

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

ANNOUNCEMENT

**EXTRAORDINARY GENERAL MEETING TO BE HELD ON 11 JANUARY 2023
RESPONSES TO QUESTIONS**

The Board of Directors (the “**Board**”) of Procurri Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to thank shareholders for submitting their questions in advance of the Extraordinary General Meeting (the “**EGM**”) to be held by electronic means on 11 January 2023 at 10 a.m. The following are the responses to the substantial and relevant questions that were raised. Questions reproduced below have been edited for grammar and brevity. Unless otherwise defined, all terms and references used herein shall bear the same meanings ascribed to them herein and in the circular to shareholders dated 27 December 2022 (the “**Circular**”).

Question 1

The placement price of S\$0.30 per placement share is a steep discount to the last traded price. This is unfair to the shareholders who stayed and held on to the shares when DeClout expressed its intention for Procurri to remain listed. Can the Directors explain how this pricing is to the best interest of the Company and why this is not prejudicial to the minority shareholders?

Response

As disclosed in the Circular, the Procurri Placement Price was determined pursuant to discussions with the Placement Agent, taking into account, among others, (a) the Shares being suspended from trading since 4 July 2022; (b) the current market conditions, historical trading volumes of the Shares and response from investors pursuant to investors’ road shows conducted; and (c) the number of Shares and the number of investors required for the successful completion of the Compliance Placement, in order to restore the Company’s public float required to resume trading of the Shares on the SGX-ST.

In light of the considerations outlined above, and after taking into account the current global economy downturn and challenging market conditions, the Placement Agent had, following the investors’ road shows that had been conducted, recommended that the Procurri Placement Price would be reflective of the pricing appetite for the Procurri Placement Shares.

Shareholders may also note that the Procurri Placement Price represents a significant premium of approximately 53.8% over the net asset value per Share of S\$0.195⁽¹⁾ as at 31 December 2021.

On the basis of the above and given that the key objective of the Procurri Placement is to restore the public float of the Company, the Directors believe that the fixing of the Procurri Placement Price at S\$0.30 per Procurri Placement Share would be in the best interests of the Company and is not prejudicial to the interest of its minority shareholders as it would represent an optimum chance of the successful completion of the Procurri Placement, resulting in the restoration of the public float of the Company and the resumption of trading of the Procurri Shares on the SGX-ST.

Note:

(1) Based on the audited financial of the Group as at 31 December 2021 (without taking into account the restatements to be made arising from the Second Draw PPP Loan). Net asset value per Share means total assets of S\$135,944,000 less total liabilities of S\$78,559,000 over the number of Shares of 294,237,973.

Question 2

Would placement shares be offered to existing shareholders? If not, why?

Response

The Procurri Placement, together with the Vendor Placement, is a private placement exercise with the overall objective of restoring the public float of the Company. In this regard, Rules 723 and 1105 of the SGX-ST Listing Manual requires at least 10 per cent. of the issued Shares being held by at least 500 Shareholders who are members of the public.

As at the Latest Practicable Date, the percentage of Shares held in public hands is 1.68 per cent., held by 236 Shareholders who are members of the public. Therefore, one of the key objectives of the Compliance Placement is to place the Shares to at least 264 qualifying persons who are not currently Shareholders. Even though it is possible for the Compliance Placement Shares to be offered to existing Shareholders, a rights issue or a preferential offering would not contribute effectively towards the ultimate objective of restoring the public float of the Company and resuming trading of the Procurri Shares on the SGX-ST.

Question 3

Would not the Share Purchase Mandate trigger another round of Takeover offer?

Response

As at the Latest Practicable Date, the substantial shareholders of the Company, namely DeClout Pte. Ltd. and its holding companies, hold more than 50 per cent. of the voting rights of the Company. Accordingly, none of the substantial shareholders of the Company would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase by the Company of the maximum limit of 10 per cent. of its issued Shares (excluding treasury shares and subsidiary holdings) under the Share Purchase Mandate.

In addition to the above, Shareholders should note that while the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to 10 per cent. of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the EGM, the Share Purchase Mandate may not be utilised to the full 10 per cent. limit as authorised, and no purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position or financial position of the Company or the Group as a whole, including if such purchase or acquisition would result in the public float of the Company falling below 10 per cent. as required under Rule 723 of the Listing Manual or in the suspension of the trading of the Shares on the SGX-ST.

Question 4

The exercise to make a cash offer and then this subsequent placement is confusing to shareholders on the intent. If it's just to facilitate change of control, isn't a share purchase easier without all these disruptions and diverting attention from the business. The placement price is also offered at a steep discount and thus it seems to be a wrong move.

Response

The objective of the Compliance Placement is to restore the public float of the Company and to resume the trading of the Procurri Shares on the SGX-ST. The Compliance Placement is not being proposed to facilitate a change of control and in fact will not result in any change to the controlling shareholders of the Company, which will remain to be DeClout Pte. Ltd. and its holding companies.

Please also refer to the response to Question 1 above in relation to the Procurri Placement Price.

BY ORDER OF THE BOARD
PROCURRI CORPORATION LIMITED

6 January 2023

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