

**PROCURRI CORPORATION LIMITED**  
(Company Registration No. 201306969W)  
(Incorporated in Singapore)

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**STATUS UPDATE ON GOVERNMENT SUPPORT PURSUANT TO THE UNITED STATES OF AMERICA PAYCHECK PROTECTION PROGRAM**

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The Board of Directors (the “**Board**”) of Procurri Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Group has received a notification from the processing bank on the outcome of its application for the loan forgiveness pursuant to the Paycheck Protection Program (the “**PPP**”).

In the United States of America, 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 US government to manage and approve the PPP loans for applicants). The loans are eligible for forgiveness (in full or in part, including and 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 the last financial year ended 31 December 2021 (“**FY2021**”), the Group has 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 the loan 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 has recognized the Second Draw PPP Loan as income in FY2021.

The Group has been notified that the application for the Second Draw PPP Loan forgiveness 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 United States of America Small Business Administration (the “**SBA**”) to request for a review of the decision by the processing bank. As a result of the decision of the processing bank, the Group will be required to repay the Second Draw PPP Loan over a period of 5 years and at 1% interest rate per annum. The full amount of 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
<b>Statement of comprehensive income</b>			
<b>Revenue</b>	249,628	-	249,628
Cost of sales	(189,130)	-	(189,130)
<b>Gross profit</b>	60,498	-	60,498
<b>Other items of income</b>			
Other income	2,846	(2,278)	568
Other credits	1,060	-	1,060
<b>Other items of expenses</b>			
Selling expenses	(27,050)	-	(27,050)
Administrative expenses	(32,452)	-	(32,452)
Finance costs	(639)	-	(639)
Other charges	(407)	-	(407)
<b>Profit before tax</b>	3,856	(2,278)	1,578
Income tax credit	590	-	590
<b>Profit for the year</b>	4,446	(2,278)	2,168
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation	352	-	352
Other comprehensive income for the year	352	-	352
<b>Total comprehensive income for the year</b>	4,798	(2,278)	2,520
Profit for the year attributable to:			
Owners of the Company	4,446	(2,278)	2,168
Total comprehensive income attributable to:			
Owners of the Company	4,798	(2,278)	2,520
Earnings per share attributable to owners of the Company (cents per share)			
Basic	1.51		0.74
Diluted	1.51		0.74

	31 December 2021 As previously reported S\$'000	Prior period adjustment S\$'000	31 December 2021 As restated S\$'000
<b>Balance sheet</b>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	2,260	-	2,260
Right-of-use assets	4,409	-	4,409
Investment in subsidiaries	-	-	-
Intangible assets	12,528	-	12,528
Finance lease receivables	50	-	50
Deferred tax assets	5,261	-	5,261
	<u>24,508</u>	-	<u>24,508</u>
<b>Current assets</b>			
Inventories	20,928	-	20,928
Trade and other receivables	51,412	-	51,412
Prepayments	8,971	-	8,971
Finance lease receivables	528	-	528
Cash and bank balances	29,597	-	29,597
	<u>111,436</u>	-	<u>111,436</u>
<b>Total assets</b>	<u>135,944</u>	-	<u>135,944</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	36,318	-	30,318
Deferred income	20,561	-	20,561
Loans and borrowings	12,082	2,278	14,360
Lease liabilities	1,531	-	1,531
Income tax payable	1,854	-	1,854
	<u>72,346</u>	<u>2,278</u>	<u>74,624</u>
<b>Net current assets</b>	<u>39,090</u>	<u>(2,278)</u>	<u>36,812</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	38	-	38
Loans and borrowings	-	-	-
Lease liabilities	3,896	-	3,896
Provisions	978	-	978
Deferred income	1,301	-	1,301
	<u>6,213</u>	-	<u>6,213</u>
<b>Total liabilities</b>	<u>78,559</u>	<u>2,278</u>	<u>80,837</u>
<b>Net assets</b>	<u>57,385</u>	<u>(2,278)</u>	<u>55,107</u>
<b>Equity attributable to owners of the Company</b>			
Share capital	74,695	-	74,695
Retained earnings	29,084	(2,278)	26,806
Other reserves	(46,394)	-	(46,394)
<b>Total equity</b>	<u>57,385</u>	<u>(2,278)</u>	<u>55,107</u>
<b>Total equity and liabilities</b>	<u>135,944</u>	-	<u>135,944</u>

	30 June 2022 As previously reported S\$'000	Prior period adjustment S\$'000	30 June 2022 As restated S\$'000
<b>Balance sheet</b>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	2,617	-	2,617
Right-of-use assets	5,605	-	5,605
Investment in subsidiaries	-	-	-
Intangible assets	11,616	-	11,616
Finance lease receivables	55	-	55
Deferred tax assets	5,334	-	5,334
	<u>25,227</u>	-	<u>25,227</u>
<b>Current assets</b>			
Inventories	20,952	-	20,952
Trade and other receivables	45,655	-	45,655
Prepayments	7,698	-	7,698
Finance lease receivables	271	-	271
Cash and bank balances	35,219	-	35,219
	<u>109,795</u>	-	<u>109,795</u>
<b>Total assets</b>	<u>135,022</u>	-	<u>135,022</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	35,612	-	35,612
Deferred income	16,195	-	16,195
Loans and borrowings	14,886	2,278	17,164
Lease liabilities	2,497	-	2,497
Income tax payable	1,892	-	1,892
	<u>71,082</u>	<u>2,278</u>	<u>73,360</u>
<b>Net current assets</b>	<u>38,713</u>	<u>(2,278)</u>	<u>36,435</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	38	-	38
Loans and borrowings	-	-	-
Lease liabilities	4,047	-	4,047
Provisions	937	-	937
Deferred income	2,131	-	2,131
	<u>7,153</u>	-	<u>7,153</u>
<b>Total liabilities</b>	<u>78,235</u>	<u>2,278</u>	<u>80,513</u>
<b>Net assets</b>	<u>56,787</u>	<u>(2,278)</u>	<u>54,509</u>
<b>Equity attributable to owners of the Company</b>			
Share capital	75,106	-	75,106
Retained earnings	30,359	(2,278)	28,081
Other reserves	(48,678)	-	(48,678)
<b>Total equity</b>	<u>56,787</u>	<u>(2,278)</u>	<u>54,509</u>
<b>Total equity and liabilities</b>	<u>135,022</u>	-	<u>135,022</u>

**By Order of the Board**  
**PROCURRI CORPORATION LIMITED**

Vesmond Wong  
Executive Chairman  
9 December 2022

