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

REVISION OF UNAUDITED FINANCIAL STATEMENTS FOR (A) THE PERIOD ENDED 30 JUNE 2019; AND (B) THE PERIOD ENDED 30 SEPTEMBER 2019

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1. INTRODUCTION

The Board of Directors ("**Board**") of Procurri Corporation Limited ("**Company**", and together with its subsidiaries, the "**Group**") refers to the announcements of the unaudited financial statements for the period ended 30 June 2019 ("**1H2019**") and the unaudited financial statements for the period ended 30 September 2019 ("**9M2019**") (collectively, the "**Announcements**" and each, an "**Announcement**").

All capitalized terms used herein, unless otherwise defined, shall have the meanings ascribed in the Announcements.

2. REVISION OF FINANCIAL STATEMENTS

The Board wishes to inform shareholders that following the release of the Announcements, it had come to the attention of the management that approximately US$525,000 in revenue arising from three (3) purchase orders received by the Company's subsidiary, Rockland-Congruity LLC ("**Rockland**") for new equipment was recognised by Rockland in April, May and June without any associated cost of goods sold ("**COGS**"). The COGS amounted to an aggregate of US$462,114.15.

The omission in recognizing the COGS was due to modifications to the inventory platform and changes to the policy processes in relation thereto. During the implementation stage of these changes, three (3) purchase orders were placed using an outdated order receiving process at Rockland and not the updated process. Accordingly, the orders were processed without recording COGS although the orders were billed out and revenue recognised. The erroneous orders have since been processed appropriately to correct the accounts and outstanding items in the system.

This resulted in, *inter alia*, the overstatement of the gross profit of the Group in the three-month period ended 30 June 2019 ("**2Q2019**") by US$462,114.15, approximately S$629,000, and correspondingly the profits before tax and profits after tax for 2Q2019, 1H2019 and 9M2019. As such, the Board would like to release the revised unaudited results for 2Q2019, 1H2019 and 9M2019 that have been adjusted for such overstatement.

The details of the key line items in the Statement of Comprehensive Income and the Statement of Financial Position that are materially affected, and which have been adjusted, are set out below:

Statement of Comprehensive Income

(S$ '000)	Group 2Q2019	1H2019	9M2019
Gross profit	20,524	40,594	61,398
Profit before tax	1,468	4,002	5,037
Profit after tax	866	2,618	3,707

Statement of Financial Position

(S$ '000)	Group		Company	
	30 June 2019	30 September 2019	30 June 2019	30 September 2019
Trade and other payables	44,405	44,506	3,517	3,909
Income tax payable	1,744	1,454	1,477	1,551
Total liabilities	102,140	102,260	10,773	10,939
Retained earnings	20,785	21,874	(1,152)	(1,121)
Total equity	42,459	43,376	70,667	70,761

Consequential amendments to statement of cash flows, statement of changes in equity and the Notes to the Accounts disclosed in the Announcements have also been made to reflect the above adjustments. Please refer to the attachments to this announcement for the full set of revised results announcements which will supersede the previous Announcements.

The Board also wishes to assure shareholders that this incident related to erroneous orders is a one-off incident arising from the implementation of a new system and process. Rockland has also introduced the following checks and balances measures to mitigate the risk of such errors recurring in the future:

- the purchasing and sales teams have been retrained to ensure that they are familiar with the updated order processes;

- the accounting department has implemented a standard practice of specifically reviewing and reconciling all orders on a monthly basis prior to closing the accounts, acting (as an added manual countercheck) to ensure that there are no large, outstanding balances and/or any matters to be investigated; and

- the accounting and inventory systems of Rockland are in the process of being upgraded to allow for full and automatic integrated connection of the financial and

inventory systems without having to solely rely on manual reconciliation, and this new integrated system is expected to become operational in first quarter 2020.

BY ORDER OF THE BOARD
PROCURRI CORPORATION LIMITED

Thomas Sean Murphy
Chairman and Global Chief Executive Officer
16 December 2019