	–	6,162
Contributions by and distributions to owners				
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

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 2023

	Note	Group 2023 $'000	Group 2022 $'000
Cash flows from operating activities			
(Loss)/Profit before tax		**(10,689)**	178
Adjustments for:			
Depreciation of plant and equipment	12	**1,067**	1,247
Depreciation of right-of-use assets	13	**1,879**	2,919
Write-off of plant and equipment	12	**1**	49
Gain on disposal of plant and equipment	12	**(6)**	–
Amortisation of intangible assets	15	**272**	280
Share-based payment	27	**1,772**	672
Impairment loss on goodwill	8	**–**	250
Interest income	5	**(364)**	(30)
Finance costs	7	**1,440**	893
Allowance for stock obsolescence	17	**3,341**	1,554
Impairment loss on trade and other receivables	8	**1,136**	271
Provisions	24	**(342)**	(79)
Exchange differences		**306**	(717)
Operating cash flows before changes in working capital		**(187)**	7,487
Decrease/(increase) in inventories		**3,467**	(5,399)
Decrease in trade and other receivables		**2,678**	10,766
(Increase)/decrease in finance lease receivables		**(23)**	513
Decrease/(increase) in prepayment		**5,133**	(1,101)
Decrease in provision		**(216)**	–
Increase/(decrease) in deferred income		**336**	(11,928)
(Decrease)/increase in trade and other payables		**(10,486)**	7,721
Net cash generated from operations		**702**	8,059
Income taxes (paid)/refund		**(2,133)**	854
Net cash (used in)/generated from operating activities		**(1,431)**	8,913
Cash flows from investing activities			
Purchase of plant and equipment		**(600)**	(1,425)
Proceeds from disposal of plant and equipment		**11**	2
Placement of fixed deposits pledged for bank facilities		**–**	(2)
Interest received		**364**	30
Net cash used in investing activities		**(225)**	(1,395)
Cash flows from financing activities			
Issuance of shares	25	**5,356**	–
Proceeds from loans and borrowings		**65,982**	94,913
Repayments of loans and borrowings		**(65,146)**	(94,207)
Payment of principal portion of lease liabilities		**(1,934)**	(3,049)
Interest paid		**(1,440)**	(893)
Dividends paid	33	**(3,205)**	–
Net cash used in financing activities		**(387)**	(3,236)
Net (decrease)/increase in cash and cash equivalents		**(2,043)**	4,282
Effect of exchange rate changes on cash and cash equivalents		**289**	(1,129)
Cash and cash equivalents at beginning of the financial year		**32,625**	29,472
Cash and cash equivalents at end of the financial year	20	**30,871**	32,625

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 2023

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. Declout Pte Ltd is the immediate holding company and Exeo Group, Inc. is the ultimate holding company of the Company.

The registered office and principal place of business of the Company is located at 8 Aljunied Avenue 3, The Pulse, Singapore 389933.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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 2023. 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: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 16: Lease Liability 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) 1-21: Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Amendment to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current – Deferral of Effective Date	–

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.

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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(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 recognised 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 recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised 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 recognised 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 recognised 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 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.6 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.

2.7 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 recognised in profit or loss when the asset is derecognised.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.8 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.

2.9 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 is accounted for at cost less impairment losses.

2.10 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

<u>Investments in debt instruments</u>

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 instrument 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.10 Financial instruments (cont'd)

(a) Financial assets (cont'd)

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.

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.

2.11 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.

2.12 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.13 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.

2.14 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.

2.15 Government grants

Government grants are recognised 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 recognised as income in profit or loss on a systematic basis over the periods in which the entity recognises 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".

2.16 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.

2.17 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 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.18 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 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.19 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 recognised 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 recognised 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 recognised 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 (Note 2.18 (b)).

(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 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.19 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.

2.20 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.20 Taxes (cont'd)

(b) Deferred tax (cont'd)

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.

(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.

2.21 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.

2.22 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

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.

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 2023 was $18,068,000 (2022: $24,827,000) and the related allowance for stock obsolescence was $3,341,000 (2022: $1,554,000) 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 2023. 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 recognised 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 2023 were disclosed in Note 15 and 14 respectively.

Notes to the Financial Statements

For the financial year ended 31 December 2023

4. REVENUE

(a) Disaggregation of revenue

	Hardware		Lifecycle Services		Third Party Maintenance		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Major revenue stream								
Sale of goods	**123,725**	174,027	**–**	–	**1,758**	4,293	**125,483**	178,320
Rendering of services	**–**	–	**26,214**	20,652	**41,753**	44,718	**67,967**	65,370
Equipment rental and leasing	**3,742**	6,350	**–**	–	**–**	–	**3,742**	6,350
	127,467	180,377	**26,214**	20,652	**43,511**	49,011	**197,192**	250,040
Timing of transfer of goods or services								
At a point in time	**123,725**	174,027	**26,214**	20,652	**1,758**	4,293	**151,697**	198,972
Over time	**3,742**	6,350	**–**	–	**41,753**	44,718	**45,495**	51,068
	127,467	180,377	**26,214**	20,652	**43,511**	49,011	**197,192**	250,040

	2023	2022
	$'000	$'000
Primary geographical markets		
Asia Pacific	**17,450**	20,214
Europe, the Middle East and Africa	**72,087**	89,976
Americas	**107,655**	139,850
	197,192	250,040

(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.

(c) Contract balances

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

	Group	
	2023	2022
	$'000	$'000
Capitalized contract costs (Note 19)	**962**	1,722
Deferred income	**10,270**	9,935

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 recognised as revenue as the Group performs under the contract.

Notes to the Financial Statements

For the financial year ended 31 December 2023

4. REVENUE (cont'd)

(c) Contract balances (cont'd)

Significant changes in deferred income are explained as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Revenue recognised that was included in the deferred income balance at the beginning of the year	**6,032**	14,724

5. OTHER INCOME

	Group	
	2023	**2022**
	$'000	**$'000**
Litigation settlements	**2,676**	–
Interest income on:		
– Finance lease receivables	**12**	17
– Fixed deposits and saving accounts	**352**	13
Government grants	**90**	40
Sales of other ancillary services	**–**	20
Rental of carpark	**–**	33
Others	**162**	51
	3,292	174

Litigation settlements relates to settlement income from a settlement agreement entered by subsidiaries of the Company during the financial year ended 31 December 2023. Details disclosed in Note 35.

6. EMPLOYEE BENEFITS EXPENSE

	Group	
	2023	**2022**
	$'000	**$'000**
Salaries, allowances, bonuses and commissions	**46,899**	56,667
Contributions to defined contribution plan	**2,934**	3,516
Share-based payments (Note 27)	**1,772**	672
Other short-term benefits	**2,687**	1,605
	54,292	62,460
The employee benefits expense is charged under:		
Administrative expenses	**14,093**	18,283
Cost of sales	**16,120**	14,654
Selling expenses	**24,079**	29,523
	54,292	62,460

Notes to the Financial Statements

For the financial year ended 31 December 2023

7. FINANCE COSTS

	Group	
	2023	2022
	$'000	$'000
Interest expense on:		
– Bank loans, trade receivables factoring, and line of credit	**1,111**	483
– Lease liabilities (Note 13)	**329**	410
	1,440	893

8. OTHER CHARGES, NET

	Group	
	2023	2022
	$'000	$'000
Other charges		
Impairment loss on trade and other receivables (Note 18)	**(1,136)**	(271)
Foreign exchange loss, net	**(292)**	–
Impairment loss on goodwill	**–**	(250)
Write-off of plant and equipment	**–**	(49)
Others	**–**	5
	(1,428)	(565)
Other credits		
Foreign exchange gain, net	**–**	118
Gain on disposal of plant and equipment	**5**	–
	5	118

9. (LOSS)/PROFIT BEFORE TAX

The following items have been included in arriving at (loss)/profit before tax:

	Group	
	2023	2022
	$'000	$'000
Employee benefits expense (Note 6)	**54,292**	62,460
Expense relating to short-term leases (Note 13)	**2,026**	740
Depreciation of plant and equipment (Note 12)	**1,067**	1,248
Depreciation of right-of-use assets (Note 13)	**1,879**	2,919
Amortization of intangible assets (Note 15)	**272**	280
Professional fees	**2,514**	2,952
Audit fees		
Auditors of the Company	**412**	329
Other auditors	**598**	407
Directors' fees	**261**	297

Notes to the Financial Statements

For the financial year ended 31 December 2023

10. INCOME TAX (CREDIT)/EXPENSES

Components of income tax (credit)/expense

The major components of income tax (credit)/expense for the financial year ended 31 December 2023 and 2022 are:

	Group	
	2023	**2022**
	$'000	**$'000**
Current income tax:		
Current income taxation	**1,259**	1,718
Over provision in respect of previous years	**(7)**	(58)
	1,252	1,660
Deferred income tax:		
Origination and reversal of temporary differences	**(3,510)**	(1,310)
Under provision in respect of previous years	**38**	6
	(3,472)	(1,304)
Income tax (credit)/expense recognised in profit or loss	**(2,220)**	356

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the financial year ended 31 December 2023 and 2022 is as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
(Loss)/profit before tax	**(10,689)**	178
Tax at the domestic rates applicable to profit in the countries where the Group operates	**(2,584)**	(192)
Non-deductible expenses	**634**	625
Income not subject to tax	**(132)**	(36)
Effect of partial tax exemption, tax incentives and tax relief	**(112)**	(2)
Over provision of income tax expense in respect of previous years	**(7)**	(58)
Under provision of deferred income tax expense in respect of previous years	**38**	6
Deferred tax assets not recognised	**30**	13
Utilisation of previously unrecognised deferred tax assets	**(70)**	–
Others	**(17)**	–
Income tax (credit)/expense recognised in profit or loss	**(2,220)**	356

Notes to the Financial Statements

For the financial year ended 31 December 2023

10. INCOME TAX EXPENSE (cont'd)

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

	Group	
	2023	**2022**
	$'000	**$'000**
Unutilized tax losses	**3,286**	1,859
Differences in depreciation for tax purposes	**44**	20
Tax benefit arising from acquisition of non-controlling interests	**51**	(378)
Unutilized capital allowances	**–**	(20)
Provisions	**39**	(196)
Under provision of deferred income tax expense in respect of previous years	**(38)**	(6)
Others	**90**	25
Total deferred tax credit recognised in profit or loss	**3,472**	1,304

Deferred tax balance in balance sheets:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax assets/(liabilities)				
Tax benefit arising from acquisition of non-controlling interests	**1,852**	1,801	**–**	–
Differences in depreciation for tax purposes	**(51)**	(95)	**–**	–
Unutilized tax losses	**6,385**	3,099	**38**	–
Unremitted foreign income	**(92)**	(64)	**(92)**	(64)
Provisions	**1,774**	1,735	**3**	4
	9,868	6,476	**(51)**	(60)
Presented in the balance sheets as follow:				
Deferred tax assets	**9,919**	6,536	**–**	–
Deferred tax liabilities	**(51)**	(60)	**(51)**	(60)
	9,868	6,476	**(51)**	(60)

Unrecognised temporary differences relating to investment in subsidiaries

The Group has not recognised 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 recognised amounted to $3,763,000 (2022: $9,757,000). The deferred tax liability is estimated to be $162,000 (2022: $488,000).

At the financial year ended 31 December 2022, the Group has not recognised deferred tax liability in respect of the distribution of 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 distributed profits of this subsidiary will be exempted from tax 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 recognised amounted to $3,224,000. The deferred tax liability is estimated to be $322,000. During the financial year ended 31 December 2023, the Group obtained an exemption approval from IRAS.

Notes to the Financial Statements

For the financial year ended 31 December 2023

10. INCOME TAX EXPENSE (cont'd)

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately $5,102,000 (2022: $2,897,000) that are available for offset against future taxable profits of the Group in which the losses arose, for which no deferred tax assets is recognised 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.

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

At the end of the reporting period, the Group has unrecognised deferred tax assets of approximately $2,964,000 (2022: $3,242,000) 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 recognised $1,852,000 (2022: $1,801,000) of deferred tax assets as at 31 December 2023. The remaining deferred tax assets of $2,964,000 (2022: $3,242,000) are not recognised 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:

	2023 $'000	2022 $'000
Loss for the year attributable to owners of the Company	(8,469)	(178)

	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for earnings per share computation	318,937	295,590
Effect of dilutions:		
– Contingently issuable performance shares	4,951	1,614
Weighted average number of ordinary shares for diluted earnings per share computation	323,888	297,204

	2023	2022
Earnings per share attributable to owners of the Company ($ cents per share)		
Basic	(2.66)	(0.06)
Diluted	(2.61)	(0.06)

Notes to the Financial Statements

For the financial year ended 31 December 2023

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 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 and 1 January 2023	1,745	137	8,640	4,410	279	15,211
Additions	146	147	301	–	6	600
Disposal of plant and equipment	(168)	–	(2,927)	–	(43)	(3,138)
Write-off of plant and equipment	–	–	(528)	–	–	(528)
Transferred within classes of assets	(234)	–	234	–	–	–
Transferred to inventories*	–	–	(50)	–	–	(50)
Exchange differences	25	(5)	(66)	(4)	5	(45)
At 31 December 2023	1,514	279	5,604	4,406	247	12,050
Accumulated depreciation:						
At 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 and 1 January 2023	1,322	126	6,922	4,410	219	12,999
Depreciation charge for the year	215	77	744	–	31	1,067
Disposal of plant and equipment	(167)	–	(2,924)	–	(42)	(3,133)
Write-off of plant and equipment	–	–	(527)	–	–	(527)
Transferred within classes of assets	(209)	–	209	–	–	–
Exchange differences	12	(5)	(51)	(4)	4	(44)
At 31 December 2023	1,173	198	4,373	4,406	212	10,362
Net book value:						
At 31 December 2022	423	11	1,718	–	60	2,212
At 31 December 2023	341	81	1,231	–	35	1,688

* 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 2023

12. **PLANT AND EQUIPMENT** (cont'd)

Company	**Leasehold improvement $'000**	**Plant and equipment $'000**	**Total $'000**
Cost:			
At 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, 1 January 2023 and 31 December 2023	–	10	10
Accumulated depreciation:			
At 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 and 1 January 2023	–	7	7
Depreciation charge for the year	–	2	2
At 31 December 2023	–	9	9
Net book value:			
At 31 December 2022	–	3	3
At 31 December 2023	–	1	1

The depreciation expense is charged under:

	Group	
	2023 $'000	**2022 $'000**
Cost of sales	–	37
Administrative expenses	**1,067**	1,210
	1,067	1,247

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 2023 is Nil (2022: $4,000).

Notes to the Financial Statements

For the financial year ended 31 December 2023

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	
	2023	2022
	$'000	$'000
Facilities and office premises		
As at 1 January	**4,614**	4,409
Additions	**2,092**	3,495
Depreciation charge for the year	**(1,879)**	(2,919)
Termination of lease	**(51)**	(108)
Exchange differences	**(52)**	(263)
As at 31 December	**4,724**	4,614

	Company	
	2023	2022
	$'000	$'000
Office premises		
As at 1 January	–	90
Charge for the year	–	(54)
Termination of lease	–	(36)
As at 31 December	–	–

Notes to the Financial Statements

For the financial year ended 31 December 2023

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:

		Group	
		2023	**2022**
	Note	**$'000**	**$'000**
At 1 January		**5,501**	5,427
Additions		**2,092**	3,495
Accretion of interest	7	**329**	410
Payments		**(2,263)**	(3,459)
Termination of leases		**(51)**	(114)
Exchange differences		**(104)**	(258)
At 31 December		**5,504**	5,501
Current		**2,193**	1,809
Non-current		**3,311**	3,692
Total lease liabilities		**5,504**	5,501

	Company	
	2023	**2022**
	$'000	**$'000**
At 1 January	–	93
Accretion of interest	–	1
Payments	–	(56)
Termination of leases	–	(38)
At 31 December	–	–
Current	–	–
Non-current	–	–
Total lease liabilities	–	–

Notes to the Financial Statements

For the financial year ended 31 December 2023

13. LEASES (cont'd)

As a lessee (cont'd)

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

Lease liabilities are mainly denominated in the following currencies:

	Group	
	2023	**2022**
	$'000	**$'000**
Singapore Dollars	**1,124**	315
United States Dollars	**2,119**	3,042
Great Britain Pound	**1,293**	1,791
Euro	**333**	353
Malaysian Ringgit	**139**	–
Canadian Dollars	**496**	43

The following are the amounts recognised in profit or loss:

		Group	
		2023	**2022**
	Note	**$'000**	**$'000**
Depreciation expense of right-of-use assets		**1,879**	2,919
Interest expense on lease liabilities	7	**329**	410
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)	9	**2,026**	740
Total amount recognised in profit or loss		**4,234**	4,069

The Group had total cash outflows for leases of $4,289,000 (2022: $3,459,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of $2,092,000 (2022: $3,495,000).

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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

13. **LEASES** (cont'd)

As a lessor

Operating leases – as lessor

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

Income from the operating leases recognised during the financial year was $3,742,000 (2022: $6,350,000).

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

	Group	
	2023	**2022**
	$'000	**$'000**
Not later than one year	**678**	669
Later than one year and not later than five years	**25**	62
At 31 December	**703**	731

14. **INVESTMENT IN SUBSIDIARIES**

	Company	
	2023	**2022**
	$'000	**$'000**
Shares, at cost	**43,025**	42,982
Additions	**–**	43
Issuance of Procurri PSP to employees of subsidiaries	**3,660**	2,456
	46,685	45,481
Less: Impairment loss	**(838)**	(838)
	45,847	44,643

The movement in impairment loss accounts is as follows:

At 1 January	**838**	428
Impairment loss	**–**	410
At 31 December	**838**	838

Notes to the Financial Statements

For the financial year ended 31 December 2023

14. INVESTMENT IN SUBSIDIARIES (cont'd)

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, no impairment loss was recorded. During the year ended 31 December 2022, the Company recognised impairment loss $410,000 for PMY. 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, gross margin rates, terminal growth rates, and the pre-tax discount rates as explained in Note 15.

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 2023 %	2022 %
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)[(b)] 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**	100

Notes to the Financial Statements

For the financial year ended 31 December 2023

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 2023 %	2022 %
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
Held through Procurri Europe Lifecycle Services Limited (f.k.a. ASVIDA UK Limited) ("PELS"):			
Procurri LLC[e] United States	Business of provision of information technology solutions	**100**	100
Procurri Europe Maintenance Limited ("PEM")[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
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
Procurri Kosovo Lifecycle Services SH.P.K. ("PKLS")[d] United Kingdom	Computer programming activities, computer consultancy activities, other information technology and computer service activities, data processing, hosting and related activities, retail sale of computers, peripheral units and software in specialised stores	**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 other firms of accountants in United States for group reporting purpose

Notes to the Financial Statements

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14. INVESTMENT IN SUBSIDIARIES (cont'd)

Incorporation of subsidiaries

Procurri Kosovo Lifecycle Services SH.P.K.

On 26 April 2023, PELS incorporated a wholly owned subsidiary, PKLS in Kosovo with an authorised issued and paid-up share capital of EUR 5,000.

Group restructuring

On 7 December 2023, all of PGmbH's shares, amounting to EUR 25,000, was transferred from PEM to PELS. Consequently, PGmbH is a wholly owned subsidiary of PELS.

15. INTANGIBLE ASSETS

Group	Goodwill	Customer relationship	Technical know-how	Software	Total
	$'000	$'000	$'000	$'000	$'000
Cost:					
At 1 January 2022	12,261	946	2,598	1,337	17,142
Exchange differences	(1,243)	–	–	37	(1,206)
At 31 December 2022 and 1 January 2023	11,018	946	2,598	1,374	15,936
Exchange differences	185	–	–	1	186
At 31 December 2023	11,203	946	2,598	1,375	16,122
Accumulated amortization and impairment:					
At 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 and 1 January 2023	600	946	2,598	1,032	5,176
Amortization charge for the year (Note 9)	–	–	–	272	272
Impairment loss (Note 8)	–	–	–	–	–
Exchange differences	–	–	–	3	3
At 31 December 2023	600	946	2,598	1,307	5,451
Net book value:					
At 31 December 2022	10,418	–	–	342	10,760
At 31 December 2023	10,603	–	–	68	10,671

Notes to the Financial Statements

For the financial year ended 31 December 2023

15. INTANGIBLE ASSETS (cont'd)

Company	Technical know-how $'000
Cost:	
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	2,598
Accumulated amortization and impairment:	
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	2,598
Net book value:	
At 31 December 2022 and 31 December 2023	–

Amortization expense

The amortization of software is 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"):

	Group	
	2023	**2022**
	$'000	**$'000**
PEM[(a)]	**8,968**	8,646
PMY[(b)]	**1,635**	1,772
	10,603	10,418

(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 (2022: 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 an average of 7.7% (2022: 6.0%) and an average of 10.4% (2022: 4.8%) growth rate on revenue and gross profit margin respectively. A terminal growth rate of 1.00% (2022: 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 11.9% (2022: 11.8%) taking into account time value of money, individual risk of underlying assets and is comparable to market participants. No impairment charge was recognised 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 (2022: 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 an average of 14.1% (2022: 15.0%) and an average of 5.2% (2022: 8.2%) growth rate on revenue and gross profit margin respectively. A terminal growth rate of 1.00% (2022: 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 16.3% (2022: 11.6%) 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 recognised an impairment charge of $Nil (2022: $250,000) 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

16. FINANCE LEASE RECEIVABLES

Group	Minimum payments $'000	Unearned finance income $'000	Present value $'000
31 December 2023			
Minimum lease payments receivable:			
Not later than one year	70	(4)	66
Later than one year and not later than five years	5	–	5
	75	(4)	71
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

The average lease term is one to three years (2022: one to three years). The average effective interest rate is 3.35% to 5.64% (2022: 3.30% 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 receivable approximates the carrying value.

17. INVENTORIES

	Group	
	2023 $'000	2022 $'000
Balance sheet:		
Computer equipment and peripheral equipment held for sale	**18,068**	24,827
Income statement:		
Inventories recognised as an expense in cost of sales	**106,361**	131,886
Inclusive of the following charge:		
– Allowance for stock obsolescence	**3,341**	1,554

Notes to the Financial Statements

For the financial year ended 31 December 2023

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade receivables				
– Third parties	**35,331**	37,517	**–**	–
Less: Impairment loss	**(2,610)**	(1,794)	**–**	–
	32,721	35,723	**–**	–
– Amount due from subsidiaries	**–**	–	**14,871**	15,442
Total trade receivables, net	**32,721**	35,723	**14,871**	15,442
Other receivables (current)				
– Third parties	**63**	711	**7**	–
– Deposit	**520**	615	**–**	–
– Sales tax receivables	**617**	873	**–**	–
– GST receivables	**304**	106	**21**	20
– Tax recoverable	**107**	153	**–**	–
– Advances to staff	**18**	322	**–**	–
– Amounts due from subsidiaries	**–**	–	**6,417**	8,689
– Loans to subsidiaries	**–**	–	**4,169**	4,250
	1,629	2,780	**10,614**	12,959
Less: Impairment loss	**(617)**	(789)	**–**	–
	1,012	1,991	**10,614**	12,959
Other receivables (non-current)				
– Related party	**123**	–	**–**	–
Total other receivables, net	**1,135**	1,991	**10,614**	12,959
Total trade and other receivables	**33,856**	37,714	**25,485**	28,401
Add: Cash and bank balances (Note 20)	**30,986**	32,745	**13,443**	8,605
Less: GST receivables	**(304)**	(106)	**(21)**	(20)
Less: Sales tax receivables, net	**–**	(83)	**–**	–
Less: Tax recoverable	**(107)**	(153)	**–**	–
Total financial assets carried at amortized cost	**64,431**	70,117	**38,907**	36,986

Notes to the Financial Statements

For the financial year ended 31 December 2023

18. TRADE AND OTHER RECEIVABLES (cont'd)

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	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Singapore Dollars	**925**	2,726	**14,007**	14,908
United States Dollars	**18,789**	18,487	**11,478**	10,269
Great Britain Pound	**8,636**	7,861	**–**	3,224
Euro	**2,842**	4,284	**–**	–
Indian Rupee	**1,441**	1,421	**–**	–
Malaysian Ringgit	**512**	839	**–**	–
Australian Dollars	**387**	15	**–**	–
Canadian Dollars	**170**	1,599	**–**	–
Chinese Renminbi	**116**	482	**–**	–
Japanese Yen	**38**	–	**–**	–

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	
	2023	2022
	$'000	$'000
Movement in allowance accounts:		
At 1 January	**2,583**	2,714
Charge for the year (Note 8)	**1,136**	271
Written off	**(456)**	(402)
Foreign exchange movements	**(36)**	–
At 31 December	**3,227**	2,583

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 3.75% (2022: 2.75%), repayable within next twelve months and are to be settled in cash.

All loans to subsidiaries are denominated in United States Dollars.

Other receivables (non-current) mainly relates to rental deposits placed with intermediate holding company.

Notes to the Financial Statements

For the financial year ended 31 December 2023

19. PREPAYMENTS

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Advances to suppliers	**2,955**	7,479	–	–
Prepayments	**1,022**	871	**76**	71
Capitalized contract cost	**962**	1,722	–	–
	4,939	10,072	**76**	71

20. CASH AND BANK BALANCES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash at banks	**18,346**	32,745	**803**	8,605
Fixed deposits	**12,640**	–	**12,640**	–
Cash and bank balances	**30,986**	32,745	**13,443**	8,605
Less: Pledged deposit	**(115)**	(120)	–	–
Cash and cash equivalents	**30,871**	32,625	**13,443**	8,605

Cash at banks earns interest at floating rates based on daily bank deposit rates. Fixed deposits are made for a period of one to two months (2022: twelve months) and earn interest at 3.73% to 5.49% (2022: 0.20% to 2.60%).

Pledged deposits represent amounts held by banks as security for banking facilities (Note 23). Pledge deposits are made for a period of twelve months (2022: twelve months).

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

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Singapore Dollars	**7,123**	1,895	**5,573**	253
United States Dollars	**16,818**	14,669	**7,870**	8,352
Euro	**2,284**	2,503	–	–
Great Britain Pound	**1,777**	9,172	–	–
Indian Rupee	**1,363**	927	–	–
Malaysian Ringgit	**648**	719	–	–
Chinese Renminbi	**287**	274	–	–
Australian Dollars	**448**	123	–	–
Canadian Dollars	**118**	2,239	–	–
Japanese Yen	**5**	104	–	–

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For the financial year ended 31 December 2023

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade payables				
– Third parties	**23,626**	32,313	–	–
– Amount due to subsidiaries	**–**	–	**2**	39
	23,626	32,313	**2**	39
Other payables (current)				
– Third parties	**1,445**	2,245	**163**	312
– Withholding tax payable	**125**	125	**125**	126
– Sales tax payable	**1,535**	1,784	**982**	699
– Accrued operating expenses	**6,807**	7,575	**605**	408
	9,912	11,729	**1,875**	1,545
Other payables (non-current)				
– Third party (Note 23)	**2,254**	–	**–**	–
Total trade and other payables	**35,792**	44,042	**1,877**	1,584
Add: Loans and borrowings (Note 23)	**13,291**	15,002	**–**	–
Less: Withholding tax payable	**(125)**	(125)	**(125)**	(126)
Less: Sales tax payable	**(1,535)**	(1,784)	**(982)**	(699)
Total financial liabilities carried at amortised cost	**47,423**	57,135	**770**	759

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	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Singapore Dollars	**715**	3,234	**1,508**	1,340
United States Dollars	**21,775**	23,373	**369**	244
Great Britain Pound	**8,962**	12,651	**–**	–
Euro	**1,886**	1,388	**–**	–
Indian Rupee	**1,092**	821	**–**	–
Malaysian Ringgit	**618**	1,054	**–**	–
Australian Dollars	**555**	55	**–**	–
Chinese Renminbi	**116**	392	**–**	–
Japanese Yen	**37**	89	**–**	–
Canadian Dollars	**36**	985	**–**	–

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For the financial year ended 31 December 2023

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 recognised on a straight-line basis over the specified period of the maintenance contracts signed.

23. LOANS AND BORROWINGS

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Current				
Bank loan	–	460	–	–
Line of credit	**13,277**	12,693	–	–
Others	**14**	11	–	–
	13,291	13,164	–	–
Non-current				
Bank loan	–	1,838	–	–
	–	1,838	–	–
Total loans and borrowings	**13,291**	15,002	–	–

Bank loan

This relates to the Paycheck Protection Program (PPP) loan given out by U.S. Small Business Administration ("SBA") through participating bank during the financial year ended 31 December 2021. The PPP loan was unsecured and repayable over a period of 5 years at 1% interest rate per annum.

The PPP loan was eligible for forgiveness by SBA under certain conditions. During the financial year ended 31 December 2022, the Group was notified that the application for the PPP loan forgiveness was declined as the Group did not meet one of the conditions for loan forgiveness.

During the financial year ended 31 December 2023, the Group received a notification from the participating bank that the administration of PPP loan had ceased and the PPP loan was no longer repayable to the participating bank. Consequently, this amount, representing potential amount repayable to SBA on the basis that conditions for loan forgiveness were not met, was reclassified to Other Payables (Note 21).

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 6.50% to 9.50% (2022: 1.65% to 8.50%) per annum.

A reconciliation of liabilities arising from Group's financing activities is as follows:

	1.1.2023	Accretion of interest	Cash flows	Addition/ termination of leases, net	Reclassification	Foreign exchange movements	31.12.2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Bank loans	**2,298**	–	–	–	(2,254)	(44)	–
Lease liabilities (Note 13)	**5,501**	329	(2,263)	2,041	–	(104)	**5,504**
Line of credit	**12,693**	–	834	–	–	(250)	**13,277**
Others	**11**	–	2	–	–	1	**14**
Total loans and borrowings	**20,503**	329	(1,427)	2,041	(2,254)	(397)	**18,795**

Notes to the Financial Statements

For the financial year ended 31 December 2023

23. LOANS AND BORROWINGS (cont'd)

	1.1.2022	Accretion of interest	Cash flows	Addition/ termination of leases, net	Foreign exchange movements	31.12.2022
	$'000	$'000	$'000	$'000	$'000	$'000
	(Restated)					
Bank loans	4,278	–	(2,039)	–	59	2,298
Lease liabilities (Note 13)	5,427	410	(3,459)	3,381	(258)	5,501
Line of credit	10,057	–	2,756	–	(120)	12,693
Others	25	–	(11)	–	(3)	11
Total loans and borrowings	19,787	410	(2,753)	3,381	(322)	20,503

Loans and borrowings are mainly denominated in the following currencies:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Singapore Dollars	–	297	–	–
United States Dollars	**12,462**	18,033	–	–
Great Britain Pound	**829**	1,821	–	–
Euro	–	353	–	–

24. PROVISIONS

Provision for reinstatement costs

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
At 1 January	**220**	225	–	65
(Reversal)/Provision during the year	**(216)**	(2)	–	(65)
Exchange difference	**(4)**	(3)	–	–
At 31 December	–	220	–	–

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 (2022: one year).

Notes to the Financial Statements

For the financial year ended 31 December 2023

24. PROVISIONS (cont'd)

Provision for claims and dilapidations

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	**592**	753	–	–
(Reversal)/Provision during the year	**(342)**	(83)	–	–
Exchange difference	**22**	(78)	–	–
At 31 December	**272**	592	–	–
Total provisions	**272**	812	–	–

Provision for dilapidations claim relating to leasehold premises amounted to approximately $129,000 (2022: $592,000).

25. SHARE CAPITAL

	Group and Company			
	2023		**2022**	
	No. of ordinary shares	**Amount**	**No. of ordinary shares**	**Amount**
		$'000		**$'000**
Ordinary shares				
At 1 January	**295,589,973**	**75,106**	294,237,973	74,695
Share issuance	**21,000,000**	**5,356**	–	–
Issuance of new shares pursuant to performance shares plan	**3,951,400**	**1,021**	1,352,000	411
At 31 December	**320,541,373**	**81,483**	295,589,973	75,106

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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26. OTHER RESERVES

Group	Foreign currency translation reserve	Merger reserve	Premium on acquisition of non-controlling interest	Share-based payment reserve (Note 27)	Total
	$'000	$'000	$'000	$'000	$'000
Opening balance at 1 January 2023	(3,350)	(4,420)	(42,267)	385	(49,652)
Share-based payment	–	–	–	1,772	1,772
Issuance of shares pursuant to performance shares plan	–	–	–	(1,021)	(1,021)
Exchange differences	972	–	–	–	972
Closing balance at 31 December 2023	(2,378)	(4,420)	(42,267)	1,136	(47,929)
Opening balance at 1 January 2022	169	(4,420)	(42,267)	124	(46,394)
Share-based payment	–	–	–	672	672
Acquisition of non-controlling interests	–	–	–	(411)	(411)
Exchange differences	(3,519)	–	–	–	(3,519)
Closing balance at 31 December 2022	(3,350)	(4,420)	(42,267)	385	(49,652)

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	
	2023	2022
	$'000	$'000
Performance share plan	**1,772**	672

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).

Notes to the Financial Statements

For the financial year ended 31 December 2023

27. SHARE-BASED COMPENSATION (cont'd)

Procurri PSP (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 shares have a vesting period of one to three years. The fair value of the awards granted was based on the last five days traded price of the Company's shares on the date of grant.

The share awards are subject to service and performance condition.

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
2022	616,900	2,515,200	(1,352,000)	(165,900)	1,614,200
2023	**1,614,200**	**22,086,300**	**(3,951,400)**	**(6,200,000)**	**13,549,100**

The Company has granted 2,049,000 and 466,200 of shares on 13 January 2022 and 4 March 2022 respectively, and 22,086,300 of shares on 7 March 2023 under the Procurri PSP. In the financial year ended 31 December 2023, a total of 3,951,400 and 6,200,000 number of shares have been vested and lapsed respectively.

Performance share plan reserve

	Group and Company	
	2023	**2022**
	$'000	**$'000**
Balance at beginning of the year	**385**	124
Expense recognised in profit or loss	**1,772**	672
Issuance of shares pursuant to the Procurri PSP	**(1,021)**	(411)
Balance at end of the year	**1,136**	385

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 2023 and 2022.

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For the financial year ended 31 December 2023

28. RELATED PARTY TRANSACTIONS AND BALANCES

Compensation of key management personnel

	Group	
	2023	**2022**
	$'000	**$'000**
Salaries and other short-term employee benefits	**3,951**	4,365
Share-based payment	**1,723**	670
Central Provident Fund contributions	**28**	31
Others	**–**	704
	5,702	5,770
Key management compensation comprises the following:		
Remuneration to directors of the Company	**1,359**	1,540
Remuneration to other key management personnel	**4,082**	3,933
Director fees	**261**	297
	5,702	5,770

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, and office premises. These leases have an average term of one year (2022: one year).

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 December 2023 amounted to $2,026,000 (2022: $740,000).

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 to the 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.

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For the financial year ended 31 December 2023

30. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

(a) Credit risk (cont'd)

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.

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 recognised 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.

<u>Trade and other receivables</u>

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 2023 is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions and expected inflation rates.

Notes to the Financial Statements

For the financial year ended 31 December 2023

30. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

(a) Credit risk (cont'd)

Trade and other receivables (cont'd)

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		
	Current	Less than 90 days	More than 90 days	Total
31 December 2023	$'000	$'000	$'000	$'000
Gross carrying amount	949	795	423	2,167
Loss allowance provision	–	–	(134)	(134)
31 December 2022				
Gross carrying amount	1,209	815	46	2,070
Loss allowance provision	–	–	(81)	(81)

(ii) Other geographical area

		Past due		
	Current	Less than 90 days	More than 90 days	Total
31 December 2023	$'000	$'000	$'000	$'000
Gross carrying amount	18,438	11,810	4,668	34,916
Loss allowance provision	–	–	(3,093)	(3,093)
31 December 2022				
Gross carrying amount	24,338	9,515	4,374	38,227
Loss allowance provision	–	(40)	(2,462)	(2,502)

Information regarding loss allowance movement of trade and other receivables are disclosed in Note 18.

During the year, the Group wrote-off $456,000 (2022: $402,000) 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 15% (2022: 11%) of the Group's trade receivables were due from 3 major customers.

Notes to the Financial Statements

For the financial year ended 31 December 2023

30. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

(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	1 to 5 years	Total
	$'000	$'000	$'000
31.12.2023			
Financial assets:			
Trade and other receivables, net	33,322	123	33,445
Finance lease receivables	70	5	75
Cash and bank balances	30,986	–	30,986
Total undiscounted financial assets	64,378	128	64,506
Financial liabilities:			
Trade and other payables	33,538	2,254	35,792
Loans and borrowings	13,990	–	13,990
Lease liabilities	2,308	3,485	5,793
Total undiscounted financial liabilities	49,836	5,739	55,575
Total net undiscounted financial assets/(liabilities)	14,542	(5,611)	8,931
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 2023

30. **FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES** (cont'd)

(b) **Liquidity risk** (cont'd)

Company	One year or less 2023 $'000	One year or less 2022 $'000
Financial assets:		
Trade and other receivables	**25,464**	28,381
Cash and bank balances	**13,443**	8,605
Total undiscounted financial assets	**38,907**	36,986
Financial liabilities:		
Trade and other payables	**1,877**	1,584
Lease liabilities	–	–
Total undiscounted financial liabilities	**1,877**	1,584
Total net undiscounted financial assets	**37,030**	35,402

(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
31.12.2023			
Fixed rate			
Lease liabilities	2,193	3,311	5,504
Floating rate			
Line of credit	13,277	–	13,277
Others	14	–	14
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

Notes to the Financial Statements

For the financial year ended 31 December 2023

30. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

(c) Interest rate risk (cont'd)

Company	**Less than 1 year**	**1 to 5 years**	**Total**
	$'000	**$'000**	**$'000**
31.12.2023			
Fixed rate			
Lease liabilities	–	–	–
31.12.2022			
Fixed rate			
Lease liabilities	93	–	93

Sensitivity analysis for interest rate risk

At the end of reporting year, if the interest rates have been 100 (2022: 100) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been $133,000 (2022: $127,000) 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	
		2023	**2022**
		$'000	**$'000**
USD/SGD	– if strengthen by 10% (2022: 10%)	**750**	811
	– if weaken by 10% (2022: 10%)	**(750)**	(811)
EUR/GBP	– if strengthen by 10% (2022: 10%)	**91**	110
	– if weaken by 10% (2022: 10%)	**(91)**	(110)
SGD/USD	– if strengthen by 10% (2022: 10%)	**(142)**	144
	– if weaken by 10% (2022: 10%)	**142**	(144)
USD/GBP	– if strengthen by 10%	**354**	(31)
	– if weaken by 10%	**(354)**	31

Notes to the Financial Statements

For the financial year ended 31 December 2023

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.

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 2023 and 2022 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 2023 and 2022 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 has subdivided its previously reported Hardware, Lifecycle Services and IT Asset Disposition business segment into 1) Hardware business segment; and 2) Lifecycle Services business segment. The decision to subdivide the previously reported business segment into two distinct segments, Hardware and Lifecycle Services, aims to enhance transparency and provide clearer visibility into the performance of each segment.

The Group is organized into business units based on its products and services and has three reportable segments, as follow:

- Segment 1: Hardware business includes revenue derived from hardware resale, which comprises income derived from the distribution of IT hardware, including but not limited to pre-owned servers, storage and networking equipment.
- Segment 2: Lifecycle Services business includes revenue derived from (i) Supply Chain Management, where income is derived from assisting OEMs in the distribution of their goods as part of their supply chain activities; (ii) the provision of services relating to installation, relocations, depot services, structured cabling and project planning as well as decommissioning services; (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.
- Segment 3: 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

32. SEGMENT INFORMATION (cont'd)

Management monitors the operating results of its segments separately for the purpose of making decisions 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.

	Hardware		Lifecycle Services		Third Party Maintenance		Per consolidated financial statements	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue	**127,467**	180,377	**26,214**	20,652	**43,511**	49,011	**197,192**	250,040
Cost of sales	**(112,040)**	(138,075)	**(15,761)**	(14,468)	**(27,493)**	(32,268)	**(155,294)**	(184,811)
Gross profit	**15,427**	42,302	**10,453**	6,184	**16,018**	16,743	**41,898**	65,229

Geographical information

Non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Non-current assets	
	2023	**2022**
	$'000	**$'000**
Asia Pacific	**3,088**	2,227
Europe, the Middle East and Africa	**10,762**	11,062
Americas	**3,233**	4,297
	17,083	17,586

Non-current assets information presented above consists of plant and equipment, right-of-use assets and intangible assets (excluding goodwill) as presented in the consolidated balance sheets.

33. DIVIDENDS ON EQUITY SHARES

	Group and Company			
	Rate per share – cents			
	2023	**2022**	**2023**	**2022**
			$'000	**$'000**
Declared and paid during the financial year:				
Dividends on ordinary shares:				
– Final tax-exempt dividend for 2022: 1.00 cents per share	**1**	–	**3,205**	–

There was no proposed final dividends for the financial year ended 31 December 2023.

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. 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.

	Group	
	2023	**2022**
	$'000	**$'000**
Loans and borrowings (Note 23)	**13,291**	15,002
Less: cash and bank balances (Note 20)	**(30,986)**	(32,745)
Net cash	**(17,695)**	(17,743)
Total equity	**48,508**	52,082
Debt-to-capital ratio	**(0.365)**	(0.341)

35. 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 added Park Place Technologies LLC ("Park Place") as an additional Defendant in the current action by filing an Amended Complaint in the Chancery Court.

On 26 July 2022, Rockland Congruity and PLLC 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.

As of 31 December 2022, following the legal advice obtained, there were no contingent assets recognised in the financial statements.

On 30 October 2023, RLLC and PLLC entered into a settlement agreement with Defendants and Park Place to amicably settle all claims against the Defendants. Consequently, the settlement income of $2,676,000 has been recognised during the financial year ended 31 December 2023 as "Other income" as disclosed in Note 5.

36. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2023 were authorized for issue in accordance with a resolution of the Directors on 1 April 2024.

Statistics of Shareholdings

As at 18 March 2024

SHARE CAPITAL INFORMATION

Number of shares	:	324,960,473
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	1	0.23	86	0.00
100 – 1,000	116	27.04	103,200	0.03
1,001 – 10,000	142	33.10	880,000	0.27
10,001 – 1,000,000	162	37.76	13,706,296	4.22
1,000,001 AND ABOVE	8	1.87	310,270,891	95.48
Total	**429**	**100.00**	**324,960,473**	**100.00**

TWENTY-ONE LARGEST SHAREHOLDERS

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	DECLOUT PTE LTD	284,614,691	87.58
2	OCBC SECURITIES PRIVATE LTD	10,028,000	3.09
3	UNITED OVERSEAS BANK NOMINEES PTE LTD	3,375,100	1.04
4	LOW HENG SIONG	3,003,100	0.92
5	KOH SWEE YONG	3,000,000	0.92
6	TOE TEOW HENG	3,000,000	0.92
7	CHARLES ANTONNY MELATI	2,000,000	0.62
8	EVRIM ERAVCI	1,250,000	0.38
9	KEN TAN KHIM SING	1,000,000	0.31
10	POH BOON KHER MELVIN (FU WENKE MELVIN)	981,500	0.30
11	SIN YI TIAN	787,200	0.24
12	CITIBANK NOMINEES SINGAPORE PTE LTD	621,087	0.19
13	LEE LAY HONG (LI LIHONG)	500,000	0.15
14	WONG KOK KHUN	500,000	0.15
15	TAN WEI MENG	400,000	0.12
16	DBS NOMINEES PTE LTD	360,100	0.11
17	HETTY JOYOMITRO	300,000	0.09
18	LIM SWEE YONG	300,000	0.09
19	CHAI MING YAO	272,000	0.08
20	CHUA CHYE LEE	259,400	0.08
21	LIM PICK DIN	259,400	0.08
	TOTAL	**316,811,578**	**97.46**

Statistics of Shareholdings

As at 18 March 2024

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
Name of substantial shareholders	**No. of shares**	**%**	**No. of shares**	**%**
DECLOUT PTE LTD	284,614,691	87.58	–	–
EXEO GLOBAL PTE. LTD.(1)	–	–	284,614,691	87.58
EXEO GROUP, INC(1)	–	–	284,614,691	87.58

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 18 March 2024, approximately 10.35% 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 8 Aljunied Avenue 3, The Pulse, Singapore 389933 on Friday, 26 April 2024 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 2023 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) Dr. Lim Puay Koon (Regulation 117) **(Resolution 2a)**

   (b) Mr. Wong Quee Quee, Jeffrey (Regulation 117) **(Resolution 2b)**

   (c) Mr. Fumitoshi Imaizumi (Regulation 122) **(Resolution 2c)**

   (d) Mr. Shigeki Hayashi (Regulation 122) **(Resolution 2d)**

   (e) Mr. Mathew George Jordan (Regulation 122) **(Resolution 2e)**

   Dr. Lim Puay Koon will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and member of the Audit Committee and Nominating Committee, and shall be considered as independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Manual**").

   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 Committee and Remuneration Committee, and shall be considered as independent for the purposes of Rule 704(8) of the Listing Manual.

   Mr. Fumitoshi Imaizumi will, upon election as a Director of the Company, remain as the Non-Independent Non-Executive Chairman and member of the Nominating Committee.

   Mr. Shigeki Hayashi will, upon election as a Director of the Company, remain as the Non-Independent Non-Executive Director and member of the Audit Committee.

   Mr. Mathew George Jordan will, upon election as a Director of the Company, remain as the Executive Director and Chief Executive Officer of the Company.

   See Explanatory Note (a)

3. To approve the payment of Directors' fees of up to S$285,980 for the financial year ending 31 December 2024 (2023: S$360,000).

   (Resolution 3)

   See Explanatory Note (b)

4. To re-appoint Messrs Ernst & Young LLP as auditors of the Company and to authorize the Directors to fix their remuneration.

   (Resolution 4)

5. 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:

6. 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 5)**

7. 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 6)**

8. 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 7)**

BY ORDER OF THE BOARD

Lin Moi Heyang
Company Secretary

Date: 11 April 2024

Singapore

Notice of Annual General Meeting

EXPLANATORY NOTES:

(a) The key information of Dr. Lim Puay Koon, Mr. Wong Quee Quee, Jeffrey, Mr. Fumitoshi Imaizumi, Mr. Shigeki Hayashi and Mr. Mathew George Jordan 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 3 is to request shareholders' approval for the directors' fees which includes S$114,980 (in share base) for the financial year ending 31 December 2024. In the event the Directors' fees proposed for the financial year ending 31 December 2024 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 6 is not passed, the directors' fees in share base of S$114,980 would be paid in the form of cash.

(c) The ordinary resolution 5 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 6 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 7 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.

Notes:

1. The AGM will be held in a wholly physically format at 8 Aljunied Avenue 3, The Pulse, Singapore 389933 on Friday, 26 April 2024 at 10.00 a.m. There will be no option to participate virtually. Printed copies of this Notice of AGM and the Proxy Form will be sent to members by post. This Notice of AGM and related documents have been made available on the SGX-ST's as well as the Company's websites at the URLs stated below:–

   SGX's website : https://www.sgx.com/securities/company-announcements

   Company's website : https://investor.procurri.com/sgx_announcements.html

Register in person to attend the AGM

2. Members and (where applicable) duly appointed proxies can attend the AGM in person. To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the event. Every attendee is required to bring his or her NRIC or passport to enable the Company to verify his or her identity. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately. Members are advised not to attend the AGM if they are feeling unwell.
3. Members holding Shares through Relevant Intermediaries (as defined under Section 181(6) of the Companies Act) (other than CPF/SRS Investors) who wish to participate in the AGM in person should approach his or her Relevant Intermediary at least seven (7) working days before the date of the AGM (i.e. by 10.00 a.m. on 17 April 2024) to make the necessary arrangements.

Submission of questions in advance of the AGM

4. Members 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 18 April 2024** in the following manner:–
   - in hard copy by post to reach the Company at 8 Aljunied Avenue 3, The Pulse, Singapore 389933; or
   - by email to IR@procurri.com.

   Members 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.
5. The Company will endeavour to address all substantial and relevant questions received from members prior to the AGM via SGXNET and on its corporate website by 21 April 2024.
6. 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

7. (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.
8. A proxy need not be a member of the Company.
9. 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 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; 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 23 April 2024**, 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.**
10. 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.
11. 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

PROCURRI CORPORATION LIMITED
(Company Registration No. 201306969W)
(Incorporated in the Republic of Singapore)

Proxy Form

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 26 April 2024.

*I/We ______________________ (Name) ______________________ (NRIC/ Passport No.)

of ____ (Address)

being *a member/members of PROCURRI CORPORATION LIMITED (the "**Company**"), hereby appoint:

NAME	ADDRESS	NRIC / PASSPORT NO.	PROPORTION OF SHAREHOLDINGS TO BE REPRESENTED TO BE REPRESENTED BY PROXY (%)

and/or *(delete as appropriate)*

NAME	ADDRESS	NRIC / PASSPORT NO.	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 8 Aljunied Avenue 3, The Pulse, Singapore 389933 on Friday, 26 April 2024 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 2023 and the Directors' Statement and the Auditors' Report thereon			
2a.	Re-election of Dr. Lim Puay Koon			
2b.	Re-election of Mr. Wong Quee Quee, Jeffrey			
2c.	Election of Mr. Fumitoshi Imaizumi			
2d.	Election of Mr. Shigeki Hayashi			
2e.	Election of Mr. Mathew George Jordan			
3.	Payment of Directors' fees of up to S$285,980 for the financial year ending 31 December 2024			
4.	Re-appointment of Messrs Ernst & Young LLP as auditors of the Company			
	Special Business			
5.	Authority to allot and issue shares			
6.	Authority to grant share awards, allot and issue shares under the PSP			
7.	Authority to grant share options, allot and issue shares under the ESOS			

*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.***

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Members	

Dated this ________ day of ______________________ 2024

____
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 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; 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 23 April 2024**, 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
8 Aljunied Avenue 3
The Pulse
Singapore 389933

Board of Directors
Fumitoshi Imaizumi
(appointed on 30 November 2023)
Non-Independent
Non-Executive Chairman

Ng Loh Ken Peter
Lead Independent Director

Wong Quee Quee, Jeffrey
Independent Director

Dr. Lim Puay Koon
Independent Director

Lwi Tong Boon
Non-Independent
Non-Executive Director

Shigeki Hayashi
(appointed on 30 November 2023)
Non-Independent
Non-Executive Director

Mathew George Jordan
(appointed on 1 May 2023)
Executive Director
Chief Executive Officer

Audit Committee
Ng Loh Ken Peter (Chairman)
Wong Quee Quee, Jeffrey
Lwi Tong Boon
Dr. Lim Puay Koon
Shigeki Hayashi

Remuneration Committee
Dr. Lim Puay Koon (Chairman)
Wong Quee Quee, Jeffrey
Lwi Tong Boon

Nominating Committee
Wong Quee Quee, Jeffrey (Chairman)
Fumitoshi Imaizumi
Ng Loh Ken Peter
Dr. Lim Puay Koon

Company Secretary
Lin Moi Heyang

Share Registrar
Tricor Barbinder Share
Registration Services
(a division of Tricor Singapore Pte. Ltd.)
9 Raffles Place,
#26-01 Republic Plaza,
Singapore 048619

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 ir@procurri.com

PROCURRI

www.procurri.com

Procurri Corporation Limited
(Company Registration Number: 201306969W)
(Incorporated in the Republic of Singapore on 15 March 2013)

8 Aljunied Avenue 3
The Pulse
Singapore 389933

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