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REGISTRATION NEWS RELEASE

PROCURRI, LEADING GLOBAL INDEPENDENT PROVIDER OF DATA CENTRE EQUIPMENT & LIFECYCLE SERVICES, LAUNCHES IPO ON THE MAIN BOARD OF THE SGX-ST AT S\$0.56

- First non-REIT and first technology IPO on the Main Board of the SGX-ST in 2016
- Strong financial growth – achieved CAGR of over 100% in both revenue and net profit from FY2013 to FY2015
- Proceeds will be used for building M&A war chest, enhancing infrastructure and funding growth expansion plans, amongst others
- Intends to recommend and distribute dividends of 25% of net profit after tax for FY2016 and FY2017

Singapore, 12 July 2016 – Procurri Corporation Limited (“**Procurri**”, and together with its subsidiaries, the “**Group**”), a leading global independent provider of Data Centre Equipment¹ and Lifecycle Services², has launched its initial public offering (“**IPO**” or “**Offering**”) of 68,880,000 shares (the “**New Shares**”) at S\$0.56 each (“**Offering Price**”) in conjunction with its proposed listing (the “**Proposed Listing**”) on the Main Board (the “**Main Board**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Procurri is one of the subsidiaries of Catalyst-listed DeClout Limited.

Procurri is poised to be Singapore’s first non-REIT and first technology IPO on the Main Board this year. The Offering is expected to raise approximately S\$38.6 million in gross proceeds and the net proceeds of S\$34.6 million will be used for building Procurri’s war chest for future mergers and acquisitions (“**M&A**”), enhancing its infrastructure, and funding its growth expansion plans, amongst others.

On the launch of Procurri’s IPO, Mr. Sean Murphy, Procurri’s Global Chief Executive Officer, said, “Procurri has established itself as one of the leading global providers of Data Centre Equipment and Lifecycle Services within a short span of time. We believe that the fast-growing cloud services and data centre industry continues to bring exciting growth opportunities for Procurri, and our listing on the Main Board will help to raise our corporate profile and tap into Asia’s growth prospects, which will then translate into more business opportunities for the Group and propel our business to greater heights.”

¹ Data Centre Equipment refers to servers, storage and other networking equipment

² Lifecycle Services refers to various information technology hardware, equipment and software services rendered during the lifecycle of IT hardware and equipment



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Mr. Vesmond Wong, Chairman and Group Chief Executive Officer of DeClout Limited, added, “Procurri’s IPO marks DeClout’s first successful spin-off within a short span of three years. This is in line with our commitment to our shareholders, and is certainly a clear testament to DeClout’s ability to invest, incubate, scale and achieve successful harvest within our portfolio. We are also proud to create history by being the first Catalyst-listed company to spin-off a subsidiary on the Main Board. We look forward to Procurri continuing its strong growth post-listing and its exciting prospects ahead.”

DBS Bank Ltd. is the Issue Manager, Bookrunner and Underwriter in respect of the Proposed Listing.

Offering Details

Procurri will be issuing an aggregate of 68,880,000 New Shares at S\$0.56 each. The New Shares will represent 24.6% of Procurri’s post-invitation share capital. The Offering is structured as follows:

- a) an international placement of 62,000,000 New Shares to investors, including institutional and other investors in Singapore and outside the United States in compliance with Regulation S under the United States Securities Act 1933; and
- b) a public offer of 6,880,000 New Shares in Singapore.

Procurri’s market capitalisation will be S\$156.8 million based on the post-Offering share capital of 280,000,000 shares.

The Offering will close at 12.00 noon on 18 July 2016. The listing and trading of Procurri’s shares is expected to commence at 9.00 a.m. on 20 July 2016.



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About Procurri

Procurri is one of the leading global independent providers of Data Centre Equipment and Lifecycle Services. Its core business comprises business offerings in Hardware Resale³ and Supply Chain Management⁴ through its IT Distribution business segment, and Independent Maintenance Services⁵, Hardware-as-a-Service⁶ and IT Asset Disposition⁷ through its Lifecycle Services business segment.

Since its incorporation in 2013, Procurri has grown rapidly through the years and now operates offices across three continents in five jurisdictions, namely the US, the UK, Mexico, Malaysia and Singapore, where its headquarters are located. Through its direct presence and global network of partners, Procurri's business covers over 80 countries worldwide, providing a single touchpoint for its customers' Data Centre Equipment and Lifecycle Services needs.

Procurri's business strategies and plans are driven by its vision to change the way the world buys technology. By offering a converged network that combines the technology, finance and logistics domains, Procurri would be a global aggregator of enterprise hardware and services to its channels.

Procurri intends to build on its strong execution track record to expand its geographical reach and grow its business in high growth markets through M&A, joint ventures and partnerships. The Group also seeks to pursue new opportunities with key customers and expand its customer base while growing its higher-margin Lifecycle Services business segment to build income resilience and increase profitability.

The Group also has plans to enhance its infrastructure by streamlining operations, implementing a single global IT system for greater productivity and efficiency, and developing a mobile application and internet portal to enhance customer experience.

³ Hardware Resale refers to the procurement of new resale equipment and pre-owned equipment, and repositioning / remarketing them for sale in the secondary markets

⁴ Supply Chain Management refers to the management of, and assistance with, various stages of the supply chain

⁵ Independent Maintenance Services refer to the provision of independent IT maintenance services for a variety of IT hardware and equipment

⁶ Hardware-as-a-Service solutions are designed to provide on-demand, computing resources through a pay-as-you-use model, allowing customers the flexibility to scale their IT resources when required

⁷ IT Asset Disposition covers IT hardware and equipment disposition, remarketing and other related supplementary services



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Prospects

According to Frost & Sullivan, the global Hardware Resale⁸, Independent Maintenance Services⁹ and IT Asset Disposition Services¹⁰ markets are three interconnected segments, which are experiencing healthy double-digit growth. These markets are expected to double in size between 2015 and 2020.

While the Americas and Europe are currently still the largest geographical markets for all three segments, Frost & Sullivan expects the highest growth rate to emerge from the Asia-Pacific region, mainly due to the higher rate of growth in the outsourced data centre industry in Singapore, Indonesia, China, Japan, India and Australia.

Mr. Murphy commented: “Asia-Pacific is becoming increasingly important for the industry. With an Asia-first strategy, as well as a presence and track record in the region, we are well-positioned to tap on the growth prospects particularly when most of the established players in the industry lack a physical presence and strategy in the region.”

Financial Highlights

Between the financial year ended 31 December 2013 (“**FY2013**”) and the financial year ended 31 December 2015 (“**FY2015**”), Procurri achieved a three-year compound annual growth rate (“**CAGR**”) of approximately 108% (from S\$28.4 million for FY2013 to S\$122.8 million for FY2015). Over the same period, the Group’s gross profit increased from S\$9.3 million to S\$41.6 million, and correspondingly, Procurri’s net profit after tax increased from S\$2.0 million in FY2013 to S\$8.8 million in FY2015, achieving a three-year CAGR of 112%.

Dividends

While Procurri does not have a fixed dividend policy, the Group intends to reward shareholders by recommending and distributing 25.0% of its net profit after tax (excluding exceptional items) for FY2016 and FY2017.

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⁸ 5-year global CAGR of 16.9% from US\$15.9 billion in 2015 to an estimated US\$34.8 billion in 2020

⁹ 5-year global CAGR of 15.7% from US\$2.1 billion in 2015 to an estimated US\$4.4 billion in 2020

¹⁰ 5-year global CAGR of 21.5% from US\$6.4 billion in 2015 to an estimated US\$17.1 billion in 2020



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