

**PROCURRI CORPORATION LIMITED**  
(Incorporated in the Republic of Singapore on 15 March 2013)  
(Company Registration No. 201306969W)

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**JOINT VENTURE BETWEEN PROCURRI LLC AND CONGRUITY LLC**

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**1. JOINT VENTURE**

The Board of Directors of Procurri Corporation Limited ("**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that Procurri LLC, an indirect subsidiary of the Company, has entered into an operating agreement ("**Operating Agreement**") with Congruity LLC ("**Congruity**") to provide a platform for the sale of refurbished technology hardware and to provide third party IT maintenance and support services customers.

Congruity was formed in March 2016 from the merger of MSDI and Rockland IT Solutions ("**Rockland**") with its senior management comprised of the following existing executives from both companies. MSDI was principally engaged in the development and build-out of IT solutions including cloud services whereas Rockland's principal activities included IT hardware and enterprise support.

Procurri LLC and Congruity will incorporate a Delaware limited liability company, Rockland Congruity LLC (the "**JV Company**"). Procurri LLC shall subscribe for a 51%, and Congruity shall subscribe for a 49%, membership interest in the JV Company for US\$51 and US\$49 respectively.

The abovementioned subscription in the JV Company will be funded through internal resources and is not expected to have any material impact on the Group's earnings per share or net tangible assets per share for the financial year ending 31 December 2017.

**2. ASSIGNMENT OF DISTRIBUTIONS BY CONGRUITY AND OPTION TO PURCHASE THE BALANCE 49% MEMBERSHIP INTEREST IN THE JV COMPANY**

Under the terms of the Operating Agreement, Congruity shall assign to Procurri LLC its right to distributions in respect of its 49% interest in the JV Company, for the period commencing from the date of incorporation of the JV Company to 31 December 2018.

**3. OPTION TO PURCHASE THE BALANCE 49% MEMBERSHIP INTEREST IN THE JV COMPANY**

Under the terms of the Operating Agreement, Procurri LLC has been granted a call option to acquire the remaining 49% membership interest in the JV Company from Congruity at an agreed formula with reference to:

- a) in the event that the net profit after tax of the JV Company for the financial year ending 31 December 2018 is equal or more than US\$3 million, the audited net profit after tax of the JV Company for the financial year ending 31 December 2018; or
- b) in the event that net profit after tax of the JV Company for the financial year ending 31 December 2018 is less than US\$3 million, the revenue and order book of the JV Company for the financial year ending 31 December 2018.

#### 4. NTA SHORTFALL

Under the terms of the Operating Agreement, in the event that the audited net tangible assets of the JV Company as at 31 December 2018 (“**FY2018 NTA**”) is less than US\$9.7 million, Congruity shall upon notice from Procurri LLC pay the NTA shortfall, being the difference between US\$9.7 million and the actual FY2018 NTA, in cash to the JV Company contemporaneous with Procurri LLC’s purchase of the remaining 49% interest in the JV Company from Congruity contemplated in paragraph 3 above.

#### 5. PURCHASE OF INVENTORY AND MAINTENANCE PARTS

Following the incorporation of the JV Company, the Group intends, subject to the availability of adequate financing, to purchase from Congruity US\$3,500,000 of inventory for trading purposes and US\$12,000,000 of maintenance parts required for the Group’s third party maintenance business. The Group intends to use US\$9,500,000 of the proceeds of the initial public offering of the Company for this purchase, with the balance US\$6,000,000 to be funded by bank borrowings and/or other sources. The Company shall make the relevant announcement on the use of proceeds of the initial public offering of the Company as and when appropriate.

#### 6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and the controlling shareholders or their respective associates has any interest, direct or indirect, in the above transactions, save for their shareholdings in the Company.

#### BY ORDER OF THE BOARD

Thomas Sean Murphy  
Global Chief Executive Officer

23 January 2017

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*DBS Bank Ltd. was the issue manager and underwriter (the “**Issue Manager and Underwriter**”) for the initial public offering of shares in, and listing of, Procurri Corporation Limited on the Main Board of Singapore Exchange Securities Trading Limited. The Issue Manager and Underwriter assumes no responsibility for the contents of this announcement.*