PROCURRI

LEADING THE CHANNEL GREEN

ANNUAL REPORT
2020

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VISION

To unlock opportunities in the IT industry by changing the way the world buys technology through a shared platform

MISSION

To be the global aggregator of enterprise hardware and services to deliver the best total cost of ownership for data centre hardware

Procurri is a global channel focused company. Our mission is to help enterprises transition to the cloud. With our three offerings, third-party maintenance, 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 conscientious 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, establishing 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 that are based on our 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, dare-to-experiment and thinking-out-of-the-box are all traits we value.

COMMITMENT

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

WHO
WE ARE

Listed on the Main Board of Singapore Exchange Securities Trading Limited since 20 July 2016, Procurri is a leading global independent provider of IT lifecycle services and data centre equipment.

The Group's platform acts as a global aggregator for businesses to purchase, dispose and manage the lifecycle of enterprise hardware, including services such as maintenance, leasing and rental, in over 100 countries through its global network of 21 offices and extensive partner locations.

- First player in a highly fragmented market to be publicly listed
- Coverage in more than 100 countries
- Over 480+ employees

S$233.5M
REVENUE

S$64.7M
GROSS PROFIT

S$12.6M
EBITDA

21
OFFICES

100+
COUNTRIES UNDER COVERAGE

480+
EMPLOYEES

S$2.7M
NET PROFIT AFTER TAX

S$129.7M
TOTAL ASSETS

S$52.5M
SHAREHOLDERS EQUITY

OUR GROWTH JOURNEY

2009

October
Established ASVIDA Asia Pte. Ltd. ("**ASVIDA Asia**") in Singapore

2013

March
Incorporation of ASVIDA Corporation Pte. Ltd. in Singapore

April
Acquisition of Procurri LLC in the US

August
Renamed ASVIDA Corporation Pte. Ltd. to Procurri Corporation Pte. Ltd.

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

2015

January
Incorporation of Procurri, S. de R.L. de C.V. in Monterrey, Mexico

February
Acquisition of Procurri Asia Pacific Pte. Ltd. in Singapore

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

2016

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

July
Listed Procurri Corporation Limited on the SGX-ST Main Board

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

2017

January
Joint venture between Procurri LLC and Congruity LLC to form Rockland Congruity LLC in the US

April
Incorporation of Procurri India Private Limited in Banglore, India

2019

February
Establish ITAD division to deliver a global solution

March
Incorporation of Procurri GmbH in Germany

Acquisition of balance 49% of Rockland Congruity LLC in the US, thereby becoming a wholly owned subsidiary

December
Incorporation of Procurri Canada Limited

2020

June
Incorporation of Procurri Australia Pty Ltd

MESSAGE FROM
THE CHAIRMAN & GLOBAL CEO

DEAR FELLOW SHAREHOLDERS,

On behalf of the Board of Directors (the "**Board**") of Procurri Corporation Limited ("**Procurri**" and together with its subsidiaries, the "**Group**"), I am pleased to present the annual report for the financial year ended 31 December 2020 ("**FY2020**").

OUR FINANCIAL RESULTS

FY2020 was a year blighted by the coronavirus pandemic and characterised by increasing uncertainties, economic downturn and rising geopolitical tensions. Nation-wide lockdowns in various parts of the globe and movement restrictions led to delays in new projects and reduced consumer spending. We managed to post S$2.7 million profits for the year with liquidity support from government initiatives, such as the Paycheck Protection Program ("**PPP**") in the United States.

Amid these challenges and margin pressures as a consequence of the COVID-19 pandemic, we persisted and grew overall revenue 5.5% year-on-year ("**YoY**") to S$233.5 million for FY2020. Our Lifecycle business delivered 8.0% YoY growth to S$77.3 million for the year, with all regions posting better performance, while our IT distribution business increased marginally by 4.3% YoY to S$156.2 million in FY2020.

Even as we chose to maintain a stable workforce to best prepare for future recovery, we implemented a new sales commission plan that reduced operating expenses by 11.5% YoY.

Profit before tax, however, was impacted and declined 14.9% YoY owing to the change in product mix towards lower-margin solutions and an increase in inventory write-downs as maintenance parts from plant and equipment were reclassified as inventories. Buffered by the support from the pandemic-related government grants like the PPP, we booked S$2.7 million in net profit for FY2020, compared to S$3.8 million in FY2019.

Nevertheless, we believe that in every crisis, there are opportunities.

Accelerating digital green transformation in a pandemic impacted world

With COVID-19 triggering global disruptions in supply chains, the steep shift in attitudes and behaviours towards sustainable digital transformation is becoming more apparent. The once prevalent culture of reluctance against reusing data centre hardware has lost its edge given the constrained budgets due to the negative financial conditions many are experiencing. Companies have also been more receptive to remarket their data centre hardware as opposed to doing away with IT assets that are nearing their end lifecycle, as well as buying pre-owned equipment.

Mordor Intelligence[1] projected that the green IT services market would grow at a compound annual growth rate ("**CAGR**") of 10.5% to hit US$18 billion by the end of 2025 due to the use of sustainable sources being a widely adopted trend as the enormous cost-savings and optimization of the resources have proved to be a favouring factor for the industry. The global IT Asset Disposition ("**ITAD**") Industry is also set to grow at a CAGR of 8.6% from 2020 to 2027, with remarketing and value recovery projected to record 8.3% CAGR to hit US$7 billion by 2027[2], according to Reportlinker.com.

PARTNER RELATIONSHIPS

As the pioneer in offering IT asset resale, third-party maintenance ("**TPM**"), and ITAD at speed and reliably under one umbrella, we remained laser-focused on these opportunities and are continually improving the efficiencies of our operations to put us in a better position to capture larger market share.

Procurri is also searching out new partnerships and relationships with sustainability-focused providers, such as Circular Computing, delivering carbon neutral remanufactured laptops and Procurri recertified media, processing and erasing previously used media.

The recent TPM acquisition of Curvature by Park Place is an example of strategic movements in the channel. Acting as partners and not competitors with solution providers, we continue to adapt to the ever-changing market from a unique position. Retaining this standpoint against our own competitors remains our key differentiator to others, and our go-to market strategy, messaging and marketing will continue to evolve to reflect this.

In 2019, after investing heavily to boost our Lifecycle Services capabilities, we secured an important partnership with Ingram Micro and are already beginning to see new opportunities arising which will strengthen our position as a leading player worldwide.

Leveraging on some of Ingram Micro's capabilities to help facilitate ITAD programmes, our ITAD business has seen growth around the globe, having started both Canadian and German facilities. Both business units have delivered promising results and we look forward to seeing similar progress as we move along in 2021.

UPGRADING OUR BUSINESS

We are constantly looking to improve our internal processes through strategic initiatives. In March 2019, we welcomed renowned Southeast Asian private equity investor, Novo Tellus Capital Partners ("**Novo Tellus**"), as our largest shareholder. Novo Tellus provided strategic insights on potential business opportunities and are helping to improve our operational efficiency. With their valuable inputs, we are progressing with efforts to digitise our three business offerings as one platform by implementing key data-driven metrics like Salesforce for our maintenance business, and Morse – (a bespoke, wholly owned platform) for our ITAD business to reap positive synergies for long-term profitable growth.

GOING GREEN WITH THE CLOUD

The world's shifting political landscape throughout the coronavirus pandemic, ongoing climate change concerns and developments in the renewable energy sector continue to dominate political platforms. We have already seen OEMs, such as HPE, going to market with a strong sustainability message, and this trend is expected to continue with others following suit. Procurri's target market continues to care about environmental issues, and this focus on our customer's passions will be wholly committed to our new strapline: 'Leading The Channel Green'.

[1] Green IT Services Market: https://www.mordorintelligence.com/industry-reports/green-it-services-market

[2] Global IT Asset Disposition (ITAD) Industry: https://www.globenewswire.com/fr/news-release/2020/09/01/2087048/0/en/Global-IT-Asset-Disposition-ITAD-Industry.html

MESSAGE FROM THE CHAIRMAN & GLOBAL CEO

At Procurri, we have always been green-focused. IT hardware resale, TPM services and ITAD are all about reusing and extending the lifecycle of IT equipment, reducing waste and saving the environment. From the purchase of IT hardware to the maintenance needed to extend the lifecycle of such equipment and with ITAD, we bring a whole suite of solutions to facilitate the adoption of green cloud methods easily. Our solutions typically cost materially less than the manufacturer's new equipment – which we believe will hold increasing appeal in a post-COVID-19 world. Additionally, the increased focus on preserving the environment coupled with the need to save money have made our services more attractive than ever.

Our hardware business comprises distribution, refurbishing hardware, and reselling hardware. This includes our 'authorised parts provider' status granted by the likes of HPE, HPInc and Lenovo. Our trader teams understand the value of manufacturer's individual offerings and these reinforce our competitive bids. Teamed with strong operational expertise, managing a global ITAD programme and all its associated environmental and security risks, our three primary activities all complement one another.

Procurri's Lifecycle Services division has performed particularly well in 2020; growing 8% year on year. Lifecycle Services, an emerging part of Procurri's overall ITAD offering, is a menu of services we offer clients for their data center equipment that is being retired. Lifecycle Services includes offerings, such as data erasure, data destruction, de-installation, reverse logistics and responsible recycling. Procurri's Lifecycle Services adhere to stringent environmental, privacy and security regulations, and re-marketing programs are also offered to help customers capture any remaining value (ROI) for their IT assets.

Looking ahead, we will not rest on our laurels, but continue to capitalize on the cloud migration opportunities driven by the latest sharp trend of digitalisation. The worldwide public cloud revenue[3] also presents huge potential, with Gartner forecasting that it will grow from $257.9 billion in 2020 to $364 billion in 2022.

APPRECIATION

On behalf of the Board, I would like to express my heartfelt gratitude to our shareholders, customers and business partners for their continued support. I would also like to extend my appreciation to our management team and employees for their dedication and hard work over the past year despite the challenging environment. We will continue working together to execute our long-term strategy on increasing investor engagement and reporting further progress as we continue to navigate through the global market.

SEAN MURPHY
Chairman and Global CEO

[3] Gartner Forecasts Worldwide Public Cloud Revenue to Grow 6.3 Percent in 2020: https://www.gartner.com/en/newsroom/press-releases/2020-07-23-gartner-forecasts-worldwide-public-cloudrevenue-to-grow-6point3-percent-in-2020

INDUSTRY **TRENDS**

Increasing acceptance of the secondary IT equipment market with more Original Equipment Manufacturers ("**OEM**") endorsing the sale of certified refurbished or excess equipment.

Increasing importance of return on investment and impact of depreciation from IT infrastructure, driving the shift from capital expenditure to operating expenditure models.

A strong shift towards open server architecture with a **preference for vendor-agnostic service providers.**

Emphasis on use of certified genuine replacement parts to prevent equipment failure and data centre downtime.

Cloud migration fuelling demand for third-party maintenance service for IT hardware during the transition to the cloud and driving the need for data sanitisation and hardware disposal services as legacy IT assets are rendered obsolete by cloud computing.

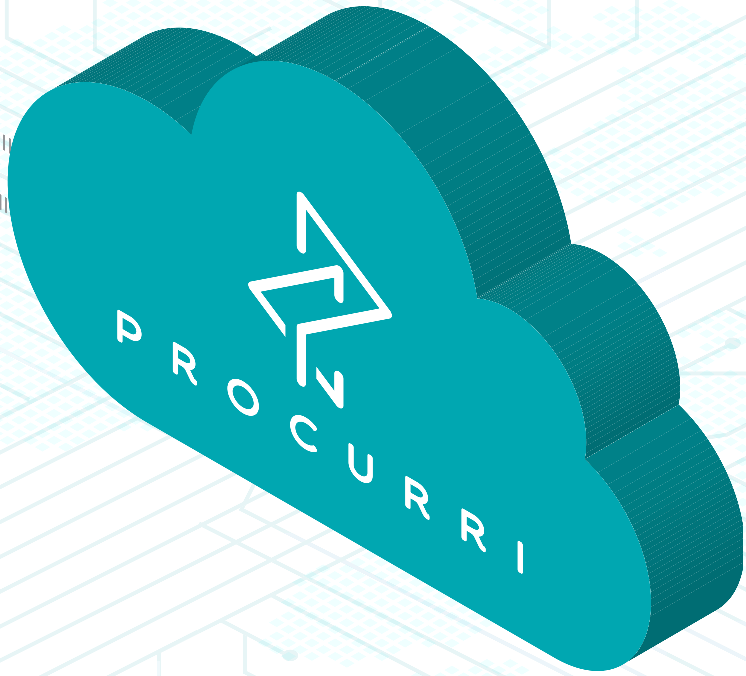
Industry consolidation caused by change in **traditional intermediary roles of OEMs, value-added resellers and system integrators.**

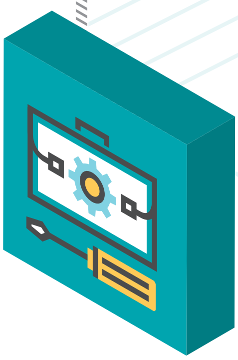
Shift in industry dynamics where only players with operational size and geographical reach compete effectively to capture a meaningful market share.

WHAT **WE DO**

IT DISTRIBUTION

Adopting a vendor-agnostic approach, whether it is new, resale, preowned, hard-to-find or end-of-life hardware, we offer flexible options to buy, sell or consign data centre equipment from all major IT brands.





INDEPENDENT MAINTENANCE SERVICES

With our multi-vendor expertise in extending maintenance support for new, out-of-warranty and end-of-life IT equipment, our global team of product certified engineers ensures a consistent level of service worldwide from a single point of contact.

IT ASSET DISPOSITION ("ITAD") & DATA CENTRE SERVICES

A holistic solution for all your data centre needs, Tapping on a holistic suite of services that cover assessment, verification, recovery, refurbishment and reconfiguration, ITAD enables clients to have the options to prolong equipment lifespan through reuse, remarketing assets via IT Distribution, or to retire equipment with certified data sanitisation and sustainable e-waste disposal services.

OFFERING CHANNEL PARTNERS:

A preferred partner to global OEMs, Value-Added Resellers, System Integrators, Cloud Services Providers & Managed Services Providers

QUALITY ASSURANCE

COST SAVINGS

GLOBAL COVERAGE

MULTI-PLATFORM EXPERTISE

PARTNERING WITH CHANNEL PARTNERS PROVIDE HOLISTIC SOLUTIONS

Serving global MNCs and enterprises across all major industries:

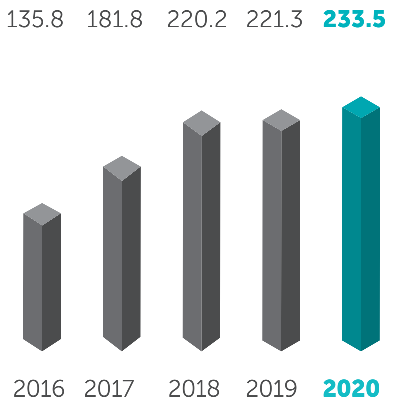
- Healthcare
- Security
- Telecommunications
- Manufacturing
- Banking & Finance
- Information Technology

5-YEAR FINANCIAL **HIGHLIGHTS**

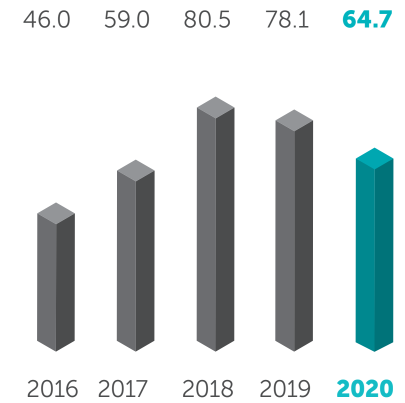
Financial year ended 31 December	2020	2019	2018	2017	2016
Income Statement (S$'000)					
Revenue	**233,467**	221,289	220,236	181,822	135,750
Gross Profit	**64,745**	78,104	80,503	58,968	46,037
EBITDA	**12,637**	17,345	19,737	6,914	12,776
Profit before Tax	**4,031**	4,737	10,077	(2,276)	7,614
Net Profit after Tax	**2,696**	3,775	5,337	(2,749)	5,139
Balance Sheet (S$'000)					
Inventories	**26,035**	26,354	21,816	21,424	15,641
Total Assets	**129,716**	149,914	141,326	140,571	117,081
Total Loans & Borrowings	**21,028**	16,693	14,087	21,414	18,087
Total Liabilities	**77,213**	103,214	72,285	76,729	49,999
Total Equity	**52,503**	46,700	69,041	63,842	67,082
Cash Flow (S$'000)					
Cash Flows from Operating Activities	**27,479**	18,413	11,037	13,381	(624)
Cash Flows from Investing Activities	**2,728**	(1,148)	(7,004)	(26,254)	(861)
Cash Flows from Financing Activities	**(10,503)**	(16,231)	(9,061)	2,274	23,654
Per Share Information (Singapore Cents)*					
Earnings per Share – Basic	**0.92**	1.33	1.89	(0.98)	2.12
Net Tangible Asset per Share	**13.61**	11.60	19.74	17.73	18.84
Net Assets Value per Share	**17.88**	16.40	24.25	22.63	23.96
Number of Shares ('000)	**293,687**	284,689	284,689	282,057	280,000
Ratios					
Debt-to-Equity Ratio	**(0.221)**	(0.008)	(0.06)	0.05	(0.18)
Current Ratio	**1.61**	1.24	1.57	1.45	2.09

* As at 31 December of the respective years

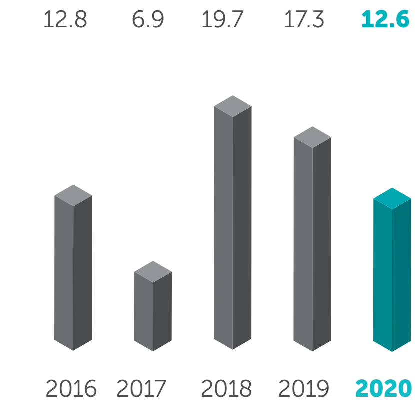
REVENUE (S$million)
+5.5%



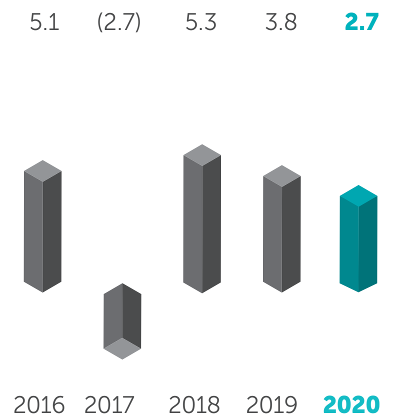
GROSS PROFIT (S$million)
-17.2%



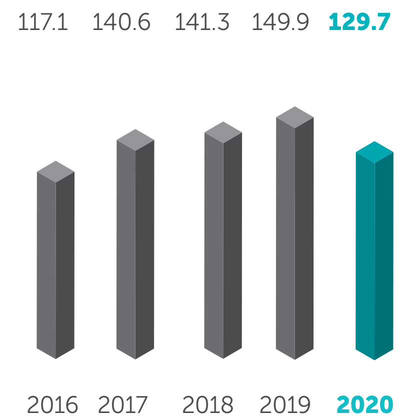
EBITDA (S$million)
-27.2%



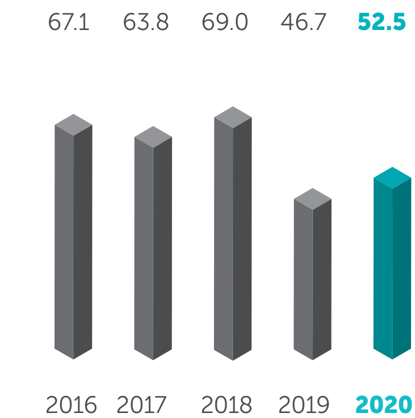
NET PROFIT AFTER TAX (S$million)
-28.9%



TOTAL ASSETS (S$million)
-13.5%



SHAREHOLDERS' EQUITY (S$million)
+12.4%



FINANCIAL **REVIEW**

Persevering through the myriads of pandemic-induced challenges, the Group delivered a 5.5% year-on-year ("**YoY**") increase in revenue to S$233.5 million for FY2020. Revenue in both business segments grew in 2020 – Lifecycle Services revenue grew 8.0% YoY to S$77.3 million and IT Distribution saw a 4.3% YoY increase in revenue to S$156.2 million.

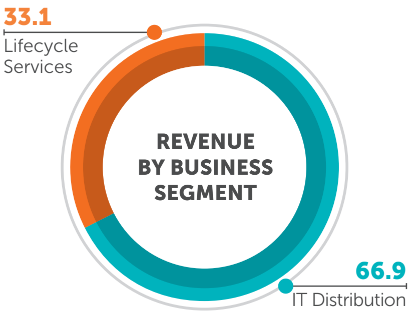
Geographically, the Americas revenue increased 6.4% YoY to S$131.2 million in FY2020 and accounted for 56.2% of the Group's revenue. This was followed by the Europe, Middle East and Africa ("**EMEA**") which continued its upward growth, rising 19.2% YoY to S$84.7 million in FY2020. The Asia Pacific, however, saw a 40.1% YoY decline in revenue to S$13.8 million in FY2020.

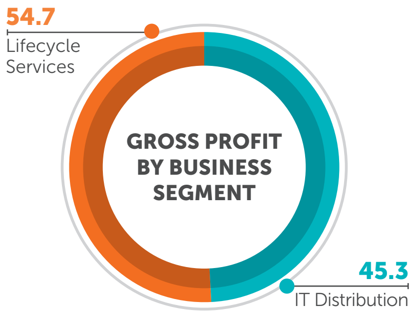
With weakening gross margins in both the IT Distribution and Lifecycle Businesses, the Group's gross profit decreased by 17.1% YoY from S$78.1 million in FY2019 to S$64.7 million in FY2020. The decline can be attributable to the completion of low-margin hardware deals in 2020 to clear aged inventories in the IT Distribution segment and a general contraction in margins for the Lifecycle segment alongside an increase in stock obsolescence allowances.

The Group received several coronavirus-related government grants during the year and this included the forgiven loans under the US Paycheck Protection Program ("**PPP**"). As such, Other Income increased from S$1.1 million in FY2019 to S$6.1 million in FY2020.

In accordance with Procurri's revamped sales commission plan, sales employees' salaries were booked under selling expenses instead of administrative expenses, leading to a S$3.0 million increase in selling expenses to $21.0 million in FY2020. Consequently, administration expenses decreased by S$11.3 million to S$43.0 million in FY2020. On a net basis, the Group's operating expenses lowered by 11.5% YoY.

In line with the above, Group's net profit declined from S$3.8 million in FY2019 to S$2.7 million for FY2020.





LIFECYCLE SERVICES

Group's Lifecycle Services revenue grew 8.0% YoY from S$71.5 million in FY2019 to S$77.3 million in FY2020 and accounted for 33.1% of Group's revenue. Gross profit declined 13.0% YoY from S$40.7 million in FY2019 to S$35.4 million in FY2020, mainly due to increased cost of delivery and increased stock allowances for stock write-downs. This resulted in a decrease in gross margins from 56.9% in FY2019 to 45.8% in FY2020.

IT DISTRIBUTION

Revenue from IT Distribution grew 4.3% YoY from S$149.8 million in FY2019 to S$156.2 million in FY2020. Driven by the lower margin hardware deals to clear old inventories, gross profit fell 21.6% YoY to S$29.3 million with gross profit margin decreasing from 25.0% in FY2019 to 18.8% in FY2020.

OPERATIONS **REVIEW**

REVENUE (S$million)

S$17.6m

-34.8%

ASIA PACIFIC ("APAC")

The widespread coronavirus pandemic presented unexpected challenges to our APAC business for most of 2020, with many existing and potential clients holding back on their investments, delaying and cancelling on project plans for the year following the very uncertain economic climate. These effects, coupled with the erosion in our traditional hardware business, resulted in major business disruptions which led to a 34.8% YoY decline in revenue to S$17.6 million, and a 105.6% drop in profit before tax despite concerted and managed efforts to reduce budgeted operating expenses and mitigate negative impacts.

Amidst these difficulties, the APAC team responded to the unusual business environment by implementing a Business Continuity Management System ("**BCMS**"), tightened business processes and challenged traditional business practices with fresh and innovative ways to grow our business.

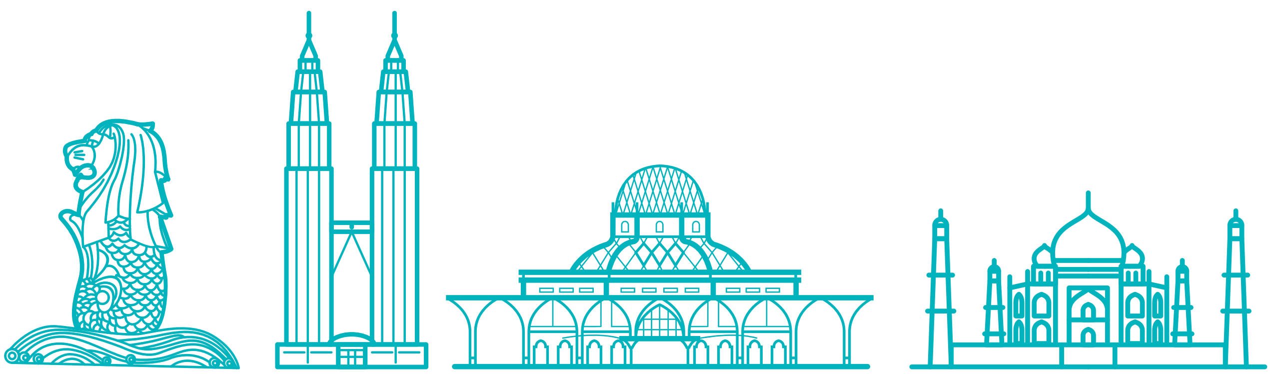
Constant efforts to improvise our approach to the market yielded an improvement in the quality of the project pipelines that led to notable projects, which enabled us to score many first-win larger deals, and extend our reach in APAC.

These improvements included a combined revenue of S$1.5 million from a Hardware as a Service ("**HaaS**") project that delivered a better total cost of ownership for the client. Through the leasing of network equipment, bundled with maintenance contracts that covered all aspects of the customer's technology needs, we helped to reduce IT wastage going to the environment, which has always been an important focus of what Procurri does.

Leveraging on local successes, we clinched a regional maintenance contract to support Australia, Thailand, Singapore, China and Hong Kong. We also collaborated with an OEM to support hardware maintenance for a government agency in Malaysia, with a total contract value of circa S$450,000 over 3 years. This was a first government contract in Malaysia.

The ITAD business had been fluctuating month to month through FY2020 with signs of improvement as the year closed. In Malaysia, we clinched a sizeable ITAD deal requiring an onsite HDD erasure for 500 units of HDDs.

As we step into 2021, we already noticed an increased awareness of carbon footprints and levels of energy use associated with technology which will drive greater demand for greener IT services. The HaaS deal will serve as a successful reference project to position us strategically to support both customers and corporations leverage on their green transformation.



OPERATIONS **REVIEW**

REVENUE (S$million)

S$84.7m

+19.3%

EUROPE, MIDDLE EAST AND AFRICA ("EMEA")

Similar to other regions, our EMEA team found themselves under huge pressure due to the coronavirus pandemic that swept through Europe. Much time was spent implementing and running Business Continuity Management Systems ("**BCMS**"), balancing the needs of the business and the welfare of staff. With essential workers switching to shift work and the rest of the staff working from home, the team has shown great tenacity and flexibility, enabling the EMEA business to remain operational through this turbulent year.

Against this backdrop, we are pleased to highlight that the revenue from EMEA continued its upward growth, increasing 19.3% to S$84.7 million for FY2020 from S$71.0 million in FY2019, accounting for 36.3% of total revenue for the Group. Growth was achieved as initiatives kicked off during 2018 and 2019 continued to deliver growth in 2020.

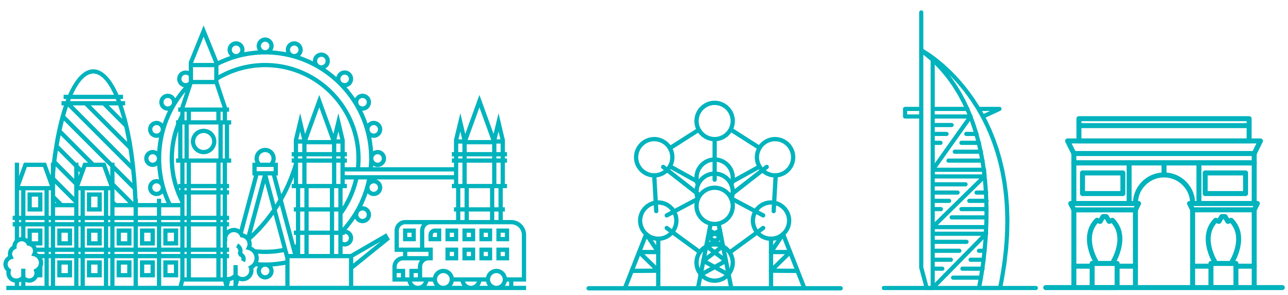
Our IT hardware and distribution business saw continued growth within the EMEA region, increasing to S$59.2 million in 2020 from S$55.0 million in 2019. Benefiting from winning contracted business, growing our strategy laid down in 2019, our Lifecycle Services remained static due to supply constraints over COVID-19.

The European Third-Party Maintenance ("**TPM**") business was the hardest hit by the pandemic especially during the early summer. However, there was a sharp recovery towards the end of 2020 with a pipeline of orders which were in similar volumes as compared to 2019. We exited the year with a slight upturn in business as the TPM business continued to recover in Q4 of 2020.

Our German operations managed to manoeuvre through the coronavirus-led difficulties and is close to breaking even, with revenues of circa S$2 million. We anticipate this new business to continue delivering progressively in 2021. We expect to see this progress cemented during 2021 as we continue to win business and sales throughout the organisation benefiting from leveraging the in-country presence Germany has provided.

As we navigate through this challenging landscape, the team has been persistent in the hunt for new revenue streams, particularly focusing on those with a green aspect. In FY2020, the team successfully closed a sale for 5000 units of Circular Computing carbon neutral laptops. This brought in S$4.2 million in revenue and led to savings of circa 1,500,000 Kg's of Co_2 being produced. We have also been formally recognised as part of the UN's 17 Goals to help tackle global poverty, equality and climate change.

As we step into 2021, we remain hopeful and positive on the back of great progress from a social-economic standpoint, with a new US President and the completion of Brexit. We have also taken this year to streamline our business units to better benefit from economies of scale to be ready for the growth in the Lifecycle services & ITAD business unit, providing a global collective to product skill sets, benefiting the group, not just the region. In addition, we are working to progressively standardise all global operations on the same platforms, and this will in turn provide consistent data collation and reporting.



REVENUE (S$million)

S$131.2m

+6.4%

THE AMERICAS

Our Americas division faced many challenges with the onset of the coronavirus, which resulted in an uncertain and volatile economy. At the peak of lockdowns, our essential workers adapted to work in shifts to keep the Atlanta and Boston distribution centres running, while those who worked in sales, operations, accounting and finance, and administration switched to remote working. Charting through the unfamiliar, the team collaborated through countless Zoom and Microsoft Teams calls daily, working tirelessly to deliver and serve our 1,800+ US customers.

Weathering through these obstacles, our Americas division persevered to deliver top-line growth in the region, demonstrating agility and business resilience. Overall, revenue from our Americas operations grew circa 6.4% YoY to circa $131.2 million from S$123.3 million in FY2019, accounting for 56.2% of the Group's revenue. Our Americas operations also recorded S$4.7 million as other income from the loan forgiveness from the US goverment's Paycheck Protection Prograrn ("**PPP**"). The PPP is administered by the Small Business Association, that provides additional financial assistance to businesses to keep the workforce employed during the pandemic.

Our IT Distribution segment posted steady growth through the year, with revenues rising 13.2% YoY from S$79.3 million in FY2019 to S$89.8 million in FY2020. Our Lifecycle Services revenues dropped 5.9% YoY to S$41.4 million in FY2020 from S$44.0 million in FY2019.

Our hardware and ITAD distribution business, the backbone of our US business, managed to mitigate most of the negative impacts of the crisis. Daily orders were well-maintained through the year, with unusual upticks during the months of March and April which saw orders double. This was possibly attributed to heightened demand as people scrambled to adjust to new work-from-home arrangements. The partnerships with Cisco Capital and HPE Spares also continued to bring value to our channel partners.

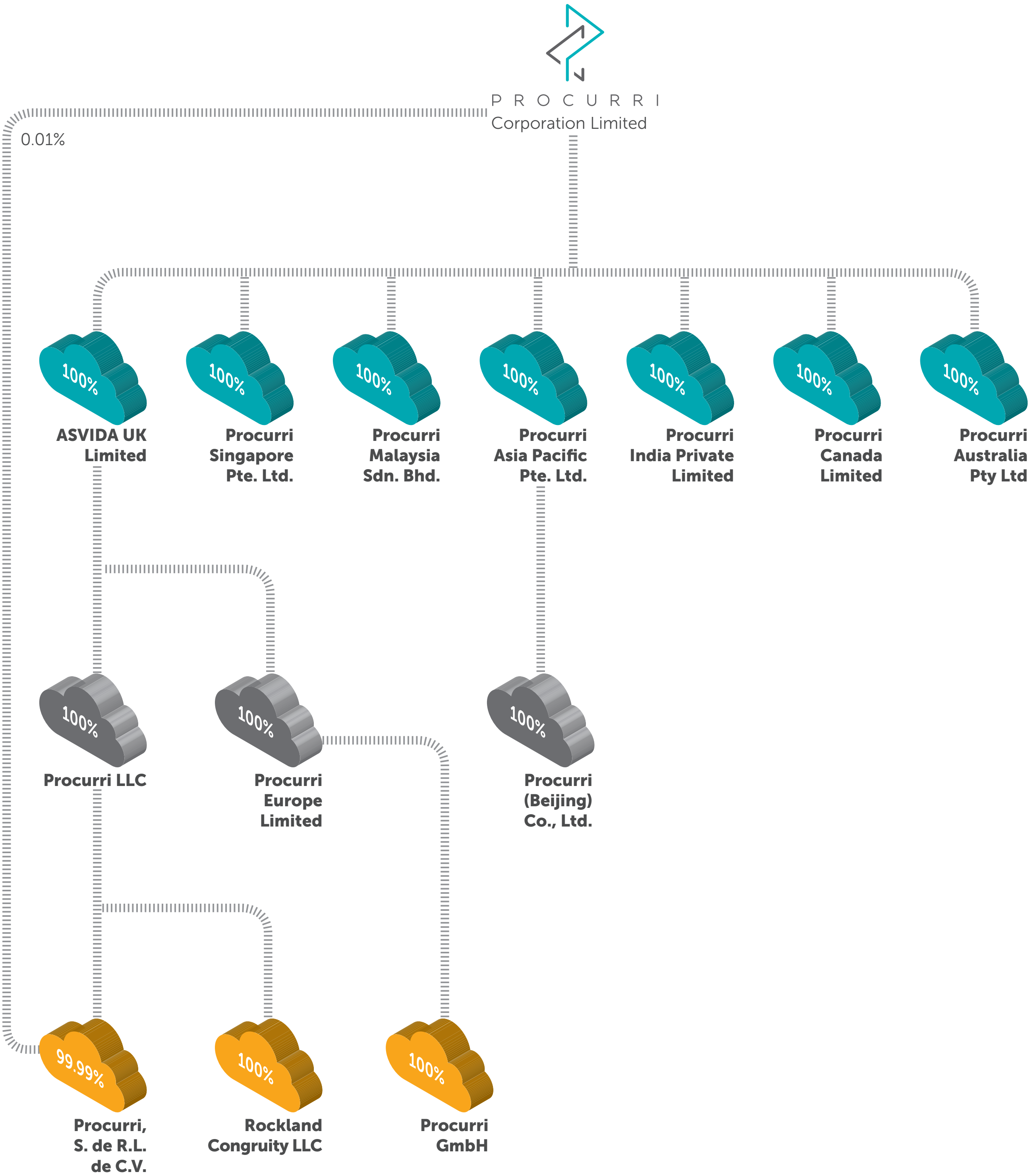
Our ITAD segment saw a surge in demand during 2020, with increased opportunities and demands for our ITAD solutions from our channel partners. The partnership with Ingram Micro in 2019, together with our global asset recovery team, ensured that we had the full capabilities to serve as a one-stop ITAD provider, setting us on an emerging trajectory.

Our third-party maintenance ("**TPM**") offerings were the most affected by the bleak business climate, particularly during the second and third quarter of the year, before bouncing back in the fourth quarter of the year. Renewal rates went down during the second and third quarter but catapulted back stronger in the fourth quarter. This was primarily because of our decision to shift our Network Operations Centre ("**NOC**") operations from Fall River, Massachusetts which experienced stricter quarantine conditions, to Pembroke, Massachusetts. This move saved the business in operating expenses, and reduced the fall in TPM by bringing the teams together.

Moving forward, our workforce is now back to normal shifts and are back at the office, albeit with a new workplace with strict safe distancing guidelines in place. As the pandemic accelerates the adoption of the cloud, this further reinforces that our ITAD offerings could be in higher demand sooner than projected. With the successes we have had in the ITAD segment, we believe that our new Canadian division, which specialises in ITAD services, is on the right track to drive future revenue growth in the Americas division.

As we venture into the new year, we believe that our capabilities, along with positive tailwinds in an improved service delivery for the TPM business, will position us strategically to support both consumers and corporations to make the switch to the cloud.

GROUP **STRUCTURE**



BOARD OF DIRECTORS

Thomas Sean Murphy
Chairman & Global Chief Executive Officer

Mr Thomas Sean Murphy was appointed to our Board on 2 January 2014. He has more than 30 years of experience in the IT industry, and he is responsible for the strategic planning and overall management of our Group. Mr Murphy began his career in technology sales, and within 10 years, worked his way to the position of Vice President of International Sales at Sun Data Systems, Inc., overseeing sales in over 70 countries. In 1998, together with three partners, he launched Canvas Systems, LLC ("**Canvas Systems**"), one of the world's largest independent resellers of pre-owned, enterprise computer systems with offices in the USA, the UK and Netherlands. Canvas Systems was acquired by Avnet, Inc. in 2012. Mr Murphy's string of tech successes in the USA also includes co-founding Optimus Solutions Inc. in 2001, which was sold to Softchoice Corporation in 2008.

Mr Murphy received the Entrepreneurial Success Award by the US Government-SBA Division in 2002. In 2006, he was selected as one of Atlanta's 40 under 40 by the Atlanta Business Chronicle, and was awarded the Gwinnett Chamber of Commerce's Pinnacle Small Business Person of the Year in 2007.

A native of Roswell, Georgia, Mr Murphy graduated from the Emory University with a degree in Economics.

Edward John Flachbarth
Executive Director, Global President & Global Head of Maintenance

Mr Edward John Flachbarth was appointed to the Board on 27 April 2017. He is responsible for setting the strategic direction of our Group. Mr Flachbarth began his career in 1990 with Sun Data Systems, Inc. where he held various roles before his promotion to Wholesale Manager. In 1998, Mr Flachbarth, together with our Chairman and Global CEO, Thomas Sean Murphy, and another partner, launched Canvas Systems, LLC ("**Canvas Systems**"). With the acquisition of Canvas Systems by Avnet, Inc. in 2012, Mr Flachbarth went on to join Avnet, Inc. as a Channels Manager and Operations Manager, where he was responsible for channel sales.

Mr Flachbarth graduated with a Bachelor of Industrial Engineering from the Georgia Institute of Technology.

BOARD OF **DIRECTORS**

Loke Wai San
Non-Independent Director

Mr Loke was appointed to our Board on 29 April 2019 as a Non-Independent, Non-Executive Director. He is a member of our Audit, Remuneration, Strategy and Nominating Committees. He is also the Chairman and Director of AEM Holdings Ltd and an Independent Director on the Board of Enterprise Singapore since 1 April 2020.

Mr Loke is the founder and CEO of a private equity fund adviser, Novo Tellus Capital Partners. His expertise is in cross-border private equity investments in various sectors including semiconductors, IT, enterprise software, medical equipment, and manufacturing. From 2000 to 2010, he was with Baring Private Equity Asia, where he was a Managing Director and head of Baring Asia's US office and subsequently co-head for Southeast Asia. Prior to joining Baring Asia, Mr Loke was a Vice President at venture capital fund, H&Q Asia Pacific, from 1999 to 2000, a Senior Manager at management consulting firm, AT Kearney, from 1995 to 1999, and an R&D engineer with Motorola from 1991 to 1993. Mr Loke was a former Chairman and President of Singapore American Business Association in San Francisco. Mr Loke holds an MBA degree from the University of Chicago, and a BSEE from Lehigh University.

Peter Ng Loh Ken
Lead Independent Director

Mr Peter Ng is our Lead Independent Director. He was first appointed to our Board on 27 June 2016 and last re-elected as Director on 29 April 2019. He serves as our Audit Committee Chairman and is a member of our Remuneration and Nominating Committees. 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, and also serves as Independent Director and Audit Committee Chairman of iFAST Corporation Limited and iFAST Financial Pte Ltd. Mr Ng was General Manager of Investments in Hong Leong Assurance Bhd, based in Malaysia. For nine years till 1996, he served as 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.

Dr Lim Puay Koon
Independent Director

Dr Lim Puay Koon was appointed to our Board on 1 April 2020 as an Independent Director. He is a member of our Audit, Remuneration, Strategy and Nominating Committees. Dr Lim was previously a Board Director and Audit Committee Member for SGX-listed HupSteel from 1994 to 2019. He was the Chief Executive Officer ("CEO") of Dimension Data North Asia from October 2014 to December 2019, and the Managing Director ("MD") of Dimension Data ASEAN from April 2008 to October 2019. He was also Director & General Manager for Outsourcing Services (South East Asia) for 12 years at Hewlett Packard Asia Pacific. He has held executive positions in Dell Asia Pacific and IDA. He has over 30 years of extensive international experience driving strong growth in IT solutions and infrastructure businesses across Asia Pacific.

Dr Lim obtained a Bachelor of Science, a Master of Engineering and a PhD in Computer & Systems Engineering, as well as an MBA from Rensselaer Polytechnic Institute, Troy, New York.

Wong Quee Quee, Jeffrey
Independent Director

Mr Jeffrey Wong was first appointed to our Board on 27 June 2016 and last re-elected as a Director on 29 April 2019. He chairs our Nominating and Remuneration Committees and is a member of our Audit Committee. He has more than 15 years of experience in corporate transactional work covering the legal and investment banking aspects. Mr Wong is currently the Chief Executive Officer of SooChow CSSD Capital Markets (Asia). Prior to joining SooChow CSSD Capital Markets (Asia), 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 is qualified to act as an advocate and solicitor of the Singapore Supreme Court and as a solicitor of Supreme Court of England and Wales.

SENIOR MANAGEMENT TEAM

1 2

Procurri's senior management team includes **Mr Thomas Sean Murphy**, our Chairman and Global CEO, and **Mr Edward John Flachbarth**, our Global President and Global Head of Maintenance.

3

Vincent Choo Joo Kwang

Group Chief Financial Officer

Mr Vincent Choo joined Procurri in December 2013 as Financial Controller and was appointed as our Group Chief Financial Officer in July 2016. He is responsible for our Group's financial and accounting matters. Mr Choo has more than 20 years of experience in auditing, accounting, taxation and financial management. He began his career in 1996 with Deloitte and Touche LLP as an Audit Assistant before moving on to take up senior roles at IBM Singapore Pte. Ltd., IMS Health Asia Pte Ltd, IMS Market Research Consulting (Shanghai) Co., Ltd and Elsevier (Singapore) Pte Ltd.

Mr Choo graduated with a Bachelor of Accountancy (Honours) from Nanyang Technological University. He is a Fellow Chartered Accountant of Singapore and a Chartered Financial Analyst.

4

Zachary Sexton

Worldwide Director of Global Accounts

Mr Zachary Sexton joined Procurri in January 2013 as President of Procurri LLC helping launch our US business. He was later appointed Head of the Americas in 2016 and is now responsible for our Group's Global Accounts.

Mr Sexton has more than 19 years of working experience in data center hardware and services. He started his career at Canvas Systems, LLC in IBM broker sales and worked in a variety of roles before being promoted to Strategic Account Manager, focusing exclusively on delivering secondary market solutions to the 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.

5

Matthew Trial

Global Chief Operating Officer

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.

6

Mathew Jordan

Global Head of Lifecycle Services, Hardware and Distribution

Mr Mathew Jordan joined Procurri in 2014 as Sales Director and was appointed as our Head of Europe, Middle East and Africa ("**EMEA**") since 2016. He now oversees our Group's operations in EMEA as well as the Global Lifecycle Services, Hardware and Distribution. Mr Jordan has over 20 years of working experience in product sales. In 2005, Mr Jordan participated in a management buyout of Tindirect Ltd, following which he became an owner of the holding company, Tinglobal Holdings Limited, which is now renamed as Procurri Europe Limited.

Mr Jordan has worked with numerous venture capitalists, raising capital and participated in acquisitions, sales and mergers of businesses both at Tinglobal and more recently at Procurri Europe. Mr Jordan graduated with a Bachelor of Arts (Honours) in Business Studies from Southampton Solent University.

SUSTAINABILITY **REPORT**

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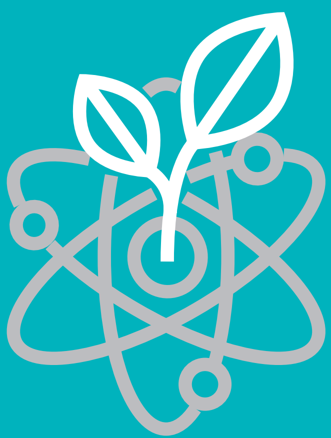
For more enquiries, please contact Procurri's Investor Relations at +65 6486 1300 or ir@procurri.com



BOARD STATEMENT

ENVIRONMENTAL

SOCIAL

GOVERNANCE

The global Covid-19 pandemic has defined much of FY2020. Much time has been spent focusing on the business and staff during 2020, ensuring that we balance the business needs against the welfare of our staff. The businesses' BCMS (Business Continuity management systems) have performed well with all sites across the world remaining operational, albeit with reduced staff and split shift models, coupled with those able to work from home successfully achieving this. In light of the challenges, the board is satisfied with how the business has performed throughout 2020. We are determined to remain resilient and resourceful to continue generating values to all our stakeholders. We will also continue contributing to the fight against the pandemic and attending to social and economic upheavals to the best of our abilities.

As a leading global player in the enterprise IT services and hardware industry, Procurri is aware of the importance of good corporate citizenship. Procurri also recognises its leadership responsibilities to bring more focus and cultivate cultures of sustainability practices in the industry.

The ethos of our business is defined by John Elkington's – a world authority on corporate responsibility and sustainable development, three Ps of the Triple Bottom Line – People, Planet and Profit. We are driven by our commitment to addressing pressing sustainability issues, most notably global waste, electronic waste challenges, and carbon emissions. Thus, our business strategy is closely aligned with environmental, social and governance ("**ESG**") principles that aim to create a sustainable world for all. In fact, sustainability is already at the core of our business and operations. Our Hardware Resale encourages the use of pre-owned or refurbished equipment and our Third-Party Maintenance Services ("**TPM**") enable companies to prolong the lifespan of their enterprise hardware, potentially reducing large amount of electronic waste; Our IT Asset Disposition ("**ITAD**") empowers companies to dispose of e-waste responsibly and sustainably, reducing risks of social and environmental impacts such as hazardous materials contamination. Furthermore, our UK and Singapore sites are certified and operate according to the environmental management system standard ISO 14001 and quality management standard ISO 9001. Procurri has set a target to achieve these standards across the Group's US operations, driven by our increasing focus on sustainability in our operation, value chain and business.

We are proud to be publishing our fourth Sustainability Report 2020. This complements our ongoing environmental initiatives with the electronic dissemination of our Annual Report 2020 to shareholders via our corporate website. This report evidences the ESG key performance indicators ("**KPIs**") that are material to the practices of Procurri, identified using established materiality assessment of the Sustainability Accounting Standards Board ("**SASB**") reporting framework. In recognition of constantly evolving business priorities, risks and opportunities, we are planning to conduct a material review in FY2021. We aim to also integrate the Global Reporting Initiatives ("**GRI**") reporting framework into the report for future years.

Procurri recognises good governance is essential for continued growth and investors' confidence. Furthermore, we have set targets for the short, medium and long term to strive to improve our performance. Analysis has identified the most significant cause of GHG emissions in Procurri's operations is associated with electricity consumption. In contrast to many companies in the IT sector, embedded energy of equipment is not the most significant impact, as Procurri sources the majority of equipment from pre-used sources, resulting in a net benefit carbon footprint for the products.

Having considered sustainability issues as part of its strategic formulation, the Board has approved the material ESG factors identified, and ultimately oversees the management and monitoring of all ESG factors. The Board is always looking to assess, review and update the ESG factors with guidance of the company's ever-changing risks and opportunities.

SUSTAINABILITY REPORT

INTRODUCTION

Headquartered and listed in Singapore, Procurri Corporation Limited is a leading global independent provider of IT Lifecycle Services and Data Centre equipment. We offer four pillars globally:

Post Warranty Maintenance: providing maintenance solutions on current and legacy hardware enabling corporates to efficiently extend the life of their IT hardware estate.

Lifecycle Services & ITAD: reclaiming and providing secure, certified erasure solutions for data bearing assets ahead of refurbishing and remarketing IT hardware – promoting reuse over recycle.

Hardware, both new and refurbished across all major Original Equipment Manufacturers' (OEM): Working with our partner channel to configure and deploy IT Hardware solutions.

Distribution: enabling our channel partners to access diverse supply chains, many of which are low Carbon solutions to support the corporate.

Procurri employs more than 480 employees across our 21 offices and 6 warehouses worldwide, with extensive operations and services coverage spanning over 100 countries.

160 Technical professionals tending to your data centre needs

100 Localised service across 100+ countries

800 local warehouses across 3 continents

Procurri works to keep its environmental, social and governance ("**ESG**") performance positive by being a responsible, diverse, and equal opportunities employer, extending product life where possible to reduce society's carbon and waste footprint. This is exemplified across all four of our global pillars which seek to ensure a sustainable balance between extending the life of assets, securely reclaiming and refurbishing assets facilitating their redeployment within another estate, and seeking out low-carbon distribution solutions such as laptop and tape media. Procurri strives to ensure any end-of-life products are managed in an environmentally sound manner to become raw materials for reuse, minimizing electronic waste through efficient recycling and reuse of hardware, diverting materials away from landfill and incinerators as well as preserving resources by avoiding virgin material extraction for new products.

ESG IN THE CONTEXT OF BUSINESS

Digitalisation has become essential for business sustainability and growth worldwide. Technology and information services have become keystones in economic development. Innovation in Information Technology and Communications ("**ICT**") continues to drive overhaul of existing systems and technologies. Businesses are increasingly reliant on the use of both software and hardware systems in the development of economically important products that increase efficiencies and provide new, extensive, and enhanced services. Procurri makes a positive ESG contribution through its business model, which is based around extending the product life of ICT products, thereby enabling reuse. We are pleased to report that Procurri was once again recognised on CRN's Solution Provider (SP) 500 list. We have also improved our standings to 144 – in the top 30% of the SP500. In addition, we are recognised in the Elite 150 on CRN's Managed Service Provider (MSP) 500 list.

As Procurri is the world's largest independent distributor of Post-Warranty Maintenance, ITAD, and OEM Recertified Hardware, we are cognisant that new technology brings with it new social and environmental externalities that need to be identified and addressed to protect the environment and stakeholders. Procurri will continue to conduct our businesses in an environmentally, socially, and ethically responsible manner.

Procurri has reviewed and identified key sustainability areas of focus. Focusing on these key issues allows us to manage the risks and opportunities that sustainability poses to the company. We also frequently monitor and assess our sustainability performance to ensure that we actively identify and address sustainability issues most relevant to our business.

Understanding the environmental and social impacts allows Procurri to capitalise on the services it provides. Our sector has tremendous potential not only to fuel economic growth but to also help economies progress in a sustainable manner. Therefore, Procurri considers responsible management of ESG issues to be critical to successful business practice. We strive to continuously improve our ESG performance as our global business footprint expands. As such, we have set a series of public targets in 2017 and 2020 to achieve in the short, medium and long term. Please refer to the targets section for more details on our targets.

In 2018, Procurri's Investor Relations Policy was formalised. It sets out the ethos of Procurri's communication with our shareholders and the key principles built on the virtues of good corporate governance, adequate corporate transparency, and fair disclosures.

Procurri's continuous growth and expansion brings positive impacts to the global waste and climate change challenges through our business practice and strategies. We are on track to meet the rest of the targets.

OUR PARTNER SUCCESS STORIES

Procurri has also partnered with other solution providers to provide key products and support to address gaps that arisen in the IT channel that end users still want and need when OEMs discontinue their data centre. Below are some of our success stories with partners.


PROCURRI

Third Party

The utilities provider is a large business responsible for over 20 million customers so they simply can't afford to go offline. They had already invested in a Third-Party Maintenance (TPM) supplier but when a P1 (emergency) situation occurred, the third party were unable to get them back online because they just didn't have the expertise and knowledge base to do so.

Approaching Procurri

Seeking out an urgent, but still reasonably priced solution, the senior management team at the utility provider turned to their systems integrator who in turn engaged with Procurri. The stakeholders within the company were nervous, as they'd already experienced a major issue with a TPM and were aware that the company's size and split systems (many of them legacy) meant that taking on the job was no mean feat. However, after an in-depth consultation with Procurri, all parties understood the skill levels available amongst the Procurri technicians, and they were happy to commence with a service

Procurri Delivered

Procurri's expert team immediately set to work successfully recovering all data and restoring online status. This was done on a 'time and materials' basis, as the other TPM company were still the incumbent – but Procurri knew it was critical business to get the end user up and running right away. Procurri's specialist technicians were able to dial into the systems and understand the true underlying issues in order to resolve them. Downtime was reduced and BAU was restored for all users.

The partner was so impressed with the service, they later introduced Procurri's TPM services across their end users portfolio of legacy systems including EMC, HDS, IBM, Sun, HP and Dell – both reactively and proactively - to optimise uptime and offer an improved level of service to their customers.

What's more, there was a huge cost saving in procuring Procurri services compared to those on offer directly from the OEM. Procurri offered considerably better value for 70% of the price found elsewhere. One contract covered multi-vendor offerings over a 5-year period, with the flexibility to make changes as required, thus reducing downtime and negative customer experiences.

To this day, the partner and their end user remain with Procurri for their TPM services and enjoy a fantastic working relationship with expert technicians that are able to effectively manage both legacy and modern systems seamlessly, working proactively to curb issues before they surface and continue to offer unbeatable value to their customer projects across Europe.

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SUSTAINABILITY
REPORT


PROCURRI
Changing The Way The World Buys Technology

SUCCESS STORY
TIER ONE DISK STORAGE

Procurri enables partner success as US VAR saves global bank £21M in storage and maintenance costs

The end-user is an international financial holding company headquartered in Europe and operates a global bank and other financial services investments.

Highlights

- £20M in opex savings over a four-year transformation
- Procurri's expert engineers developed a unique solution to customer's migration problems
- Project timeline was on track due to efficient and responsive account management
- 52 petabytes of data undergoing successful migration from Hitachi to EMC arrays
- Global reach of Procurri's engineering team helps customer avoid managing several vendors around the world.

The challenges

Our customer, a solutions provider in the US has successfully transformed the end-user's entire global infrastructure, comprised of 52 petabytes of data stored on Hitachi data systems, to a mixture of All-Flash, software defined and hyper-converged storage solutions.

Due to legal restrictions, the end-user was not permitted to use Hitachi's internal array reporting functionality during the migration process. Dell EMC introduced Procurri to provide support for the outgoing systems throughout this four-year transformation.

This generated an alternative that enabled the reporting on the end-user's Hitachi systems without severely delaying the project timeline or incurring additional cost.

The solution

The Procurri team worked closely with Dell EMC to leverage Procurri's internal platform, developing a solution that meets reporting and compliance requirements while also developing custom software that serves as a long-term solution for the end-user.

Compliance requirements were tested in Procurri's demo lab throughout the development process; the end-user also purchased refurbished lab arrays at a significantly discounted cost to continue internal testing.

Daily check-ins with the end-user orchestrated by Procurri account representatives, ensured project timelines, budget and expectations were properly managed with efficiencies maximised.

The results

Increased cost savings
Procurri lowered the end-user's maintenance bill in year one from over £700,000 to £142,000 per month, yielding a year one saving of £5.1 million with an estimated total savings of over £21 million in operational expense over the four-year transformation.

Extended global reach
Procurri worked closely with the regional global heads of infrastructure across Europe, APAC, and the US to flexibly scale assets within the support term while also creating new and efficient disk sanitation and retention policies for the end-user.

Ease of management
Complete global system support provided by Procurri eliminated the need for several international support vendors.

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PROCURRI
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SUCCESS STORY
TIER ONE DISK STORAGE

Industry leader converts opex to innovation investments for their environment

The end-user is the largest North American provider of environmental, energy, and industrial services with approximately 13,000 employees and 400 locations across the continent.

Highlights

- Procurri reduced the end-user's opex by over $200,000 to get the production refresh complete
- Solution provider actualised over $50,000 in gross profit from selling Procurri support services and hardware
- Solution provider became the 'go-to' partner for that OEM, in this case Pure Storage, in the North America region by turning an otherwise dead deal into a win
- Solution provider gained a significant repeat annual revenue stream
- Solution provider became the trusted advisor within the account for their entire global infrastructure and removed multiple competitors.

The challenges

With an increased interest in renewable energies leading to diminishing market growth, our partner's end-user's profit margins and resulting IT budget was shrinking year over year.

Like most companies, most of their budget was allocated toward maintaining their existing infrastructure and as a result, finding the funds to refresh critical assets were nearly impossible. The improvements to the environment were necessary to keep the company competitive and provide for future growth of the business. It was at this point that Procurri was introduced to the end-user to discuss our innovative approach to IT procurement and cost reduction.

The solution

The Procurri team of account executives and engineers worked closely with the end-user and solutions provider to understand all aspects of their environment, provided free health checks on their infrastructure, and put together a comprehensive solution that addressed all of their concerns.

Our proposal included four-hour onsite support and refurbished hardware capacity upgrades of numerous legacy EMC and NetApp assets that reduced their support costs alone by over $200,000.

In addition, the proposal also included Procurri purchasing back some legacy equipment for $60,000. By combining Procurri's $260,000 savings with our partner's proposed refresh, that eliminated the need for $375,000 of backup software, the end-user had reduced their opex by $635,000. By significantly reducing their opex, the end-user was able to reallocate those funds toward a net new refresh of their production system, in this case Pure Storage.

The results

Significant cost savings
The end-user lowered maintenance bills and the cost of upgrading legacy assets by over $200,000.

Captured value from depreciated assets
By working with the Procurri team the end-user was able to get $60,000 for assets they were already planning to decommission.

Provided for future growth
The end-user was able to purchase a net new solution for their production environment that they would have been unable to afford otherwise and as a result sustained their place in the market.

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PROCURRI
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SUCCESS STORY
TIER ONE DISK STORAGE

Procurri enables multinational pharmaceutical company to save five million Euros on storage and network maintenance costs

The end-user is an international pharmaceutical company providing innovative medicines to millions of patients worldwide, with offices across Europe, Asia and North America.

Highlights

- Funded innovation within the environment with over five million Euros in annual opex savings
- Simplified support procurement and vendor management process
- Consolidated reporting on support of all storage and networking assets globally
- Increased flexibility around contract durations, SLAs, reporting, etc.
- Decreased cost of capacity and future performance upgrades by gaining the ability to utilize refurbished hardware upgrade

The challenges

Our customer, a solutions provider, was working with an end-user that was dedicating a significant amount of their IT budget to maintaining a complex infrastructure comprised of Hitachi, NetApp, HP, and IBM systems.

The cost of supporting several different product lines made it difficult to find budget for necessary storage and networking improvements. Without the ability to scale, the end-user would compromise their position within the pharmaceutical marketplace.

Faced with an aging infrastructure and rising OEM maintenance fees, the end-user sought a solution that would provide cost effective scalability and reliable maintenance for its multifaceted network architecture.

The solution

Procurri worked closely with the solutions provider and end-user to understand all aspects of their environment, providing complementary health checks on all existing systems. A comprehensive support offering was created to support all four unique system architectures, including four-hour onsite service of assets across three continents.

By eliminating the need for several OEM maintenance contracts, Procurri saved the end-user €5.7 million in annual maintenance costs.

In addition, Procurri streamlined administrative processes by consolidating the end-user's support issue reporting into monthly reviews and transitioning all disparate OEM support contract end-dates to one end-date. Thus coinciding with the company's yearly budget release.

The results

Significant cost savings
Lowered maintenance bill by five million Euros annually, freeing up opex to fund production innovations.

Consolidated reporting
Procurri conferred with the end-user's global heads of infrastructure to fully understand reporting requirements and provided custom consolidated reporting for all assets.

Ease of management
Complete global system support provided by Procurri eliminated the need for several international support vendors and consolidated disparate support dates to a single end-date for all systems.

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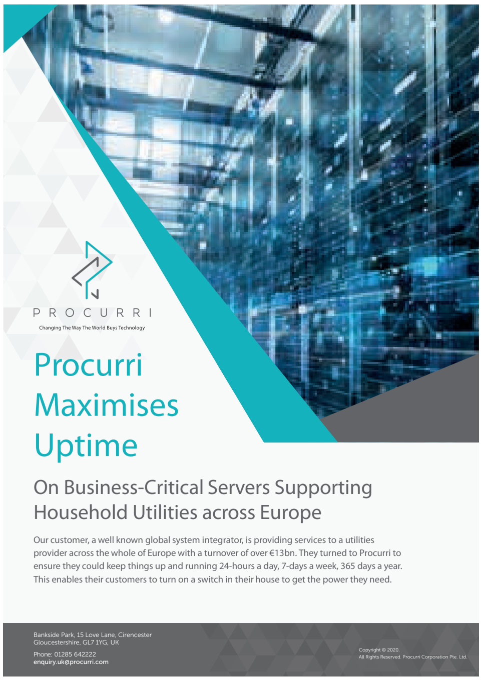
PROCURRI
Changing The Way The World Buys Technology

Procurri Maximises Uptime

On Business-Critical Servers Supporting Household Utilities across Europe

Our customer, a well known global system integrator, is providing services to a utilities provider across the whole of Europe with a turnover of over €13bn. They turned to Procurri to ensure they could keep things up and running 24-hours a day, 7-days a week, 365 days a year. This enables their customers to turn on a switch in their house to get the power they need.

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ABOUT THIS REPORT

Procurri recognises the importance of identifying issues that are significant to the financial operation of the business, as well as stakeholders, such as investors, society and customers. This report focuses on the regional head offices of Procurri. These offices are: Procurri Global Headquarter in Singapore – Asia Pacific region (APAC); Procurri LLC (Procurri's United States subsidiary in Atlanta); and Procurri Europe (the United Kingdom) – EMEA. Data from Boston, Massachusetts-based Rockland Congruity LLC, renamed to PTSS during 2020 acquired by Procurri LLC in 2019, is fully included in our FY2020 sustainability reporting scope. We will also see the inclusion of Germany (Procurri GmbH) and Canada (Procurri Canada) in our FY2021 report as these new facilities have begun operating during 2020. These sites represent our key locations and cover 90% of the total employees of Procurri's global operations. The remaining 10% of employees are widely spread across numerous geographical bases.

MATERIAL ESG FACTORS & REPORTING FRAMEWORKS

When considering sustainability materiality, Procurri conducted a two-phase assessment in 2017. We initially considered all sector-level materiality to identify all issues relevant to companies operating in the sector. These themes were identified using the SASB Hardware, Software and IT standards, investor trend review and a wider literature review. Sector-level materiality was identified and refined based on specific practices of the company, through an internal stakeholder engagement process with our staff and the Board in 2017. Issues that are not applicable to Procurri due to its specific operations were removed from the list of key material issues. To give an example, one of the most significant causes of environmental impact in the sector is the production of the hardware itself – including sourcing of raw materials, such as rare metals. However, as Procurri sources its equipment from recovered units, and is essentially replacing the need for additional original equipment manufacturing, few virgin raw materials are required. As such, the environmental footprint of equipment is not relevant to Procurri.

As Procurri conducts our business all around the world, we strive to conduct business responsibly and ethically. In this year's report, we have linked our sustainability efforts to several United Nation's Sustainable Development Goals ("**UN SDGs**"). The UN SDGs are a global call for action to create "a better and more sustainable future for all"[1]. We believe every business has an important role to play in championing sustainability.

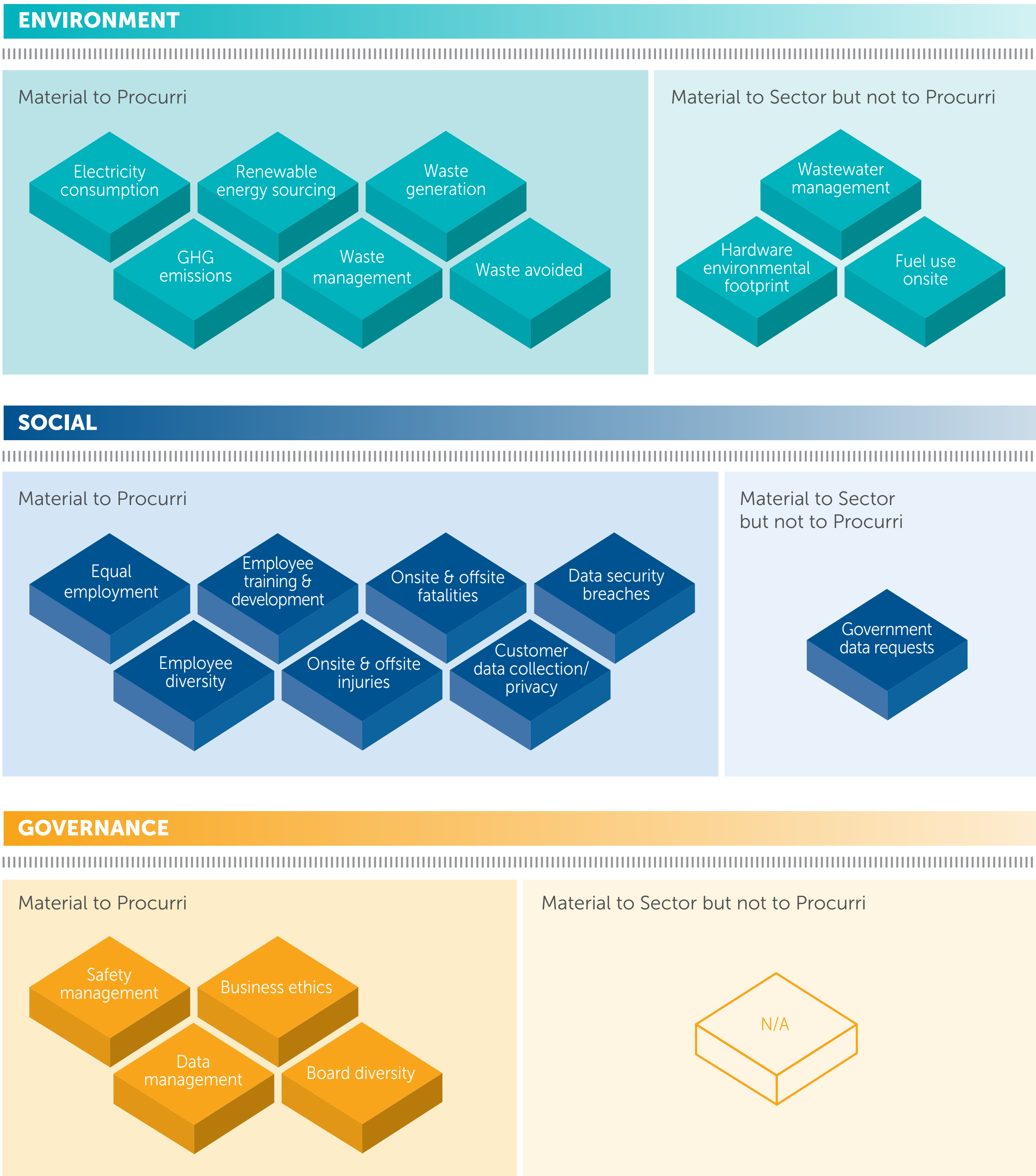
As part of the continuous efforts to progress sustainability at Procurri, we are looking to engage with our stakeholders to conduct a materiality review in FY2021, as well as integrating the GRI framework into our report alongside the SASB framework in future years' reports.

Figure 1 highlights the material ESG issues identified for Procurri. Sector material issues that are not relevant to Procurri, but were considered, are represented with dark grey shading, while issues that are immaterial for the sector and operations are coloured light grey.

[1] https://www.un.org/sustainabledevelopment/sustainable-develpment-goals/

SUSTAINABILITY **REPORT**

FIGURE 1: MATERIAL ESG ISSUES FOR PROCURRI OPERATIONS



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

Procurri does come into contact with data through the disposal of assets, and this is therefore reported as relevant within the Governance section of the report. However, Procurri does not collect personal customer data, such as home telephone numbers or home addresses, as part of its business operations or for use in its business operations.

Table 1 displays how and where these themes are reported within this report.

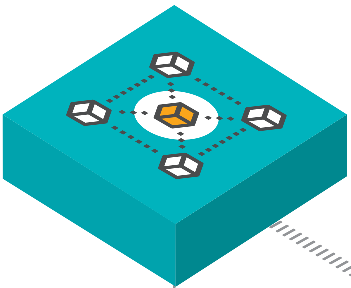
TABLE 1: ESG METRICS AND RELEVANCE TO COMPANY REPORT

TOPIC	ACCOUNTING METRC	SDGs	STATUS
Environmental Footprint of Site	Total energy consumption, percentage of grid electricity and renewable energy	7	Included, Table 4, page 17
	Water withdrawn, percentage recycled, percentage from regions with High or Extremely High Baseline Water Stress	6	Partially included, Table 4 & Figure 4, page 17. Water scarcity and recycling not relevant for Procurri operations due to small volumes and limited stress regions
	Waste generated by type and management processes	12	Included, Table 4, page 17
	GHG emissions, by scope	13	Included, Table 4 & Figure 3, pages 17 and 18
Lifecycle Management of Equipment	Weight of products and e-waste recovered through take-back programs, percentage of recovered materials that are recycled	12	Included, pages 15 and 17
Data Privacy and Data Security	Discussion of policies and practices related to collection, usage and retention	16	Included, page 12
	Amount of legal fines and settlements paid associated with customer privacy	16	Included, Table 3, page 12
	Number of data security breaches and percentage involving customers' personally identifiable information	16	Included, Table 3, page 12
	Discussion of firm's approach to identifying and handling data security and related risks	16	Included, page 12
Recruiting and Managing a Global, Diversified Workforce	Percentage of employees that are foreign nationals and those that are located in another country	10	Not applicable; Procurri operates across the globe and has national and international representation
	Employee training	4	Included, Tables 6 and 7, page 20
	Percentage of gender and racial/ethnic group representation for executive roles and other employees	10	Partially included, Table 5, page 19; Procurri to include racial/ethnic group representation figures in FY2021

SUSTAINABILITY REPORT

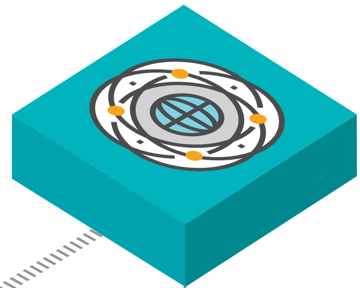
TARGETS

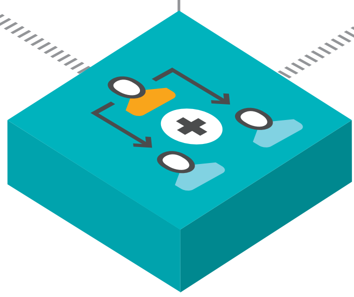
Procurri has also set several ESG targets to maintain and progress sustainability in the core of our business. We aim to help customers extend their IT infrastructure and hardware's product life to be an environmental champion. We also strive to be a responsible, diverse, and equal opportunities employer.



10%↑

Y-O-Y Increase in hours of training given to employees





Expand social data coverage to include employee training hours for all four regional headquarters by 2020

1%↑

Increase in waste recycled

Expand ISO 14001 & 9001 certification to the US office, in line with its Singapore and UK regional headquarters, by 2025

-5%↓

Decrease in waste to landfill

STAKEHOLDERS

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 2: STAKEHOLDER ENGAGEMENT

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

SUSTAINABILITY REPORT

GOVERNANCE

Procurri recognises that good and responsible governance anchors and drives our sustainability strategies and efforts, creating long-term values for our stakeholders. We have put in place various policies that are reflective of our commitment to being an environmentally and social responsible business. Some of Procurri's environmental policies are intended to:

- Reuse over recycle
- Target ourselves on reducing waste to landfill
- Target ourselves on reducing electricity consumed as a percentage of revenue
- Target ourselves on sourcing renewable energy

Procurri also operates with company policies of Equal Opportunities, Code of Conduct, Employee Diversity and Inclusion, Anti-Bribery and Anti-Corruption, Grievance Process and Disciplinary Policy, all reflecting a commitment to respect workers in both our own business and supply chain worldwide. The following section considers some of the key governance structures in place.

BOARD DIVERSITY

In 2020, the Board was comprised of six directors, three of whom are independent, non-executive directors and one non-independent non-executive director. The Board is able to exercise objective judgment independently from management with no individual or small group of individuals dominating the decisions of the Board. Currently, the Board consists of six males, with combined expertise across a range of specialties, including finance, accounting, legal, business and industry knowledge. Procurri provides details of its Corporate Governance on our website which can be found on https://www.procurri.com/

DATA & SECURITY

Procurri is bound by privacy regulations around the world. To ensure Group-wide compliance, the Data Protection Policy was formalised during the financial year 2018. Procurri does not 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 these electronic equipments with utmost security and ensures data security is maintained at all times. Telephone numbers, customer identification numbers, address details and other personal information is destroyed as part of the ITAD process and not stored for ongoing use.

Each region operates in adherence to local requirements and best practices, though key processes are the same. Asset testing and verification premises are in a caged and secure location and only accessible by authorised personnel. All storage equipment that is erased has certificates generated citing the type of erasure standard requested. For data erasure, the Procurri Group utilises Blancco software an internationally recognised and accredited disk erasure software. The UK is both ISO 27001 and ADISA accredited. Procurri Europe was awarded ISO 27001 and the UK's Warrington ITAD facility was certified to ADISA standard in 2019, The Cirencester facility has been ADISA certified since 2012.

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

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

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

TABLE 3: DATA & SECURITY

ITEM	2018	2019	2020
Number of confirmed or suspected data security breaches that occurred in the past financial year?	Nil	Nil	Nil
Number of breaches that concerned the potential for personal identification material being compromised?	Nil	Nil	Nil
Number of breaches that led to the company incurring fines or other penalties and what was the value of these penalties?	Nil	Nil	Nil

ANTI-BRIBERY & CORRUPTION POLICY

We are committed to acting lawfully, ethically and with integrity in every aspect of its business. This policy applies to all Procurri employees, including our employees of global subsidiaries and contract and temporary workers. Procurri operates a zero-tolerance policy towards bribery and corruption in any situation or form.

OUR COVID-19 Response

HOMEWORKING POLICY

The COVID-19 pandemic has drastically altered how Procurri operates and works. The pandemic-induced new normal has made homeworking a recommended practice among our employees to ensure we reduce social interactions between employees, thereby reducing the health risk of infecting the disease. In view of the proliferation of homeworking around the world, Procurri Europe reviewed and updated its Homeworking Policy to ensure proper implementation of remote working by our employees. The policy applies to all permanent, full-time, and part-time employees of Procurri Europe. The purpose of the policy is to set out Procurri Europe's commitment to flexibility in working with the aim of meeting both the Company's and employees' needs. The policy defines homeworking, details the process to apply for homeworking, elaborates on the logistics of enabling homeworking as well as emphasizing on employee conducts and performance throughout their homeworking period. Employees are also reminded that they must adhere to the company's policies on data and information security as homeworking requires many online communication and information exchanges. The policy enables Procurri Europe to remain resilient and productive despite severe disruptions and inconveniences caused by the pandemic.

ENVIRONMENTAL IMPACTS

HIGHLIGHTS 2020

Procurri has partnered with Vic Vicary to document his North Pole expedition to study the effects of climate change. Vic Vicary is a veteran explorer who sets out with his team to document his first-hand observations and unexpected challenges encountered during their expedition as a direct result of climate change-induced global warming. Vicary's experiences and observations are documented in his book – Plan D. We also launched a 5-part instalment documenting the team's journey in the North Pole on our website. Please refer to our website https://www.procurrieurope.com/expedition-to-the-north-pole/ for more information about Vic Vicary's expedition.

In addition to supporting Vic Vicary in getting his story out, Procurri has signed up as a distributor for Circular Computers, a provider of Carbon neutral certified laptops. Procurri successfully pitched and sold 5000 units to a FTSE 250 listed construction company in the United Kingdom, saving 300kg of CO_2 per laptop, totalling 1.5M Kg of CO_2 total.

SUSTAINABILITY REPORT

REUSE & RECYCLING OF IT EQUIPMENT

Procurri's IT distribution and Lifecycle services serve to optimise the performance and lifespan of IT assets, thereby empowering partners and clients to retain the value of their IT assets as much as possible and contributing to a circular economy.

Refurbishment and reuse of equipment prolong its shelf-life to ensure environmental cost is minimal. This is our preferred approach for a sustainable waste management solution.

PROCURRI 2020-AT-A-GLANCE

- Procurri expanded operation into Germany in 2019 as part of the Groups continued globalisation efforts. This includes Procurri Europe's development of warehousing premises, and staff recruitment, in Germany. The business has developed throughout 2020, posting positive results from H1.
- An ITAD facility was built in Warrington, UK. 3 sales head were recruited to help drive the ITAD sales effort. The Warrington facility has continued to grow and now employs 11 persons.
- In the US, an 8000 square feet ITAD bay was also built in Procurri's Boston facility to process and sort programmatic ITAD equipment. The bay has racks and enclosures to conduct ITAD wiping via the Blancco platform. Procurri has staffed the bay with 5 dedicated employees. This continues to grow and develop now employing 8 persons.
- Procurri expanded into Canada during 2020 as part of the group's continued globalisation, opening warehousing and operations, employing 6 persons.
- Procurri expanded into Australia in 2020 as part of the group's continued globalisation. A business has been registered initially ahead of 2021.

FIGURE 2: WASTE HIERARCHY AT PROCURRI

In 2020, Procurri conducted 21,195 service and maintenance jobs, with more than 595,000 and more than 851,000 parts made available for reuse and parts sold for reuse respectively in the three reporting regions combined. Singapore (APAC) completed 1,500 tickets with 7,000 items made available for reuse and 10,500 items sold for reuse; the United Kingdom and Germany (EMEA) completed a combined 5,720 tickets with 386,178 items made available for reuse and 389,521 items sold for reuse; the United States (Americas) completed a combined 13,975 tickets with 201,928 items made available for reuse and 451,456 items sold for reuse.

OPERATIONAL FOOTPRINT

2020 HIGHLIGHTS

21,195
Service and Maintenance jobs conducted

>595,000
Parts made available for reuse

>851,000
Parts sold for reused

64%↑
Increase in waste recycled

Procurri considers environmental responsibility to be crucial to the successful operation of our business. We operate both our UK and Singapore sites according to the environmental management system standard ISO 14001, and quality management standard ISO 9001. In 2020, Procurri EMEA site's ISO 9001 and 14001 were renewed. Procurri has set a target to achieve these standards across US operations by 2025.

Procurri's operational environmental footprint was analysed based on onsite energy use, water use, vehicle fuel and business travel. We are looking to implement various environmental initiatives that can contribute to resource use efficiency and consumption reduction.

For the purposes of this report, Greenhouse Gas ("**GHG**") emissions are reported in line with the Greenhouse Gas Protocol, an international corporate accounting and reporting framework developed by the World Resources Institute and the World Business Council for Sustainable Development. The Greenhouse Gas Protocol differentiates between direct and indirect emissions using a classification system across 3 different scopes:

TABLE 4: GROUP ENVIRONMENTAL IMPACTS

SCOPE 1

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

SCOPE 2

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

SCOPE 3

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

SUSTAINABILITY **REPORT**

ITEM	UNITS	2018	2019	2020[1 2]
ENERGY USE				
Purchased electricity	kWh	1,548,619	2,399,418	2,333,861
Natural gas consumption	kWh	599,921	700,598	258,269
BUSINESS TRAVEL				
Air – international	km	642,726	1,548,834	165,032
Air – domestic	km	548,021	193,121	115,068
Private vehicle	km	489,267	215,804	87,354
Company vehicle	km	233,449	183,970	116,364
Rail	km	24,533	26,813	2,992
GREENHOUSE GASES				
Scope 1	tCO_2e	111	129	136
Scope 2 (location-based)[3 4]	tCO_2e	528	742	641
Scope 2 (market-based)	tCO_2e	348	359	-
Scope 3 [5]	tCO_2e	277	284	79
WATER WITHDRAWAL				
Operational	m^3	3,534	2,580	2,488
WASTE ARISINGS				
Waste sent to landfill or incinerator	kg	11,912	124,263	90,533
Waste recycled	kg	224,420	273,794	448,586
Hazardous waste	kg	-	1,012	942

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

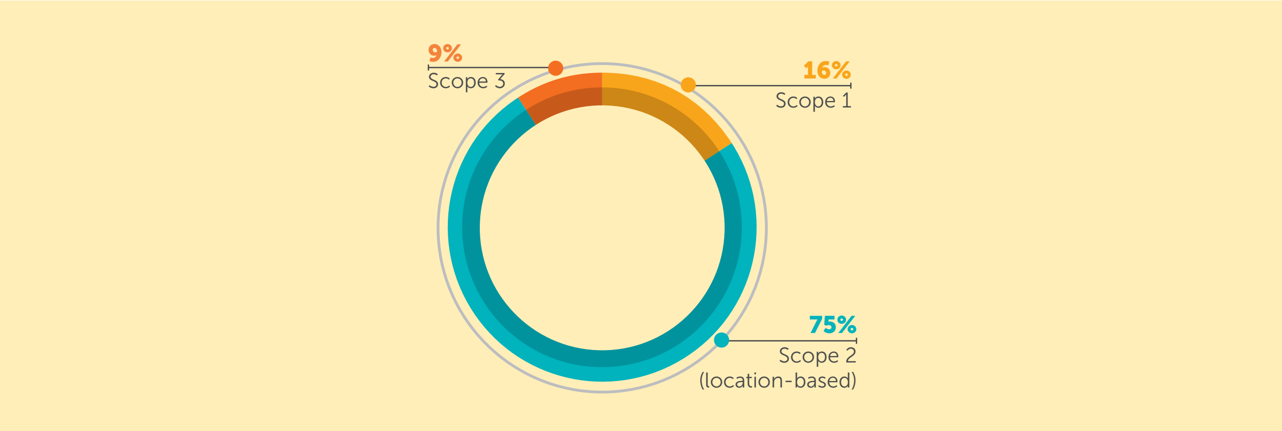
[2] 2020's scope of reporting was expanded to include the Germany site.

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

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

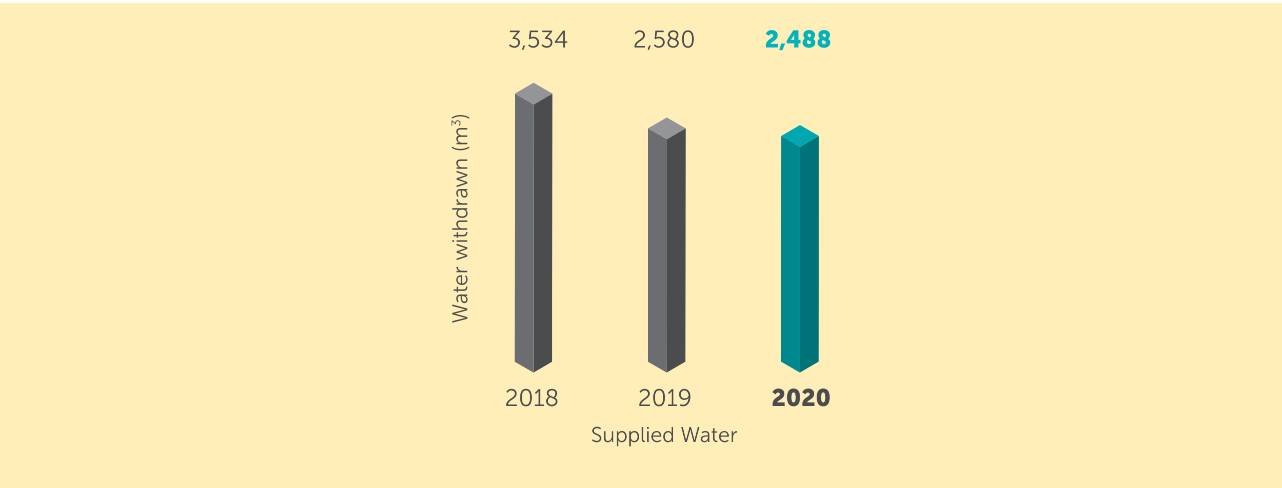
[5] Procurri Europe's (EMEA), Germany, LLC, and Singapore calculated Scope 3 emissions from all transportation activities using the Greenhouse Gas Protocol Calculation Tool for GHG Emissions from Transport or Mobile Sources

FIGURE 3: GHG EMISSIONS BY SCOPE



The majority (75%) of the captured GHG emissions were associated with purchased electricity across the sites. Business travel was included in our assessment as Scope 3 emissions.

FIGURE 4: WATER WITHDRAWAL BY SOURCE



Procurri used only supplied water across all its sites globally, and the majority of use was associated with domestic requirements, such as toilets and hand basins. Water withdrawal volume was reduced from 2,580 cubic meters in 2019 to 2,488 cubic meters in 2020. This is due to reduced operations and activities induced by the COVID-19 pandemic.

SUSTAINABILITY **REPORT**

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.

EMPLOYEE DIVERSITY & INCLUSION

Procurri believes diversity and inclusion:

- ARE IMPERATIVE TO OUR BUSINESS
- DRIVE OUR BUSINESS RESULTS
- HELP ATTRACT, RECRUIT, ENGAGE, AND RETAIN A DIVERSIFIED TEAM OF BUSINESS TALENT
- RECOGNISING THAT ALL INDIVIDUALS ARE UNIQUE IN NATIONALITY, RELIGION, RACE, CULTURE, GENDER, EDUCATION, EXPERIENCE BELIEF, AND IDEAS
- ENABLE OURSELVES TO LEVERAGE AND VALUE EMPLOYEES' DIFFERENCES, BELIEVING THIS VIRTUE WILL LEAD TO GREATER INNOVATION AND CREATIVITY CRUCIAL TO BUSINESS RESULTS

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.

TABLE 5: GROUP DIVERSITY AND EMPLOYEE REPRESENTATION

	2018		2019		2020	
ITEM	NUMBER OF EMPLOYEES	PERCENTAGE	NUMBER OF EMPLOYEES	PERCENTAGE	NUMBER OF EMPLOYEES	PERCENTAGE
GENDER OF EMPLOYEES[6]						
Male	294	73%	310	74%	310	76%
Female	107	27%	104	26%	99	24%
AGE DIVERSITY						
Under 30	114	28%	125	28%	98	24%
30 – 50	216	54%	218	54%	231	56%
Over 50	71	18%	71	18%	83	20%

[6] *3 employees from Procurri LLC did not specify their gender.*

Employee development is important and Procurri recognises that regular performance reviews and training help keep staff motivated and the company successful. To this end, annual appraisals are conducted, coupled with monthly sales meetings. The Europe office was re-certified as an Investors in People employer in 2019, which is a standard in leadership development and performance evaluation.

TABLE 6: EMPLOYEE DEVELOPMENT

	2018		2019		2020	
ITEM	NUMBER OF EMPLOYEES	PERCENTAGE	NUMBER OF EMPLOYEES	PERCENTAGE	NUMBER OF EMPLOYEES	PERCENTAGE
EMPLOYEE DEVELOPMENT						
Percentage of employees receiving regular performance and career development reviews	349	87%	325	79%	375	91%
Employee groups not receiving reviews	82	19%	171	34%	105	22%

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

TABLE 7: EMPLOYEE TRAINING[7]

EMPLOYEE DEVELOPMENT	2018	2019	2020[7]
Hours of training given	1661	2266	1158.5
Hours of training received per employee	10.2	5.47	2.81

[7] *The decrease in hours of training given was due to reduced operations and activities due to the COVID-19 pandemic.*

All sites have collected data on number of training per employee in 2020 whereas only the UK (EMEA) data was reported 2017 and 2018. However, employee training hours were reduced due to the COVID-19 pandemic restrictions and reduced operations.

SUSTAINABILITY **REPORT**

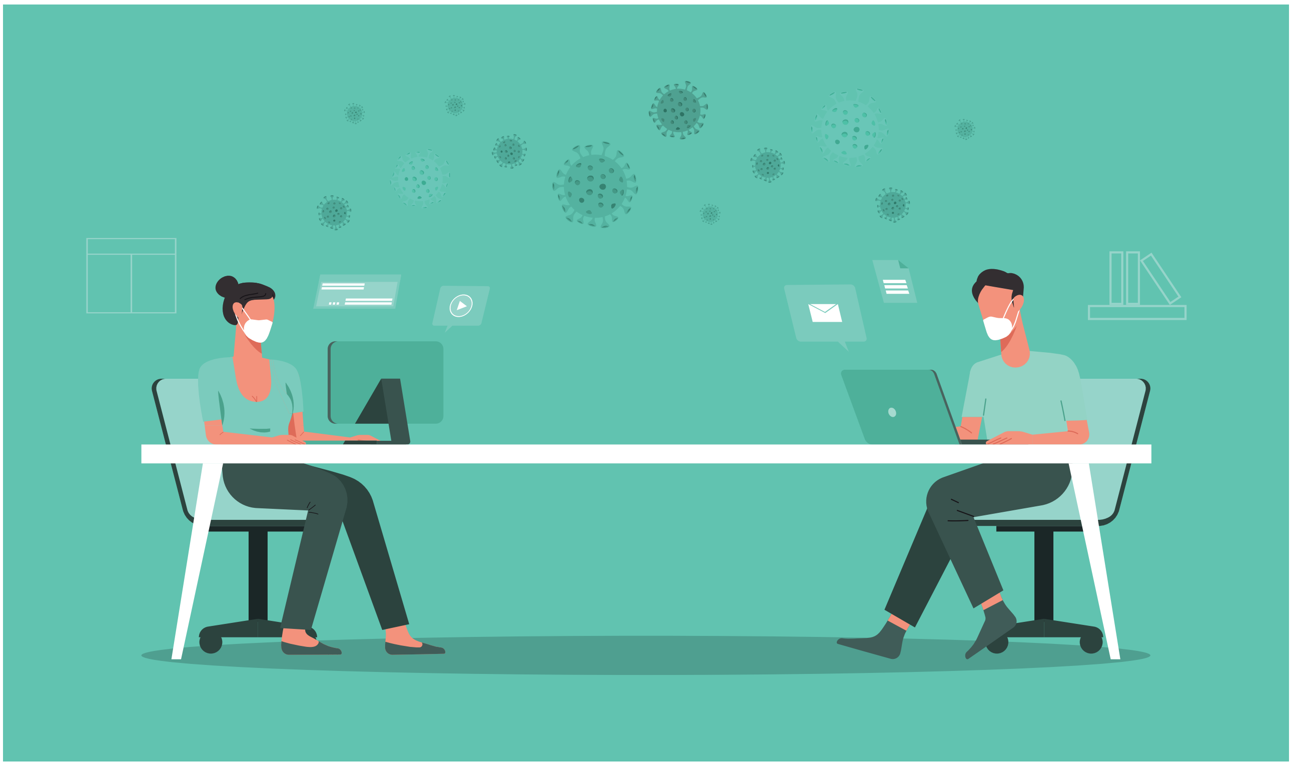
HEALTH & SAFETY

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

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

TABLE 8: GROUP HEALTH AND SAFETY

	2018		2019		2020	
ITEM	NUMBER OF EMPLOYEES	PER 100 STAFF	NUMBER OF EMPLOYEES	PER 100 STAFF	NUMBER OF EMPLOYEES	PER 100 STAFF
Recorded injuries	4	1.0	5	1.2	0	0
Exposure to hazardous substances	0	0	0	0	0	0
Recorded injuries off company premises	0	0	0	0	0	0
Exposure to hazardous substances off company premises	0	0	0	0	0	0



SOCIAL ENGAGEMENT

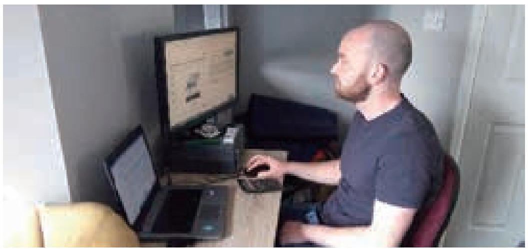
Procurri has traditionally participated in various local community initiatives, However, our community engagement initiatives were reduced or suspended in FY2020 due to the Covid-19 Pandemic. These precautionary steps were taken to ensure we minimise any risks to our employees' as well as the wider communities' safety and welfare. Separately, social and economic disruptions incurred by the pandemic have shifted our focus to our own employees, ensuring they were properly supported throughout 2020.

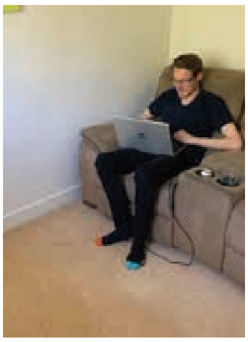
Procurri invoked its business continuity and management plan in all regions as lockdowns were imposed by Governments. Several key initiatives undertaken were local risk assessments, staff education surrounding Covid-19, alterations to working patterns being implemented to ensure space to practise social distancing at the workplace along with identifying vulnerable employees or those employees who were carers for vulnerable family members. Support packages were put in place to help those identified as vulnerable. We have also topped up salaries whilst taking advantage of local in country government based support packages also.

Staff that were able to work remotely were tooled to do so including the provision of laptops and remote IT support to help them work from home. Those that could only work within the buildings were placed onto shift patterns with all premises having hand sanitisation stations and educational literature displayed to help prevent the spread of Covid-19. Terms and rules of working from home are detailed in our reviewed Homeworking Policy.

Regular communication by the business to all employees was and still is maintained. They are delivered through a variety of mediums including – regular calls and teams conversations, update e-mails, face to face where possible and newsletters.

Procurri gradually allowed employees to return to offices depending on different geographies' pandemic situations. We have also allowed social engagement activities where and when legally allowed and safe.





1 Food Drive

2 Procurri EMEA returns to the gym

1. Procurri Singapore organised a food drive early 2020 prior to Pandemic.
2. Procurri EMEA subsidised gym and fitness sessions as well as hosted staff lunches.

SUSTAINABILITY REPORT

APPENDIX

CALCULATING GREENHOUSE GAS EMISSIONS

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

8 Global Warming Potential (GWP) is the ratio of the warming of the atmosphere caused by one substance to that caused by a similar mass of carbon dioxide, which is assigned a reference value of 1.

9 The Intergovernmental Panel on Climate Change (IPCC) is a scientific intergovernmental body set up by the World Meteorological Organisation (WMO) and by the United Nations Environment Programme (UNEP) with a mandate to provide an objective source of information about climate change

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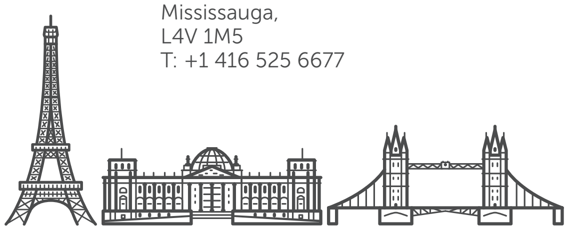

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GOVERNANCE REPORT

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

The Group adopts practices based on the Code of Corporate Governance 2018 (the "**Code**") issued on 6 August 2018. This report shall reference the principles and provisions laid down in the Code and accompanying Practice Guidance issued in August 2018, which forms part of the continuing obligations of the Listing Rules of the 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 functions are to:

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

(b) oversee 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) identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;

(d) oversee 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) assume responsibility for corporate governance;

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

(g) consider sustainability issues as part of its strategic formulation.

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*>

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1.3 To assist the Board in the execution of its responsibilities, the Board has constituted various Board committees, namely the Audit Committee, the Nominating Committee, the Remuneration Committee and the Strategy Committee (collectively, the "**Board Committees**"). The role and function of each Board Committee is described in subsequent sections in this report. 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. In FY2020, the Directors had three (3) ad-hoc meetings and numerous informal discussions.

The number of Board and Board Committee meetings, and the record of attendance of each director for FY2020 are set out below:

	Board		Remuneration Committee ("RC")		Nominating Committee (NC")		Audit Committee (AC")		Strategy Committee ("SC")		Annual General Meeting ("AGM")	
	No. of meetings		No. of meetings		No. of meetings		No. of meetings		No. of meetings		No. of meetings	
Name	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Thomas Sean Murphy	4	4	2	2*	1	1*	4	4*	1	1	1	1
Mr Edward John Flachbarth	4	4	2	2*	1	1*	4	4*	1	1	1	1
Mr Ng Loh Ken Peter	4	4	2	2	1	1	4	4	–	–	1	1
Mr Wong Quee Quee, Jeffrey	4	4	2	2	1	1	4	4	–	–	1	1
Mr Loke Wai San	4	4	2	2	1	1	4	4	1	1	1	1
Dr Lim Puay Koon^	4	3	2	1	–	–	4	3	1	1	–	–

Notes:

* Attended as invitees.

^ Dr Lim Puay Koon appointed as a director on 1 April 2020. Dr Lim Puay Koon has attended all relevant Board and Board Committee meetings since his appointment.

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>*

GOVERNANCE **REPORT**

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 and 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. <*Provision 1.3*>

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

1.12 Each Board Committee is constituted with clear terms of reference to assist the Board and Board Committee 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 As the Chairman of the Board (the "**Chairman**") and the Global Chief Executive Officer (the "**Global CEO**") of the Company are the same person, Mr Thomas Sean Murphy, the Board is required by the Code to have more than half of the Board made up of independent directors. The Board currently comprises six directors, three of whom are independent, non-executive directors and one of whom is a non-independent, non-executive director. The independent directors currently make up half of the Board and non-executive directors make up a majority of the Board. The Board deems the current independent directors competent as they are respected individuals from different backgrounds whose core competencies, qualifications, skills and experiences are extensive and complementary to the Company. As there is a strong independent and non-executive element on the Board and given the size of the Board, the Board is of the view that it is not 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 Thomas Sean Murphy	(Executive Chairman and Global CEO)
Mr Edward John Flachbarth	(Executive Director)
Mr Ng Loh Ken Peter	(Lead Independent Director)
Mr Wong Quee Quee, Jeffrey	(Independent Director)
Dr Lim Puay Koon	(Independent Director)
Mr Loke Wai San	(Non-Independent, Non-Executive Director)

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

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

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

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

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

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

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

GOVERNANCE **REPORT**

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 CEO roles in the Company are assumed by Mr Thomas Sean Murphy. The Board is of the view that the accountability and independence of the Board as a whole has not been compromised despite the Chairman and Global CEO being the same person, taking into consideration that a majority of the Board is comprised of non-executive directors, with half of the Board being independent directors who have demonstrated their commitment in their roles. The Chairman and Global CEO have defined responsibilities which, during his tenure so far, have not conflicted with each other. 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 Board will continue to evaluate whether separation of the role of the Chairman and the CEO is necessary.

3.3 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.

3.4 The Board has appointed Mr Ng Loh Ken Peter as the lead independent director. The lead independent director is available to shareholders where they have concerns for which contact through the normal channels of the Chairman, the Global CEO or the Chief Financial Officer (the "**CFO**") has failed to resolve such concerns or for which such contact is not appropriate. *<Provision 3.3>*

BOARD MEMBERSHIP

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

4.1 The NC comprises:

Mr Wong Quee Quee, Jeffrey	(Chairman and Independent Director)
Mr Ng Loh Ken Peter	(Member and Lead Independent Director)
Dr Lim Puay Koon	(Member and Independent Director)
Mr Loke Wai San	(Member and Non-Independent, Non-Executive Director)

All members of the NC are non-executive directors, the majority of whom, including the NC Chairman, are independent. The lead independent director is one of the members of the NC. *<Provision 4.2>*

GOVERNANCE REPORT

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

At the forthcoming AGM, Mr. Wong Quee Quee, Jeffrey and Mr. Loke Wai San will retire pursuant to Regulation 117.

Mr. Wong Quee Quee, Jeffrey and Mr. Loke Wai San, both being eligible, have offered themselves for re-election. The information of both Mr. Wong Quee Quee, Jeffrey and Mr. Loke Wai San 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 paragraph 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 FY2020. <*Provision 4.5*>

4.5 The Board does not encourage the appointment of alternate directors. No alternate director has been appointed to the Board.

4.6 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.

4.7 The following sets forth the respective dates of appointment and the dates of last re-election, as well as the current memberships in the Board Committees, of each director:

Name of Directors and Board Membership	Date of First Appointment	Date of Last Re-Election	Audit Committee	Remuneration Committee	Nominating Committee	Strategy Committee
Thomas Sean Murphy *Chairman and Global CEO*	2 January 2014	17 June 2020	–	–	–	Chairman
Edward John Flachbarth *Executive Director and Global President*	27 April 2017	17 June 2020	–	–	–	Member
Ng Loh Ken Peter *Lead Independent Director*	27 June 2016	29 April 2019	Chairman	Member	Member	–
Wong Quee Quee, Jeffrey *Independent Director*	27 June 2016	29 April 2019	Member	Chairman	Chairman	–
Lim Puay Koon *Independent Director*	1 April 2020	17 June 2020	Member	Member	Member	Member
Loke Wai San *Non-Independent Non-Executive Director*	29 April 2019	–	Member	Member	Member	Member

The Board proposes to reconstitute the Remuneration Committee after the forthcoming AGM as follows: Lim Puay Koon (Chairman), Wong Quee Quee, Jeffrey (Member) and Loke Wai Sai (Member). Ng Loh Ken, Peter will step down as a member of the Remuneration Committee to focus on his roles as lead independent director, Chairman of the Audit Committee and Member of the Nominating Committee.

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 and chairmanships both present and those held over the preceding three years in other listed companies.

Additional Information on Directors Seeking Re-Election and Appointment

4.8 Pursuant to Rule 720(6) of the Listing Rules, the information relating to the directors who are 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
	Wong Quee Quee, Jeffrey	**Loke Wai San**
Date of Appointment	27 June 2016	29 April 2019
Date of last re-appointment (if applicable)	29 April 2019	–
Age	45	52
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 Nominating Committee, 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 Non-Executive Director of the Company.	The Board, having considered the recommendation of the Nominating Committee, and assessed Mr. Loke's qualifications and experience, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as a Non-Independent Non-Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Independent Non-Executive Director	Non-Independent Non-Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, Chairman of Nominating and Remuneration Committees and Member of the Audit Committee * Immediately following the Company's AGM on 29 April 2021, the Board will change the Remuneration Committee Chairman to Lim Puay Koon (Independent Director) and Wong Quee Quee, Jeffrey will remain as a member of the Remuneration Committee.	Non-Independent Non-Executive Director, Member of Audit, Nominating, Remuneration and Strategy Committees
Working experience and occupation(s) during the past 10 years	Dec 2017 – Present: CEO, SooChow CSSD Capital Markets (Asia) Pte. Ltd. Jul 2010 – Nov 2017: Head of Investment Banking, Religare Capital Markets Corporate Finance Pte. Limited	Oct 2010 – Present: Founder and CEO, Novo Tellus Capital Partners Pte Ltd

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	Re-election	Re-election
	Wong Quee Quee, Jeffrey	**Loke Wai San**
Shareholding interest in Procurri Corporation Limited and its subsidiaries	Yes	Yes
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
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to Procurri Corporation Limited	Yes	Yes
Past (for the last 5 years)	Libra Group Limited Religare Capital Markets Corporate Finance Pte. Limited Bartleet Wealth Management (Private) Limited Honestbee Pte. Ltd. Solum Capital Limited The Cub SG Pte. Ltd. Sunstone Capital Markets Pte. Ltd. Rich Capital Holdings Limited	Accellion Inc. Luxim Corporation Inc. Luma International Holdings Pte Ltd The Novo Tellus Group Novoflex Pte. Ltd. Smartflex Technology Pte Ltd Smartflex Innovation Pte. Ltd.
Present	Procurri Corporation Limited GKE Corporation Limited Soochow CSSD Capital Markets (Asia) Pte. Ltd. Other Principal Commitments: – Member of Management Corporation Strata Title 3682 – Assistant Honorary Secretary General of Singapore Judo Federation – Special Council Member of Hwa Chong Alumni Association	AEM Holdings Ltd Novo Tellus Capital Partners Pte Ltd Afore Oy Sunrise Technology Investment Holding (Cayman) Pte Ltd Sunrise Technology Investment Holding Pte. Ltd. Integrated Circuits Pte. Ltd. New Earth Group Ltd. New Earth Group 2 Ltd. Procurri Corporation Limited Enterprise Singapore

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		Re-election	Re-election
		Wong Quee Quee, Jeffrey	**Loke Wai San**
(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?	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.	No
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

GOVERNANCE REPORT

		Re-election	Re-election
		Wong Quee Quee, Jeffrey	Loke Wai San
(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
(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

			Re-election	Re-election
			Wong Quee Quee, Jeffrey	**Loke Wai San**
(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
			Wong Quee Quee, Jeffrey	**Loke Wai San**
	(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,	Yes 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 Monetary Authority of Singapore (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 Singapore Securities and Futures Act to ensure that its financial resources do not fall below its total risk requirement. In July 2017, the Authority discovered another breach of the SF(FRM)R by RCMCF. 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 time.	No
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		No	No
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?		No	No

Disclosure applicable to the appointment of Director only.

Any prior experience as a director of a listed company?	N/A	N/A
If yes, please provide details of prior experience.	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.	N/A	N/A
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

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 FY2020, the Board is of the view that the Board and its Board Committees operate effectively, and each director is contributing to the overall effectiveness of the Board. <*Provision 5.1*>

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

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

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

5.5 There was no external consultant involved in the Board evaluation process in FY2020. <*Provision 5.2*>

GOVERNANCE **REPORT**

(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:

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 Loke Wai San	(Member and Non-Independent, Non-Executive Director)

All members of the RC are non-executive directors, the majority of whom, 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 FY2020, the RC did not seek the service of an external remuneration consultant. <*Provision 6.4*>

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 executive 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 made in consultation with the Chairman and submitted for endorsement by the entire Board. <Provision 7.1 and 7.3>

7.2 The Company has in place the long-term incentive schemes, including the ESOS and the PSP, that serve to motivate and reward the executive directors and key management personnel, and better align their interests with that of the Company. The Company has not granted share options under the ESOS so far. As at 31 December 2020, the Company has granted a total of 1,540,500 share awards pursuant to the PSP. The table below shows the share awards granted pursuant to the PSP during FY2020:

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
12 May 2020	1,540,500	0.275	1,540,500

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 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 Thomas Sean Murphy's and Mr Edward John Flachbarth's current service agreements with the Company ends on on 31 December 2023 and 30 June 2022 respectively. Each of their service agreements is renewable thereafter as may be agreed between the Company and the respective executive director. The remuneration packages of the executive directors under each of their respective service agreements 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 3 calendar years. Both the on-Target STI and LTI are conditional on certain Profit Before Tax ("**PBT**") and/or Objectives and Key Results ("**OKR**") 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 directors. The executive directors have been granted severance payments which are only payable to them for loss of office under certain specific circumstances.

8.2 The remuneration of the executive directors 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*>

8.3 A breakdown showing the level and mix of each individual director's remuneration paid/payable for FY2020 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$750,000 to below S$1,000,000**					
Mr Thomas Sean Murphy	64	–	–	36	100
(ii) **S$500,000 to below S$750,000**					
Mr Edward John Flachbarth	85	–	–	15	100
(iii) **Below S$250,000**					
Mr Ng Loh Ken Peter	–	–	100	–	100
Mr Wong Quee Quee, Jeffrey	–	–	100	–	100
Mr Loke Wai San	–	–	100	–	100
Dr Lim Puay Koon[3]	–	–	100	–	100

Note:
(1) Includes fixed allowances.
(2) Includes fair value of the awards under PSP for FY2020 vested during the year on or before 31 December 2020.
(3) Director fees pro-rated from 1 April 2020.

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 or the Global CEO) of the Group. For FY2020, the remuneration bands (including any bonuses, allowances, options and share-based incentives) of each of the top 5 key executives (who are not directors or the Global CEO) of the Group are provided below: <*Provision 8.1*>

Remuneration bands	Number of Executives
S$500,000 to S$749,999[1]	2
S$250,000 to S$499,999[1]	3

Note:

(1) Included employers' CPF and fair value of the awards under the PSP for FY2020 vested during the year on or before 31 December 2020.

The total remuneration, in aggregate, paid to the top 5 key executives of the Group (who are not directors or the Global CEO) for FY2020 is approximately S$2,388.00.

8.5 The Company does not have any employees who are substantial shareholders of the Company, or are immediate family members of a director, the Global CEO or substantial shareholder of the Company, and whose remuneration exceeds S$100,000 in FY2020.

(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*>

GOVERNANCE REPORT

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 the management, the Board and Board Committees; and

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

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

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

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

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 Loke Wai San	(Member and Non-Independent, Non-Executive Director)

All members of the AC are non-executive directors, the majority of whom, 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.

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. The Management grants full cooperation and resources to enable the AC to discharge its functions properly.

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

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

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

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

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

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

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

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

(h) reviewing the scope and results of the internal audit procedures, the implementation of recommendations by internal auditors, and at least annually, the independence, 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*>

GOVERNANCE **REPORT**

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 Rule 712, 715 and 716 of the Listing Rules.

The AC has reviewed the independence of the external auditors 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 auditors of the Company and other member firms of EY Global in FY2020 are tabulated in the table below:

Fees Paid and Payable	S$	%
Audit Services	580,700	96.35
Non-Audit Services	22,000	3.65
Total	602,700	100.00

The non-audit fees were mainly in relation to tax returns compliance services, other tax advisory services and fees relating to services rendered by the external auditors of the Company for the proposed acquisition of the Company's third-party maintenance business by Park Place Technologies, LLC. 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 FY2020 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 FY2020 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>*

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

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 auditors, and were reviewed by the AC:

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

Internal Audit *<Provision 10.4>*

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

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

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

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

10.15 The GIA comprises an individual, Mr. Nicholas Chan Kin Yaw ("**Mr. Chan**"), who has been with the Company since 22 May 2017. Mr. Chan has over 10 years of 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.

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 Management and its external Auditors and GIA and report to the Board annually. Where material weaknesses are identified by the Board or 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 FY2020 until the date of this Annual Report.*<Rule 1207 (10) and Rule 1207 (10C) of Listing Manual>*

GOVERNANCE
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(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 The Company ensures that timely and adequate disclosure of information on matters of material impact on the Company are made to shareholders of the Company, in compliance with the requirements set out in the Listing Rules.

11.2 Shareholders are given the opportunity 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. As the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement absentia voting methods at general meetings. <*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. For the AGM held in FY2020, all six (6) directors (including the Chairman, independent directors and the chairman of all the Board committees) attended the meeting. <*Provision 11.3*>

11.6 Minutes of the general meetings are made available to shareholders upon their request. Since FY2018, the minutes of the general meetings are publicly available on the Company's website. <*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 FY2020 as the Group wishes to reserve funds for the future business development and expansion of the Group.

In light of the Covid-19 pandemic, the forthcoming AGM will be held via electronic means as was the case for the previous AGM held on 17 June 2020. The description above sets out the Company's usual practice when there are no pandemic risks and the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debentures Holders) Order 2020 (Emergency Legislation) is not in operation. For the forthcoming AGM, shareholders will not be able to attend the AGM in person, but they may observe the proceedings of the AGM by audio or audio-visual means. Shareholders may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM. Shareholders may submit questions relating to the business of the meeting in advance. Please refer to the Notice of AGM of the forthcoming AGM for more information.

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. The Company has in place an investor relations policy which promotes the timely dissemination of relevant information to the Company's shareholders and prospective investors to enable them to make well-informed investment decisions and to ensure a level playing field. The policy is available at the Company's website at the Investor Relations section. *<Provision 12.1>*

12.2 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>*

12.3 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.

12.4 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 Global CEO and the CFO, are typically present in these briefings. The results announcements and the analyst briefing presentations are all published on SGXNET and are also made available on the Company's website, www.procurri.com *<Provision 12.2>*

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

(E) ENGAGEMENT WITH STAKEHOLDERS

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

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

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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 agreements between the executive directors, there were no material contracts entered into by the Company and any of its subsidiaries involving the interests of the Global CEO, any director or controlling shareholders, either still subsisting at the end of FY2020 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 two weeks immediately preceding the announcement of the Company's results for each of the first three quarters of the financial year, or during the period commencing one month immediately preceding the announcement of the Company's full-year results, 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 on 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.

There was no interested person transactions for FY2020.

GOVERNANCE REPORT

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

The Company received net proceeds (after deducting IPO expenses of approximately S$3.8 million) from the IPO of approximately S$34.8 million (the "**Net Proceeds**"). As at the date of this Annual Report, the Net Proceeds have been utilised as follows:

Use of Proceeds	Amount S$ '000	Net Proceeds utilised S$ '000	Net Proceeds unutilized S$ '000
Merger and acquisitions, joint ventures and partnerships strategy	20,089	17,800	2,289
Enhancement of infrastructure	1,911	1,911	–
Repayment of the DeClout loans	6,081	6,081	–
Working capital purposes – Funding of capital injection into Procurri (Beijing) Co., Ltd – S$700,000 – Meeting trade expenses – S$500,000 – Meeting operating and other expenses – S$1,544,000 – Procurri maintenance parts for the liftcycle services business of the Group – S$4,000,000	6,744	6,744	–
Total	34,825	32,536	2,289

The Company will make further announcements on the use of the balance Net Proceeds as and when such Net Proceeds are disbursed.

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 2020.

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 2020 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:

Thomas Sean Murphy
Edward John Flachbarth
Ng Loh Ken Peter
Wong Quee Quee, Jeffrey
Loke Wai San
Lim Puay Koon

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, Chapter 50 ("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 2021**	**At beginning of the financial year or date of appointment**	**At end of the financial year**	**At end of 21 January 2021**
The Company						
Ordinary shares						
Thomas Sean Murphy	9,784,811	10,357,911	10,357,911	–	–	–
Edward John Flachbarth	9,359,856	9,734,156	9,734,156	–	–	–
Ng Loh Ken Peter	137,600	272,600	272,600	–	–	–
Wong Quee Quee, Jeffrey	123,800	245,800	245,800	–	–	–
Lim Puay Koon	–	–	–	–	–	–
Loke Wai San	–	–	–	36,319,978	57,402,978	57,402,978
Share awards granted under Procurri Performance Share Plan						
Thomas Sean Murphy	412,800	374,200	374,200	–	–	–
Edward John Flachbarth	–	290,200	290,200	–	–	–
Ng Loh Ken Peter	135,000	–	–	–	–	–
Wong Quee Quee, Jeffrey	122,000	–	–	–	–	–

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.

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:

– Wong Quee Quee, Jeffrey (Chairman of the RC and the Nominating Committee ("NC") and independent and non-executive director)

– Ng Loh Ken Peter (Chairman of the AC (as defined below) and lead independent and non-executive director)

– Lim Puay Koon (Independent and non-executive director)

– Loke Wai San (Non-independent and non-executive director)

DIRECTORS' **STATEMENT**

Share options and awards (Continued)

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

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
2019	412,800	395,000	–	138,000	669,800
2020	**669,800**	**1,540,500**	**1,131,600**	**–**	**1,078,700**

The Company has granted 1,540,000 shares under the Procurri PSP on 12 May 2020. A total of 1,131,600 number of shares have been vested in the financial year ended 31 December 2020.

Share options and awards (Continued)

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 since the start of the plan to end of year**	**Aggregate number of shares comprised in awards outstanding as at end of year**
Directors					
Thomas Sean Murphy	1,790,500	534,500	1,416,300	–	374,200
Edward John Flachbarth	1,326,500	414,500	692,300	344,000	290,200
Ng Loh Ken Peter	272,600	–	272,600	–	–
Wong Quee Quee, Jeffrey	245,800	–	245,800	–	–
Lim Puay Koon	–	–	–	–	–

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:

- Ng Loh Ken Peter (Chairman of the AC (as defined below) and lead independent and non-executive director)
- Wong Quee Quee, Jeffrey (Chairman of the RC and the NC and independent and non-executive director)
- Lim Puay Koon (Independent and non-executive director)
- Loke Wai San (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).

DIRECTORS' STATEMENT

Share options and awards (Continued)

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

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 2019 and 2020.

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 RC and the NC and independent and non-executive director)
- Lim Puay Koon (Independent and non-executive director)
- Loke Wai San (Non-independent and non-executive director)

The AC carried out its functions in accordance with the Companies Act, 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.

DIRECTORS' STATEMENT

Auditor

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

On behalf of the board of directors,

Thomas Sean Murphy
Director

Edward John Flachbarth
Director

26 March 2021

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 2020, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (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 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Key Audit Matters (Continued)

Revenue Recognition

The Group recognized revenue from sale of goods of $156,211,000 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 2020, the net carrying value of the goodwill is $11,656,000, which represents 43% of the total non-current assets and 22% of total equity. As disclosed in Note 15 to the financial statements, goodwill is allocated to two cash generating units ("CGUs"), Procurri Europe Limited ("PEL") and Procurri Malaysia Sdn Bhd ("PMY"). During the year ended 31 December 2020, management recognized impairment loss of $350,000 on goodwill allocated to PMY.

The net carrying value of the Company's cost of investment in subsidiaries amounted to $44,323,000 as at 31 December 2020. Management recognized impairment loss of $428,200 on cost of investment in PMY during the year 31 December 2020.

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

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

Key Audit Matters (Continued)

Impairment Assessment of Trade Receivables

The Group's trade receivable balances were significant as they represent 31% 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 $33,499,000 and $1,716,000 respectively as at 31 December 2020. 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, including the impact COVID-19 may have on the debtors' businesses. 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 and the related allowance to write-down to net realizable value ("NRV") amounted to $26,035,000 and $7,355,000 respectively as at 31 December 2020. 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 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.

Key Audit Matters (Continued)

Other Information (Continued)

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- 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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Yeow Hui Cheng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
26 March 2021

CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group	
		2020 $'000	2019 $'000
Revenue	4	**233,467**	221,289
Cost of sales		**(168,722)**	(143,185)
Gross profit		**64,745**	78,104
Other items of income			
Other income	5	**6,103**	1,130
Other credits	8	**188**	255
Other items of expense			
Selling expenses		**(20,970)**	(17,993)
Administrative expenses		**(43,032)**	(54,320)
Finance costs	7	**(1,108)**	(1,497)
Other charges	8	**(1,895)**	(942)
Profit before tax	9	**4,031**	4,737
Income tax expense	10	**(1,335)**	(962)
Profit for the year		**2,696**	3,775
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		**271**	267
Other comprehensive income for the year		**271**	267
Total comprehensive income for the year		**2,967**	4,042
Profit for the year attributable to:			
Owners of the Company		**2,696**	3,775
Total comprehensive income attributable to:			
Owners of the Company		**2,967**	4,042
Earnings per share attributable to owners of the Company (cents per share)			
Basic	11	**0.92**	1.33
Diluted	11	**0.92**	1.30

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

BALANCE SHEETS

AS AT 31 DECEMBER 2020

	Note	Group		Company	
		2020 $'000	2019 $'000	2020 $'000	2019 $'000
ASSETS					
Non-current assets					
Plant and equipment	12	**2,957**	13,005	**8**	11,808
Right-of-use assets	13	**7,004**	9,508	**306**	523
Investment in subsidiaries	14	**–**	–	**44,323**	44,387
Intangible assets	15	**12,528**	13,687	**–**	520
Finance lease receivables	16	**210**	864	**–**	–
Deferred tax assets	10	**4,233**	4,275	**325**	749
		26,932	41,339	**44,962**	57,987
Current assets					
Inventories	17	**26,035**	26,354	**–**	–
Trade and other receivables	18	**34,564**	51,214	**27,815**	17,247
Prepayments	19	**9,186**	13,375	**17**	20
Finance lease receivables	16	**299**	500	**–**	–
Cash and bank balances	20	**32,700**	17,132	**4,753**	5,847
		102,784	108,575	**32,585**	23,114
Total assets		**129,716**	149,914	**77,547**	81,101
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	21	**27,206**	46,680	**2,360**	4,620
Deferred income	22	**16,197**	25,386	**–**	–
Loans and borrowings	23	**16,232**	11,230	**1,322**	2,694
Lease liabilities	13	**2,876**	2,483	**220**	214
Income tax payable		**1,154**	1,580	**1,195**	1,133
		63,665	87,359	**5,097**	8,661
Net current assets		**39,119**	21,216	**27,488**	14,453
Non-current liabilities					
Deferred tax liabilities	10	**67**	63	**–**	–
Loans and borrowings	23	**4,796**	5,463	**–**	1,347
Lease liabilities	13	**5,191**	7,826	**93**	313
Provisions	24	**815**	681	**65**	65
Deferred income	22	**2,679**	1,822	**–**	–
		13,548	15,855	**158**	1,725
Total liabilities		**77,213**	103,214	**5,255**	10,386
Net assets		**52,503**	46,700	**72,292**	70,715
Equity attributable to owners of the Company					
Share capital	25	**74,541**	71,703	**74,541**	71,703
Retained earnings/(accumulated losses)		**24,638**	21,942	**(2,445)**	(1,184)
Other reserves	26	**(46,676)**	(46,945)	**196**	196
		52,503	46,700	**72,292**	70,715
Non-controlling interests*		**–**	–	**–**	–
Total equity		**52,503**	46,700	**72,292**	70,715
Total equity and liabilities		**129,716**	149,914	**77,547**	81,101

* Less than $1,000

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 2020

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 2020	**71,703**	**21,942**	**(46,945)**	**46,700**	**46,700**
Total comprehensive income for the financial year	**–**	**2,696**	**271**	**2,967**	**2,967**
Contributions by and distributions to owners					
Issuance of new shares pursuant to performance shares plan	**324**	**–**	**(324)**	**–**	**–**
Shares issued for acquisition of non-controlling interest	**2,544**	**–**	**–**	**2,544**	**2,544**
Share issuance expense	**(30)**	**–**	**–**	**(30)**	**(30)**
Share-based payment	**–**	**–**	**322**	**322**	**322**
	2,838	**–**	**(2)**	**2,836**	**2,836**
Closing balance at 31 December 2020	**74,541**	**24,638**	**(46,676)**	**52,503**	**52,503**
Opening balance at 1 January 2019	71,703	18,167	(20,829)	69,041	69,041
Total comprehensive income for the financial year	–	3,775	267	4,042	4,042
Contributions by and distributions to owners					
Share-based payment	–	–	120	120	120
Acquisition of non-controlling interests (Note 14)	–	–	(26,503)	(26,503)	(26,503)
Closing balance at 31 December 2019	71,703	21,942	(46,945)	46,700	46,700

Company	Share capital (Note 25) $'000	Accumulated losses $'000	Other reserves (Note 26) $'000	Total equity $'000
Opening balance at 1 January 2020	**71,703**	**(1,184)**	**196**	**70,715**
Total comprehensive income for the year	**–**	**(1,261)**	**2**	**(1,259)**
Contributions by and distributions to owners				
Issuance of new shares pursuant to performance shares plan	**324**	**–**	**(324)**	**–**
Shares issued for acquisition of non-controlling interest	**2,544**	**–**	**–**	**2,544**
Share issuance expense	**(30)**	**–**	**–**	**(30)**
Share-based payment	**–**	**–**	**322**	**322**
Closing balance at 31 December 2020	**74,541**	**(2,445)**	**196**	**72,292**
Opening balance at 1 January 2019	71,703	(972)	76	70,807
Total comprehensive income for the year	–	(212)	–	(212)
Contributions by and distributions to owners				
Share-based payment	–	–	120	120
Closing balance at 31 December 2019	71,703	(1,184)	196	70,715

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 2020

	Note	Group	
		2020	**2019**
		$'000	**$'000**
Cash flows from operating activities			
Profit before tax		**4,031**	4,737
Adjustments for:			
Depreciation of plant and equipment	12	**3,862**	7,995
Depreciation of right-of-use assets	13	**2,837**	2,388
Amortisation of intangible assets	15	**799**	728
Share-based payment	27	**322**	120
Unwinding of discount interest on post-closing payment	8	**–**	587
Fair value adjustment on financial liability	8	**(188)**	–
Impairment loss on goodwill	8	**350**	–
Interest income	5	**(67)**	(186)
Finance costs	7	**1,108**	1,497
Inventories written down	17	**7,355**	1,999
Impairment loss on trade and other receivables	8	**662**	355
Provisions	24	**123**	207
Exchange differences		**350**	(107)
Operating cash flows before changes in working capital		**21,544**	20,320
Decrease/(increase) in inventories		**543**	(3,485)
Decrease in trade and other receivables		**16,211**	505
Decrease in finance lease receivables		**856**	793
Decrease/(increase) in prepayments		**4,189**	(5,043)
(Decrease)/increase in deferred income		**(8,331)**	6,845
(Decrease)/increase in trade and other payables and provisions		**(5,603)**	1,591
Net cash generated from operations		**29,409**	21,526
Income taxes paid		**(1,930)**	(3,113)
Net cash generated from operating activities		**27,479**	18,413
Cash flows from investing activities			
Purchase of plant and equipment		**(1,381)**	(2,873)
Proceeds from disposal of plant and equipment		**–**	121
Proceeds from maturity of fixed deposits		**4,042**	1,418
Interest received		**67**	186
Net cash generated from/(used in) investing activities		**2,728**	(1,148)

CONSOLIDATED
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 $'000	2019 $'000
Cash flows from financing activities			
Share issuance expense		**(30)**	–
Proceeds from loans and borrowings		**154,520**	145,532
Repayments of loans and borrowings		**(150,092)**	(141,821)
Payment of principal portion of lease liabilities		**(2,611)**	(2,174)
Acquisition of non-controlling interest		**(11,182)**	(16,271)
Interest paid		**(1,108)**	(1,497)
Net cash used in financing activities		**(10,503)**	(16,231)
Net increase in cash and cash equivalents		**19,704**	1,034
Effect of exchange rate changes on cash and cash equivalents		**(73)**	(84)
Cash and cash equivalents at beginning of the financial year		**11,623**	10,673
Cash and cash equivalents at end of the financial year (Note 20)		**31,254**	11,623

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 2020

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. Novo Tellus Capital Partners Private Ltd., with its co-investor, A.C.T. Holdings Pte Ltd, is the largest shareholder of the Group with a 29.62% stake.

The registered office and principal place of business of the Company is located at 29 Tai Seng Avenue, #02-01 Natural Cool Lifestyle Hub, Singapore 534119.

The principal activities of the Company are those of wholesale of computer hardware and peripheral equipment and investment holding. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual periods beginning on or after 1 January 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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) 9 *Financial Instruments*, SFRS(I) 1-39 *Financial Instruments: Recognition and Measurement*, SFRS(I) 7 *Financial Instruments: Disclosures*, SFRS(I) 16 *Leases*: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to SFRS(I) 1-16 *Property, Plant and Equipment*: Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 3 *Business Combinations*: Reference to the Conceptual Framework	1 January 2022
Amendments to FRS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation and business combinations (Continued)

(b) Business combinations and goodwill

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

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

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

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is 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 Transactions with non-controlling interests

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currency

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

(a) Transactions and balances

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

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

(b) Consolidated financial statements

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

2.7 Plant and equipment

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Plant and equipment (Continued)

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.

2.8 Intangible assets

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

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

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

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

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

Software	–	5 years
Technical know-how	–	5 years

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of non-financial assets

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

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

Impairment losses are recognised in profit or loss.

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

2.10 Subsidiaries

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

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

2.11 Financial instruments

(a) Financial assets

Initial recognition and measurement

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial instruments (Continued)

(a) Financial assets (Continued)

Subsequent measurement

Investments in debt instruments

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

(i) Amortised cost

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

(ii) Fair value through profit or loss

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

Derecognition

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial instruments (Continued)

(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.

2.12 Impairment of financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Impairment of financial assets (Continued)

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

2.13 Cash and cash equivalents

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

2.14 Inventories

Inventories 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 as follows:

– Computer equipments and peripherals: 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.

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.

2.15 Provisions

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Government grants

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

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

2.17 Borrowing costs

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

2.18 Employee benefits

(a) Defined contributions plan

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

(b) Share-based payments

Procurri PSP

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases

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

(a) As lessee

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

Right-of-use assets

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

Office premises – 2 – 10 years

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

Lease liabilities

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases (Continued)

(a) As lessee (Continued)

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.

2.20 Revenue recognition

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

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

(a) Sale of goods

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Revenue recognition (Continued)

(b) Rendering of services

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

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

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

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

(c) Equipment rental and leasing income

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

(d) Finder's fee

The Group acts as an agent to provide a service of arranging another party to transfer goods or services to a customer. The Group recognizes a commission fee as a facilitator of a transaction. Revenue from finder's fee is recognized when the Group's right to receive payment is established.

(e) 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.

In addition, the incremental costs of obtaining a contract are capitalised if these costs are recoverable. The Group has elected to apply the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred where the amortization period of the asset that would otherwise be recognized is one year or less.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Taxes

(a) Current income tax

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

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

(b) Deferred tax

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

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investment in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investment in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Taxes (Continued)

(b) Deferred tax (Continued)

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

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

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

(c) Sales tax

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

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

- Receivables and payables that are stated with the amount of sales tax included.

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

2.22 Share capital and share issuance expenses

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

2.23 Contingencies

A contingent liability is:

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Contingencies (Continued)

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 Judgements made in applying accounting policies

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

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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(a) Provision for expected credit losses of trade receivables (Continued)

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) Inventories write-down

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 inventories write-down 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 and the related allowance for write-down as at 31 December 2020 was $26,035,000 (2019: $26,354,000) and $7,355,000 (2019: $1,999,000) respectively.

(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 2020. Management assesses goodwill impairment annually. For cost of investment in subsidiaries, management performs an assessment to ascertain whether indicators of impairment are present. For impairment assessment, management uses a discounted cash flow model which involves significant judgement in estimating the recoverable values of these assets. Any shortfall of the recoverable values against the carrying amounts of these assets will be recognized as impairment losses. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These key assumptions applied in the determination of the value-in-use including a sensitivity analysis, are disclosed and further explained in Notes 14 and 15 to the financial statements.

The carrying amounts of the Group's goodwill and the Company's cost of investment in subsidiaries as at 31 December 2020 were disclosed in Note 15 and 14 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. REVENUE

(a) Disaggregation of revenue

	IT Distribution		Lifecycle Services		Total	
	2020	2019	2020	2019	2020	2019
	$'000	$'000	$'000	$'000	$'000	$'000
Major revenue stream						
Sale of goods	**156,211**	149,764	**–**	–	**156,211**	149,764
Rendering of services	**–**	–	**73,656**	67,757	**73,656**	67,757
Equipment rental and leasing	**–**	–	**3,600**	3,768	**3,600**	3,768
	156,211	149,764	**77,256**	71,525	**233,467**	221,289
Timing of transfer of goods or services						
At a point in time	**156,211**	149,764	**4,734**	10,774	**160,945**	160,538
Over time	**–**	–	**72,522**	60,751	**72,522**	60,751
	156,211	149,764	**77,256**	71,525	**233,467**	221,289

	2020	2019
	$'000	$'000
Primary geographical markets		
Singapore	**13,789**	23,036
Europe, the Middle East and Africa	**84,676**	71,009
Americas	**131,201**	123,276
Others	**3,801**	3,968
	233,467	221,289

(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.

Management has exercised judgement in applying the constraint on the estimated variable consideration that can be included in the transaction price. 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	
	2020	2019
	$'000	$'000
Capitalized contract costs (Note 19)	**1,067**	358
Deferred income	**18,876**	27,208

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. REVENUE (CONTINUED)

(c) Contract balances (Continued)

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

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

Significant changes in deferred income is explained as follows:

	Group	
	2020	**2019**
	$'000	**$'000**
Revenue recognized that was included in the deferred income balance at the beginning of the year	**25,386**	18,831

5. OTHER INCOME

	Group	
	2020	**2019**
	$'000	**$'000**
Interest income on:		
– Finance lease receivables	**33**	58
– Fixed deposits	**34**	128
Government grants	**5,425**	23
Sales of other ancillary services	**1**	706
Rental of carpark	**37**	11
Others	**573**	204
	6,103	1,130

Government grants mainly related to Paycheck Protection Program ("PPP") in United States, Jobs Support Scheme ("JSS") in Singapore and Coronavirus Job Retention Scheme in United Kingdom as support measures to relief operations affected by COVID-19 of $5,355,000.

Congress in United States established the PPP to provide relief to small businesses during the coronavirus pandemic as part of the US$2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act, P.L. 116-136. The PPP could spend to cover payroll, mortgage interest, rent, and utilities.

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

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

6. EMPLOYEE BENEFITS EXPENSE

	Group	
	2020	**2019**
	$'000	**$'000**
Salaries, allowances, bonuses and commissions	**49,017**	51,598
Contributions to defined contribution plan	**4,584**	3,666
Share-based payments (Note 27)	**322**	120
Other short-term benefits	**2,029**	4,707
	55,952	60,091

The employee benefits expense is charged under:

Administrative expenses	**27,745**	37,560
Cost of sales	**7,713**	5,631
Selling expenses	**20,494**	16,900
	55,952	60,091

7. FINANCE COSTS

	Group	
	2020	**2019**
	$'000	**$'000**
Interest expense on:		
– Bank loans, trade receivables factoring, and line of credit	**512**	883
– Lease liabilities (Note 13)	**596**	614
	1,108	1,497

8. OTHER CHARGES, NET

	Group	
	2020	**2019**
	$'000	**$'000**
Other charges		
Impairment loss on trade and other receivables (Note 18)	**(662)**	(355)
Impairment loss on goodwill	**(350)**	–
Unwinding of discount interest on post-closing payment (Note 14)	**–**	(587)
Foreign exchange loss, net	**(883)**	–
	(1,895)	(942)
Other credits		
Foreign exchange gain, net	**–**	255
Fair value adjustment on financial liability	**188**	–
Other charges, net	**(1,707)**	(687)

9. PROFIT BEFORE TAX

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

	Group	
	2020	**2019**
	$'000	**$'000**
Employee benefits expense (Note 6)	**55,952**	60,091
Operating lease expense	**855**	878
Depreciation of plant and equipment (Note 12)	**3,862**	7,995
Depreciation of right-of-use assets (Note 13)	**2,837**	2,388
Amortization of intangible assets (Note 15)	**799**	728
Professional fees	**1,492**	1,398
Director fees	**246**	306

10. INCOME TAX EXPENSE

Components of income tax expense

The major components of income tax expense for the financial years ended 31 December 2020 and 2019 are:

	Group	
	2020	**2019**
	$'000	**$'000**
Current income tax:		
Current income taxation	**(1,425)**	(1,413)
Over provision in respect of previous years	**136**	70
	(1,289)	(1,343)
Deferred income tax:		
Origination and reversal of temporary differences	**72**	(9)
(Under)/over provision in respect of previous years	**(118)**	120
Utilization of previously unrecognized deferred tax asset	**–**	270
	(46)	381
Income tax expense recognised in profit or loss	**(1,335)**	(962)

10. INCOME TAX EXPENSE (CONTINUED)

Components of income tax expense (Continued)

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2020 and 2019 is as follows:

	Group	
	2020 $'000	**2019 $'000**
Profit before tax	**4,031**	4,737
Tax at the domestic rates applicable to profit/(loss) in the countries where the Group operates	**(1,284)**	(748)
Non-deductible expenses	**(1,449)**	(1,136)
Income not subject to tax	**1,557**	384
Effect of partial tax exemption, tax incentives and tax relief	**–**	66
Over provision of income tax expense in respect of previous years	**136**	70
(Under)/over provision of deferred income tax expense in respect of previous years	**(118)**	120
Utilization of previously unrecognized deferred tax asset	**–**	270
Deferred tax assets not recognized	**(206)**	–
Effect of changes in tax rate	**–**	45
Others	**29**	(33)
Income tax expense recognised in profit or loss	**(1,335)**	(962)

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

	Group	
	2020 $'000	**2019 $'000**
Excess of net book value of plant and equipment over tax values	**36**	80
Tax benefit arising from acquisition of non-controlling interests	**(461)**	–
Unutilized tax losses	**59**	(21)
Unutilized capital allowances	**17**	–
Provisions	**446**	202
(Under)/over provision in respect of previous years	**(118)**	120
Others	**(25)**	–
Total deferred tax (expense)/credit recognised in profit or loss	**(46)**	381
Deferred tax credit recognised in equity includes:		
Acquisition of non-controlling interests	**–**	2,353

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10. INCOME TAX EXPENSE (CONTINUED)

Deferred tax balance in balance sheets:

	Group		Company	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**
Deferred tax assets/(liabilities)				
Tax benefit arising from acquisition of non-controlling interests	**1,892**	2,353	**–**	–
Excess of net book value of plant and equipment over tax values	**311**	275	**329**	555
Unutilized tax losses	**59**	–	**–**	–
Unutilized capital allowances	**17**	–	**17**	–
Unremitted foreign income	**(25)**	–	**(25)**	–
Provisions	**1,912**	1,584	**4**	194
	4,166	4,212	**325**	749
Presented in the balance sheets as follow:				
Deferred tax assets	**4,233**	4,275	**325**	749
Deferred tax liabilities	**(67)**	(63)	**–**	–
	4,166	4,212	**325**	749

Unrecognized temporary differences relating to investment in subsidiaries

The Group has not recognized deferred tax liability in respect of undistributed profits of subsidiaries because the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future. Such temporary differences for which no deferred tax liability has been recognized amounted to $35,720,000 (2019: $30,989,000). The deferred tax liability is estimated to be $3,654,000 (2019: $3,435,000).

Unrecognized tax losses

At the end of the reporting period, the Group has tax losses of approximately $1,356,000 (2019: $146,000) that are available for offset against future taxable profits of the Group in which the losses arose, for which no deferred tax assets is recognized due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation of the country in which the subsidiary operates.

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

At the end of the reporting period, the Group has unrecognized deferred tax assets of approximately $4,290,000 (2019: $4,235,000) arising from the acquisition of non-controlling interests (Note 14). From tax perspective, there is a step-up to the fair market value of the 49% non-controlling interests acquired, resulting in a difference between the tax base and accounting base. The Group has recognized $1,892,000 (2019: $2,353,000) of deferred tax assets as at 31 December 2020. The remaining deferred tax assets of $4,290,000 (2019: $4,235,000) are not recognized due to uncertainty of its recoverability.

11. EARNINGS PER SHARE

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

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

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

	2020 $'000	2019 $'000
Profit for the year attributable to owners of the Company	**2,696**	3,775

	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for earnings per share computation	**292,427**	284,689
Effect of dilutions:		
– Contingently issuable performance shares	**689**	670
– Contingently issuable shares on Post-Closing Payment	**–**	5,555
Weighted average number of ordinary shares for diluted earnings per share computation	**293,116**	290,914

	2020	2019
Earnings per share attributable to owners of the Company (cents per share)		
Basic	**0.92**	1.33
Diluted	**0.92**	1.30

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 2019	2,794	140	9,557	32,483	119	45,093
Additions	544	–	953	1,316	72	2,885
Disposals	–	–	(79)	(377)	–	(456)
Reclassification from inventories	(13)	–	(439)	(9,509)	–	(9,961)
Exchange differences	23	–	(68)	(8)	2	(51)
At 31 December 2019 and 1 January 2020	3,348	140	9,924	23,905	193	37,510
Additions	216	–	962	137	66	1,381
Reclassification to inventories*	–	–	–	(19,617)	–	(19,617)
Exchange differences	43	–	(140)	(7)	3	(101)
At 31 December 2020	3,607	140	10,746	4,418	262	19,173
Accumulated depreciation:						
At 1 January 2019	1,564	79	6,899	14,409	88	23,039
Depreciation charge for the year	674	–	1,648	5,657	16	7,995
Disposals	–	–	(55)	(277)	–	(332)
Reclassification to inventories	–	–	(745)	(5,407)	–	(6,152)
Exchange differences	13	–	(51)	(7)	–	(45)
At 31 December 2019 and 1 January 2020	2,251	79	7,696	14,375	104	24,505
Depreciation charge for the year	418	58	1,302	2,046	38	3,862
Reclassification to inventories*	–	–	–	(12,038)	–	(12,038)
Exchange differences	11	3	(114)	(13)	–	(113)
At 31 December 2020	2,680	140	8,884	4,370	142	16,216
Net book value:						
At 31 December 2019	1,097	61	2,228	9,530	89	13,005
At 31 December 2020	927	–	1,862	48	120	2,957

* The Group has reclassed the maintenance parts with an aggregate net book value of $9,529,000 to inventories. The reclassification of maintenance parts from plant and equipment to inventories is due to the business decision to hold the maintenance parts for both trading purpose and maintenance contracts.

12. PLANT AND EQUIPMENT (CONTINUED)

Company	Leasehold improvement $'000	Plant and equipment $'000	Maintenance parts $'000	Total $'000
Cost:				
At 1 January 2019	1,799	1,746	30,566	34,111
Additions	–	–	1,939	1,939
Transfer-out	–	–	(9,938)	(9,938)
At 31 December 2019 and 1 January 2020	1,799	1,746	22,567	26,112
Additions	–	–	244	244
Transfer-out*	–	–	(22,811)	(22,811)
At 31 December 2020	1,799	1,746	–	3,545
Accumulated depreciation:				
At 1 January 2019	1,179	1,613	10,735	13,527
Depreciation charge for the year	458	49	6,106	6,613
Transfer-out	–	–	(5,836)	(5,836)
At 31 December 2019 and 1 January 2020	1,637	1,662	11,005	14,304
Depreciation charge for the year	162	76	2,277	2,515
Transfer-out*	–	–	(13,282)	(13,282)
At 31 December 2020	1,799	1,738	–	3,537
Net book value:				
At 31 December 2019	162	84	11,562	11,808
At 31 December 2020	–	8	–	8

* The Company has transferred the maintenance parts with an aggregate net book value of $9,529,000 to its subsidiary, Rockland Congruity LLC.

The depreciation expense is charged under:

	Group 2020 $'000	Group 2019 $'000
Cost of sales	**2,480**	6,522
Administrative expenses	**1,382**	1,473
	3,862	7,995

Purchase of plant and equipment

During the financial year, the Group acquired plant and equipment with an aggregate cost of $1,381,000 (2019: $2,885,000), of which $Nil (2019: $12,000) is payable to the supplier as at 31 December 2020. The cash outflow on acquisition of property, plant and equipment amounted to $1,381,000 (2019: $2,873,000).

Assets leased out under operating leases

The carrying amount of plant and equipment of the Group leased out under operating leases as at 31 December 2020 is $60,000 (2019: $1,542,000).

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 recognized and the movements during the period:

	Group	
	2020	**2019**
	$'000	**$'000**
Office premises		
As at 1 January	**9,508**	6,605
Additions	**303**	5,050
Charge for the year	**(2,837)**	(2,388)
Exchange differences	**30**	241
As at 31 December	**7,004**	9,508

	Company	
	2020	**2019**
	$'000	**$'000**
Office premises		
As at 1 January	**523**	–
Additions	**–**	649
Charge for the year	**(217)**	(126)
Exchange differences	**–**	–
As at 31 December	**306**	523

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

	Note	Group	
		2020	**2019**
		$'000	**$'000**
At 1 January		**10,309**	7,530
Additions		**303**	5,050
Accretion of interest	7	**596**	614
Payments		**(3,207)**	(2,782)
Exchange differences		**66**	(103)
At 31 December		**8,067**	10,309
Current		**2,876**	2,483
Non-current		**5,191**	7,826
Total lease liabilities		**8,067**	10,309

13. LEASES (CONTINUED)

As a lessee (Continued)

	Company	
	2020	**2019**
	$'000	**$'000**
At 1 January	**527**	–
Additions	**–**	649
Accretion of interest	**12**	10
Payments	**(226)**	(132)
At 31 December	**313**	527
Current	**220**	214
Non-current	**93**	313
Total lease liabilities	**313**	527

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

Lease liabilities denominated in foreign currencies as at 31 December are as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
United States Dollars	**3,547**	4,751	**–**	–
Great Britain Pound	**3,040**	3,389	**–**	–
Euro	**527**	567	**–**	–

The following are the amounts recognised in profit or loss:

	Note	Group	
		2020	**2019**
		$'000	**$'000**
Depreciation expense of right-of-use assets		**2,837**	2,388
Interest expense on lease liabilities	7	**596**	614
Lease expense not capitalised in lease liabilities:			
– Expense relating to short-term leases (included in sales and distribution costs and general and administrative expenses)		**428**	483
– Expense relating to leases of low-value assets (included in sales and distribution costs and general and administrative expenses)		**427**	395
Total	9	**855**	878
Total amount recognised in profit or loss		**4,288**	3,880

The Group had total cash outflows for leases of $4,062,000 (2019: $3,666,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of $303,000 (2019: $5,050,000).

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.

13. LEASES (CONTINUED)

As a lessor

Operating leases – as lessor

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

Income from the operating lease recognized during the financial year was $3,600,000 (2019: $3,759,000).

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:-

	Group	
	2020	**2019**
	$'000	**$'000**
Not later than one year	**1,018**	1,919
Later than one year and not later than five years	**2**	282
At 31 December	**1,020**	2,201

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2020	**2019**
	$'000	**$'000**
Shares, at cost	**42,982**	42,902
Issuance of Procurri PSP to employees of subsidiaries	**1,769**	1,485
	44,751	44,387
Less: Impairment loss	**(428)**	–
	44,323	44,387

	Company	
	2020	**2019**
	$'000	**$'000**
The movement in impairment loss accounts is as follows:		
At 1 January	**–**	–
Impairment loss	**428**	–
At 31 December	**428**	–

Impairment assessment for investment in subsidiaries

During the financial year ended 31 December 2020, 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") of $17,034,000 due to impairment indicator noted. In respect of PSG and PAP, no impairment loss has been recognised.

Meanwhile for impairment assessment for PMY, the Company has recognised an impairment loss of $428,200 in profit or loss. The recoverable amounts were determined based on the cash flow forecasts from the updated financial budgets approved by management that use various significant operational and predictive assumptions, and taking into consideration the adverse effect on businesses arising from and the current evolving COVID-19 situation, as well as the historical trend (pre-COVID-19) and long term average growth rates. The key assumptions for the value in use calculations are those regarding the revenue growth rates, terminal growth rates, and the pre-tax discount rates as explained in Note 15.

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

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 2020 %	2019 %
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
ASVIDA UK Limited[(c)] 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)]	Sale of IT asset disposal, repair services, data center services, hardware resale and independent maintenance services of computer hardware and peripheral equipment	100	–
Procurri Australia Pty. Ltd.[(d)]	Sale of IT asset disposal, repair services, data center services, hardware resale and independent maintenance services of computer hardware and peripheral equipment	100	–
Held through Procurri Asia Pacific:			
Procurri Beijing Co., Ltd.[(c)] China, Beijing	Repair and maintenance of computer hardware and peripherals, and data processing equipment; computer network and system integration design, installation, commissioning, maintenance, and the provision of technical advice and services; data processing; enterprise management consulting; and wholesale, import and export of computer hardware and peripheral equipment	100	100
Held through ASVIDA UK Limited:			
Procurri LLC[(e)] United States	Business of provision of information technology solutions	100	100
Procurri Europe Limited (“PEL”)[(b)] United Kingdom	As an investment holding, engage in the distribution of information technology (IT) spare parts, refurbishment and subsequent sales of second user, reconfigured mid to high end IT equipment in the global market	100	100

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14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Composition of the Group (Continued)

Name of subsidiary/ Principal place of business	Principal activities	Percentage of equity held 2020 %	2019 %
Held through PEL:			
Procurri GmbH ("PGmbH")[d] United Kingdom	Sale and distribution of computer hardware products, maintenance and other services related to IT systems and networks	100	100
Held through Procurri LLC:			
Procurri S. de R.L. de C.V.[d] Mexico	Business of provision of information technology solutions	100	100
Rockland Congruity LLC[e] United States	Engage in IT hardware and enterprise support by offering independent maintenance and IT support services in the Americas	100	100

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

Acquisition of subsidiary

(a) Rockland Congruity LLC

The Group and Congruity incorporated a Delaware Limited Liability Company, Rockland Congruity LLC ("Rockland") in which the Group subscribed to a 51% equity interest in Rockland for US$51. The President of Rockland is appointed by Congruity, however, the Group has the ability to direct the relevant activities of Rockland through its 51% equity interest and other rights over financial and operational matters given in the operating agreement.

The material terms under the operating agreement are as follows:

(i) Congruity has assigned to the Group its rights to distributions in respect of its 49% interest in Rockland, for the period of two years commencing from date of incorporation of Rockland to 31 December 2018. The rights to distributions is extended to 31 March 2019.

(ii) A call option has been granted to the Group to acquire the remaining 49% membership interest in Rockland from Congruity at an agreed formula with reference to Rockland's 2018 audited financials.

(iii) In the event that the audited net tangible assets ("NTA") of Rockland at 31 December 2018 is less than US$9,700,000, Congruity shall pay the NTA shortfall, being the difference between US$9,700,000 and the actual FY2018 NTA, in cash to Rockland contemporaneous with the Group's purchase of the remaining 49% membership interest in Rockland.

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition of subsidiary (Continued)

(a) Rockland Congruity LLC (Continued)

On 18 November 2018, Procurri LLC entered into an interest purchase agreement with Congruity, contingent on shareholders' approval, to acquire 49% of issued and outstanding equity interests of Rockland held by Congruity LLC for an aggregate purchase consideration of US$22,000,000.

In 2019, the acquisition was completed. The first payment of US$12,000,000 was paid on 30 March 2019. The next payment of US$10,000,000 ("Post-Closing Payment") was paid out on 14 February 2020. A portion of such payment obligation was satisfied through the issuance of shares of the Company amounted to US$2,000,000 to Congruity LLC.

With the payment, acquisition of remaining 49% has been completed and Rockland becomes a wholly-owned subsidiary of the Group.

The following summarizes the effect of the change in the Group's ownership interest in Rockland on the equity attributable to owners of the Company:

	2019 $'000
Consideration paid for acquisition of non-controlling interests	28,856
Less: Recognized deferred tax assets arising from the acquisition of non-controlling interests	(2,353)
Less: Equity attributable to non-controlling interests	–*
Increase in equity attributable to owners of the Company (Note 26)	26,503

* Less than $1,000

Incorporation of subsidiaries

(a) Procurri Canada Limited

On 23 February 2020, the Company has incorporated a new wholly-owned subsidiary, Procurri Canada Limited with an authorized issued and paid-up share capital of CAD$100.

(b) Procurri Australia Pty. Ltd.

On 10 June 2020, the Company has incorporated a new wholly-owned subsidiary, Procurri Australia Pty. Ltd. with an authorized issued and paid-up share capital of AUS$30,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15. INTANGIBLE ASSETS

Group	Goodwill $'000	Customer relationship $'000	Technical know-how $'000	Software $'000	Total $'000
Cost:					
At 1 January 2019	11,814	946	2,598	–	15,358
Additions	–	–	–	1,375	1,375
Exchange differences	192	–	–	(8)	184
At 31 December 2019 and 1 January 2020	12,006	946	2,598	1,367	16,917
Exchange differences	–	–	–	(35)	(35)
At 31 December 2020	12,006	946	2,598	1,332	16,882
Accumulated amortization and impairment:					
At 1 January 2019	–	946	1,559	–	2,505
Amortization charge for the year (Note 9)	–	–	519	209	728
Exchange differences	–	–	–	(3)	(3)
At 31 December 2019 and 1 January 2020	–	946	2,078	206	3,230
Amortization charge for the year (Note 9)	–	–	520	279	799
Impairment loss (Note 8)	350	–	–	–	350
Exchange differences	–	–	–	(25)	(25)
At 31 December 2020	350	946	2,598	460	4,354
Net book value:					
At 31 December 2019	12,006	–	520	1,161	13,687
At 31 December 2020	11,656	–	–	872	12,528

Company	Technical know-how $'000
Cost:	
At 1 January 2019, 31 December 2019 and 2020	2,598
Accumulated amortization and impairment:	
At 1 January 2019	1,559
Amortization charge for the year	519
At 31 December 2019 and 1 January 2020	2,078
Amortization charge for the year	520
At 31 December 2020	2,598
Net book value:	
At 31 December 2019	520
At 31 December 2020	–

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15. INTANGIBLE ASSETS (CONTINUED)

Amortization expense

The amortization of customer relationship, technical know-how and software are included in the "Administrative expenses" line item in profit or loss.

Goodwill

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

	Group	
	2020 $'000	2019 $'000
PEL(a)	**9,444**	9,444
Procurri Malaysia(b)	**2,212**	2,562
	11,656	12,006

(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 (2019: 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 5.00% to 10.00% (2019: 5.00% to 10.00%) growth rate on revenue. A terminal growth rate of 1.00% (2019: 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 15.44% (2019: 12.35%) taking into account time value of money, individual risk of underlying assets and is comparable to market participants. No impairment charge was recognized as the carrying amount of the CGU was lower than its recoverable amount. Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value to materially exceed the recoverable amount.

(b) The recoverable amount was determined based on the value-in-use method. The value in use was measured by management using a discounted cash flow model covering a five-year period (2019: 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 9.00% to 20.00% (2019: 5.00% to 33.00%) growth rate on revenue. A terminal growth rate of 1.00% (2019: 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 17.46% (2019: 15.00%) taking into account time value of money, individual risk of underlying assets and is comparable to market participants. As a result of this analysis, management has recognized an impairment charge of $350,000 in the current year against goodwill associated with the acquisition of Procurri Malaysia. The impairment charge is recorded within the "Other charges" line item in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

16. FINANCE LEASE RECEIVABLES

Group	Minimum payments $'000	Unearned finance income $'000	Present value $'000
31.12.2020			
Minimum lease payments receivable:			
Not later than one year	**308**	**(9)**	**299**
Later than one year and not later than five years	**218**	**(8)**	**210**
	526	**(17)**	**509**
31.12.2019			
Minimum lease payments receivable:			
Not later than one year	539	(39)	500
Later than one year and not later than five years	891	(27)	864
	1,430	(66)	1,364

The average lease term is one to three years (2019: one to five years). The average effective interest rate is 0.33% to 8.77% (2019: 0.33% to 8.77%) per year. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental receipts. The fair value of the finance lease receivables approximates the carrying value.

17. INVENTORIES

	Group	
	2020 $'000	2019 $'000
Balance sheet:		
Computer equipment and peripheral equipment held for sale	**26,035**	26,354
Income statement:		
Inventories recognized as an expense in cost of sales	**118,577**	103,851
Inclusive of the following charge:		
– Inventories written down	**7,355**	1,999

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade receivables				
– Third parties	**33,499**	48,091	**–**	–
Less: Impairment loss	**(1,716)**	(1,544)	**–**	–
	31,783	46,547	**–**	–
– Amount due from subsidiaries	**–**	–	**8,627**	8,724
Total trade receivables, net	**31,783**	46,547	**8,627**	8,724
Other receivables				
– Third parties	**301**	1,999	**2**	15
– GST receivables	**6**	25	**19**	20
– Sales tax receivables	**1,069**	1,082	**–**	–
– Advances to staff	**279**	484	**–**	–
– Deposit	**655**	840	**45**	45
– Amounts due from subsidiaries	**–**	–	**14,943**	4,858
– Loans to subsidiaries	**–**	–	**4,179**	3,585
– Tax recoverable	**1,482**	1,259	**–**	–
	3,792	5,689	**19,188**	8,523
Less: Impairment loss	**(1,011)**	(1,022)	**–**	–
Total other receivables, net	**2,781**	4,667	**19,188**	8,523
Total trade and other receivables	**34,564**	51,214	**27,815**	17,247
Add: Cash and bank balances (Note 20)	**32,700**	17,132	**4,753**	5,847
Less: GST receivables	**(6)**	(25)	**(19)**	(20)
Less: Sales tax receivables, net	**(58)**	(60)	**–**	–
Less: Tax recoverable	**(1,482)**	(1,259)	**–**	–
Total financial assets carried at amortized cost	**65,718**	67,002	**32,549**	23,074

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

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.

Included within trade receivables from third parties are factored receivables of $5,886,000 (2019: $1,045,000) transferred to a factoring bank (Note 23).

Trade and other receivables denominated in foreign currencies are as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
United States Dollars	**20,989**	34,005	**14,686**	12,383
Great Britain Pound	**11,243**	11,411	**–**	–
Euro	**1,189**	1,861	**–**	–
Malaysian Ringgit	**904**	783	**–**	–
Chinese Renminbi	**285**	266	**–**	–
Indian Rupee	**443**	619	**–**	–
Australian Dollars	**73**	–	**–**	–
Canadian Dollars	**404**	–	**–**	–

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	
	2020	**2019**
	$'000	**$'000**
Movement in allowance accounts:		
At 1 January	**2,566**	2,559
Charge for the year (Note 8)	**662**	355
Written off	**(490)**	(340)
Foreign exchange movements	**(11)**	(8)
At 31 December	**2,727**	2,566

Other receivables

As of 31 December 2019, included within other receivables from third parties is an interest-free loan receivable due from Congruity LLC of US$1,300,000 which will be netted-off against the Post-Closing Payment of US$10,000,000 payable to Congruity LLC in financial year ending 31 December 2020. The Post-Closing Payment was settled on 14 February 2020.

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

Loans to subsidiaries are unsecured, bears interest of 2.75% (2019: 2.70%), repayable within next twelve months and are to be settled in cash.

All loans to subsidiaries are denominated in United States Dollars.

19. PREPAYMENTS

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Advances to suppliers	**7,991**	12,864	**–**	–
Prepayments	**128**	153	**17**	20
Capitalized contract cost	**1,067**	358	**–**	–
	9,186	13,375	**17**	20

20. CASH AND BANK BALANCES

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Cash and bank balances	**32,700**	17,132	**4,753**	5,847
Less: Pledged deposits	**(785)**	(1,467)	**(661)**	(1,347)
Less: Fixed deposits	**(661)**	(4,042)	**(661)**	(2,695)
Cash and cash equivalents	**31,254**	11,623	**3,431**	1,805

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

Fixed deposit is made for a period of twelve months (2019: twelve months) and earns interest at 0.20% to 2.60% (2019: 1.22% to 3.00%).

Cash and bank balances denominated in foreign currencies are as follows:

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
United States Dollars	**15,185**	12,193	**4,373**	5,422
Great Britain Pound	**9,238**	2,796	**–**	–
Malaysian Ringgit	**751**	1,236	**–**	–
Chinese Renminbi	**187**	223	**–**	–
Indian Rupee	**905**	321	**–**	–
Australian Dollars	**26**	–	**–**	–
Canadian Dollars	**1,126**	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

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21. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade payables				
– Third parties	**16,333**	20,284	**11**	13
– Amount due to subsidiaries	**–**	–	**258**	1,941
	16,333	20,284	**269**	1,954
Other payables				
– Third parties	**1,057**	14,412	**350**	414
– Withholding tax payable	**126**	126	**125**	125
– Sales tax payable	**2,605**	2,743	**926**	1,104
– Accrued operating expenses	**7,085**	9,115	**690**	1,022
– Amount due to subsidiaries	**–**	–	**–***	1
	10,873	26,396	**2,091**	2,666
Total trade and other payables	**27,206**	46,680	**2,360**	4,620
Add: Loans and borrowings (Note 23)	**21,028**	16,693	**1,322**	4,041
Less: Withholding tax payable	**(126)**	(126)	**(125)**	(125)
Less: Sales tax payable	**(2,605)**	(2,743)	**(926)**	(1,104)
Total financial liabilities carried at amortised cost	**45,503**	60,504	**2,631**	7,432

* Less than $1,000

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.

As of 31 December 2019, included within other payables from third parties is the Post-Closing Payment payable to Congruity LLC of US$9,953,000 in relation to the acquisition of remaining 49% interest in Rockland Congruity LLC. The Post-Closing Payment was settled on 14 February 2020.

Trade and other payables denominated in foreign currencies are as follows:

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
United States Dollars	**12,562**	34,401	**689**	3,222
Great Britain Pound	**10,471**	7,611	**–**	–
Euro	**220**	574	**–**	–
Malaysian Ringgit	**675**	1,345	**–**	–
Chinese Renminbi	**271**	250	**–**	–
Indian Rupee	**831**	681	**–**	–
Australian Dollars	**67**	–	**–**	–
Canadian Dollars	**125**	–	**–**	–

22. DEFERRED INCOME

Deferred income relates to payment received from customers for maintenance services. Revenue will be recognized on a straight-line basis over the specified period of the maintenance contracts signed.

23. LOANS AND BORROWINGS

	Group		Company	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**
Current				
Bank loans	**4,566**	3,961	**1,322**	2,694
Trade receivables factoring	**5,886**	1,045	**–**	–
Line of credit	**5,751**	6,148	**–**	–
Others	**29**	76	**–**	–
	16,232	11,230	**1,322**	2,694
Non-current				
Bank loans	**4,796**	5,463	**–**	1,347
	4,796	5,463	**–**	1,347
Total loans and borrowings	**21,028**	16,693	**1,322**	4,041

Bank loans

Bank loans are unsecured and covered by a corporate guarantee by certain subsidiaries and repayable in 1 to 39 (2019: 3 to 60) monthly instalments. The amount bears effective interest rates ranging from 1.80% to 6.28% (2019: ranging from 3.42% to 6.90%) per annum.

Trade receivables factoring

Trade receivables factoring is secured by a charge over trade receivables balances of $5,886,000 (2019: $1,045,000) with recourse. The interest rate for the trade receivables factoring is 1.95% to 2.60% (2019: 2.35% to 2.60%) per annum.

Line of credit

Line of credit is secured by the US subsidiaries' assets. The interest rate is 1.65% to 3.93% (2019: 3.68% to 5.14%) per annum.

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

	1.1.2020 $'000	**Cash flows $'000**	**Addition of new leases $'000**	**Foreign exchange movements $'000**	**31.12.2020 $'000**
Bank loans	9,424	(53)	–	(9)	9,362
Lease liabilities (Note 13)	10,309	(2,611)	303	66	8,067
Trade receivables factoring	1,045	4,822	–	19	5,886
Line of credit	6,148	(295)	–	(102)	5,751
Others	76	(46)	–	(1)	29
Total loans and borrowings	27,002	1,817	303	(27)	29,095

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23. LOANS AND BORROWINGS (CONTINUED)

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

	1.1.2019 (Restated) $'000	Cash flows $'000	Adoption of SFRS(I) 16 $'000	Foreign exchange movements $'000	31.12.2019 $'000
Bank loans	8,396	1,085	–	(57)	9,424
Lease liabilities (Note 13)	7,530	(2,174)	5,050	(97)	10,309
Trade receivables factoring	727	303	–	15	1,045
Line of credit	3,894	2,305	–	(51)	6,148
Others	61	18	–	(3)	76
Total loans and borrowings	20,608	1,537	5,050	(193)	27,002

Loans and borrowings denominated in foreign currencies are as follows:

	Group		Company	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**
United States Dollars	**11,583**	15,871	**1,322**	4,042
Great Britain Pound	**4,767**	329	**–**	–
Euro	**678**	493	**–**	–

24. PROVISIONS

Provision for reinstatement costs

	Group		Company	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**
At 1 January	**225**	135	**65**	65
Provision during the year	**–**	90	**–**	–
At 31 December	**225**	225	**65**	65

The provision for reinstatement costs is based on the present value of costs to be incurred to remove leasehold improvement from leased properties. The estimate is based on quotations from external contractors. The remaining lease period will be two years after renewal (2019: three years).

Provision for claims

	Group		Company	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**
At 1 January	**456**	426	**–**	–
Provision during the year	**123**	117	**–**	–
Exchange difference	**11**	(87)	**–**	–
At 31 December	**590**	456	**–**	–
Total provisions	**815**	681	**65**	65

24. PROVISIONS (CONTINUED)

Provision for claims (Continued)

Provision for claims relating to dilapidations claim in respect of a leasehold premises approximately amounted to $590,000 (2019: $456,000).

25. SHARE CAPITAL

	Group and Company	
	No. of ordinary shares	**Amount $'000**
Ordinary shares of no-par value		
At 1 January 2020	284,689,000	71,703
Issued for acquisition of non-controlling interest (Note 14)	7,865,973	2,544
Issuance of new shares pursuant to performance shares plan	1,131,600	324
Share issuance expense	–	(30)
At 31 December 2020	293,686,573	74,541
At 1 January 2019 and 31 December 2019	284,689,000	71,703

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.

26. OTHER RESERVES

Group	**Foreign currency translation reserve $'000**	**Merger reserve $'000**	**Premium on acquisition of non-controlling interest $'000**	**Share-based payment reserve (Note 27) $'000**	**Total $'000**
Opening balance at 1 January 2020	**(454)**	**(4,420)**	**(42,267)**	**196**	**(46,945)**
Share-based payment	**–**	**–**	**–**	**322**	**322**
Issuance of shares pursuant to performance shares plan	**–**	**–**	**–**	**(324)**	**(324)**
Exchange differences	**271**	**–**	**–**	**–**	**271**
Closing balance at 31 December 2020	**(183)**	**(4,420)**	**(42,267)**	**194**	**(46,676)**
Opening balance at 1 January 2019	(721)	(4,420)	(15,764)	76	(20,829)
Share-based payment	–	–	–	120	120
Acquisition of non-controlling interests	–	–	(26,503)	–	(26,503)
Exchange differences	267	–	–	–	267
Closing balance at 31 December 2019	(454)	(4,420)	(42,267)	196	(46,945)

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.

26. OTHER RESERVES (CONTINUED)

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	
	2020	**2019**
	$'000	**$'000**
Performance share plan	**322**	120

Procurri PSP

The Group operates a Performance Share Plan (the "Procurri PSP") which was approved pursuant to a written resolution passed by the shareholders on 27 June 2016. The Procurri PSP is administered by the Awards Committee whose members are currently members of the RC.

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

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

(subject to the rules of the Procurri PSP).

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

The number of shares to be issued will depend on the achievement of pre-determined targets at the end of the defined performance period. The shares have a vesting period of one to three years. The fair value of the awards granted was based on the last traded price of the Company's shares on the date of grant.

27. SHARE-BASED COMPENSATION (CONTINUED)

Procurri PSP (Continued)

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	Market price per share $
2019	412,800	395,000	–	138,000	669,800	0.4850
2020	**669,800**	**1,540,500**	**1,131,600**	**–**	**1,078,700**	**0.2750**

The Company has granted 1,540,000 shares under the Procurri PSP on 12 May 2020. A total of 1,131,600 number of shares have been vested in the financial year ended 31 December 2020.

Performance share plan reserve

	Group and Company 2020 $'000	2019 $'000
Balance at beginning of the year	**196**	76
Expense recognised in profit or loss	**322**	120
Issuance of shares pursuant to the Procurri PSP	**(324)**	–
Balance at end of the year	**194**	196

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).

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27. SHARE-BASED COMPENSATION (CONTINUED)

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

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 2020 and 2019.

28. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions and balances between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2020 $'000	**2019 $'000**
Related parties:		
Sales of goods and services	**–**	[a]2,261
Purchase of goods and services	**–**	[a](2,604)
Trade and other receivables	**–**	–
Trade and other payables	**–**	–

(a) Effective 30 March 2019, Congruity LLC and its affiliates are no longer related parties of the Group upon completion of the acquisition of the remaining 49% interest in Rockland.

Compensation of key management personnel

	Group	
	2020 $'000	**2019 $'000**
Salaries and other short-term employee benefits	**4,371**	4,312
Share-based payment	**322**	120
Central Provident Fund contributions	**18**	20
	4,711	4,452
Key management compensation comprises the following:		
Remuneration to directors of the Company	**1,442**	1,643
Remuneration to other key management personnel	**3,023**	2,503
Director fees	**246**	306
	4,711	4,452

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

29. COMMITMENTS

Operating lease commitments – as lessee

Operating lease payments are for rentals payable for office and computer equipment, office premises and data centre racks. These leases have an average term of one to six years (2019: one to twelve years).

Minimum lease payments recognized as an expense in profit or loss for the financial year ended 31 December 2020 amounted to $855,000 (2019: $878,000).

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 policies and procedures for the management of these risks. It is and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of management.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

30. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

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 recognized in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

30. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

Trade and other receivables

The Group provides for lifetime expected credit losses for all trade and other receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The loss allowance provision as at 31 December 2020 is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions and expected inflation rates.

Summarised below is the information about the credit risk exposure on the Group's trade and other receivables using provision matrix, grouped by geographical region:

(i) Singapore

31 December 2020	Current $'000	Past due Less than 90 days $'000	Past due More than 90 days $'000	Total $'000
Gross carrying amount	**787**	**809**	**596**	**2,192**
Loss allowance provision	**–**	**–**	**(42)**	**(42)**

31 December 2019	Current $'000	Past due Less than 90 days $'000	Past due More than 90 days $'000	Total $'000
Gross carrying amount	3,003	2,455	894	6,352
Loss allowance provision	–	–	(106)	(106)

(ii) Other geographical area

31 December 2020	Current $'000	Past due Less than 90 days $'000	Past due More than 90 days $'000	Total $'000
Gross carrying amount	**16,912**	**13,285**	**4,902**	**35,099**
Loss allowance provision	**–**	**(5)**	**(2,680)**	**(2,685)**

31 December 2019	Current $'000	Past due Less than 90 days $'000	Past due More than 90 days $'000	Total $'000
Gross carrying amount	26,156	14,381	6,891	47,428
Loss allowance provision	–	–	(2,460)	(2,460)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

30. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

Trade and other receivables (Continued)

During the year, the Group wrote-off $490,000 (2019: $340,000) 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 16% (2019: 28%) of the Group's trade receivables were due from 3 major customers.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarizes the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	One year or less $'000	1 to 5 years $'000	5 years or more $'000	Total $'000
31.12.2020				
Financial assets:				
Trade and other receivables	33,018	–	–	33,018
Finance lease receivables	308	218	–	526
Cash and bank balances	32,700	–	–	32,700
Total undiscounted financial assets	66,026	218	–	66,244
Financial liabilities:				
Trade and other payables	27,206	–	–	27,206
Loans and borrowings	16,358	4,948	–	21,306
Lease liabilities	3,297	4,730	1,280	9,307
Total undiscounted financial liabilities	46,861	9,678	1,280	57,819
Total net undiscounted financial assets/(liabilities)	19,165	(9,460)	(1,280)	8,425

30. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(b) Liquidity risk (Continued)

Group	One year or less $'000	1 to 5 years $'000	5 years or more $'000	Total $'000
31.12.2019				
Financial assets:				
Trade and other receivables	49,870	–	–	49,870
Finance lease receivables	539	891	–	1,430
Cash and bank balances	17,132	–	–	17,132
Total undiscounted financial assets	67,541	891	–	68,432
Financial liabilities:				
Trade and other payables	46,680	–	–	46,680
Loans and borrowings	11,697	5,963	–	17,660
Lease liabilities	3,090	7,917	1,145	12,152
Total undiscounted financial liabilities	61,467	13,880	1,145	76,492
Total net undiscounted financial assets/(liabilities)	6,074	(12,989)	(1,145)	(8,060)

Company	One year or less $'000	1 to 5 years $'000	Total $'000
31.12.2020			
Financial assets:			
Trade and other receivables	**27,796**	**–**	**27,796**
Cash and bank balances	**4,753**	**–**	**4,753**
Total undiscounted financial assets	**32,549**	**–**	**32,549**
Financial liabilities:			
Trade and other payables	**2,360**	**–**	**2,360**
Loans and borrowings	**1,329**	**–**	**1,329**
Lease liabilities	**226**	**94**	**320**
Total undiscounted financial liabilities	**3,915**	**94**	**4,009**
Total net undiscounted financial assets/(liabilities)	**28,634**	**(94)**	**28,540**
31.12.2019			
Financial assets:			
Trade and other receivables	17,227	–	17,227
Cash and bank balances	5,847	–	5,847
Total undiscounted financial assets	23,074	–	23,074
Financial liabilities:			
Trade and other payables	4,620	–	4,620
Loans and borrowings	2,820	1,361	4,181
Lease liabilities	226	320	546
Total undiscounted financial liabilities	7,666	1,681	9,347
Total net undiscounted financial assets/(liabilities)	15,408	(1,681)	13,727

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30. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(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	5 years or more $'000	Total $'000
31.12.2020				
Fixed rate				
Lease liabilities	**2,876**	**3,981**	**1,210**	**8,067**
Floating rate				
Bank loans	**4,566**	**4,796**	**–**	**9,362**
Line of credit	**5,751**	**–**	**–**	**5,751**
Trade receivables factoring	**5,886**	**–**	**–**	**5,886**
Others	**29**	**–**	**–**	**29**
31.12.2019				
Fixed rate				
Lease liabilities	2,483	6,793	1,033	10,309
Floating rate				
Bank loans	3,961	5,463	–	9,424
Line of credit	6,148	–	–	6,148
Trade receivables factoring	1,045	–	–	1,045
Others	76	–	–	76

Company	Less than 1 year $'000	1 to 5 years $'000	Total $'000
31.12.2020			
Fixed rate			
Lease liabilities	**220**	**93**	**313**
Floating rate			
Bank loan	**1,322**	**–**	**1,322**
31.12.2019			
Fixed rate			
Lease liabilities	214	313	527
Floating rate			
Bank loan	2,694	1,347	4,041

30. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(c) Interest rate risk (Continued)

Sensitivity analysis for interest rate risk

At the end of reporting year, if the interest rates have been 100 (2019: 100) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been $210,000 (2019: $167,000) 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	
			2020 $'000	**2019 $'000**
USD/SGD	–	if strengthen by 10% (2019: 10%)	**46**	48
	–	if weaken by 10% (2019: 10%)	**(46)**	(48)
GBP/USD	–	if strengthen by 10% (2019: 10%)	**216**	(9)
	–	if weaken by 10% (2019: 10%)	**(216)**	9
GBP/EUR	–	if strengthen by 10% (2019: 10%)	**12**	(76)
	–	if weaken by 10% (2019: 10%)	**(12)**	76
EUR/GBP	–	if strengthen by 10% (2019: 10%)	**22**	–
	–	if weaken by 10% (2019: 10%)	**(22)**	–
SGD/USD	–	if strengthen by 10% (2019: 10%)	**515**	56
	–	if weaken by 10% (2019: 10%)	**(515)**	(56)

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 2020 and 2019 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 2020 and 2019 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

For management purposes, the Group is organized into two reportable segments as follows:

i. The Information Technology ("IT") Distribution business includes revenue derived from (i) Hardware Resale, which comprises income derived from the distribution of IT hardware, including but not limited to pre-owned servers, storage and networking equipment; and (ii) Supply Chain Management, where income is derived from assisting OEMs in the distribution of their goods as part of their supply chain activities.

ii. Lifecycle Services business includes revenue derived from (i) the rendering of IT maintenance services for a variety of IT systems and networks; (ii) the provision of IT hardware as a service on a transaction-based pricing model; and (iii) the provision of service to extend the life of equipment and to extract greater value for retired technology, by means of equipment refurbishment and data destruction services, and asset disposal services to help our customers yield greater corporate and environment sustainability.

Management monitors the operating results of its segments separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is monitored based on revenue and gross profit. Selling expenses, administrative expenses, finance costs, assets and liabilities are managed on a legal entity basis and are not monitored by segments.

	IT Distribution		Lifecycle Services		Per consolidated financial statements	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue	**156,211**	149,764	**77,256**	71,525	**233,467**	221,289
Cost of sales	**(126,870)**	(112,340)	**(41,852)**	(30,845)	**(168,722)**	(143,185)
Gross profit	**29,341**	37,424	**35,404**	40,680	**64,745**	78,104

Geographical information

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

	Revenue	
	2020	**2019**
	$'000	**$'000**
Singapore	**13,789**	23,036
Europe, the Middle East and Africa	**84,676**	71,009
Americas	**131,201**	123,276
Others	**3,801**	3,968
	233,467	221,289

	Non-current assets	
	2020	**2019**
	$'000	**$'000**
Singapore	**1,049**	12,431
Europe, the Middle East and Africa	**13,805**	14,371
Americas	**5,353**	6,720
Others	**2,282**	2,678
	22,489	36,200

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32. SEGMENT INFORMATION (CONTINUED)

Geographical information (Continued)

Non-current assets information presented above consist of plant and equipment, right-of-use assets and intangible assets as presented in the consolidated balance sheets.

Information about a major customer

Revenue from one major customer amounted to $8,639,000 (2019: $9,231,000) arising from sales in the Hardware business (2019: Lifecycle Service business).

33. CAPITAL MANAGEMENT

The objectives when managing capital are to safeguard the reporting entity's ability to continue as a going concern so that it can continue to provide returns for owners and benefits for other stakeholders; and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Capital comprises all components of equity.

The management monitors the capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt divided by capital. Net debt is calculated as total borrowings less cash and bank balances.

	Group	
	2020	**2019**
	$'000	**$'000**
Loans and borrowings (Note 23)	**21,028**	16,693
Lease liabilities – Finance lease obligation	**46**	72
Less: cash and bank balances (Note 20)	**(32,700)**	(17,132)
Net cash	**(11,626)**	(367)
Total equity	**52,503**	46,700
Debt-to-capital ratio	**N.M.**	N.M.

N.M. – Not meaningful

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34. IMPACT OF COVID-19

Although vaccination has been rolled some time end of Jan 2021, however as the global Covid-19 situation remains fluid and is still evolving as at the date the financial statements are authorized for issue, the Group is unable to reasonably ascertain the full extent of the impact arising from COVID-19 disruptions on its operations, in particular in its key markets of United States, United Kingdom and Singapore.

35. EVENT AFTER THE END OF THE REPORTING YEAR

On 15 March 2021, NTCP SPV VIII (the "**Offeror**") which is an investment vehicle owned by Singapore-based private equity fund Novo Tellus PE Fund 2, L.P. ("**Novo Tellus**"), together with two of its limited partner investors has launched a voluntary conditional cash partial offer to acquire an additional 27.91% of all the ordinary shares of the Company. If the partial offer is successful, the Offeror will hold in aggregate 51.00% of the Company. The offer price is $0.365 per share.

36. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2020 were authorized for issue in accordance with a resolution of the Directors on 26 March 2021.

STATISTICS OF SHAREHOLDINGS
AS AT 26 MARCH 2021

SHARE CAPITAL INFORMATION

Number of shares	:	294,237,973
Class of shares	:	Ordinary shares
Voting rights	:	On a poll (One vote for each ordinary share)
Number of treasury shares	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	Number of shareholders	%	Number of Shares	%
1 – 99	0	0.00	0	0.00
100 – 1,000	112	12.99	99,200	0.03
1,001 – 10,000	275	31.90	1,782,600	0.61
10,001 – 1,000,000	457	53.02	33,117,559	11.26
1,000,001 AND ABOVE	18	2.09	259,238,614	88.10
Total	**862**	**100.00**	**294,237,973**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	Number of shares held	%
1	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	57,402,978	19.51
2	OCBC SECURITIES PRIVATE LTD	44,351,000	15.07
3	DECLOUT LIMITED	40,000,000	13.59
4	DBS NOMINEES PTE LTD	27,543,686	9.36
5	A.C.T. HOLDINGS PTE LTD	26,917,000	9.15
6	RAFFLES NOMINEES (PTE) LIMITED	14,260,122	4.85
7	SOH CHOOI LAI	10,019,000	3.41
8	HONG LEONG FINANCE NOMINEES PTE LTD	7,073,400	2.40
9	TAN WEI MENG	5,463,150	1.86
10	SING INVESTMENTS & FINANCE NOMINEES PTE LTD	4,900,000	1.67
11	PHILLIP SECURITIES PTE LTD	4,634,700	1.58
12	NG CHUEN GUAN	3,988,000	1.36
13	MAYBANK KIM ENG SECURITIES PTE. LTD.	3,663,400	1.25
14	PHANG CHEE CAN	2,300,000	0.78
15	CITIBANK NOMINEES SINGAPORE PTE LTD	2,268,087	0.77
16	HSBC (SINGAPORE) NOMINEES PTE LTD	1,872,891	0.64
17	CYL INVESTMENTS LIMITED	1,482,100	0.50
18	LIEW CHEE KONG	1,099,100	0.37
19	POH BOON KHER MELVIN (FU WENKE MELVIN)	1,000,000	0.34
20	OAN CHIM SENG	862,000	0.29
	Total	**261,100,614**	**88.75**

STATISTICS OF **SHAREHOLDINGS**

AS AT 26 MARCH 2021

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
Name of substantial shareholders	**No. of shares**	**%**	**No. of shares**	**%**
A.C.T. HOLDINGS PTE LTD[2]	26,917,000	9.15	–	–
DECLOUT LIMITED[11]	40,000,000	13.59	–	–
NTCP SPV VII	57,402,978	19.51	–	–
KOH SWEE YONG	17,380,600	5.91		
NOVO TELLUS PE FUND 2, L.P.[1]	–	–	57,402,978	19.51
TOH BAN LENG JAMES[3][4]	–	–	84,319,978	28.66
LOKE WAI SAN[10]	–	–	57,402,978	19.51
KEITH HSIANG-WEN TOH[5]	–	–	57,402,978	19.51
KHOO LAY KEE[6]	–	–	84,319,978	28.66
SERENE TOH SOO LING[7]	–	–	84,319,978	28.66
TOH SOO CHIN MERLENE[8]	–	–	84,319,978	28.66
NEW EARTH GROUP 2 LTD[9]	–	–	57,402,978	19.51

Notes:

(1) Novo Tellus PE Fund 2, L.P. ("NT Fund 2") is deemed to be interested in the shares of Procurri Corporation Limited ("Procurri") by virtue of its 100% ownership in NTCP SPV VII.

(2) A.C.T. Holdings Pte Ltd ("ACT") is deemed to be interested in the shares of Procurri by virtue of its greater than 20% ownership in NT Fund 2.

(3) NTCP SPV VII holds a direct interest in the shares of Procurri. NT Fund 2 is deemed interested in the shares of Procurri by virtue of its 100% ownership in NTCP SPV VII. Toh Ban Leng James is deemed to be interested in the shares of Procurri by virtue of his not less than 20% ownership in NT Fund 2.

(4) ACT has both direct and deemed interests in the shares of Procurri. Toh Ban Leng James is deemed to be interested in the shares of Procurri by virtue of his not less than 20% ownership in ACT.

(5) NTCP SPV VII holds a direct interest in the shares of Procurri. NT Fund 2 is deemed interested in the shares of Procurri by virtue of its 100% ownership in NTCP SPV VII. New Earth Group 2 Ltd ("NEG 2") is the general partner (manager) of NT Fund 2, and therefore NEG 2 has an interest in the securities that NT Fund 2 is interested in. Keith Hsiang-Wen Toh is deemed to be interested in the shares of Procurri by virtue of his greater than 20% ownership in NT Fund 2's manager NEG 2.

(6) ACT has both direct and deemed interests in the shares of Procurri. Khoo Lay Kee is deemed to be interested in the shares of Procurri by virtue of her not less than 20% ownership in ACT.

(7) ACT has both direct and deemed interests in the shares of Procurri. Dr Serene Toh Soo Ling is deemed to be interested in the shares of Procurri by virtue of her not less than 20% ownership in ACT.

(8) ACT has both direct and deemed interests in the shares of Procurri. Toh Soo Chin Merlene (Mdm) is deemed to be interested in the shares of Procurri by virtue of her not less than 20% ownership in ACT.

(9) NTCP SPV VII holds a direct interest in the shares of Procurri. NT Fund 2 is deemed interested in the shares of Procurri by virtue of its 100% ownership in NTCP SPV VII. NEG 2 is the general partner (manager) of NT Fund 2, and therefore NEG 2 has an interest in the securities that NT Fund 2 is interested in.

(10) NEG 2 is the general partner (manager) of NT Fund 2, and therefore NEG 2 has an interest in the securities that NT Fund 2 is interested in. Loke Wai San is deemed to be interested in the shares of Procurri by virtue of his greater than 20% ownership in NT Fund 2's manager, NEG 2.

(11) As at 1 April 2021, DeClout Limited has disclosed further purchase of Procurri shares which would result in DeClout Limited holding an aggregate direct interest of 56,597,600 shares (19.24%) in Procurri.

PUBLIC FLOAT

Based on the information available to the Company as at 26 March 2021, approximately 39.53% of the issued ordinary shares of the Company are 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 by way of electronic means on **29 April 2021 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 2020 and the Directors' Statement and the Auditors' Report thereon.
(Resolution 1)

2. To re-elect/elect the following Directors retiring pursuant to the Company's Constitution:

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

   (b) Mr. Loke Wai San (Regulation 117) **(Resolution 2b)**

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

   Mr. Loke Wai San will, upon re-election as a Director of the Company, remain as the Non-Executive, Non-Independent Director of the Company and member of the Audit, Nominating, Remuneration and Strategy Committees.

   [See Explanatory Note (a)]

3. To approve the payment of Directors' fees of up to S$259,000 for the financial year ending 31 December 2021 (2020: S$245,450).

   [See Explanatory Note (b)] **(Resolution 3)**

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, Chapter 50 (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

(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)**

NOTICE OF
ANNUAL GENERAL MEETING

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

12 April 2021

Singapore

EXPLANATORY NOTES:

(a) The key information of Mr. Wong Quee Quee, Jeffrey and Mr. Loke Wai San 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$30,000 (in share-based fees) for the financial year ending 31 December 2021. In the event the Directors' fees proposed for the financial year ending 31 December 2021 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' share-based fees of S$30,000 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.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings of Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice has been made available on the SGX-ST's as well as the Company's websites at the URLs stated below. A printed copy of this Notice of AGM, Proxy Form and related documents will be despatched to members.

   SGX's website : https://www.sgx.com/securities/company-announcements,
   Company's website : https://investor.procurri.com/sgx_announcements.html.

2. Alternative arrangements have been made relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM. In order to attend the AGM, shareholders must follow these steps:–

   Pre-Registration for "live" audio-visual webcast and "live" audio-only feed

   - Shareholders who wish to watch the "live" audio-visual webcast or listen to the "live" audio-only feed of the AGM must pre-register by **10.00 am on 26 April 2021**, at the URL https://online.meetings.vision/procurri-agm-registration; for the Company to authenticate their status as Shareholders.
   - Authenticated Shareholders will receive email instructions on how to access the "live" audio-visual webcast and "live" audio-only feed of the AGM proceedings by **5.00 pm on 27 April 2021**.
   - Shareholders who do not receive an email by **5.00 pm on 27 April 2021**, but have registered by **26 April 2021** deadline, may contact Tricor Barbinder Share Registration Services at SG.IS.Enquiry@sg.tricorglobal.com or 62363550/3555.
   - Investors who hold Shares through depository agents (as defined in Section 81SF of the Securities and Futures Act, Chapter 289) and wish to watch the "live" audio-visual webcast or listen to the "live" audio-only feed of the AGM must approach their respective depository agents to pre-register by **5.00 pm on 20 April 2021** in order to allow sufficient time for their respective depository agents to in turn pre-register their interest with the Company.

   Submission of questions in advance

   - All questions must be submitted by **10.00 am on 23 April 2021**:
     - in hard copy by post to reach the Company at 29 Tai Seng Avenue, #02- 01, Natural Cool Lifestyle Hub, Singapore 534119; or
     - by email to IR@procurri.com.
   - Shareholders submitting questions by post or email should **download, complete and sign the prescribed question form** from the Company's website at the URL https://investor.procurri.com/sgx_announcements.html, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above. Questions submitted by post are sent at the shareholder's own risk. **All questions must be received by the Company by the time and date stated above to be treated as valid.**
   - The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the AGM via SGXNET and on its corporate website or during the AGM through the "live" audio-visual webcast and "live" audio-only feed.
   - 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.
   - Please note that Shareholders will not be able to ask questions at the AGM during the "live" audio-visual webcast and the "live" audio-only feed, and therefore it is important for Shareholders to submit their questions by the above stipulated deadline.

3. **Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM, if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed at the SGX-ST's as well as the Company's websites at the URLs as provided above.**

4. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

5. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 pm on 20 April 2021**, being 7 working days before the date of the AGM.

6. The Chairman of the AGM will be exercising his right under Regulation 71(2)(a) of the Constitution of the Company to demand a poll in respect of each of the resolutions to be put to the vote of members at the AGM and at any adjournment thereof. Accordingly, each resolution at the AGM will be voted on by way of poll.

NOTICE OF
ANNUAL GENERAL MEETING

7. The Chairman of the AGM, as proxy, need not be a member of the Company. The instrument appointing the Chairman of the AGM a proxy must be submitted in the following manner:

   a. if submitted by post, be lodged with the Company's Share Registrar at 80 Robinson Road #11-02 Singapore 068898; or

   b. if submitted electronically, via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com,

   in either case, by **10.00 a.m. on 26 April 2021**, 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, complete and sign the proxy form, before either submitting it by post to the address provided above, or by scanning and sending it by email 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.**

   In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit completed proxy forms by post, the Company strongly encourages shareholders to submit completed proxy forms electronically via email.

8. The Company's Annual Report for the financial year ended 31 December 2020 ("FY2020 Annual Report") has been published on the Company's website at the URL https://investor.procurri.com/sgx_announcements.html.

   Shareholders who wish to obtain a printed copy of the FY2020 Annual Report can do so by downloading, completing and signing the Request Form from the Company's website at the URL https://investor.procurri.com/sgx_announcements.html.

   The Request Form must be submitted to the Company by **10.00 am on 17 April 2021**:
   - in hard copy by post to reach the Company's Share Registrar at 80 Robinson Road, #11- 02, Singapore 068898; or
   - by email sent to Company's Share Registrar at SG.IS.Enquiry@sg.tricorglobal.com.

   Requests submitted by post are sent at the shareholder's own risk.

9. As the COVID-19 situation continues to evolve, the Company may be required to change its arrangements for the AGM at short notice. Shareholders should check the Company's website at the URL stated above for the latest updates on the status of the AGM.

10. The Company thanks all members for their understanding and cooperation to enable the Company to hold the AGM in line with appropriate safe distancing measures amidst the COVID-19 pandemic.

PERSONAL DATA PRIVACY

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Shareholder (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives 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) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

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

PROXY FORM

IMPORTANT

1. The Annual General Meeting ("**AGM**") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of AGM has been made available on the SGX-ST's website at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL https://investor.procurri.com/sgx_announcements.html. A printed copy of the Notice of AGM, this Proxy Form and related documents will be despatched to members.
2. Alternative arrangements have been made relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM.
3. **Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM, if such member wishes to exercise his/her/its voting rights at the AGM.** A copy of this proxy form for the AGM may also be accessed at the Company's website at the URL https://investor.procurri.com/sgx_announcements.html, and will also be made available on the SGX-ST's website at the URL https://www.sgx.com/securities/company-announcements.
4. This Proxy Form is not valid for use by such CPF or SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 pm on 20 April 2021**.
5. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2021.
6. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the AGM as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

I/We ______________________________ (Name) ____________________ (NRIC/Passport No.)

of ____ (Address)

being a member/members of PROCURRI CORPORATION LIMITED (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting ("**AGM**") as my/our proxy to attend, speak and vote or abstain for me/us on my/our behalf at the AGM of the Company to be convened and held by way of electronic means on **29 April 2021 at 10:00 a.m.** and at any adjournment thereof in the following manner:

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against or abstain from voting on the Resolutions as set out in the Notice of AGM.)

NOTE: The Chairman of the AGM will be exercising his right under Regulation 71(2)(a) of the Constitution of the Company to demand a poll in respect of each of the resolutions to be put to the vote of members at the AGM and at any adjournment thereof. Accordingly, each resolution at the AGM will be voted on by way of a poll.

NO.	RESOLUTIONS RELATING TO:	FOR	AGAINST	ABSTAIN
	Ordinary Business			
1.	Audited Financial Statements of the Company for the financial year ended 31 December 2020 and the Directors' Statement and the Auditors' Report thereon			
2a.	Re-election of Mr. Wong Quee Quee, Jeffrey as a Director of the Company			
2b.	Re-election of Mr. Loke Wai San as a Director of the Company			
3.	Payment of Directors' fees of up to S$259,000 for the financial year ending 31 December 2021			
4.	Re-appointment of Messrs Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration			
	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			

Dated this __________ day of __________________ 2021

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

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: Please read notes overleaf

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. Due to the current Covid-19 restrictions orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM, if such member wishes to exercise his/her/its voting rights at the AGM. A copy of this proxy form may also be accessed at the Company's website at the URL https://investor.procurri.com/sgx_announcements.html, and will also be made available on the SGX-ST's website at the URL https://www.sgx.com/securities/company-announcements.

3. The Chairman of the AGM, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the AGM as proxy must be submitted in the following manner:

   (a) if submitted by post, be lodged with the Company's Share Registrar at 80 Robinson Road #11-02 Singapore 068898; or

   (b) if submitted electronically, via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com,

   in either case, by **10.00 a.m. on 26 April 2021**, 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.**

   In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit completed proxy forms by post, the Company strongly encourages shareholders to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

6. A corporation which is a member 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 Section 179 of the Act.

7. 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 whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

CORPORATE **INFORMATION**

COMPANY INFORMATION
Procurri Corporation Limited
Incorporated in the Republic of Singapore on 15 March 2013
Company Registration No.: 201306969W

REGISTERED OFFICE
29 Tai Seng Avenue
#02-01 Natural Cool Lifestyle Hub
Singapore 534119

BOARD OF DIRECTORS
Thomas Sean Murphy
Chairman and
Global Chief Executive Officer

Edward John Flachbarth
Executive Director and Global President

Ng Loh Ken Peter
Lead Independent Director

Wong Quee Quee, Jeffrey
Independent Director

Dr Lim Puay Koon
Independent Director

Loke Wai San
Non-Independent,
Non-executive Director

AUDIT COMMITTEE
Ng Loh Ken Peter (Chairman)
Wong Quee Quee, Jeffrey
Dr Lim Puay Koon
Loke Wai San

REMUNERATION COMMITTEE
Wong Quee Quee, Jeffrey (Chairman)
Ng Loh Ken Peter
Dr Lim Puay Koon
Loke Wai San

NOMINATING COMMITTEE
Wong Quee Quee, Jeffrey (Chairman)
Ng Loh Ken Peter
Dr Lim Puay Koon
Loke Wai San

STRATEGY COMMITTEE
Thomas Sean Murphy (Chairman)
Edward John Flachbarth
Dr Lim Puay Koon
Loke Wai San

COMPANY SECRETARY
Lin Moi Heyang

SHARE REGISTRAR
Tricor Barbinder Share
Registration Services
(a division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

INDEPENDENT AUDITORS
Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583
Partner-in-charge: Yeow Hui Cheng
(with effect from financial year ended 31 December 2016)

STOCK INFORMATION
Listed on the SGX-ST Mainboard on 20 July 2016
Stock Codes
Bloomberg: PROC SP EQUITY
Reuters: PROC.SI
SGX: BVQ

INVESTOR RELATIONS
For enquiries, please contact Procurri's Investor Relations at +65 6486 1300 or ir@procurri.com

PROCURRI

PROCURRI CORPORATION LIMITED
(Company Registration Number: 201306969W)
(Incorporated in the Republic of Singapore)

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Singapore 534119
www.procurri.com

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