

**SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-
BASED DERIVATIVES CONTRACTS) REGULATIONS 2018**

**OFFER INFORMATION STATEMENT DATED 27 DECEMBER 2022
UNDER SECTION 277 OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE**

(Lodged with the Monetary Authority of Singapore on 27 December 2022)

THIS DOCUMENT IS IMPORTANT. BEFORE MAKING ANY INVESTMENT IN THE SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BEING OFFERED, YOU SHOULD CONSIDER THE INFORMATION PROVIDED IN THIS DOCUMENT CAREFULLY, AND CONSIDER WHETHER YOU UNDERSTAND WHAT IS DESCRIBED IN THIS DOCUMENT. YOU SHOULD ALSO CONSIDER WHETHER AN INVESTMENT IN THE SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BEING OFFERED IS SUITABLE FOR YOU, TAKING INTO ACCOUNT YOUR INVESTMENT OBJECTIVES AND RISK APPETITE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER. YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT CHOICES.

A copy of this offer information statement (the “**Offer Information Statement**”) has been lodged with the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Offer Information Statement. Lodgment of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act 2001 of Singapore (the “**SFA**”), or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the securities or securities-based derivatives contracts, as the case may be, being offered for investment.

An application has been made to and approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation for up to 21,000,000 new Shares in the capital of Procurri Corporation Limited (the “**Company**”) to be issued under the Procurri Placement (as defined herein) on the Main Board of the SGX-ST.

The SGX-ST assumes no responsibility for the correctness or accuracy of any of the statements made, reports contained, and opinions expressed in this Offer Information Statement. Any approval in-principle that may be granted by the SGX-ST for the listing of and quotation for the Procurri Placement Shares (as defined herein) on the Main Board of the SGX-ST is not to be taken as an indication of the merits of the Procurri Placement Shares being offered, the Company and/or its subsidiaries (together with the Company, the “**Group**”).

This Offer Information Statement has been prepared solely in relation to the proposed Procurri Placement and shall not be relied on by any other person for any other purpose.

No securities or securities-based derivatives contracts may be allotted or allocated on the basis of this Offer Information Statement later than six months after the date of lodgment of this Offer Information Statement.



P R O C U R R I

PROCURRI CORPORATION LIMITED

(Incorporated in the Republic of Singapore on 15 March 2013)

(Company Registration No.: 201306969W)

THE PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 21,000,000 PROCURRI PLACEMENT SHARES IN CONNECTION WITH THE PROPOSED COMPLIANCE PLACEMENT (AS DEFINED HEREIN) FOR THE PURPOSE OF MEETING THE MINIMUM PUBLIC FLOAT (AS DEFINED HEREIN) REQUIREMENTS OF THE LISTING MANUAL (AS DEFINED HEREIN)

Placement Agent



THIS OFFER INFORMATION STATEMENT HAS BEEN PREPARED SOLELY IN RELATION TO THE PROCURRI PLACEMENT AND SHALL NOT BE RELIED ON BY ANY OTHER PERSON FOR ANY OTHER PURPOSE.

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IMPORTANT NOTICE

Capitalised terms used which are not otherwise defined herein shall have the same meaning as ascribed to them in the section entitled “**Definitions**” of this Offer Information Statement.

The existing Shares are quoted on the Main Board of the SGX-ST.

Persons wishing to subscribe for the Procurri Placement Shares offered by this Offer Information Statement should, before deciding whether to do so, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the affairs of the Company and the Group, including, but not limited to, the assets and liabilities, profits and losses, financial position, financial performance, risk factors and performance and prospects of the Company and the Group and the rights and liabilities attaching to the Procurri Placement Shares. They should rely, and shall be deemed to have relied, on their own independent enquiries and investigations of the affairs of the Company and the Group, including, but not limited to, the assets and liabilities, profits and losses, financial position, financial performance, risk factors and performance and prospects of the Company and the Group, as well as any bases and assumptions upon which financial projections, if any, are made or based, and their own appraisal and determination of the merits of investing in the Company and the Group. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Persons in doubt as to the action they should take should consult their business, financial, legal, tax or other professional adviser before deciding whether to participate in the Procurri Placement.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement, in connection with the Procurri Placement or the issue of the Procurri Placement Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Group or the Placement Agent. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future financial condition, performance, prospects or policies of the Company or the Group. Neither the delivery or dissemination of this Offer Information Statement nor the issue of the Procurri Placement Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the affairs of the Company or the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement document with the Authority. All investors should take note of any such announcement, or supplementary or replacement document, and, upon the release of such announcement or lodgment of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

The Company and the Placement Agent make no representation to any person regarding the legality of an investment in the Procurri Placement, the Procurri Placement Shares and/or the Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice.

The Placement Agent makes no representation, warranty or recommendation whatsoever as to the merits of the Procurri Placement, the Procurri Placement Shares, the Shares, the Company, the Group or any other matter related thereto or in connection therewith.

Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to subscribe for the Procurri Placement Shares or the Shares.

By applying for the Procurri Placement Shares on the terms and subject to the conditions in this Offer Information Statement, each investor of the Procurri Placement Shares represents and warrants that he is not (i) a Director, chief executive officer, substantial shareholder or

controlling shareholder of the Company or any of its subsidiaries, (ii) an associate of any persons mentioned in (i), (iii) a substantial shareholder, related company, associated company or sister company of a substantial shareholder of the Company, or (iv) a corporation in whose shares the Directors and substantial shareholders have an aggregate interest of at least 10%.

This Offer Information Statement and the accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Procurri Placement Shares under the Procurri Placement, and may not be relied upon by any persons (other than persons to whom these documents are despatched by the Company) or for any other purpose.

This Offer Information Statement may not be used for the purpose of, and does not constitute, an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In addition, no action has been or will be taken in any jurisdiction that would permit a public offering of the Procurri Placement Shares or the possession, circulation or distribution of this Offer Information Statement or any other material relating to the Company or the Procurri Placement Shares in any jurisdiction where action for that purpose is required. The Procurri Placement Shares may not be offered or sold, directly or indirectly and neither this Offer Information Statement nor any other offering material or advertisements in connection with the Procurri Placement Shares may be distributed or published in or from any country or jurisdiction except, in each case, under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The electronic dissemination of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of these jurisdictions. Persons having access to the electronic version of this Offer Information Statement and/or possession of the accompanying documents are advised to keep themselves informed of and observe such prohibitions and restrictions.

The Company's financial statements for FY2019, FY2020, FY2021¹ and 1H2022² (the "**Financial Statements**") are deemed incorporated into this Offer Information Statement by reference, are current only as at the dates of such Financial Statements, and the incorporation of the Financial Statements by reference will not create any implication that there has been no change in the affairs of the Company since the respective dates of such Financial Statements or that the information contained in such Financial Statements is current as at any time subsequent to their respective dates. Any statement contained in the Financial Statements shall be deemed to be modified or superseded for the purposes of this Offer Information Statement to the extent that a subsequent statement contained herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to form a part of this Offer Information Statement. Copies of the Financial Statements are available for inspection during normal business hours at the registered office of the Company at 29 Tai Seng Avenue, #01-01, Singapore 534119³, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement.

¹ Further to the notification from the processing bank that the Group's application for forgiveness of the Second Draw PPP Loan (as defined herein) has been declined, the full amount of the Second Draw PPP Loan will be restated from other income to loan payable in the Group's financial statements for FY2021. Further details in respect of the restatement are set out in the Company's announcement on SGXNET dated 9 December 2022.

² Further to the notification from the processing bank that the Group's application for forgiveness of the Second Draw PPP Loan (as defined herein) has been declined, the full amount of the Second Draw PPP Loan will be restated from other income to loan payable in the Group's financial statements for FY2021. Further details in respect of the restatement are set out in the Company's announcement on SGXNET dated 9 December 2022.

³ Prior appointment will be appreciated.

Prospective investors are advised to obtain and read the documents incorporated by reference herein before making their investment decision in relation to the Procurri Placement Shares.

Prospective investors should consult their own tax advisers regarding any tax consequences of acquiring, owning or disposing of the Shares. It is emphasised that neither the Company nor any other persons involved in the Procurri Placement accepts responsibility for any tax effects or liabilities of the acquisition, ownership or disposal of the Shares.

Notification under Section 309B of the SFA: The Procurri Placement Shares are prescribed capital markets products (as defined in the SFR) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Please note that the applicable rules and regulations do not allow the persons manning the aforementioned helpline to give advice on the merits of the proposed Procurri Placement, the Procurri Placement Shares, the Group or to provide investment, business, financial, legal or tax advice. If you are in any doubt as to what action you should take, please consult your business, financial, legal, tax or other professional adviser.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its Directors, officers or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or are forward-looking such as, without limitation, “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, operating results, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including but not limited to statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks (both known and unknown), uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company, the Placement Agent nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be as discussed in those statements.

In light of the ongoing uncertainties in the global financial markets and its contagion effect on the real economy, any forward-looking statements contained in this Offer Information Statement must be considered with significant caution and reservation.

Further, each of the Company and the Placement Agent disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. Where such developments, events or circumstances occur and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement via SGXNET and, if required, lodge a supplementary or replacement document with the Authority. The Company is also subject to the provisions of the Listing Manual regarding corporate disclosure.

SELLING RESTRICTIONS

No action has been taken or will be taken to permit a public offering of the Procurri Placement Shares to occur in any jurisdiction, or the possession, circulation, distribution or dissemination of this Offer Information Statement, any accompanying documents or any other material relating to the Company, or the Procurri Placement Shares in any jurisdiction where action for such purpose is required, except that this Offer Information Statement has been lodged with the Authority. Accordingly, the Procurri Placement Shares may not be offered or sold, directly or indirectly, and none of this Offer Information Statement, any accompanying documents or any offering materials or advertisements in connection with the Procurri Placement Shares may be distributed, disseminated or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Investors are advised to consult their legal counsel prior to subscribing for any Procurri Placement Shares.

This Offer Information Statement and the accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

DEFINITIONS

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

- “1H2021”** : The six-month financial period of the Company ended 30 June 2021
- “1H2022”** : The six-month financial period of the Company ended 30 June 2022
- “Acquisition”** : Has the meaning ascribed to it in Part 6, paragraph 4(c) of this Offer Information Statement
- “Additional Directors’ Emoluments”** : Has the meaning ascribed to it in Part 4, paragraph 8(c) of this Offer Information Statement
- “Allottee”** : The person to whom the Procurri Placement Shares is to be allotted in accordance with the Placement Agreement
- “APAC”** : Has the meaning ascribed to it in Part 5, paragraph 4 of this Offer Information Statement
- “Authority”** : The Monetary Authority of Singapore
- “Business Day”** : A day (excluding Saturday and Sunday) on which commercial banks are open for business in Singapore
- “CDP”** : The Central Depository (Pte) Limited
- “Commission”** : The commission of 8.0% of the Placement Price for each of such number of Procurri Placement Shares for which the Placement Agent has procured subscribers pursuant to the Placement Agreement, payable to the Placement Agent
- “Company”** : Procurri Corporation Limited
- “Companies Act”** : Companies Act 1967 of Singapore, as amended or modified from time to time
- “Completion Date”** : The date on which the subscription for the Procurri Placement Shares is completed
- “Compliance Placement”** : The procuring of subscriptions for or purchases of (as the case may be) up to 27,000,000 Placement Shares, comprising up to 21,000,000 Procurri Placement Shares and up to 6,000,000 Vendor Shares, representing in aggregate approximately 9.13% of the existing issued and paid-up share capital of the Company, for the purposes of complying with the Minimum Public Float in order to apply for resumption of trading of the Shares on the SGX-ST
- “Directors”** : The directors of the Company as at the date of this Offer Information Statement
- “EGM”** : The extraordinary general meeting of the Company to be held by way of electronic means on 11 January 2023 at

	10.00 a.m.
“EMEA”	: Has the meaning ascribed to it in Part 5, paragraph 4 of this Offer Information Statement
“Financial Statements”	: Has the meaning ascribed to it in the section titled “Important Notice” of this Offer Information Statement
“FY”	: Financial year of the Company ended or ending (as the case may be) 31 December
“Group”	: The Company and its subsidiaries
“HW and ITAD”	: Has the meaning ascribed to it in Part 4, paragraph 8(c) of this Offer Information Statement
“IT”	: Has the meaning ascribed to it in Part 4, paragraph 8(b) of this Offer Information Statement
“IT Distribution”	: Has the meaning ascribed to it in Part 5, paragraph 4 of this Offer Information Statement
“Latest Practicable Date”	: 21 December 2022, being the latest practicable date prior to the lodgment of this Offer Information Statement
“Listing Manual”	: The Main Board rules of the listing manual of the SGX-ST, as amended or modified from time to time
“M&A”	: Has the meaning ascribed to it in Part 5, paragraph 10 of this Offer Information Statement
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“Material Adverse Effect”	: Has the meaning ascribed to it in Part 3, paragraph 3 of this Offer Information Statement
“Minimum Public Float”	: The requirement under Rule 723 and Rule 1105 of the Listing Manual, that at least 10% of the total number of Shares excluding treasury shares (excluding preference shares and convertible equity securities) shall be held by at least 500 Shareholders who are members of the public
“Net Proceeds”	: Has the meaning ascribed to it in Part 4, paragraph 2 of this Offer Information Statement
“Offer”	: Has the meaning ascribed to it in Part 6, paragraph 4(c) of this Offer Information Statement
“Offer Information Statement”	: This offer information document (where applicable, including any supplementary or replacement document thereof) issued by the Company in connection with the Procurri Placement which complies as to form and content with the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 and lodged with the Authority pursuant to Section 277 of the SFA
“Offeror”	: Has the meaning ascribed to it in Part 6, paragraph 4(c) of this Offer Information Statement

“Placed Shares”	:	The number of Placement Shares for which the Placement Agent has procured subscribers and/or which are applied for through the Placement Agent pursuant to the Placement Agreement (as the case may be), as at the Completion Date
“Placement Agent”	:	SAC Capital Private Limited
“Placement Agreement”	:	The placement agreement entered into between the Company, the Vendor and the Placement Agent on 26 October 2022 in respect of the Compliance Placement
“Placement Monies”	:	The aggregate amount of subscriptions and purchase consideration received based on the Placement Price or the Vendor Tranche Placement Price (as the case may be) for all the Placed Shares
“Placement Price”	:	The price per Procurri Placement Share under the Procurri Placement, being S\$0.30 for each Procurri Placement Share
“Placement Shares”	:	Up to 27,000,000 placement Shares, comprising up to 21,000,000 Procurri Placement Shares and up to 6,000,000 Vendor Shares, for which the Placement Agent will, on a best endeavours basis, procure subscribers and/or process applications from purchasers, upon the terms and subject to the conditions of the Placement Agreement
“PPP”	:	Has the meaning ascribed to it in Part 4, paragraph 8(c) of this Offer Information Statement
“Procurri Placement”	:	The procuring of subscribers for the Procurri Placement Shares by the Placement Agent on a best endeavours basis pursuant to the Placement Agreement
“Procurri Placement Shares”	:	Up to 21,000,000 new Shares offered by the Company for subscription pursuant to the Compliance Placement, subject to and on the terms and conditions of the Placement Agreement and this Offer Information Statement
“PSP”	:	Has the meaning ascribed to it in Part 4, paragraph 8(c) of this Offer Information Statement
“PSP Awards”	:	Has the meaning ascribed to it in Part 4, paragraph 8(c) of this Offer Information Statement
“Relevant Director” or “Relevant Directors”	:	Have the meanings ascribed to them in Part 4, paragraph 8(c) of this Offer Information Statement
“Relevant Securities Accounts”	:	Has the meaning ascribed to it in Part 3, paragraph 5 of this Offer Information Statement
“Second Draw PPP Loan”	:	Has the meaning ascribed to it in Part 4, paragraph 8(c) of this Offer Information Statement
“Securities Account”	:	Securities account of a securities account holder maintained with CDP or a sub-account of a sub-account holder maintained with a Depository Agent

“SFA”	:	Securities and Futures Act 2001 of Singapore, as amended from time to time
“SFR”	:	Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018 of Singapore, as amended from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Tricor Barbinder Share Registration Services
“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
“Shares”	:	The ordinary shares in the capital of the Company
“Singapore”	:	The Republic of Singapore
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended from time to time
“TPM”	:	Has the meaning ascribed to it in Part 4, paragraph 8(c) of this Offer Information Statement
“United States” or “U.S.”	:	The United States of America
“Vendor”	:	DeClout Pte. Ltd.
“Vendor Shares”	:	Up to 6,000,000 existing Shares offered by the Vendor for purchase pursuant to the Compliance Placement, subject to and on the terms and conditions of the Placement Agreement
“Vendor Tranche Placement Price”	:	The price per Vendor Share under the Compliance Placement with respect to the Vendor Shares, being S\$0.215 for each Vendor Share

Currencies, Units and Others

“EUR”	:	Euro, being the official currency of 19 out of 27 European Union member countries
“GBP”	:	Pound sterling, being the lawful currency of the United Kingdom
“S\$” or “SGD”	:	Singapore dollars, being the lawful currency of Singapore
“US\$” or “USD”	:	US dollars, being the lawful currency of the United States
“%”	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Register”** and **“Depository Agent”** shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The term “**subsidiary**” shall have the meaning ascribed to it by Section 5 of the Companies Act. The term “**acting in concert**” shall have the meaning ascribed to it in the Take-over Code.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

References to persons shall include corporations.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment as for the time being amended, modified or re-enacted. Any word defined under the Companies Act, the SFA, the SFR, the Listing Manual, the Take-over Code, or any amendment or modification thereof and not otherwise defined in this Offer Information Statement shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the SFR, the Listing Manual, the Take-over Code, or such amendment or modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and dates in this Offer Information Statement shall be a reference to Singapore time and dates unless otherwise stated.

Any discrepancies in figures included in this Offer Information Statement between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

The information on the Company’s website, any website directly or indirectly linked to the Company’s website or any other website, is not incorporated by reference into this Offer Information Statement and should not be relied on.

PART 2 – IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.

Name	Address	Designation
Wong Kok Khun	c/o 29 Tai Seng Avenue #01-01 Singapore 534119	Executive Chairman
Ng Loh Ken Peter	c/o 29 Tai Seng Avenue #01-01 Singapore 534119	Lead Independent Director
Wong Quee Quee, Jeffrey	c/o 29 Tai Seng Avenue #01-01 Singapore 534119	Independent Director
Dr. Lim Puay Koon	c/o 29 Tai Seng Avenue #01-01 Singapore 534119	Independent Director
Lim Swee Yong	c/o 29 Tai Seng Avenue #01-01 Singapore 534119	Non-Independent Non-Executive Director
Lwi Tong Boon	c/o 29 Tai Seng Avenue #01-01 Singapore 534119	Non-Independent Non-Executive Director

Advisers

2. Provide the names and addresses of –
- (a) the issue manager to the offer, if any;
None.
- (b) the underwriter to the offer, if any;
None.

(c) **the legal adviser for or in relation to the offer, if any; and**

Legal Adviser to the Company as to Singapore law	Address
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Allen & Gledhill LLP

One Marina Boulevard
#28-00
Singapore 018989

(d) **the placement agent to the offer.**

Placement Agent	Address
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SAC Capital Private Limited

1 Robinson Road
#21-00 AIA Tower
Singapore 048542

Registrars and Agents

3. **Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities or securities-based derivatives contracts being offered, where applicable.**

Share Registrar and Transfer Agent	Address
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Tricor Barbinder Share Registration
Services

80 Robinson Road
#02-00
Singapore 068898

PART 3 – OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the number of the securities or securities-based derivatives contracts being offered.

Procurri Placement : Up to 21,000,000 Procurri Placement Shares representing up to approximately 7.10% of the issued and paid-up share capital of the Company (excluding treasury shares) of 295,589,973 Shares as at the date of lodgment of this Offer Information Statement.

The Procurri Placement Shares will represent approximately 6.63% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares) of 316,589,973 Shares immediately after the Procurri Placement.

Status of Procurri Placement Shares : The Procurri Placement Shares will be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing issued Shares at the time of the issue of the Procurri Placement Shares except that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of issue of the Procurri Placement Shares.

Method and Timetable

2. Provide the information mentioned in paragraphs 3 to 7 of this Part to the extent applicable to –
 - (a) the offer procedure; and
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

Noted.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period must be made public.

The Procurri Placement will commence from the time and date this Offer Information Statement is lodged with the Authority and will remain open until the Completion Date. The number of

Procurri Placement Shares issued pursuant to the Placement Agreement will be announced by the Company on SGXNET.

The name and address of the Placement Agent, to whom the subscription applications under the Procurri Placement are to be submitted, have been set out in Part 2, paragraph 2(d) above.

Pursuant to the Placement Agreement, the Placement Agent has agreed to procure subscriptions for and/or process applications for purchases of (as the case may be) up to 27,000,000 Placement Shares, comprising up to 21,000,000 Procurri Placement Shares and up to 6,000,000 Vendor Shares, on a best endeavours basis, subject to the terms and conditions of the Placement Agreement. For the avoidance of doubt, this Offer Information Statement relates only to the Procurri Placement Shares as the Vendor Shares will be separately placed out pursuant to an exemption under Section 273(1)(i) of the SFA. Completion of the Compliance Placement is conditional upon, *inter alia*: (a) this Offer Information Statement, which complies as to form and content with the Sixteenth Schedule of the SFR, being lodged with the Authority; (b) approval in-principle being obtained from the SGX-ST for the listing and quotation of the Procurri Placement Shares on the Main Board of the SGX-ST and not having been revoked or amended, and where such approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Procurri Placement Shares on the SGX-ST are required to be fulfilled on or before the Completion Date, they are so fulfilled; (c) approval in-principle being obtained from the SGX-ST for the transfer of the Vendor Shares and not having been revoked or amended; (d) as at the Completion Date, the Shares not being delisted from the Main Board; (e) the Minimum Public Float requirement being capable of being satisfied by the placement of the Placed Shares together with (if any) other Shares which are placed out separately by the Company, the Vendor or any other third party; (f) the approval of Shareholders being obtained at the EGM for the issue of the Procurri Placement Shares at the Placement Price; (g) the transactions contemplated by the Placement Agreement not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore or any other jurisdiction, which is applicable to the Company, the Vendor or the Placement Agent; (h) there not having occurred, in the reasonable opinion of the Placement Agent (as determined on a good faith basis by the Placement Agent) any circumstance, event or situation which is or are likely to have any material adverse effect on (i) the financial condition, prospects, earnings, business, properties, assets or results of operations of the Group taken as a whole whether or not arising from transactions in the ordinary course of business or (ii) the ability of the Company or, as the case may be, the Vendor, to perform in any material respect its obligations under the Placement Agreement (the “**Material Adverse Effect**”), subsequent to the date of the Placement Agreement which, in the reasonable opinion of the Placement Agent (as determined on a good faith basis by the Placement Agent), is or is reasonably likely to make it impracticable or inadvisable or inexpedient to proceed with the Compliance Placement or is reasonably likely to prejudice materially the success of the Compliance Placement or dealings in the Placement Shares in the secondary market; and (i) the representations, warranties and undertakings of the Company and Vendor under the Placement Agreement remaining true and correct in all material respects as at the Completion Date with reference to the then existing circumstances, and the Company and Vendor having performed all of its obligations under the Placement Agreement to be performed on or before the Completion Date.

4. State the method and time limit for paying up for the securities or securities-based derivatives contracts and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

Upon making an irrevocable application for the allocation and allotment of the Procurri Placement Shares by an Allottee under the Procurri Placement, an Allottee will be obliged to pay the Placement Price of the Procurri Placement Shares by way of remittance to a bank account designated by the Placement Agent or such other means as agreed with the Placement Agent.

The Placement Agent or such other persons as the Placement Agent may direct, will make payment, at least one Business Day prior to the Completion Date, to the Company of the Placement Monies with respect of the Procurri Placement Shares (after taking into account any set off or deduction of any amount owing by the Company to the Placement Agent in accordance with the Placement Agreement) under the Procurri Placement.

The Placement Agent shall, no later than three Business Days prior to the Completion Date, deliver to the Company, the Share Registrar and the Vendor, *inter alia*, the names of the subscribers procured by it for the Procurri Placement Shares and the number of Procurri Placement Shares to be subscribed for by each subscriber.

The Procurri Placement Shares will be fully paid up. Accordingly, partial payment is not relevant in the context of the Procurri Placement.

5. State, where applicable, the methods of and time limits for –

- (a) the delivery of the documents evidencing title to the securities or securities-based derivatives contracts being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
- (b) the book-entry transfers of the securities or securities-based derivatives contracts being offered in favour of subscribers or purchasers.**

The Company shall, on the Completion Date, (a) allot and issue, and register the share certificates relating to the Procurri Placement Shares in the name of CDP for the account of the subscribers or the Depository Agent holding the Procurri Placement Shares on behalf of the subscribers or the name of the subscribers, as the case may be, such account numbers as notified in writing by the Placement Agent to the Company at least three Business Days prior to the Completion Date (the “**Relevant Securities Accounts**”); (b) deliver or procure to be delivered to CDP the share certificates for the Procurri Placement Shares; and (c) instruct CDP to credit the relevant number of the Procurri Placement Shares to the Relevant Securities Accounts.

6. In the case of any pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

There are no pre-emptive rights to subscribe for the Procurri Placement Shares.

7. **Provide a full description of the manner in which results of the allotment or allocation of the securities or securities-based derivatives contracts are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**

Pursuant to the Placement Agreement, the Placement Agent will procure subscribers for the Procurri Placement Shares on a best endeavours basis.

The number of Procurri Placement Shares issued pursuant to the Placement Agreement will be announced by the Company on the SGXNET.

No excess amounts are expected to be received in respect of the Procurri Placement Shares.

PART 4 – KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.

Noted.

2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (called in this paragraph and paragraph 3 of this Part the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.

Assuming that 21,000,000 Procurri Placement Shares are sold at the Placement Price of S\$0.30, the estimated net proceeds from the Procurri Placement (after deducting the Commission and estimated expenses incurred in connection with the Procurri Placement of approximately S\$775,000) are expected to be approximately S\$5,525,000 (the “**Net Proceeds**”).

All Net Proceeds will go to the Company.

3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities or securities-based derivatives contracts.

The Company intends to utilise the Net Proceeds for the following purposes:

Purpose	Amount	Percentage of Proceeds	Use of Proceeds
Working capital requirements	S\$1,675,500 - S\$3,867,500	30-70%	To be used for the Group’s working capital requirements
Expansion	S\$1,675,500 - S\$3,867,500	30-70%	To be used for the Group’s expansion via strategic partnerships, joint ventures and/or mergers and acquisitions in the ordinary course of the Group’s business

Total	S\$5,525,000	100%
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Pending the deployment of the Net Proceeds, such Net Proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may deem appropriate in the interests of the Group.

The Company undertakes that it will comply with Rules 704(30) and 1207(20) of the Listing Manual. Accordingly, the Company will make periodic announcements on the utilisation of the Net Proceeds via the SGXNET as and when such funds are materially disbursed, including whether such a use is in accordance with the stated use. The Company will also provide a status report on the utilisation of the Net Proceeds in its annual report(s). Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

Pursuant to the Placement Agreement, the Placement Agent has agreed to procure subscribers for the Procurri Placement Shares on a best endeavours basis, subject to the terms and conditions of the Placement Agreement. Accordingly, the Procurri Placement is not underwritten. There is no minimum amount which, in the reasonable opinion of the Directors, must be raised in the Procurri Placement.

The foregoing represents the Company's best estimate of its allocation of the Net Proceeds based on its current plans and estimates regarding its anticipated expenditures. Actual expenditures may vary from these estimates and the Company may find it necessary or advisable to re-allocate the Net Proceeds within the categories described above or to use portions of the Net Proceeds for other purposes. In the event that the Company decides to reallocate the Net Proceeds or use portions for other purposes, it will publicly announce its intention to do so on the SGXNET.

4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

Assuming that 21,000,000 Procurri Placement Shares are issued at the Placement Price of S\$0.30, for each dollar of the gross proceeds of up to approximately S\$6,300,000 due to the Company from the Procurri Placement, the Company will use:

- (a) approximately S\$0.26-S\$0.62 to be used for the Group's working capital requirements; and
- (b) approximately S\$0.26-S\$0.62 to be used for the Group's expansion via strategic partnerships, joint ventures and/or mergers and acquisitions in the ordinary course of the Group's business.

Approximately S\$0.12 for each dollar of the gross proceeds raised will be used to pay for the expenses incurred by the Company in connection with the Procurri Placement.

5. If any material part of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of any asset, business or entity, briefly describe the asset, business or entity and state its purchase price. Provide

information on the status of the acquisition and the estimated completion date. Where funds have already been expended for the acquisition, state the amount that has been paid by the relevant entity, or, if the relevant entity is the holding company or holding entity of a group, the amount that has been paid by the relevant entity or any other entity in the group as at the latest practicable date. If the asset, business or entity has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined and whether the acquisition is on an arm's length basis.

Save as disclosed in paragraph 3 of this Part, none of the proceeds from the Procurri Placement will be used to acquire or refinance the acquisition of any asset, business or entity. As at the date of this Offer Information Statement, the Company has not identified any specific targets or transactions for which the Net Proceeds are intended to be used.

6. **If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**

Not applicable. No proceeds from the Procurri Placement will be utilised to discharge, reduce or retire the indebtedness of the Group.

7. **In the section containing the information mentioned in paragraphs 2 to 6 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters, or other placement or selling agents in relation to the offer, and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**

The Placement Price is S\$0.30, representing a discount of approximately 26.83% to the volume weighted average price of S\$0.41 per Share based on trades done on the SGX-ST on 1 July 2022 (being the preceding Market Day up to the time the Placement Agreement was signed, as trading of the Shares has been suspended since 9.00 a.m. on 4 July 2022 and was not available on the date the Placement Agreement was signed).

The Commission agreed upon between the Company and the Placement Agent in respect of the Procurri Placement is 8.0% of the Placement Price for each of such number of Procurri Placement Shares for which the Placement Agent has procured subscribers pursuant to the Placement Agreement.

Information on the Relevant Entity

8. **Provide the following information:**

- (a) **the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office), and the email address of the relevant entity or a representative of the relevant entity;**

Registered Office and : 29 Tai Seng Avenue
Principal Place of Business #01-01

Singapore 534119

Telephone Number : +65 6486 1300
Facsimile Number : +65 6742 0405
E-mail Address : ir@procurri.com

(b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;

The principal activities of the Company are those of wholesale of computer hardware and peripheral equipment and investment holding.

As at the Latest Practicable Date, the Company has the following subsidiaries:

Subsidiaries

Name of Subsidiary	Principal Place of Business	Effective Equity held (%)	Principal Activities
Procurri Singapore Pte. Ltd.	Singapore	100	Business of supply, rental and maintenance and servicing of computer hardware and peripheral equipment
Procurri Malaysia Sdn. Bhd.	Malaysia	100	Sales of all kinds of computer systems and hardware, provision of maintenance and related services, and rental of computer parts and fully configured servers
Procurri Asia Pacific Pte. Ltd.	Singapore	100	Business of supply, rental and maintenance and servicing of computer hardware and peripheral equipment
Procurri Europe Lifecycle Services Limited	United Kingdom	100	Investment holding
Procurri India Private Limited	India	100	Business of hardware sales, maintenance and services
Procurri Canada Limited	Canada	100	Sale of information technology ("IT") asset disposal, repair services, data centre services, hardware resale and independent maintenance services of computer hardware and peripheral equipment

Name of Subsidiary	Principal Place of Business	Effective Equity held (%)	Principal Activities
Procurri Australia Pty. Ltd.	Australia	100	Sale of IT asset disposal, repair services, data centre services, hardware resale and independent maintenance services of computer hardware and peripheral equipment
Procurri Japan GK	Japan	100	IT asset disposal, repair services, data centre services, hardware resale and independent maintenance services of computer hardware and peripheral equipment
Subsidiary of Procurri Asia Pacific			
Procurri Beijing Co., Ltd.	China	100	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
Subsidiaries of Procurri Europe Lifecycle Services Limited			
Procurri LLC	United States	100	Business of provision of IT solutions
Procurri Europe Limited	United Kingdom	100	As an investment holding, engage in the distribution of IT spare parts, refurbishment and subsequent sales of second user, reconfigured mid to high end IT equipment in the global market

Name of Subsidiary	Principal Place of Business	Effective Equity held (%)	Principal Activities
Subsidiary of Procurri Europe Limited			
Procurri GmbH	United Kingdom	100	Sale and distribution of computer hardware products, maintenance and other services related to IT systems and networks
Subsidiaries of Procurri LLC			
Procurri S. de R.L. de C.V.	Mexico	100	Business of provision of IT solutions
Rockland Congruity LLC	United States	100	Engage in IT hardware and enterprise support by offering independent maintenance and IT support services in the Americas

- (c) the general development of the business from the beginning of the period comprising the 3 most recently completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –
- (i) the end of the most recently completed financial year for which financial statements of the relevant entity have been published; or
 - (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;

General business developments in FY2019

Please refer to the Operations Review of the Group for FY2019 as extracted from the Company's Annual Report for FY2019, as reproduced in Appendix A of this Offer Information Statement.

General business developments in FY2020

Please refer to the Operations Review of the Group for FY2020 as extracted from the Company's Annual Report for FY2020, as reproduced in Appendix B of this Offer Information Statement.

General business developments in FY2021

Please refer to the Operations Review of the Group for FY2021 as extracted from the Company's Annual Report for FY2021, as reproduced in Appendix C of this Offer Information Statement.

General business developments in 1H2022

Third Party Maintenance ("TPM")

1H2022 saw a continuation of much of the trend from FY2021. The TPM business

segment continued to struggle with a year-on-year downturn in revenues. The downturn can mainly be attributed to the failure to renew contracts or assets being retired. Cost management within the TPM business segment has been a key focus for the Group. The Group has focused on gaining the benefits of global visibility and management through the implementation of Salesforce, a cloud-based software that provides applications that focused on sales, marketing automation and analytics.

Hardware, Lifecycle Services and IT Asset Disposition (“HW and ITAD”)

The HW and ITAD business segment continued to perform well in 1H2022, delivering S\$24.6 million in gross profit and 28.6% growth year-on-year. The improvement in the performance of the HW and ITAD business segment can be attributed mainly to the Group’s focus on stock management and general cost control.

General business developments from 1H2022 to the Latest Practicable Date

The Group’s business has undergone changes in its ownership and senior leadership during the period from 1H2022 to the Latest Practicable Date, including the close of a mandatory conditional cash offer for all the Shares, other than treasury shares and those Shares already owned, controlled or agreed to be acquired by the Company’s controlling shareholder, DeClout Pte. Ltd., and the retirement of Mr Sean Murphy as the Executive Director and Global Chief Executive Officer of the Company with effect from 30 September 2022. A new leadership team consisting of existing executive officers and other senior management has been formed to lead the business into the future. Moving forward, the Group expects to undertake an internal restructuring exercise to streamline its group operations.

TPM

The Group has seen the continued decline in renewals and new sales within the TPM business segment in 1H2022, specifically within the United States. This has led the Group to undertake a cost optimisation exercise following an in-depth business review, which includes (i) the Group exiting its current facility in Boston by the end of FY2022 in favour of a smaller unit in Atlanta, which is closer to the Group’s existing warehouse operations in Norcross; (ii) the shifting of the Group’s Network Operations Centres from the Americas and the United Kingdom to Kosovo and Malaysia to take advantage of the more competitive cost structure in Kosovo and Malaysia; and (iii) the right sizing of the Group’s headcount in the Americas.

The United States Paycheck Protection Program (the “PPP”)

In the United States, the PPP was created to provide certain small businesses with liquidity to support their operations during the COVID-19 pandemic. Under the PPP, eligible small businesses can apply to approved lenders for a loan that does not require collateral or personal guarantees. PPP loans were disbursed by the lenders (i.e. participating banks appointed by the U.S. government to manage and approve the PPP loans for applicants). The loans are eligible for forgiveness (in full or in part, including any accrued interest under certain conditions).

If an entity expects to comply with the PPP eligibility and loan forgiveness criteria, it accounts for the forgivable PPP loan as, in substance, a government grant that is earned through the entity’s compliance with the loan forgiveness criteria. During FY2021, the Group applied for PPP loan and received the PPP loan disbursements amounting to US\$1,709,099 (the “**Second Draw PPP Loan**”). The Group has obtained forgiveness for the first draw of the PPP loan during FY2021 and was of the view that

the Second Draw PPP Loan would be similarly forgiven as it was reviewed, approved and made available to the Group by the participating bank. Therefore, the Group recognised the Second Draw PPP Loan as income in FY2021.

The Group has been notified that the application for forgiveness of the Second Draw PPP Loan has been declined as the Group did not meet one of the conditions for forgiveness of the full loan amount. The Company has filed an appeal with the U.S. Small Business Administration to request for a review of the decision by the processing bank. As a result of the decision by the processing bank, the Group will be required to repay the Second Draw PPP Loan over a period of 5 years and at an interest rate of 1% per annum. The full amount of the Second Draw PPP Loan proceeds received will be restated to loan payables for FY2021.

Proposed Payment of Additional Directors' Emoluments

The Company will be seeking the approval of Shareholders at the EGM for, among others, the payment of additional Directors' emoluments (the "**Additional Directors' Emoluments**") to Mr Wong Kok Khun, Mr Lwi Tong Boon and Mr Lim Swee Yong (collectively, the "**Relevant Directors**", and each a "**Relevant Director**").

The Additional Directors' Emoluments are proposed to be paid in the form of up to 9,000,000 share awards ("**PSP Awards**"), in aggregate, granted to the Relevant Directors under and in accordance with the provisions of the Procurri Corporation Performance Share Plan (the "**PSP**") following the date of the EGM. Such PSP Awards will vest in accordance with the following vesting schedule, subject to the satisfaction of certain prescribed performance conditions during the respective financial years, including, but not limited to, the resumption of trading of the Shares on the SGX-ST and the Company meeting certain earnings per Share targets during the relevant financial year.

Financial Year	No. of PSP Awards
2022	1,100,000
2023	1,700,000
2024	1,700,000
2025	2,250,000
2026	2,250,000
Total:	9,000,000

The PSP Awards in respect of the Additional Directors' Emoluments will be granted pursuant to the general mandate already obtained from the Shareholders at the annual general meeting of the Company held on 26 April 2022 for the grant of share awards under the PSP, and the value of the vested share awards will be treated as Directors' fees paid to the Relevant Directors for the relevant financial year at the time of vesting. The relevant amounts of the PSP Awards that vest in each financial year (as outlined above) will be recognised as employee benefits expenses for the relevant financial year.

In accordance with the provisions of the PSP, the Company will make an immediate announcement on the date of grant of the PSP Awards relating to the payment of the Additional Directors' Emoluments to the Relevant Directors, subject to Shareholders' approval at the EGM, and provide details including the date of grant, the number of Shares granted to each Relevant Director, the relevant vesting period and the market price of the Shares on the date of grant.

(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –

- (i) in the case of the equity capital, the issued capital; or
- (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;

As at the Latest Practicable Date, the equity capital of the Company is as follows:

Share capital – issued and fully paid : S\$75,106,229
 Number of issued and paid-up : 295,589,973
 ordinary Shares

The Company does not have any loan capital.

where –

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or
- (ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;

The interest of the substantial shareholder, based on the Company’s issued share capital as at the Latest Practicable Date, is as follows:

Substantial Shareholder	Direct Interest		Deemed Interest		Total	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
DeClout Pte. Ltd.	290,614,691	98.32	-	-	290,614,691	98.32
Exeo Global Pte. Ltd. ⁽²⁾	-	-	290,614,691	98.32	290,614,691	98.32
EXEO Group, Inc. ⁽²⁾	-	-	290,614,691	98.32	290,614,691	98.32

Notes:

- (1) Based on 295,589,973 Shares in issue (excluding treasury shares) as at the Latest Practicable Date.
- (2) DeClout Pte. Ltd. is a wholly-owned subsidiary of Exeo Global Pte. Ltd., which is a wholly-owned subsidiary of EXEO Group, Inc. As such, each of Exeo Global Pte. Ltd. and EXEO Group, Inc. are deemed to be interested in the Shares held directly by DeClout Pte. Ltd.

(f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months

immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;

Save as previously disclosed in the Company's announcements made on SGXNET to date, as at the date of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings to which any member of the Group is a party or which is pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of this Offer Information Statement, a material effect on the financial position or profitability of the Group.

(g) where any securities, securities-based derivatives contracts or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –

(i) if the securities, securities-based derivatives contracts or equity interests have been issued for cash, state the prices at which the securities or securities-based derivatives contracts have been issued and the number of securities, securities-based derivatives contracts or equity interests issued at each price; or

The Company has not issued any securities, securities-based derivatives contracts or equity interests in return for cash within the 12 months immediately preceding the Latest Practicable Date.

(ii) if the securities, securities-based derivatives contracts or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities, securities-based derivatives contracts or equity interests;

The Company has not issued any securities, securities-based derivatives contracts or equity interests in return for services (in the sense of services provided by a service provider as opposed to services provided in the course of employment) within the 12 months immediately preceding the Latest Practicable Date.

For the avoidance of doubt, the Company has from time to time granted awards to employees and directors of the Group under the PSP. The movement of share awards granted pursuant to the PSP and their fair values at grant date are disclosed in the Company's annual reports. For completeness, as disclosed in paragraph 8(c) of this Part, the Company will be seeking the approval of Shareholders at the EGM for, among others, the payment of Additional Directors' Emoluments in the form of the PSP Awards to the Relevant Directors under and in accordance with the provisions of the PSP.

(h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date

and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.

Save as disclosed in the Company's announcements made on SGXNET to date, neither the Company nor its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) for the period of two years immediately preceding the date of lodgment of this Offer Information Statement, except for the placement agreement entered into between the Company, the Vendor and the Placement Agent on 26 October 2022 in relation to the Compliance Placement.

PART 5 – OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from –

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recently completed financial years) for which that statement has been published; and**
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.**

	Unaudited 1H2022 S\$'000	Unaudited 1H2021 (Restated) ⁽¹⁾ S\$'000	Unaudited 1H2021 S\$'000	Unaudited FY2021 (Restated) ⁽¹⁾ S\$'000	Audited FY2021 S\$'000	Audited FY2020 S\$'000	Audited FY2019 S\$'000
Revenue	121,091	125,906	125,906	249,628	249,628	233,467	221,289
Cost of sales	(87,206)	(96,336)	(96,336)	(189,130)	(189,130)	(168,722)	(143,185)
Gross profit	33,885	29,570	29,570	60,498	60,498	64,745	78,104
Other items of income							
Other income	111	178	2,456	568	2,846	6,103	1,130
Other credits	1,015	670	670	1,060	1,060	188	255
Other items of expense							
Selling expenses	(15,210)	(13,181)	(13,181)	(27,050)	(27,050)	(20,970)	(17,993)
Administrative expenses	(17,834)	(17,608)	(17,608)	(32,452)	(32,452)	(43,032)	(54,320)
Finance costs	(368)	(344)	(344)	(639)	(639)	(1,108)	(1,497)
Other charges	(66)	(196)	(196)	(407)	(407)	(1,895)	(942)
Profit before tax	1,533	(911)	1,367	1,578	3,856	4,031	4,737
Income tax credit/(expense)	(258)	885	885	590	590	(1,335)	(962)
Profit for the period	1,275	(26)	2,252	2,168	4,446	2,696	3,775
Other comprehensive income:							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation	(2,326)	954	954	352	352	271	267
Other comprehensive income for the period	(2,326)	954	954	352	352	271	267
Total comprehensive income for the period	(1,051)	928	3,206	2,520	4,798	2,967	4,042
Profit for the period attributable to:							
Owners of the Company	1,275	(26)	2,252	2,168	4,446	2,696	3,775
Total comprehensive income attributable to:							
Owners of the Company	(1,051)	928	3,206	2,520	4,798	2,967	4,042
Earnings per Share attributable to owners of the							

Company (cents per Share)							
Basic	0.43	(0.01)	0.77	0.74	1.51	0.92	1.33
Diluted	0.43	(0.01)	0.76	0.74	1.51	0.92	1.30
Earnings or loss per Share (after Procurri Placement) (cents per Share)							
Basic	0.40	(0.01)	0.71	0.69	1.41	0.86	1.23
Diluted	0.40	(0.01)	0.71	0.69	1.41	0.86	1.21
Dividend per Share (cents per Share)							
	-	-	-	-	-	-	-

Note:

- (1) Further to the notification from the processing bank that the Group's application for forgiveness of the Second Draw PPP Loan has been declined, the full amount of the Second Draw PPP Loan will be restated from other income to loan payable in the Group's financial statements for FY2021. Further details in respect of the restatement are set out in the Company's announcement on SGXNET dated 9 December 2022.

Restatement of the Second Draw PPP Loan for FY2021

The Group has received a notification from the processing bank on the outcome of its application for the forgiveness of the loan pursuant to the PPP.

In the United States, the PPP was created to provide certain small businesses with liquidity to support their operations during the COVID-19 pandemic. Under the PPP, eligible small businesses can apply to approved lenders for a loan that does not require collateral or personal guarantees. PPP loans were disbursed by the lenders (i.e. participating banks appointed by the U.S. government to manage and approve the PPP loans for applicants). The loans are eligible for forgiveness (in full or in part, including any accrued interest) under certain conditions.

If an entity expects to comply with the PPP eligibility and loan forgiveness criteria, it accounts for the forgivable PPP loan as, in substance, a government grant that is earned through the entity's compliance with the loan forgiveness criteria. During FY2021, the Group applied for PPP loan and received the PPP loan disbursements amounting to US\$1,709,099 (the "**Second Draw PPP Loan**"). The Group has obtained forgiveness for the first draw of the PPP loan during FY2021 and was of the view that the Second Draw PPP Loan would be similarly forgiven as it was reviewed, approved and made available to the Group by the participating bank. Therefore, the Group recognised the Second Draw PPP Loan as income in FY2021.

The Group has been notified that the application for forgiveness of the Second Draw PPP Loan has been declined as the Group did not meet one of the conditions for forgiveness of the full loan. The Company has filed an appeal with the U.S. Small Business Administration to request for a review of the decision by the processing bank. As a result of the decision by the processing bank, the Group will be required to repay the Second Draw PPP Loan over a period of 5 years and at an interest rate of 1% per annum. The full amount of the Second Draw PPP Loan proceeds received will be restated to loan payables for FY2021, as follows:

	31 December 2021 As previously reported S\$'000	Prior period adjustment S\$'000	31 December 2021 As restated S\$'000
Balance sheet			
Loans and borrowings	12,082	2,278	14,360
Retained earnings	29,084	(2,278)	26,806
Statement of comprehensive income			
Other income	2,846	(2,278)	568

Further details in respect of the restatement are set out in the Company's announcement on SGXNET dated 9 December 2022.

2. **The data mentioned in paragraph 1 of this Part must include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and must in addition include the following items:**
 - (a) **dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;**

- (b) earnings or loss per share;
- (c) earnings or loss per share, after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.

Noted.

3. Despite paragraph 1 of this Part, where –

- (a) unaudited financial statements of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the unaudited consolidated financial statements of the relevant entity or unaudited combined financial statements of the group, have been published in respect of the most recently completed financial year; and
- (b) the audited financial statements for that year are unavailable,

the data mentioned in paragraph 1 of this Part in respect of the most recently completed financial year may be provided from such unaudited financial statements, if the directors or equivalent persons of the relevant entity include a statement in the offer information statement that to the best of their knowledge, they are not aware of any reason which could cause the unaudited financial statements to be significantly different from the audited financial statements for the most recently completed financial year.

Not applicable.

4. In respect of –

- (a) each financial year (being one of the 3 most recently completed financial years) for which financial statements have been published; and
- (b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

FY2020 compared to FY2019

Revenue

The Group's revenue increased by 5.5% from S\$221.3 million in FY2019 to S\$233.5 million in FY2020.

The net increase in the overall Group's revenue was due to the following:

- (a) increase in revenue from the Lifecycle Services business segment by 8.0% from S\$71.5 million in FY2019 to S\$77.3 million in FY2020; and

- (b) increase in revenue from the Information Technology Distribution (“**IT Distribution**”) business segment by 4.3% from S\$149.8 million in FY2019 to S\$156.2 million in FY2020.

Geographically, revenue from the Americas increased by 6.4% to S\$131.2 million which accounted for 56.2% of the Group’s revenue and revenue from Europe, Middle East and Africa (“**EMEA**”) increased by 19.3% to S\$84.7 million in FY2020, whereas revenue from Asia Pacific (“**APAC**”) decreased by 34.8% to S\$17.6 million in FY2020.

Of the Group’s total revenue, revenue from the Lifecycle Services and the IT Distribution business segments accounted for 33.1% (FY2019: 32.3%) and 66.9% (FY2019: 67.7%) respectively of the Group’s revenue.

Profit Before Tax

The Group’s gross profit decreased by 17.1% from S\$78.1 million in FY2019 to S\$64.7 million in FY2020, which was attributable to a decrease in gross profit margin of the IT Distribution business segment from 25.0% in FY2019 to 18.8% in FY2020 due to the completion of low-margin hardware deals in 2020 to clear aged inventories and a decrease in gross profit margin for the Lifecycle business segment from 56.9% in FY2019 to 45.8% in FY2020 due to an increase in cost of delivery alongside an increase in stock obsolescence allowances.

Other income increased from S\$1.1 million in FY2019 to S\$6.1 million in FY2020 mainly due to the various government support programs relating to the COVID-19 pandemic including the recognition of loans forgiven under the PPP.

The reclassification of sales employees’ salaries under selling expenses instead of administrative expenses resulted in an increase of S\$3.0 million in selling expenses from S\$18.0 million in FY2019 to S\$21.0 million in FY2020 and a decrease in administrative expenses of S\$11.3 million from S\$54.3 million in FY2019 to S\$43.0 million in FY2020. On a net basis, the Group’s operating expenses decreased by 11.5% in FY2020.

As a result of the above, the Group’s profit before tax decreased from S\$4.7 million in FY2019 to S\$4.0 million in FY2020.

FY2021 compared to FY2020

Revenue

The Group’s revenue increased by 6.9% from S\$233.5 million in FY2020 to S\$249.6 million in FY2021.

With effect from 1 January 2021, the Group repositioned its business segments into HW and ITAD and TPM, which were previously known as IT Distribution business and Lifecycle Services business respectively.

The net increase in the overall Group’s revenue was due to the following:

- (a) increase in revenue from the HW and ITAD business segment by 14.2% from S\$169.4 million in FY2020 to S\$193.5 million in FY2021 which was attributable to the better performance from EMEA and the Americas; and
- (b) decrease in revenue from the TPM business segment by 12.3% from S\$64.0 million in FY2020 to S\$56.2 million in FY2021, mainly due to the lower contribution from the

Americas where sales activity remained muted while the Group focused on upgrading its TPM operational infrastructure throughout the year.

Geographically, revenue from the Americas increased by 2.6% to S\$134.6 million in FY2021 and revenue from EMEA increased by 17.4% to S\$99.4 million in FY2021, whereas revenue from APAC decreased by 11.1% to S\$15.6 million in FY2021.

Of the Group's total revenue, the HW and ITAD and the TPM business segments contributed to 77.5% and 22.5% respectively of the Group's revenue.

Profit Before Tax

The Group's overall gross profit decreased by 6.5% from S\$64.7 million in FY2020 to S\$60.5 million in FY2021 as a result of lower gross profit margin and the increase in allowance for stock obsolescence. The increase in allowance for stock obsolescence was mainly due to the increase in aged inventories and the Group's policy to mark down multi-generational inventories to net realisable value. The procurement of inventories is subject to IT equipment market volatility by nature.

The Group recorded S\$2.4 million in government support programs relating to the COVID-19 pandemic and included the recognition of the loans forgiven under the PPP in FY2021 as compared to S\$5.4 million in FY2020. The PPP was established by the United States Coronavirus Aid, Relief, and Economic Security Act to provide financial assistance to businesses to keep their workforce employed during the COVID-19 crisis. The loans can be forgiven when certain criteria are met. As a result, other income decreased from S\$6.1 million in FY2020 to S\$2.8 million in FY2021. Other credits increased by S\$0.9 million from S\$0.2 million in FY2020 to S\$1.1 million in FY2021, mainly due to the foreign exchange gain from the revaluation of the USD, GBP and EUR denominated receivables.

Administrative expenses decreased by S\$10.5 million, from S\$43.0 million in FY2020 to S\$32.5 million in FY2021, mainly due to the decrease in staff cost. Staff cost decreased 31.0% year-on-year mainly from a lower headcount and the reclassification of some employees' salaries to selling expenses. Total staff cost excluding sales commission decreased by 12.4% from S\$35.0 million in FY2020 to S\$30.7 million in FY2021.

Finance cost decreased by S\$0.5 million as a result of the lower borrowings.

Other charges decreased by S\$1.5 million, from S\$1.9 million in FY2020 to S\$0.4 million in FY2021, mainly due to the decreased in allowance for trade receivables and the exchange loss and goodwill impairment recorded in FY2020.

As a result of the above, the Group's profit before tax decreased by 2.5% from S\$4.0 million in FY2020 to S\$3.9 million in FY2021. The Group recorded an income tax credit of S\$0.6 million in FY2021 as compared to an income tax expense of S\$1.3 million in FY2020 as a result of reversal of over provision of income tax relating to the COVID-19 pandemic loans forgiven under the PPP.

FY2021 (as restated)⁴ compared to FY2020

Revenue

The Group's revenue increased by 6.9% from S\$233.5 million in FY2020 to S\$249.6 million in FY2021.

With effect from 1 January 2021, the Group repositioned its business segments into HW and ITAD and TPM, which were previously known as IT Distribution business and Lifecycle Services business respectively.

The net increase in the overall Group's revenue was due to the following:

- (a) increase in revenue from the HW and ITAD business segment by 14.2% from S\$169.4 million in FY2020 to S\$193.5 million in FY2021 which was attributable to the better performance from EMEA and the Americas; and
- (b) decrease in revenue from the TPM business segment by 12.3% from S\$64.0 million in FY2020 to S\$56.2 million in FY2021, mainly due to the lower contribution from the Americas where sales activity remained muted while the Group focused on upgrading its TPM operational infrastructure throughout the year.

Geographically, revenue from the Americas increased by 2.6% to S\$134.6 million in FY2021 and revenue from EMEA increased by 17.4% to S\$99.4 million in FY2021, whereas revenue from APAC decreased by 11.1% to S\$15.6 million in FY2021.

Of the Group's total revenue, the HW and ITAD and the TPM business segments contributed to 77.5% and 22.5% respectively of the Group's revenue.

Profit Before Tax

The Group's overall gross profit decreased by 6.5% from S\$64.7 million in FY2020 to S\$60.5 million in FY2021 as a result of lower gross profit margin and the increase in allowance for stock obsolescence. The increase in allowance for stock obsolescence was mainly due to the increase in aged inventories and the Group's policy to mark down multi-generational inventories to net realisable value. The procurement of inventories is subject to IT equipment market volatility by nature.

The Group recorded S\$5.4 million in government support programs relating to the COVID-19 pandemic and included the recognition of the loans forgiven under the PPP in FY2020. The PPP was established by the United States Coronavirus Aid, Relief, and Economic Security Act to provide financial assistance to businesses to keep their workforce employed during the COVID-19 crisis. The loans can be forgiven when certain criteria are met. As a result, other income decreased from S\$6.1 million in FY2020 to S\$0.6 million in FY2021. Other credits increased by S\$0.9 million from S\$0.2 million in FY2020 to S\$1.1 million in FY2021, mainly due to the foreign exchange gain from the revaluation of the USD, GBP and EUR denominated receivables.

Administrative expenses decreased by S\$10.5 million, from S\$43.0 million in FY2020 to S\$32.5 million in FY2021, mainly due to the decrease in staff cost. Staff cost decreased 31.0% year-on-year mainly from a lower headcount and the reclassification of some employees' salaries to

⁴ Further to the notification from the processing bank that the Group's application for forgiveness of the Second Draw PPP Loan has been declined, the full amount of the Second Draw PPP Loan will be restated from other income to loan payable in the Group's financial statements for FY2021. Further details in respect of the restatement are set out in the Company's announcement on SGXNET dated 9 December 2022.

selling expenses. Total staff cost excluding sales commission decreased by 12.4% from S\$35.0 million in FY2020 to S\$30.7 million in FY2021.

Finance cost decreased by S\$0.5 million as a result of the lower borrowings.

Other charges decreased by S\$1.5 million, from S\$1.9 million in FY2020 to S\$0.4 million in FY2021, mainly due to the decreased in allowance for trade receivables and the exchange loss and goodwill impairment recorded in FY2020.

As a result of the above, the Group's profit before tax decreased from S\$4.0 million in FY2020 to S\$1.6 million in FY2021. The Group recorded an income tax credit of S\$0.6 million in FY2021 as compared to an income tax expense of S\$1.3 million in FY2020 as a result of reversal of over provision of income tax relating to the COVID-19 pandemic loans forgiven under the PPP.

1H2022 compared to 1H2021

Revenue

The Group's revenue decreased by 3.8% from S\$125.9 million in 1H2021 to S\$121.1 million in 1H2022.

The decrease in the Group's revenue was mainly due to the following:

- (a) decrease in revenue from the HW and ITAD business segment by 0.7% from S\$96.5 million in 1H2021 to S\$95.9 million in 1H2022, mainly due to lower contribution from the EMEA; and
- (b) decrease in revenue from the TPM business segment by 14.2% from S\$29.4 million in 1H2021 to S\$25.2 million in 1H2022, mainly due to the lower contribution from the Americas.

Geographically, revenue from the Americas remained approximately the same at S\$67.3 million in 1H2022 compared to S\$67.4 million in 1H2021, revenue from EMEA decreased by 11.8% to S\$45.4 million in 1H2022, and revenue from APAC increased by 18.2% to S\$8.4 million in 1H2022.

Profit Before Tax

The Group's overall gross profit increased 14.6% from S\$29.6 million in 1H2021 to S\$33.9 million in 1H2022 as a result of higher gross profit margin from the HW and ITAD business segment. The Group's overall gross profit margin increased by 4.5 percentage points from 23.5% in 1H2021 to 28.0% in 1H2022.

The Group recorded an exchange gain of S\$1.0 million in 1H2022 as compared to S\$0.7 million in 1H2021 mainly due to the foreign exchange gain from the revaluation of USD, GBP and EUR denominated receivables.

Selling expenses increased by S\$2.0 million, from S\$13.2 million in 1H2021 to S\$15.2 million in 1H2022. The growth in gross profit resulted in a higher pay-out of sales commission. The increase in commission rate from tiered commission plan also contributed to the increased selling expenses.

Administrative expenses increased by S\$0.2 million, from S\$17.6 million in 1H2021 to S\$17.8 million in 1H2022, mainly due to the increase in travelling expenses as a result of the lifting of travelling restrictions.

Other charges decreased by S\$0.1 million, from S\$0.2 million in 1H2021 to S\$0.1 million in

1H2022, mainly due to the decrease in allowance for trade receivables.

As a result of the above, the Group's profit before tax increased to S\$1.5 million in 1H2022 as compared to S\$1.4 million.

1H2022 compared to 1H2021 (as restated)⁵

Revenue

The Group's revenue decreased by 3.8% from S\$125.9 million in 1H2021 to S\$121.1 million in 1H2022.

The decrease in the Group's revenue was mainly due to the following:

- (a) decrease in revenue from the HW and ITAD business segment by 0.7% from S\$96.5 million in 1H2021 to S\$95.9 million in 1H2022, mainly due to lower contribution from the EMEA; and
- (b) decrease in revenue from the TPM business segment by 14.2% from S\$29.4 million in 1H2021 to S\$25.2 million in 1H2022, mainly due to the lower contribution from the Americas.

Geographically, revenue from the Americas remained approximately the same at S\$67.3 million in 1H2022 compared to S\$67.4 million in 1H2021, revenue from EMEA decreased by 11.8% to S\$45.4 million in 1H2022, and revenue from APAC increased by 18.2% to S\$8.4 million in 1H2022.

Profit Before Tax

The Group's overall gross profit increased 14.6% from S\$29.6 million in 1H2021 to S\$33.9 million in 1H2022 as a result of higher gross profit margin from the HW and ITAD business segment. The Group's overall gross profit margin increased by 4.5 percentage points from 23.5% in 1H2021 to 28.0% in 1H2022.

The Group recorded an exchange gain of S\$1.0 million in 1H2022 as compared to S\$0.7 million in 1H2021 mainly due to the foreign exchange gain from the revaluation of USD, GBP and EUR denominated receivables.

Selling expenses increased by S\$2.0 million, from S\$13.2 million in 1H2021 to S\$15.2 million in 1H2022. The growth in gross profit resulted in a higher pay-out of sales commission. The increase in commission rate from tiered commission plan also contributed to the increased selling expenses.

Administrative expenses increased by S\$0.2 million, from S\$17.6 million in 1H2021 to S\$17.8 million in 1H2022, mainly due to the increase in travelling expenses as a result of the lifting of travelling restrictions.

Other charges decreased by S\$0.1 million, from S\$0.2 million in 1H2021 to S\$0.1 million in 1H2022, mainly due to the decrease in allowance for trade receivables.

As a result of the above, the Group's profit before tax increased to S\$1.5 million in 1H2022 as compared to a loss of S\$0.9 million.

⁵ Further to the notification from the processing bank that the Group's application for forgiveness of the Second Draw PPP Loan has been declined, the full amount of the Second Draw PPP Loan will be restated from other income to loan payable in the Group's financial statements for FY2021. Further details in respect of the restatement are set out in the Company's announcement on SGXNET dated 9 December 2022.

Financial Position

5. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –
- (a) the most recently completed financial year for which audited financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period.

	Unaudited 1H2022 (Restated) ⁽¹⁾ S\$'000	Unaudited 1H2022 S\$'000	Unaudited FY2021 (Restated) ⁽¹⁾ S\$'000	Audited FY2021 S\$'000
ASSETS				
<u>Non-current assets</u>				
Plant and equipment	2,617	2,617	2,260	2,260
Right-of-use assets	5,605	5,605	4,409	4,409
Investment in subsidiaries	-	-	-	-
Intangible assets	11,616	11,616	12,528	12,528
Finance lease receivables	55	55	50	50
Deferred tax assets	5,334	5,334	5,261	5,261
Total non-current assets	25,227	25,227	24,508	24,508
<u>Current assets</u>				
Inventories	20,952	20,952	20,928	20,928
Trade and other receivables	45,655	45,655	51,412	51,412
Prepayments	7,698	7,698	8,971	8,971
Finance lease receivables	271	271	528	528
Cash and bank balances	35,219	35,219	29,597	29,597
Total current assets	109,795	109,795	111,436	111,436
Total assets	135,022	135,022	135,944	135,944
EQUITY AND LIABILITIES				
<u>Current liabilities</u>				
Trade and other payables	35,612	35,612	36,318	36,318
Deferred income	16,195	16,195	20,561	20,561
Loans and borrowings	17,164	14,886	14,360	12,082
Lease liabilities	2,497	2,497	1,531	1,531
Income tax payable	1,892	1,892	1,854	1,854
	73,360	71,082	74,624	72,346
Net current assets	36,435	38,713	36,812	39,090
<u>Non-current liabilities</u>				
Deferred tax liabilities	38	38	38	38
Loans and borrowings	-	-	-	-
Lease liabilities	4,047	4,047	3,896	3,896
Provisions	937	937	978	978
Deferred income	2,131	2,131	1,301	1,301
Total non-current liabilities	7,153	7,153	6,213	6,213

Total liabilities	80,513	78,235	80,837	78,559
Net assets	54,509	56,787	55,107	57,385
<u>Equity attributable to owners of the Company</u>				
Share capital	75,106	75,106	74,695	74,695
Retained earnings	28,081	30,359	26,806	29,084
Other reserves	(48,678)	(48,678)	(46,394)	(46,394)
Equity attributable to owners of the Company	54,509	56,787	55,107	57,385
Total equity	54,509	56,787	55,107	57,385
Total equity and liabilities	135,022	135,022	135,944	135,944

Note:

- (1) Further to the notification from the processing bank that the Group's application for forgiveness of the Second Draw PPP Loan has been declined, the full amount of the Second Draw PPP Loan will be restated from other income to loan payable in the Group's financial statements for FY2021. Further details in respect of the restatement are set out in the Company's announcement on SGXNET dated 9 December 2022.

6. The data mentioned in paragraph 5 of this Part must include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and must in addition include the following items:

- (a) **number of shares after any adjustment to reflect the sale of new securities or securities-based derivatives contracts;**
- (b) **net assets or liabilities per share;**
- (c) **net assets or liabilities per share after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.**

	Unaudited 1H2022 (Restated)⁽¹⁾ S\$'000	Unaudited 1H2022 S\$'000	Unaudited FY2021 (Restated)⁽¹⁾ S\$'000	Audited FY2021 S\$'000
Number of Shares as adjusted for the Procurri Placement	316,590	316,590	315,238	315,238
Net assets per Share (cents per Share)	18.44	19.21	18.73	19.50
Net assets per Share as adjusted for the Procurri Placement (cents per Share)	17.22	17.94	17.48	18.20

Note:

- (1) Further to the notification from the processing bank that the Group's application for forgiveness of the Second Draw PPP Loan has been declined, the full amount of the Second Draw PPP Loan will be restated from other income to loan payable in the Group's financial statements for FY2021. Further details in respect of the restatement are set out in the Company's announcement on SGXNET dated 9 December 2022.

Liquidity and Capital Resources

7. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –

- (a) the most recently completed financial year for which financial statements have been published; and
- (b) if interim financial statements have been published for any subsequent period, that period.

An evaluation of the material sources and amounts of cash flows from operating, investing and financing activities of the Group is set out below:

	Unaudited 1H2022 ⁽¹⁾ S\$'000	Unaudited 1H2021 (Restated) ⁽²⁾ S\$'000	Unaudited 1H2021 S\$'000	Unaudited FY2021 (Restated) ⁽²⁾ S\$'000	Audited FY2021 S\$'000
Cash flows from operating activities					
Profit before tax	1,533	(911)	1,367	1,578	3,856
Adjustments for:					
Depreciation of plant and equipment	591	604	604	1,180	1,180
Depreciation of right-of-use assets	1,398	1,385	1,385	2,928	2,928
Write-off of plant and equipment	-	52	52	52	52
Amortisation of intangible assets	138	135	135	272	272
Share based payment	453	46	46	84	84
Interest income	(22)	(4)	(4)	(12)	(12)
Finance costs	368	344	344	639	639
Inventories written down	4,603	4,636	4,636	9,951	9,951
Impairment loss on trade and other receivables	66	144	144	355	355
Provisions	(42)	60	60	156	156
Exchange differences	(1,414)	6	6	7	7
Operating cash flows before changes in working capital	7,672	6,497	8,775	17,190	19,468
Increase in inventories	(4,565)	(3,582)	(3,582)	(4,911)	(4,911)
Decrease/(increase) in trade and other receivables	4,628	(9,495)	(9,495)	(16,722)	(16,722)
Decrease/(increase) in finance lease receivables	252	31	31	(70)	(70)
Decrease in prepayment	1,273	(1,156)	(1,156)	215	215
(Decrease)/increase in deferred income	(3,536)	5,018	5,018	2,986	2,986
(Decrease)/increase in trade and other payables	(709)	3,379	3,379	9,111	9,111
Net cash generated from operations	5,015	692	2,970	7,799	10,077

Income taxes refund/(paid)	988	(665)	(665)	(637)	(637)
Net cash generated from operating activities	6,003	27	2,305	7,162	9,440
Cash flows from investing activities					
Purchase of plant and equipment	(1,029)	(148)	(148)	(434)	(434)
Proceeds from maturity of fixed deposits	1	1,321	1,321	1,321	1,321
Interest received	22	4	4	12	12
Net cash (used in)/generated from investing activities	(1,006)	1,177	1,177	899	899
Cash flows from financing activities					
Proceeds from loans and borrowings	47,867	69,002	66,724	150,361	148,083
Repayments of loans and borrowings	(45,428)	(77,598)	(77,598)	(157,327)	(157,327)
Payment of principal portion of lease liabilities	(1,477)	(1,209)	(1,209)	(2,770)	(2,770)
Interest paid	(368)	(344)	(344)	(639)	(639)
Net cash generated from/(used in) financing activities	594	(10,149)	(12,427)	(10,375)	(12,653)
Net increase/(decrease) in cash and cash equivalents	5,591	(8,945)	(8,945)	(2,314)	(2,314)
Effect of exchange rate changes on cash and cash equivalents	32	563	563	532	532
Cash and cash equivalents at beginning of the financial period	29,472	31,254	31,254	31,254	31,254
Cash and cash equivalents at end of the financial period	35,095	22,872	22,872	29,472	29,472
Cash and cash equivalents comprise the following:					
Cash and bank balances	35,219	22,997	22,997	29,597	29,597
Less: Pledged deposits	(124)	(125)	(125)	(125)	(125)
Cash and cash equivalents	35,095	22,872	22,872	29,472	29,472

Notes:

- (1) For the avoidance of doubt, the restatement of the Second Draw PPP Loan from other income to loan payable in the Group's financial statements for FY2021 has no material impact on the Group's unaudited cash flow statement for 1H2022.
- (2) Further to the notification from the processing bank that the Group's application for forgiveness of the Second Draw PPP Loan has been declined, the full amount of the Second Draw PPP Loan will be restated from other income to loan payable in the Group's financial statements for FY2021. Further details in respect of the

restatement are set out in the Company's announcement on SGXNET dated 9 December 2022.

Commentary on the Group Cash Flow Statement

FY2021

Net cash generated from operating activities in FY2021 amounted to approximately S\$9.4 million as compared to approximately S\$27.5 million in FY2020. The decrease was mainly due to the lower operating cash flows before changes in working capital, and increase in trade and other receivables and inventories amounting to S\$16.7 million and S\$4.9 million respectively. This was partially offset by the increase in trade and other payables, increase in deferred income and the decrease in prepayment of S\$9.1 million, S\$3.0 million and S\$0.2 million respectively.

Net cash generated from investing activities amounted to approximately S\$0.9 million in FY2021 as compared to net cash generated from investing activities of approximately S\$2.7 million in FY2020. The cash generated in FY2021 was mainly due to the maturity of fixed deposit of S\$1.3 million, partially offset by the purchase of plant and equipment of S\$0.4 million.

Net cash used in financing activities amounted to approximately S\$12.7 million in FY2021 as compared to net cash used in financing activities of approximately S\$10.5 million in FY2020. The cash used in financing activities in FY2021 was mainly due to the repayment of loans and borrowings of S\$157.3 million, payment of principal portion of lease liabilities of S\$2.7 million and the interest paid of S\$0.6 million, partially offset by the proceeds from loans and borrowings of S\$148.1 million.

FY2021 (as restated)⁶

Net cash generated from operating activities in FY2021 amounted to approximately S\$7.2 million as compared to approximately S\$27.5 million in FY2020. The decrease was mainly due to the lower operating cash flows before changes in working capital, and increase in trade and other receivables and inventories amounting to S\$16.7 million and S\$4.9 million respectively. This was partially offset by the increase in trade and other payables, increase in deferred income and the decrease in prepayment of S\$9.1 million, S\$3.0 million and S\$0.2 million respectively.

Net cash generated from investing activities amounted to approximately S\$0.9 million in FY2021 as compared to net cash generated from investing activities of approximately S\$2.7 million in FY2020. The cash generated in FY2021 was mainly due to the maturity of fixed deposit of S\$1.3 million, partially offset by the purchase of plant and equipment of S\$0.4 million.

Net cash used in financing activities amounted to approximately S\$10.4 million in FY2021 as compared to net cash used in financing activities of approximately S\$10.5 million in FY2020. The cash used in financing activities in FY2021 was mainly due to the repayment of loans and borrowings of S\$157.3 million, payment of principal portion of lease liabilities of S\$2.7 million and the interest paid of S\$0.6 million, partially offset by the proceeds from loans and borrowings of S\$150.4 million.

⁶ Further to the notification from the processing bank that the Group's application for forgiveness of the Second Draw PPP Loan has been declined, the full amount of the Second Draw PPP Loan will be restated from other income to loan payable in the Group's financial statements for FY2021. Further details in respect of the restatement are set out in the Company's announcement on SGXNET dated 9 December 2022.

1H2022⁷

Net cash generated from operating activities in 1H2022 amounted to S\$6.0 million as compared to S\$27,000 in 1H2021. The increase was mainly due to the increase in profit before tax and the decrease in trade and other receivables, prepayments and finance lease receivables amounting to S\$4.6 million, S\$1.3 million and S\$0.3 million respectively. This was partially offset by the increase in inventories of S\$4.6 million and the decrease in deferred income and trade and other payables of S\$3.5 million and S\$0.7 million respectively.

Net cash used in investing activities amounted to S\$1.0 million in 1H2022 as compared to net cash generated from investing activities of S\$1.2 million in 1H2021. The cash used in 1H2022 was mainly due to the purchase of plant and equipment.

Net cash generated from financing activities in 1H2022 amounted to S\$0.6 million as compared to net cash used in financing activities of S\$10.1 million in 1H2021. The cash generated from financing activities in 1H2022 was mainly due to proceeds from borrowings of S\$47.9 million, partially offset by the repayment of borrowings and lease liabilities of S\$45.4 million and S\$1.5 million and the interest paid of S\$0.4 million.

- 8. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for at least the next 12 months and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgment of the prospectus must not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an express condition of the offer that minimum net proceeds are to be raised and that the application moneys will be returned to investors if the minimum net proceeds are not raised.**

In the reasonable opinion of the Directors, as at the date of lodgment of this Offer Information Statement, taking into consideration the Group's internal resources and credit facilities, and barring any unforeseen circumstances, the working capital available to the Group is sufficient for at least the next 12 months.

- 9. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the relevant entity, provide –**
- (a) a statement of that fact;**
 - (b) details of the credit arrangement or bank loan; and**
 - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any**

⁷ For the avoidance of doubt, the restatement of the Second Draw PPP Loan from other income to loan payable in the Group's financial statements for FY2021 has no material impact on the Group's unaudited cash flow statement for 1H2022.

restructuring negotiations or agreement, if applicable).

At the date of lodgment of this Offer Information Statement, there has been no breach by the Company or any other entity in the Group of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Company's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the Company.

Trend Information and Profit Forecast or Profit Estimate

10. Discuss –

- (a) the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, for the next 12 months from the latest practicable date; and**
- (b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that may cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**

The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the Section entitled "**Cautionary Note on Forward-Looking Statements**" of this Offer Information Statement for further details.

Save as disclosed in this Offer Information Statement, the Company's annual reports, circulars and announcements made on SGXNET, the Directors are not aware of any known trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year ending 31 December 2022, or that may cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Group.

Business and financial prospects of the Group for the next 12 months from the Latest Practicable Date

Moving forward for the next 12 months from the Latest Practicable Date, the Group expects to see continued growth of its business through the following drivers:

- (a) maintaining the Group's ability to grow organically;**
- (b) seeking synergistic bolt-on opportunities for mergers and acquisitions ("**M&A**");** and
- (c) achieving cost savings through economies of scale and efficiency.**

Trends, uncertainties, demands, commitments or events

The Company's mission to help organisations sustain and extend the life of their IT assets is

relevant both during stable economic times and uncertain conditions, such as those exacerbated by the current global supply chain disruptions. In this regard, the Company's business model is cycle resilient and its growth is expected to be primarily driven by three factors – (i) its continued ability to grow organically, (ii) synergistic bolt-on opportunities for M&A, and (iii) cost savings achieved by economies of scale and efficiency.

- (a) First, the Company will continue to invest in strengthening its client service delivery platform through its three pillars of integrated lifecycle solutions. This will allow the Company to grow vertically and horizontally, achieving synergies that fragmented industry players are unable to achieve.
- (b) Second, the Company is positioned to be able to "plug-and-play" M&A targets seamlessly into the three pillars and scale up, as size matters in this industry. The Company intends to actively seek out such opportunities.
- (c) Third, in line with the Company's succession planning, the management team will work with the board of directors to continue to commit to a culture of excellence and innovation. This mindset underpins our ability to run clients' IT infrastructure greener, cheaper and more flexibly.

The urgency to address climate change has been underscored by the proposed mandatory adoption of the Task Force on Climate-related Financial Disclosures (TCFD) framework in major capital markets, such as Singapore and the United Kingdom. These developments represent an opportunity for the Company to help clients in reducing greenhouse gases emissions and ultimately achieve net zero carbon emissions.

The Group remains optimistic in its strategy and market engagement. The Group is confident that these factors will continue to help drive growth in the second half of 2022.

- 11. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

- 12. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**

Not applicable. No profit forecast or profit estimate is disclosed in this Offer Information Statement.

- 13. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions mentioned in paragraph 12 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

14. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement mentioned in paragraph 13 of this Part –

- (a) a statement by the issue manager to the offer, or by any other person whose profession or reputation gives authority to the statement made by that person, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or**
- (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.**

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

15. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement mentioned in paragraph 13 of this Part –

- (a) a statement by the issue manager to the offer, or by any other person whose profession or reputation gives authority to the statement made by that person, prepared on the basis of an examination by that issue manager or person of the evidence supporting the assumptions mentioned in paragraph 12 of this Part, to the effect that no matter has come to the attention of that issue manager or person which gives that issue manager or person reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or**
- (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.**

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

Significant Changes

16. Disclose any event that has occurred from the end of –

- (a) the most recently completed financial year for which financial statements have been published; or**
- (b) if interim financial statements have been published for any subsequent period, that period,**

to the latest practicable date which may have a material effect on the financial position

and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate statement to that effect.

Save as disclosed in the Company's announcements made on SGXNET to date, the Directors are not aware of any event that has occurred from 1 July 2022 to the Latest Practicable Date which may have a material effect on the Group's financial position and results.

Meaning of "published"

- 17. In this Part, "published" includes publication in a prospectus, in an annual report or on the SGXNET.**

Noted.

PART 6 – THE OFFER AND LISTING

Offer and Listing Details

- 1. Indicate the price at which the securities or securities-based derivatives contracts are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, state the method by which the offer price is to be determined and explain how the relevant entity will inform investors of the final offer price.**

The Placement Price is S\$0.30, representing a discount of approximately 26.83% to the volume weighted average price of S\$0.41 per Share based on trades done on the SGX-ST on 1 July 2022 (being the preceding Market Day up to the time the Placement Agreement was signed, as trading of the Shares has been suspended since 9.00 a.m. on 4 July 2022 and was not available on the date the Placement Agreement was signed).

As the Placement Price represents a discount of more than 10% to the volume weighted average price, the Company will be seeking at the EGM, pursuant to Rule 811(3) of the Listing Manual, the specific approval of Shareholders for the issuance of the Procurri Placement Shares at the Placement Price.

No expenses incurred by the Company in respect of the Procurri Placement will be specifically charged to the Placement Agent or the placees procured by the Placement Agent.

- 2. If there is no established market for the securities or securities-based derivatives contracts being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**

Not applicable. The existing Shares are, and the Procurri Placement Shares will be, listed for quotation and traded on the Main Board of the SGX-ST.

- 3. If –**
 - (a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered; and**
 - (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

Not applicable. None of the Shareholders and other equity interest-holders of the Company have pre-emptive rights to subscribe for or purchase the Procurri Placement Shares.

- 4. If securities or securities-based derivatives contracts of the same class as those securities or securities-based derivatives contracts being offered are listed for quotation on any approved exchange –**

- (a) in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivatives contracts –
- (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or

The Procurri Placement Shares to be issued upon subscription are of the same class as the Shares and the Shares are listed for quotation on Main Board of the SGX-ST.

The price range of the Shares traded on the SGX-ST for each of the 12 calendar months immediately preceding December 2022 and for 1 December 2022 to the Latest Practicable Date, are as follows:

Month	Price Range	
	High (S\$) ⁽¹⁾	Low (S\$) ⁽²⁾
December 2021	0.320	0.295
January 2022	0.325	0.290
February 2022	0.315	0.295
March 2022	0.390	0.320
April 2022	0.400	0.315
May 2022	0.425	0.360
June 2022	0.425	0.420
July 2022	0.410	0.410
August 2022	N.A.	N.A.
September 2022	N.A.	N.A.
October 2022	N.A.	N.A.
November 2022	N.A.	N.A.
December 2022 ⁽³⁾	N.A.	N.A.

Source: Bloomberg Finance L.P. Bloomberg Finance L.P. has not consented for the purposes of Sections 249 and 277 of the SFA to the inclusion of the information referred to above and is therefore not liable for such information under Sections 253 and 254 of the SFA. While the Company and the Placement Agent have taken reasonable actions to ensure that the above information has been reproduced in its proper form and context in this Offer Information Statement, neither, the Company, the Placement Agent nor any other party has conducted an independent review of this information nor verified the accuracy of such information. Neither the Company nor the Placement Agent is aware of any disclaimers made by Bloomberg Finance L.P. in relation to the above statement.

Notes:

- (1) High Price was based on the highest closing price for the Shares in a particular month.
- (2) Low Price was based on the lowest closing price for the Shares in a particular month.
- (3) Up to 21 December 2022.

(b) in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivatives contracts –

- (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and**
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;**

Not applicable. The existing Shares have been listed for quotation on the Main Board of the SGX-ST for more than 12 months immediately preceding the Latest Practicable Date.

(c) disclose any significant trading suspension that has occurred on the approved exchange during the 3 years immediately preceding the latest practicable date or, if the securities or securities-based derivatives contracts have been listed for quotation for less than 3 years, during the period from the date on which the securities or securities-based derivatives contracts were first listed to the latest practicable date; and

Under Rule 723 of the Listing Manual, the Company must ensure that at least 10% of the total number of issued Shares excluding treasury shares (excluding preference shares and convertible equity securities) is at all times held in public hands.

On 20 May 2022, DeClout Pte. Ltd. (the "**Offeror**") acquired an aggregate of 3,900,000 Shares (the "**Acquisition**"). Upon completion of the Acquisition, the Offeror will own, control or will have agreed to acquire an aggregate of 90,920,746 Shares, representing approximately 30.76% of the total number of Shares. In accordance with Rule 14 of the Take-over Code, the Offeror made a mandatory conditional cash offer for all the Shares, other than treasury shares and those Shares already owned, controlled or agreed to be acquired by the Offeror (the "**Offer**").

The Offeror received valid acceptances pursuant to the Offer which, together with the Shares held by the Offeror, its related corporations and their respective nominees, comprise 90% or more of the total number of issued Shares (excluding treasury shares) and, accordingly, the Minimum Public Float requirement is not satisfied.

Pursuant to Rule 1303(1) of the Listing Manual, if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

As the Offer closed at 5.30 p.m. on 1 July 2022, the Company requested for the SGX-

ST to suspend the trading of the Shares with effect from 9.00 a.m. on 4 July 2022 (being the Market Day after close of the Offer) until the Minimum Public Float is restored.

Further to the Company's applications to the SGX-ST for an extension of time to meet the Minimum Public Float, the SGX-ST had informed the Company that it has no objections to an extension of time to 1 February 2023 for the Company to meet the Minimum Public Float, subject to certain conditions. As such, trading of the Shares on the SGX-ST has been suspended since 9.00 a.m. on 4 July 2022.

The Offeror and the Company intend to undertake the Compliance Placement to assist the Company in meeting the Minimum Public Float.

- (d) **disclose information on any lack of liquidity, if the securities or securities-based derivatives contracts are not regularly traded on the approved exchange.**

Please refer to paragraph 4(c) of this Part.

5. **Where the securities or securities-based derivatives contracts being offered are not identical to the securities or securities-based derivatives contracts already issued by the relevant entity, provide –**

- (a) **a statement of the rights, preferences and restrictions attached to the securities or securities-based derivatives contracts being offered; and**
- (b) **an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities or securities-based derivatives contracts, to rank in priority to or equally with the securities or securities-based derivatives contracts being offered.**

The Procurri Placement Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank *pari passu* with the then existing issued Shares at the time of the issue of the Procurri Placement Shares except that the Procurri Placement Shares will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of issue of the Procurri Placement Shares.

The issuance of the Procurri Placement Shares at the Placement Price will be pursuant to the specific approval of Shareholders to be obtained at the EGM.

Plan of Distribution

6. **Indicate the amount, and outline briefly the plan of distribution, of the securities or securities-based derivatives contracts that are to be offered otherwise than through underwriters. If the securities or securities-based derivatives contracts are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

Pursuant to the terms of the Placement Agreement, the Placement Agent has agreed to procure, *inter alia*, subscriptions for the Procurri Placement Shares on a best endeavours basis. The Placement Agent will identify subscribers for the Procurri Placement Shares pursuant to

the terms and subject to the conditions of the Placement Agreement and advise the Company accordingly. In connection with the Procurri Placement, the Company will pay the Placement Agent the Commission.

The Placement Agreement may be terminated by the Placement Agent by notice to the Company and the Vendor given at any time prior to the Completion Date in, *inter alia*, any of the following circumstances:

- (a) if there shall have been or come into effect, since the date of the Placement Agreement any of the following events, which shall in the reasonable opinion of the Placement Agent (a) be likely to prejudice the success of the subscription, placement or issue of the Placement Shares (whether in the primary market or in respect of dealings in the secondary market) or be likely to have a Material Adverse Effect or (b) make it impracticable or inadvisable to proceed with the subscription, placement or issue of the Placement Shares or (c) be such that no reasonable Placement Agent would have entered into this Agreement:
 - (i) any change or any development in the condition (financial or otherwise) of the Company and/or the Group as a whole;
 - (ii) in any relevant jurisdiction, any introduction of or any change in any statute, regulation, order, policy or directive (whether or not having the force of law and including without limitation, any directive or request issued by the SGX-ST) or in the interpretation or application thereof by any court or other competent authority;
 - (iii) any development in local, national or international financial, political, industrial, economic or monetary conditions;
 - (iv) any development in local, national or international securities or stock markets;
 - (v) any occurrence or any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
 - (vi) any regional or local outbreak of disease; or
 - (vii) any event or series of events in the nature of force majeure (including without limitation, acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, acts of war, acts of terrorism, acts of God, accident, epidemics, earthquakes or interruption or delay in transportation); or
- (b) if there is a delisting of the Shares from the SGX-ST;
- (c) if the SGX-ST shall make any ruling (or revoke any ruling previously made) the effect of which would materially restrict or impede the listing and quotation of the Placement Shares; or

- (d) if the issue and subscription of the Placement Shares in accordance with the provisions of the Placement Agreement shall be prohibited by any statute, order, regulation or directive issued by, or objected to by, any legislative, executive or regulatory body or authority of Singapore or elsewhere (including without any limitation, the Authority and the SGX-ST).

7. Provide a summary of the features of the underwriting relationship together with the amount of securities or securities-based derivatives contracts being underwritten by each underwriter.

Not applicable. The Procurri Placement is not underwritten but undertaken on a best endeavours basis by the Placement Agent. Pursuant to the Placement Agreement, the Placement Agent has agreed to procure subscribers for up to 21,000,000 Procurri Placement Shares on a best endeavours basis.

PART 7 – ADDITIONAL INFORMATION

Statements by Experts

1. **Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

2. **Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –**

- (a) **state the date on which the statement was made;**
- (b) **state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
- (c) **include a statement that the expert has given, and has not withdrawn, his or her written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

3. **The information mentioned in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 33(2) applies.**

Noted.

Consents from Issue Managers and Underwriters

4. **Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his or her written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**

The Procurri Placement is not underwritten. The Placement Agent has given, and has not withdrawn, its written consent to being named as the Placement Agent to the Procurri Placement.

Other Matters

5. **Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly –**

- (a) **the relevant entity's business operations or financial position or results; or**
- (b) **investments by holders of securities or securities-based derivatives contracts in the relevant entity.**

Save as disclosed in this Offer Information Statement, the Directors are not aware of any other matters which could materially affect, directly or indirectly, the Company's business operations or financial position or results or investments by holders of securities or securities-based derivatives contracts in the Company.

**PART 8 – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF
DEBENTURES OR UNITS OF DEBENTURES**

Not applicable.

**PART 9 – ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE
DEBENTURES**

Not applicable.

**PART 10 – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF
SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BY WAY OF
RIGHTS ISSUE**

Not applicable.

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Offer Information Statement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Offer Information Statement are fair and accurate in all material respects as at the date of this Offer Information Statement and there are no material facts the omission of which would make any statement in this Offer Information Statement misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offer Information Statement.

For and on behalf of **PROCURRI CORPORATION LIMITED**

Wong Kok Khun

Ng Loh Ken Peter

Wong Quee Quee, Jeffrey

Dr. Lim Puay Koon

Lim Swee Yong

Lwi Tong Boon

Dated this 27th day of December 2022

APPENDIX A

**EXTRACT FROM THE COMPANY'S ANNUAL REPORT FOR FY2019 IN
RESPECT OF THE OPERATIONS REVIEW OF THE GROUP FOR FY2019**

OPERATIONS REVIEW

Asia Pacific (“APAC”)

Impacted by increased competition, revenue fell by 25.2% YoY from S\$36.1 million in FY2018 to S\$27.0 million in FY2019, accounting for 12.2% of the Group’s revenue.

Our IT Distribution segment’s revenue fell 39.5% YoY due to the termination of a certain line of high-volume low margin IT Distribution business leading to a 23.2% decline in gross profit. Gross profit margin, grew from 23.7% in FY2018 to 30.1% in FY2019, a testament to the Group’s efforts in boosting overall profitability.

Our Lifecycle Services business remained relatively consistent YoY with a slight decrease in revenue of approximately 9.7%, owing to decreasing third-party maintenance services YoY amidst growing competition.

Looking to re-group, APAC operations made steady headway in 2019, successfully transforming its operations from the previous silo-ed approach into one collaborative APAC team. To that end, we have restructured the entire operations from the operations team, accounting employees to the sales team across the entire APAC region to merge under one common umbrella, working towards one consistent growth strategy. Sales representatives, for instance, are no longer bound by country but are able to sell across the APAC region extending their sales potential.

Furthermore, we continue to fortify our operational efficiency mainly through labour reorganisation and keeping a tight control on operating costs to decrease our overall operational expenses from S\$8.9 million in FY2018 to S\$7.4 million in FY2019. We have also added a warehouse in India to expand our capabilities in the region.

Moving ahead, while opportunistic expansion growth remains an option, we believe that 2019’s significant operational transformations have strengthened our existing hubs’ efficiencies to deliver across the APAC region, setting us up on the next growth trajectory.

REVENUE (S\$million)

S\$27.0m

-25.2%



OPERATIONS REVIEW

Europe, Middle East and Africa (“EMEA”)

Revenue from EMEA reversed the previous decline, growing 12.5% YoY from S\$63.1 million in FY2018 to S\$71.0 million in FY2019, as we saw continued growth within our maintenance offering and authorised spares programmes. Overall, EMEA was the second largest revenue contributor, accounting for 32.1% of the total revenue.

Procurri Europe has continued to grow the HPE authorised parts provider revenues during 2019 from circa S\$6.4 million in 2018 to nearer S\$11.5 million in 2019, in part due to our tenacious sales approach targeting the Value-Added Reseller (“VAR”) and Business Partner (“BP”) community but also as a consequence of one of the more significant distributors backing out of the programme. We have

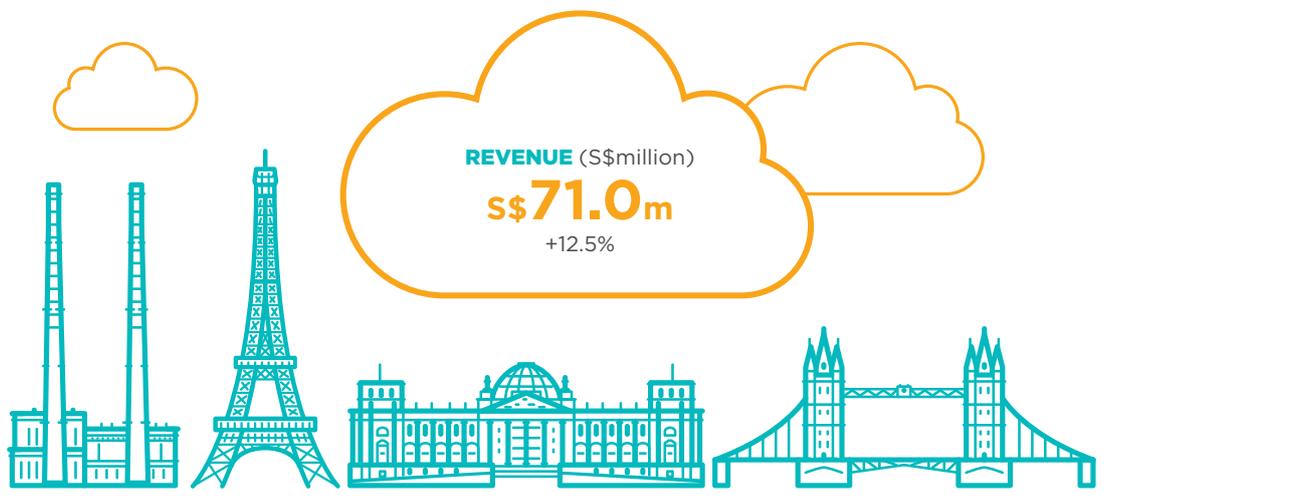
just been awarded the highest reseller status within the HPE authorised parts programme, one of only two companies within Europe to do so.

Our hardware resale team continues to be the most significant contributor to the Procurri Europe numbers, although trending over time to be a less significant percentage contributor. The ambition is to maintain traditional IT Distribution business and see other business lines outgrow it as we progress.

2019 saw major investments in our Lifecycle Services business, from the expansion of our maintenance service delivery team, bid team and field engineering teams to the addition of the Network Operations Centre (“NOC”) room, leading up to a growth in revenue from S\$7.9 million in 2018 to S\$12.2 million in 2019 (54.6% growth YoY).

We also started to build our ITAD business in 2019. To that end, we refitted part of the Warrington (Northern) processing plant to accommodate this business stream, specifically the demonstratable separation between data bearing and non-data bearing assets. The refit leaves Procurri Europe with one of the most significant ITAD centres in the UK. Revenue from our ITAD business grew from nil to circa S\$70,000 gross margin contribution per month, throughout the year.

In seeking to extend our reach in Europe, Germany has been a large focus in 2019. Staying mindful of cost, we have been registering, locating premises and fitting them out for purpose, recruiting and are confident that Procurri Germany will become a key contributor in the coming years.



The Americas

Revenue for America operations grew 1.9% YoY from S\$121.0 million in FY2018 to S\$123.3 million for FY2019, accounting for 55.7% of the Group's total revenue.

Our IT Distribution segment saw a 2.5% YoY growth from S\$77.3 million in FY2018 to S\$79.3 million in FY2019, driven primarily by our successful OEM programs with HPE and Cisco. Our Lifecycle Services posted 0.8% growth from S\$43.7 million in FY2018 to S\$44.0 million in FY2019, following the success of our IT Maintenance and IT Asset Disposition ("ITAD") divisions.

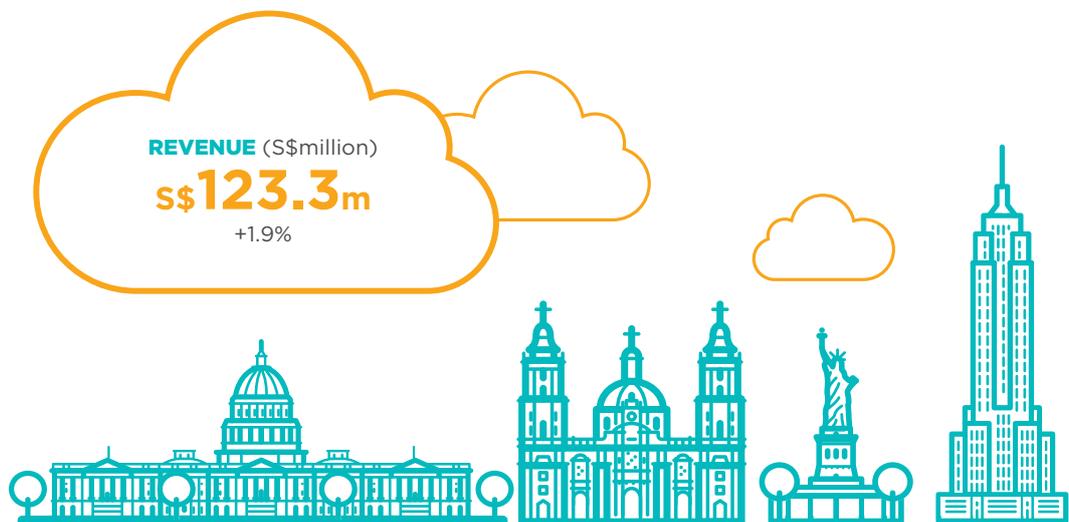
Our maintenance offering grew approximately 7.0% from FY2018's S\$43.2 million to FY2019's S\$50.0 million, driven by more higher value deals than at any other time in our history. These deals involved large-scale infrastructure back-up services and internal cloud infrastructure services.

Our ITAD segment continued to blossom in 2019. We invested further into our ITAD segment - building a secure ITAD facility and our own dedicated ITAD service team. We are now able to provide a secure solution for removal and destruction, and the best-in-breed solution to maximize recovery value for the equipment we process. This success culminated in a big strategic win for us towards

the end of the year - a strategic partnership with Ingram Micro.

We were selected by Ingram to be their sole supplier of End-Of-Life ("EOL") HPE, Juniper, and IBM hardware on their eCommerce platform. Their 10,000+ network of resellers will have access to our inventory of certified EOL products. We spent the second half of 2019 ramping up and preparing to deliver for this program.

Going forward, with boosted capabilities to service the supply and safe disposal of enterprise data centre hardware in a cost-effective, flexible, and trusted manner, we are in a strategic position to help corporations make the switch to the cloud.



APPENDIX B

**EXTRACT FROM THE COMPANY'S ANNUAL REPORT FOR FY2020 IN
RESPECT OF THE OPERATIONS REVIEW OF THE GROUP FOR 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.

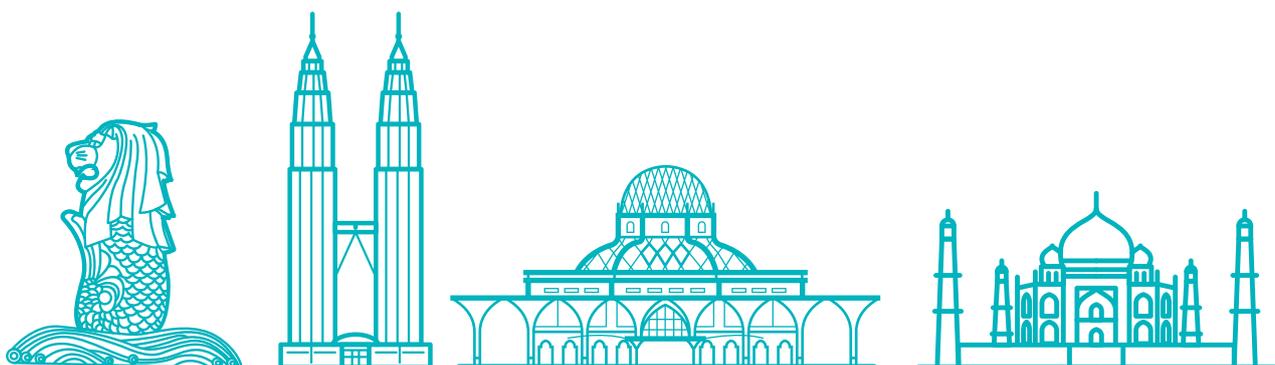
Constant efforts to improvise our approach to the market yielded an improvement in the quality of the project pipelines that led to notable projects, which enabled us to score many first-win larger deals, and extend our reach in APAC.

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.

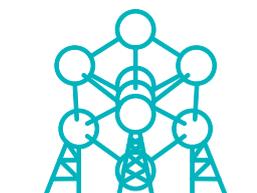
Our IT hardware and distribution business saw continued growth within the EMEA region, increasing to S\$59.2 million in 2020 from S\$55.0 million in 2019. Benefiting from winning contracted business, growing our strategy laid down in 2019, our Lifecycle Services remained static due to supply constraints 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 Co₂ 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 government's Paycheck Protection Program ("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.



APPENDIX C

**EXTRACT FROM THE COMPANY'S ANNUAL REPORT FOR FY2021 IN
RESPECT OF THE OPERATIONS REVIEW OF THE GROUP FOR FY2021**



Operations Review

While the COVID-19 pandemic presented headwinds to sales efforts in 2019, the Group took advantage of a softer environment to automate and strengthen its TPM operations and delivery platform globally in FY2021.

The business identified during 2020 that operating regionally (through APAC, the Americas and EMEA) was, on occasion, leading to a disconnect or a feeling of clumsiness for some of our global clients as global opportunities were handed between regions to deliver; with each region having a slightly different way of working. To help address this, 2021 saw the group re-align into three global towers; Maintenance, Lifecycle Services & ITAD, and Hardware & Distribution. Much of 2021 was spent aligning each tower, unlocking talent in each region to further benefit the global group.

A key ambition during 2021 has been aligning our global IT platforms. It was elected to utilize an in-house platform named Morse to deliver our Lifecycle Services and Hardware business from and to continue our investment in the Salesforce application for Maintenance, with both front-end applications feeding into Navision BC for financial controls and reporting. This has been successfully implemented into all Procurri core facilities, providing us with a consistent platform to build and report from 2022 onwards.

Sustainability has continued to drive global sentiment and Procurri has witnessed positive traction within all three of our towers, leveraging our environmental and sustainability messaging. We believe we are well positioned to continue to drive value for and into our channel partners.

Maintenance

2021 proved a challenging year for our Maintenance tower with much of it spent on refining global delivery and implementing our global Sales force platform. As a result of the team's efforts, the outlook is bright for 2022 to capitalize on the efforts made during the year.

Several positive strategic hires to the team been made during 2021, boosting the number of specialist staff and expanding the team's talent.

The continued integration of the Americas, EMEA and APAC for Maintenance has resulted in positive feedback from many of our global customers. The APAC region is driving impressive margins with big-name strategic customers including Dell, HP and IBM, and is working across the group to expand these relationships into other geographies. Procurri's European Maintenance colleagues continue their strong hold on twitch accounts and collaboration stems from there too into the Americas and APAC.



We anticipate further gains from the alignment of a global Maintenance division within the group, with dedicated Maintenance specialists helping deliver a single-minded focus on growing contract values.

Lifecycle Services & ITAD

Procurri's ITAD business is the youngest of the Group's towers, but made rapid progress in 2021, capitalising on the global demand for sustainable IT solutions. The ITAD business secured ISO certifications including ISO 901, 14001, 27001 and R2 accreditation. Existing ITAD processing facilities throughout the USA, Canada, UK, Germany, Singapore and Malaysia all continue to operate to a consistent processing standard with ISO 9001 and 14001 documentation providing a proven full chain of custody.

Facility development

Tackling a single facility at a time to ensure comprehensive project management and focus, ITAD begun by working at the Boston site. Working to manage and move stock and install a state-of-the-art data wiping room alongside other new security facilities, this vast project moved and grew along the way but was all delivered and completed within the year - despite several setbacks and unexpected hurdles along the way requiring significant on-the-ground manpower. The Boston facility has now been successfully expanded to almost 70,000 square feet.

Continuing development of strategic relationships

The smart and streamlined operations ITAD had adhered to throughout 2021 has been largely attributable to its ongoing positive strategic relationships with partners. The partner network has continued to work hard to accommodate additional service and the Procurri team have continued to develop new and existing partnerships with parties worldwide; including area of the supply chain not previously explored, including contract manufacturers.

Global growth

The new entity in Canada has been grown markedly by the ITAD team throughout 2021. Capability in Canada is now being expanded beyond ITAD and Lifecycle Services into full repair following its rapid gains.

Hardware & Distribution

Our Global Distribution business performed well during 2021, leveraging planning techniques to the benefit of both the EMEA and the Americas regions, especially within the HPE Replacement Parts distribution space. We also saw good growth within the Dell product line, benefiting from a global win to supply servers within the USA.

Our hardware business continued to perform well, recording strong growth in 2021. We continued to manage down inventory to increase business agility and working capital efficiency. To this end, the Group was able to reduce hardware legacy inventory significantly in 2021, although this resulted in lower Profit Before Tax from the hardware

business due to the one-time flow-through of state inventory through the business. In addition to increasing inventory efficiency, the Group rolled out a global software platform (Morse) to upgrade inventory management, reporting visibility, and automation in its hardware operations.

We expect that the benefits of more efficient working capital and improved systems should flow into the business from 2022 onwards. We have seen some stronger sales generated within APAC business in the second half of 2021, with our new sales team in Malaysia starting to contribute at a meaningful level. Our APAC business should further benefit in 2022 from the introduction of the Morse platform, providing them with more dynamic sales tools than they currently access.

