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## NEWS RELEASE

### DECLOUT TARGETS SPIN-OFF OF IT ASSET RECOVERY AND INDEPENDENT MAINTENANCE SERVICES ARM, PROCURRI CORP BY END OF 2016

- *Procurri Corp has executed on its global strategy via a series of investments and acquisitions in the US, Europe and Southeast Asia with the aim to diversify revenue streams and increase economies of scale*
- *Procurri Corp's war chest will be bolstered by S\$10 million by end May 2014*
- *Longer term goal is to unlock value in Procurri Corp and take the business to a new level*

**Singapore, 8 May 2014** – SGX-Catalist listed DeClout Limited (“DeClout” or the “Group”) is pleased to announce its plans for its IT Asset Recovery and Independent Maintenance Services subsidiary, Procurri Corporation Pte. Ltd. (“Procurri Corp”). With the longer term goals of unlocking value for DeClout shareholders and taking the business to the next level of growth, and barring unforeseen circumstances, the Group believes that a spin-off for Procurri Corp is achievable by the end of 2016.

With offices in the US and Singapore, Procurri Corp’s vision is to provide a global and integrated offering for IT Asset Recovery and Independent Maintenance, giving its customers the global connectivity and reach that they seek for their IT needs. Under the leadership of IT industry veteran Mr Sean Murphy, Procurri Corp’s key growth strategy is to “internationalise” its footprint to become a global depot for IT hardware and parts, as well as to provide localised multicountry services to customers across the US, Europe and Asia Pacific.

To partially fund its expansion plans, Procurri Corp will issue new shares, representing 7.1% of its enlarged share capital following the fund raising and assuming completion of the proposed investments in Tinglobal and Verity (“Completion”), by 30 May 2014 to private investors and also receive a capital injection from DeClout. This round of funding will raise gross proceeds of S\$10 million and value Procurri Corp at approximately S\$70 million post-money. Upon Completion, the Group will own 68% of Procurri Corp’s enlarged share capital.

Since 2013, Procurri Corp has rapidly grown its global presence and scale of operations through the following transactions:

#### US

- **3 April 2013** – Acquisition of a 50.1% stake of Procurri LLC for US\$1.0 million (S\$1.2 million), and subsequently increasing it to a 100% stake via a share swap in January 2014, making the



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US market one of the major markets for the Group outside of Asia. The Procurri LLC acquisition marks the start of DeClout's globalisation strategy for its IT Asset and Independent Maintenance Services business.

### Europe

- **11 March 2014** – Proposed investment in a 51% stake in UK-based Tinglobal Holdings Ltd for a purchase consideration of £6.1 million (S\$12.88 million) which has been approved by shareholders and is pending completion. Tinglobal is engaged in the European enterprise market for refurbished and reconfigured mid-range computer equipment including servers, storage, associated networking infrastructure, parts and services.

### Southeast Asia

- **30 April 2014** – Restructuring of ASVIDA® Asia, DeClout's wholly-owned and Singapore-based subsidiary, under the corporate umbrella of Procurri Corp to enable Procurri Corp to reap economies of scale through better leverage of inventory and enhance operational synergies.
- **3 May 2014** – Proposed investment of a 100% stake of Malaysia-based Verity Solutions Sdn Bhd ("Verity") for S\$3.5 million to augment Procurri Corp's customer network in Singapore, Malaysia and Indonesia. Verity is a multivendor maintenance and system services provider, servicing customers in the telecommunications and manufacturing industries as well as data centre providers and systems integrators across Singapore, Malaysia and Indonesia.

Mr Vesmond Wong, Chairman and Group CEO of DeClout, said: "Over the past year, we have consistently delivered on our global execution strategy as announced by the Group in our ASVIDA® Global Expansion Plan in March 2013. Through the series of investments and acquisitions in the US, UK and Malaysia, we have successfully diversified our revenue stream outside of Singapore. Our goal is to build up Procurri Corp to become one of the largest global independent players in the industry and to unlock the value of the business through a spin-off by 2016 when it grows to a suitable size so that we can take the business to greater heights."

Mr Sean Murphy, CEO of Procurri Corp, comments, "With Procurri LLC, Tinglobal, ASVIDA® Asia and Verity under Procurri Corp, we are now one step closer to our vision of providing a truly global and integrated offering for IT Asset Recovery and Independent Maintenance Services to customers around the world. The combined presence and customer network of these four subsidiaries will allow Procurri Corp to pool local resources, demand and supply, and undertake and deploy cross-continent projects in the US, Europe and Asia Pacific. With an increased global competitive edge, we are optimistic of positively contributing towards DeClout's financial performance.

The next major steps for us are firstly, to synergise and integrate our existing and newly acquired operations to extract economies of scale and improve our earnings, and secondly, to explore further



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M&A opportunities in North Asia to extend our globalisation strategy. I am very excited to work together with Vesmond and the rest of his team to generate growth for Procurri Corp and create value for DeClout shareholders.”

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### **About DeClout**

Led by a dynamic team of business technocrats, DeClout ([www.declout.com](http://www.declout.com)) aims to be the leader in next generation technology driven services in Asia, delivering innovative and cost-effective solutions that will make us the partner of choice for leading companies across the region.

We plan to capitalise on exciting new opportunities through our Vertical Domain Clouds (VDCs) — vibrant, self-contained and scalable ecosystems or communities - starting with the Online Games Industry. Drawing on the expertise and synergies gained from our array of complementary IT infrastructure services, we will create diverse VDCs that serve the needs and aspirations of different businesses and user communities.

Our first VDC is a games ecosystem whose robust infrastructure, gamers community portal and unified payment network will help DeClout capture the burgeoning online games market in Southeast Asia.

We now operate out of Singapore, Malaysia, Indonesia, United States and the PRC, and plan to extend our reach globally.

### **About Procurri Corporation**

Procurri is a global, independent distributor of data centre equipment and multi-vendor maintenance provider. With offices across four continents, we help our customers to optimise the value, performance and life span of their IT infrastructure in more than 40 countries worldwide.

Being an innovator, Procurri solves data centre challenges via a channel-focused model that is backed by our global footprint and team of experienced IT experts. Our customers include the world’s leading companies from various industry segments as well as cloud and data centre providers and systems integrators. With a single minded approach towards support and service delivery, Procurri is the trusted partner of choice for your mission critical infrastructure around the world.

We are a subsidiary of DeClout Limited, which is listed on the Catalist Board of the Singapore Stock Exchange.

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