

UPDATE ON INTERNAL REVIEW OF WHOLLY-OWNED SUBSIDIARY

The Board of Directors (“**Board**”) of Revez Corporation Ltd. (“**Company**” and together with its subsidiaries, “**Group**”) refers to its announcements dated 23 August 2022 and 10 November 2022 in relation to its internal review (the “**Internal Review**”) of the management, operations, and financial status of PGK Digital Networks Pte Ltd (“**PGK**”), and the letter of demand dated 18 August 2022 from Braddell Brothers LLP, the solicitors acting for PGK’s former Chief Executive Officer (“**CEO**”), Mr Giulio Dorrucchi (“**Mr Dorrucchi**”).

The Board wishes to update the shareholders that on 18 November 2022, the Company’s solicitors issued a letter of demand to Mr Dorrucchi (through his solicitors). The Company referred to certain conditions of the term sheet dated 30 September 2020 pursuant to which the Company purchased the entire interest in the issued and paid-up capital of PGK from Mr Dorrucchi (the “**Term Sheet**”). Pursuant to the Term Sheet, Mr Dorrucchi had undertaken *inter alia* to use his best endeavours to achieve the milestones of net profit before tax (“**NPBT**”) of S\$1 million per financial year from FY2021 to FY2023 or an aggregate NPBT of S\$3 million for the same period (the “**Milestones**”), and indemnify the Company on demand in the event PGK suffers net losses between FY2021 to FY2023. The Company asserted that Mr Dorrucchi has breached his undertaking to the Company by failing to use his best endeavours to achieve the Milestones, and his breaches were exacerbated when he alleged unmeritoriously that he had been constructively dismissed by PGK on 8 November 2022. The Company reiterated that Mr Dorrucchi had breached the fundamental term(s) of the Term Sheet, and demanded that Mr Dorrucchi agree to the following terms:

- (a) that Mr Dorrucchi shall admit in writing that he had breached a fundamental term of the Term Sheet by failing to use his best endeavours to achieve the Milestones and/or leaving the employment of PGK before the completion of the last Milestone without the Company’s consent;
- (b) that Mr Dorrucchi agrees to fully indemnify the Company for all its loss, injury, and/or damage suffered as a result of Mr Dorrucchi’s breaches of the Term Sheet, including but not limited to the Company’s legal costs on a fully indemnity basis; and
- (c) that Mr Dorrucchi shall be liable to the Company for any net loss suffered by PGK for FY2021 to FY2023.

In the same letter, the Company offered to attempt to settle its claims and/or disputes with Mr Dorrucchi through mediation.

RECEIPT OF 2ND LETTER OF DEMAND

The Board wishes to further update that, on 2 December 2022, Braddell Brothers LLP replied to the Company’s letter of demand, wholly denying the Company’s claims. On the same day, Braddell Brothers LLP also issued a letter of demand to the Company (through its solicitors) and the Company’s nominated directors in PGK, Mr Neo Wee Han Victor and Mr Lim Kian Sing (the “**Nominated Directors**”). Mr Dorrucchi alleged the Company had, through the Nominated Directors, interfered with Mr Dorrucchi’s management of PGK, and systematically undermined Mr Dorrucchi’s position as PGK’s CEO and statutory director, making it impossible for him to fulfil his role and duties. He further alleges that RCL had breached the Term Sheet, and that RCL and the Nominated Directors had induced PGK to breach Mr Dorrucchi’s employment agreement and further conspired to injure his interests. In making these contentions, Mr Dorrucchi primarily relies on the same factual allegations set out in his solicitors’ letter of demand dated 18 August 2022 (see the Company’s announcement dated 23 August 2022) and Mr Dorrucchi’s letter to the Board dated 8 November 2022 (see the Company’s announcement dated 10 November 2022).

Mr Dorrucchi further alleges that as a result of the conduct of the Company and/or the Nominated Directors:

- (a) Mr Dorrucchi has been deprived of such number of shares in the Company having the value of the remaining purchase price under the Term Sheet, i.e. S\$1,600,000;
- (b) Mr Dorrucchi has been deprived from earning his reward from the Bonus Earn Out that he was entitled to under the Term Sheet; and

- (c) Mr Dorrucchi has lost salary and allowances payable by PGK amounting to S\$206,500, calculated as follows: S\$12,000 monthly salary and S\$3,000 monthly allowance for 13 months and 23 days (from 9 November 2022 to 31 December 2023) (both dates inclusive).

Braddell Brothers LLP has demanded that the Company and/or the Nominated Directors compensate Mr Dorrucchi for all his alleged losses and damages arising out of the foregoing, by 7 December 2022. The Company wishes to clarify that, as stated in the announcement dated 23 August 2022, in the event PGK achieved the Milestones (which it has not), Mr Dorrucchi would be entitled to S\$1,600,000 worth of shares in the Company calculated at the "BUY-PRICE" which is determined by the formula set out in the Term Sheet. The "BUY-PRICE" is S\$0.34784 per share, which translates to 4,599,815 shares.

Braddell Brothers LLP has also indicated that Mr Dorrucchi is in-principle agreeable to attempting mediation to resolve the outstanding matters as between the relevant parties.

As mentioned in the announcements on 23 August 2022 and 10 November 2022, the Company and its Nominated Directors reiterate that they categorically deny Mr Dorrucchi's allegations. The Company has obtained legal advice from its solicitors and consider Dorrucchi's allegations to be wholly without merit. With respect to Mr Dorrucchi's in-principle agreement to mediate the disputes between him, the Company, and relevant parties, the Company will seek legal advice on the same and consider its options.

The Company is of the view that the demand for payment and any potential legal proceeding relating to this matter will not affect the continued business operations of the Group, and (if and) in the event any payment of such demand(s) are made by PGK and/or the Company, such payment(s) are not expected to materially impact the financial position of the Group. None of the other Group entities are liable to or are the subject of Mr Dorrucchi's allegations, and the Group's ability to continue as a going concern is also not affected by this matter.

The Company will update the shareholders via SGXNET on any further material development on Mr Dorrucchi's claims by way of further announcement(s) as and when necessary.

By Order of the Board
REVEZ CORPORATION LTD.

Neo Wee Han Victor
Executive Director, Chief Executive Officer and Deputy Board Chairman

Date: 04 December 2022

*This announcement has been prepared by Revez Corporation Ltd. ("**Company**") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited ("**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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