



REVEZ CORPORATION LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 201119167Z)

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED
31 DECEMBER 2021**



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CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Group			
		6 months ended 31/12/2021	6 months ended 31/12/2020	12 months ended 31/12/2021	12 months ended 31/12/2020
		S\$'000	S\$'000	S\$'000	S\$'000
Revenue	4	3,617	4,629	7,529	6,623
Other income		1,449	1,018	1,485	1,571
Material costs and changes in inventories		(1,590)	(2,766)	(2,882)	(3,307)
Salaries and employees' benefits		(2,153)	(2,215)	(4,678)	(3,863)
Depreciation of property, plant and equipment and investment property		(423)	(234)	(770)	(374)
Impairment of goodwill	10	(1,650)	-	(1,650)	-
Amortisation of intangible assets		(65)	(33)	(131)	(33)
Trade receivables written off		(13)	(40)	(13)	(40)
Reversal of impairment loss/(Impairment loss) of trade receivables and contract assets, net		1	24	(58)	231
Other operating expenses		(548)	(535)	(962)	(819)
Finance costs		(52)	(9)	(88)	(21)
Loss before income tax	5	(1,427)	(161)	(2,218)	(32)
Income tax	6	13	(29)	22	(80)
Loss for the financial period/year		(1,414)	(190)	(2,196)	(112)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the financial period/year		(1,414)	(190)	(2,196)	(112)
Loss for the financial period/year attributable to:					
Owners of the Company		(1,359)	(64)	(1,933)	98
Non-controlling interests		(55)	(126)	(263)	(210)
		(1,414)	(190)	(2,196)	(112)
Total comprehensive loss for the financial period/year attributable to:					
Owners of the Company		(1,359)	(64)	(1,933)	98
Non-controlling interests		(55)	(126)	(263)	(210)
		(1,414)	(190)	(2,196)	(112)
(Loss)/Earnings per share:					
Basic and Diluted (cents per share) ⁽¹⁾		(0.81)	(0.04)	(1.15)	0.06

⁽¹⁾ (Loss)/Earnings per share is calculated based on the weighted average number of ordinary shares that were outstanding during the respective financial periods.



CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

		Group		Company	
		As at 31/12/2021	As at 31/12/2020	As at 31/12/2021	As at 31/12/2020
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	3,508	1,840	-	-
Investment property	9	-	645	-	-
Goodwill	10	1,667	3,317	-	-
Intangible assets	11	493	624	-	-
Other receivable		-	-	605	-
Investment in subsidiaries		-	-	7,580	38,160
Total non-current assets		5,668	6,426	8,185	38,160
Current assets					
Trade and other receivables		1,575	2,241	534	133
Contract assets		230	444	-	-
Inventories		132	95	-	-
Cash and cash equivalents		3,317	4,695	1,873	2,878
		5,254	7,475	2,407	3,011
Asset held for sale		615	-	-	-
Total current assets		5,869	7,475	2,407	3,011
Total assets		11,537	13,901	10,592	41,171
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables		1,863	2,542	53	258
Contract liabilities		370	234	-	-
Loans and borrowings	12	1,293	309	-	-
Other financial liabilities		-	1,027	-	1,027
Provision for income tax		-	165	-	2
Total current liabilities		3,526	4,277	53	1,287
Non-current liabilities					
Loans and borrowings	12	1,844	1,197	-	-
Deferred tax liabilities		84	106	-	-
Total non-current liabilities		1,928	1,303	-	-
Total liabilities		5,454	5,580	53	1,287
Equity					
Share capital	13	18,713	18,713	62,030	62,030
Merger reserve		138	138	-	-
Accumulated losses		(13,162)	(11,229)	(51,491)	(22,146)
Equity attributable to owners of the company		5,689	7,622	10,539	39,884
Non-controlling interests		394	699	-	-
Total Equity		6,083	8,321	10,539	39,884
Total equity and liabilities		11,537	13,901	10,592	41,171



CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group 12 months ended 31/12/2021 S\$'000	Group 12 months ended 31/12/2020 S\$'000
Cash flows from operating activities		
Loss before income tax	(2,218)	(32)
Adjustments for:		
Depreciation of property, plant and equipment and investment property	770	374
Impairment of goodwill	1,650	-
Amortisation of intangible assets	131	33
Loss on disposal of property, plant and equipment	-	12
Loss on disposal of a subsidiary	29	-
Property, plant and equipment written off	-	27
Impairment loss/(Reversal of impairment loss) of trade receivables and contract assets, net	58	(231)
Trade receivables written off	13	40
Provision for inventory obsolescence	11	112
Fair value gain on contingent consideration	(1,027)	(573)
Interest income	(3)	(45)
Interest expense	88	21
Operating cash flows before working capital changes	(498)	(262)
Changes in working capital:		
Inventories	(50)	7
Trade and other receivables	496	(355)
Contract assets	227	411
Trade and other payables	(648)	1,089
Contract liabilities	175	149
Cash (used in)/generated from operations	(298)	1,039
Interest received	3	45
Income tax paid	(165)	(53)
Net cash (used in)/generated from operating activities	(460)	1,031
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,448)	(441)
Proceeds from disposal of property, plant and equipment	-	8
Disposal of a subsidiary net of cash disposed	(14)	-
Decrease in fixed deposit with maturity period of more than 3 months	1,850	3,050
Net cash outflow from acquisition of a subsidiary	-	(2,135)
Net cash (used in)/generated from investing activities	(612)	482
Cash flows from financing activities		
Partial disposal of interest in a subsidiary to non-controlling interests	-	340
Dividend paid to former shareholders	-	(888)
Proceeds from bank borrowings	2,003	-
Repayment of bank borrowings	(85)	(31)
Principal repayment of lease liabilities	(286)	(165)
Repayments of finance lease liability	-	(3)
Interest paid	(88)	(16)
Net cash generated from/(used in) financing activities	1,544	(763)
Net increase in cash and cash equivalents	472	750
Cash and cash equivalent at beginning of the financial period	2,845	2,095
Cash and cash equivalent at end of the financial period	3,317	2,845
Analysis of cash and cash equivalents:		
Cash at bank	1,515	1,844
Short-term deposits	1,800	2,850
Cash on hand	2	1
	3,317	4,695
Less: Short-term deposits with maturity period of more than 3 months	-	(1,850)
Cash and cash equivalents as per consolidated statement of cash flows	3,317	2,845



CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

<---- Attributable to equity owners of the Company ---->

	Share capital	Merger reserve	(Accumulated losses)/ Retained earnings	Attributable to equity owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group						
Balance at 1 January 2021	18,713	138	(11,229)	7,622	699	8,321
Total comprehensive loss for the year	-	-	(1,933)	(1,933)	(263)	(2,196)
Disposal of a subsidiary	-	-	-	-	(42)	(42)
Balance at 31 December 2021	18,713	138	(13,162)	5,689	394	6,083
Balance at 1 January 2020	18,713	138	(11,327)	7,524	234	7,758
Total comprehensive loss for the year	-	-	98	98	(210)	(112)
Transaction with owners, directly recognised in equity						
Issue of shares to non-controlling interests	-	-	-	-	675	675
Balance at 31 December 2020	18,713	138	(11,229)	7,622	699	8,321

	Share capital	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000
Company			
Balance at 1 January 2021	62,030	(22,146)	39,884
Total comprehensive loss for the year	-	(29,345)	(29,345)
Balance at 31 December 2021	62,030	(51,491)	10,539
Balance at 1 January 2020	62,030	(13,418)	48,612
Total comprehensive loss for the year	-	(8,728)	(8,728)
Balance at 31 December 2020	62,030	(22,146)	39,884



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 General Information

Revez Corporation Ltd. (the "Company") is a public limited liability company incorporated and domiciled in Singapore and is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are:

- (a) IT Solutions segment includes design and development of integrated suite of solutions from Meta Experience ("Meta") (formerly known as "Multimedia"), Information Technology ("IT") (formerly known as "Infocomm Technology"), Cybersecurity and Industrial Automation
- (b) Meetings, Incentive, Conferences, Exhibitions ("MICE") segment provides design and build installation support to its solutions when these IT solutions are required to be installed in showrooms, exhibition halls, product launches and customer service centers
- (c) Digital media networks segment includes creating, owning and implementing digital media solutions and media networks

2 Basis of Preparation

The condensed interim consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar ("S\$") which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

Amendments to SFRS(I) 16 COVID-19 Related Rent Concessions and Interest Rate Benchmark Reform Phase 2 (Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16) have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.



2 Basis of Preparation (cont'd)

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 4 – Revenue recognition for service contracts

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following note:

- Note 10 – impairment test of goodwill: key assumptions underlying recoverable amounts

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.



4 Revenue and segment information

Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

The Group derives revenue from the delivery of services in the following major service lines and the Group's revenues are predominantly attributed to Singapore:

	Group	
	<u>12 months ended</u> 31/12/2021 S\$'000	<u>12 months ended</u> 31/12/2020 S\$'000
<u>Major service lines – Timing of revenue recognition</u>		
Revenue from service contracts – Over time	2,635	5,147
Revenue from distribution of IT products – At a point in time	1,473	-
Revenue from marketing and exhibition support services – At a point in time	181	418
Revenue from sale of industrial automation goods – At a point in time	1,040	590
Revenue from digital media services – Over time	2,200	468
	<u>7,529</u>	<u>6,623</u>

A breakdown of revenue and (loss)/profit for the financial period:

	Group		
	<u>12 months ended</u> 31/12/2021 S\$'000	<u>12 months ended</u> 31/12/2020 S\$'000	Increase/ (Decrease) %
Revenue reported for the first half year	3,912	1,994	96.2
(Loss)/Profit for the financial period before deducting non-controlling interests reported for first half year	(782)	78	N.M.
Revenue reported for the second half year	3,617	4,629	(21.9)
Loss for the financial period before deducting non-controlling interests reported for second half year	<u>(1,414)</u>	<u>(190)</u>	<u>N.M.</u>

N.M. – Denotes not meaningful



Revenue and segment information (cont'd)

Segment information

The Group has determined the operating segments based on the internal reports reviewed by the executive management, principally the Chief Executive Officer, who is responsible for allocating resources and assessing performance of the operating segments.

The Group's reportable operating segments are as follows:

- IT Solutions

IT Solutions segment includes design and development of integrated suite of solutions from Meta Experience ("Meta") (formerly known as "Multimedia"), Information Technology ("IT") (formerly known as "Infocomm Technology"), Cybersecurity and Industrial Automation.

- Meetings, Incentive, Conferences, Exhibitions ("MICE")

MICE segment provides design and build installation support to its solutions when these IT solutions are required to be installed in showrooms, exhibition halls, product launches and customer service centers.

- Digital Media Networks

Digital media networks segment includes creating, owning and implementing digital media solutions and media networks.

- Corporate

Corporate segment refers to investment holding company that does not meet any of the quantitative threshold, for the purpose of determining a reportable operating segment.



4 Revenue and segment information (cont'd)

Segment information (cont'd)

Information regarding the results of each reportable operating segment is included below. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on mutually agreed terms.

Information about operating segments

Group	<u>IT Solutions</u> S\$'000	<u>MICE</u> S\$'000	<u>Digital Media Networks</u> S\$'000	<u>Corporate</u> S\$'000	<u>Total</u> S\$'000
<u>1 July 2021 to 31 December 2021</u>					
<i>Revenue</i>					
Total revenue	2,385	71	1,180	-	3,636
Inter-segment revenue	(10)	(9)	-	-	(19)
External revenue	<u>2,375</u>	<u>62</u>	<u>1,180</u>	<u>-</u>	<u>3,617</u>
<i>Results</i>					
(Loss)/Profit before income tax	(1,138)	(15)	(1,478)	1,204	(1,427)
Income tax	1	-	-	12	13
(Loss)/Profit for the period	<u>(1,137)</u>	<u>(15)</u>	<u>(1,478)</u>	<u>1,216</u>	<u>(1,414)</u>
<i>Assets and liabilities</i>					
Segment assets	3,982	-	5,657	1,898	11,537
Segment liabilities	<u>(3,196)</u>	<u>-</u>	<u>(2,202)</u>	<u>(56)</u>	<u>(5,454)</u>
<i>Other segment information</i>					
Expenditure for property, plant and equipment	(139)	(4)	(2,249)	-	(2,392)
Other non-cash items:					
Depreciation of property, plant and equipment and investment property	(211)	(12)	(200)	-	(423)
Impairment of goodwill	-	-	(1,650)	-	(1,650)
Amortisation of intangible assets	-	-	(65)	-	(65)
Reversal of impairment loss of trade receivables and contract assets, net	1	-	-	-	1
Fair value gain on contingent consideration	-	-	-	1,232	1,232
Loss on disposal of a subsidiary	-	-	-	(29)	(29)

Geographical information

The Group's revenue for the six months ended 31 December 2021 were predominantly attributed to Singapore.



4 Revenue and segment information (cont'd)

Segment information (cont'd)

Information about operating segments (cont'd)

Group	<u>IT Solutions</u> S\$'000	<u>MICE</u> S\$'000	<u>Digital Media Networks</u> S\$'000	<u>Corporate</u> S\$'000	<u>Total</u> S\$'000
<u>1 January 2021 to 31 December 2021</u>					
<i>Revenue</i>					
Total revenue	5,253	204	2,200	-	7,657
Inter-segment revenue	(105)	(23)	-	-	(128)
External revenue	<u>5,148</u>	<u>181</u>	<u>2,200</u>	<u>-</u>	<u>7,529</u>
<i>Results</i>					
(Loss)/Profit before income tax	(1,589)	(157)	(1,446)	974	(2,218)
Income tax	(2)	-	-	24	22
(Loss)/Profit for the period	<u>(1,591)</u>	<u>(157)</u>	<u>(1,446)</u>	<u>998</u>	<u>(2,196)</u>
<i>Assets and liabilities</i>					
Segment assets	3,982	-	5,657	1,898	11,537
Segment liabilities	<u>(3,196)</u>	<u>-</u>	<u>(2,202)</u>	<u>(56)</u>	<u>(5,454)</u>
<i>Other segment information</i>					
Expenditure for property, plant and equipment	(139)	(4)	(2,328)	-	(2,471)
Other non-cash items:					
Depreciation of property, plant and equipment and investment property	(425)	(49)	(296)	-	(770)
Impairment of goodwill	-	-	(1,650)	-	-
Amortisation of intangible assets	-	-	(131)	-	(131)
Impairment loss of trade receivables and contract assets, net	(43)	(5)	(10)	-	(58)
Allowance for inventory obsolescence	(11)	-	-	-	(11)
Fair value gain on contingent consideration	-	-	-	1,027	1,027
Loss on disposal of a subsidiary	-	-	-	(29)	(29)

Geographical information

The Group's revenue for the twelve months ended 31 December 2021 were predominantly attributed to Singapore.



4 Revenue and segment Information (cont'd)

Segment information (cont'd)

Information about operating segments (cont'd)

Group	<u>IT Solutions</u> S\$'000	<u>MICE</u> S\$'000	<u>Digital Media Networks</u> S\$'000	<u>Corporate</u> S\$'000	<u>Total</u> S\$'000
<u>1 July 2020 to 31 December 2020</u>					
<i>Revenue</i>					
Total revenue	4,043	177	467	-	4,687
Inter-segment revenue	(34)	(24)	-	-	(58)
External revenue	4,009	153	467	-	4,629
<i>Results</i>					
(Loss)/Profit before income tax	(638)	(43)	38	482	(161)
Income tax	(37)	-	-	8	(29)
(Loss)/Profit for the period	(675)	(43)	38	490	(190)
<i>Assets and liabilities</i>					
Segment assets	5,420	407	5,174	2,900	13,901
Segment liabilities	(3,044)	(163)	(1,164)	(1,209)	(5,580)
<i>Other segment information</i>					
Expenditure for property, plant and equipment	(1,212)	(82)	(204)	-	(1,498)
Other non-cash items:					
Depreciation of property, plant and equipment and investment property	(161)	(37)	(36)	-	(234)
Amortisation of intangible assets	-	-	(33)	-	(33)
Reversal of impairment loss/(Impairment loss) of trade receivables and contract assets, net	34	10	(20)	-	24
Loss on disposal of property, plant and equipment	(12)	-	-	-	(12)
Property, plant and equipment written off	(27)	-	-	-	(27)
Allowance for inventory obsolescence	(112)	-	-	-	(112)
Trade receivables written off	(40)	-	-	-	(40)
Fair value loss on contingent consideration	-	-	-	573	573

Geographical information

The Group's revenue for the six months ended 31 December 2020 were wholly attributed to Singapore.



4 Revenue and segment Information (cont'd)

Segment information (cont'd)

Information about operating segments (cont'd)

Group	<u>IT Solutions</u> S\$'000	<u>MICE</u> S\$'000	<u>Digital Media Networks</u> S\$'000	<u>Corporate</u> S\$'000	<u>Total</u> S\$'000
<u>1 January 2020 to 31 December 2020</u>					
<i>Revenue</i>	5,916	445	468	-	6,829
Total revenue					
Inter-segment revenue	(179)	(27)	-	-	(206)
External revenue	5,737	418	468	-	6,623
<i>Results</i>					
(Loss)/Profit before income tax	(492)	(108)	38	530	(32)
Income tax	(84)	-	-	4	(80)
(Loss)/Profit for the period	(576)	(108)	38	534	(112)
<i>Assets and liabilities</i>					
Segment assets	5,420	407	5,174	2,900	13,901
Segment liabilities	(3,044)	(163)	(1,164)	(1,209)	(5,580)
<i>Other segment information</i>					
Expenditure for property, plant and equipment	(1,239)	(82)	(204)	-	(1,525)
Other non-cash items:					
Depreciation of property, plant and equipment and investment property	(264)	(74)	(36)	-	(374)
Amortisation of intangible assets	-	-	(33)	-	(33)
Reversal of impairment loss/(Impairment loss) of trade receivables and contract assets, net	234	16	(19)	-	231
Loss on disposal of property, plant and equipment	(12)	-	-	-	(12)
Property, plant and equipment written off	(27)	-	-	-	(27)
Allowance for inventory obsolescence	(112)	-	-	-	(112)
Trade receivables written off	(40)	-	-	-	(40)
Fair value loss on contingent consideration	-	-	-	573	573

Geographical information

The Group's revenue for the twelve months ended 31 December 2020 were wholly attributed to Singapore.



5 Loss before income tax

Significant items	Group			
	<u>6 months</u>	<u>6 months</u>	<u>12 months</u>	<u>12 months</u>
	<u>ended</u>	<u>ended</u>	<u>ended</u>	<u>ended</u>
	<u>31/12/2021</u>	<u>31/12/2020</u>	<u>31/12/2021</u>	<u>31/12/2020</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Other income				
Government grants	191	384	388	883
Interest income	1	13	3	45
Operating lease income	-	17	17	34
Fair value gain on contingent consideration	1,232	573	1,027	573
Miscellaneous income	25	31	50	36
Other operating expenses				
Travelling and transport	30	31	54	50
Entertainment and refreshment	9	20	28	31
Professional fees	294	351	422	474
Subscription and license fees	75	24	156	41
Loss on disposal of a subsidiary	29	-	29	-
Storage costs	19	-	30	3
Listing fees	40	63	86	109
Others	52	46	157	111

6 Income tax

The Group calculates the period income tax using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax in the condensed interim consolidated statement of profit or loss are:

	Group			
	<u>6 months</u>	<u>6 months</u>	<u>12 months</u>	<u>12 months</u>
	<u>ended</u>	<u>ended</u>	<u>ended</u>	<u>ended</u>
	<u>31/12/2021</u>	<u>31/12/2020</u>	<u>31/12/2021</u>	<u>31/12/2020</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax	(2)	35	-	86
Deferred income tax relating to reversal of temporary differences	(11)	(6)	(22)	(6)
	(13)	29	(22)	80

7 Net assets value

	Group		Company	
	<u>31/12/2021</u>	<u>31/12/2020</u>	<u>31/12/2021</u>	<u>31/12/2020</u>
	S\$	S\$	S\$	S\$
Net asset value per ordinary share (cents)	3.40	4.55	6.29	23.81

Net asset value per share is calculated based on share capital of 167,499,937 ordinary shares in issue as at 31 December 2021 and 31 December 2020.

8 Property, plant and equipment

During the six months ended 31 December 2021, the Group acquired assets amounting to S\$2,392,000 (31 December 2020: S\$1,498,000).



9 Investment property

	Group	
	<u>2021</u> S\$'000	<u>2020</u> S\$'000
<u>Cost</u>		
Balance at 1 January and 31 December	-	879
<u>Accumulated depreciation</u>		
Balance at 1 January	-	205
Depreciation charge	-	29
Balance at 31 December	-	234
<u>Net book value</u>		
At 31 December	-	645

The investment property is classified as asset held for sale as at 31 December 2021.

The investment property is mortgaged to secure a bank borrowing of the Group.

Information regarding the investment property is as follows:

<u>Description and location</u>	<u>Tenure</u>	<u>Use</u>
Factory premise located at 18 Howard Road, #09-05, Singapore 369585	Freehold	Commercial

Information on the fair value of the Group's investment property disclosed below is measured using valuation inputs categorised as Level 2 in the Fair Value Hierarchy as follows:

	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Carrying amount</u> S\$'000
Group				
<u>31/12/2020</u>				
Commercial property	-	1,087	-	645

Valuation technique and inputs used to derive Level 2 fair value

Level 2 fair value of the investment property was derived using the sales comparison approach. Sales prices of comparable properties in close proximity were adjusted by management for differences in key attributes such as property size. The most significant input into this valuation approach is the selling price per square meter.



10 Goodwill

	Group	
	<u>2021</u> S\$'000	<u>2020</u> S\$'000
<u>Cost</u>		
Balance at 1 January	3,317	-
Goodwill recognised from the business combination occurred during the period	-	3,317
Impairment	(1,650)	
Balance at 31 December	<u>1,667</u>	<u>3,317</u>

Impairment testing of goodwill

Goodwill acquired through the business combination has been allocated entirely to the digital media networks cash-generating unit ("DMN CGU") under the digital media networks segment for impairment test.

The recoverable amount of the DMN CGU has been determined based on its value in use using cash flow forecasts covering a five-year period. The discount rate applied to the cash flow forecasts, forecasted growth rates, budgeted gross margins, and the terminal growth rates used to extrapolate cash flow forecasts beyond the five-year period, are discussed below.

- (i) Revenue growth is projected based on contracts secured with customers along with likely contract renewals and ongoing project tenders and forecasted demand with reference to past revenues earned and adjusted for forward-looking economic conditions.
- (ii) Terminal growth rate of 2.5% has been used which does not exceed the industry long-term forecast growth rate based on published reports.
- (iii) Discount rate of 10% used was determined based on a risk-free rate adjusted for a market risk premium to reflect market risks and the risks specific to the DMN CGU.

Based on the impairment test, management recognised an impairment loss of S\$1,650,000 (2020: Nil) in relation to the goodwill for the six months ended 31 December 2021.

11 Intangible assets

	<u>Customer relationships</u> S\$'000	<u>Software system</u> S\$'000	<u>Total</u> S\$'000
Group			
<u>Cost</u>			
Balance at 1 January 2021 and 31 December 2021	470	187	657
<u>Accumulated amortisation</u>			
Balance at 1 January 2021	24	9	33
Amortisation charge	94	37	131
Balance at 31 December 2021	<u>118</u>	<u>46</u>	<u>164</u>
<u>Net book value</u>			
At 31 December 2021	<u>352</u>	<u>141</u>	<u>493</u>



11 Intangible assets (cont'd)

	<u>Customer relationships</u> S\$'000	<u>Software system</u> S\$'000	<u>Total</u> S\$'000
Group			
<u>Cost</u>			
Balance at 1 January 2020	-	-	-
Acquisition through business combination	470	187	657
Balance at 31 December 2020	470	187	657
<u>Accumulated amortisation</u>			
Balance at 1 January 2020	-	-	-
Amortisation charge	24	9	33
Balance at 31 December 2020	24	9	33
<u>Net book value</u>			
At 31 December 2020	446	178	624

12 Loans and borrowings

	Group	
	<u>31/12/2021</u> S\$'000	<u>31/12/2020</u> S\$'000
<u>Amount repayable within one year or on demand</u>		
Unsecured	391	278
Secured	902	31
	1,293	309
<u>Amount repayable after one year</u>		
Unsecured	357	549
Secured	1,487	648
	1,844	1,197

The bank borrowing is secured by a first legal mortgage over the Group's investment property and a corporate guarantee of S\$698,000 by the Company. The address of the investment property is 18 Howard Road #09-05 Novelty Bizcentre Singapore 369585.

The Group drew down S\$1,000,000 of 5 year Temporary Bridging Loan under Enterprise Financing Scheme for working capital requirements during the period.

The Group drew down S\$1,003,000 of 4 year Term Loan for purchase of media equipment during the period.

13 Share capital

	<u>31/12/2021</u>		<u>31/12/2020</u>	
	Number of ordinary shares	S\$'000	Number of ordinary shares	S\$'000
Group/Company				
Beginning/End of the period	167,499,937	18,713	167,499,937	18,713

The Company did not hold any treasury shares as at 31 December 2021. The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.



14 Disposal of a subsidiary

On 31 August 2021, the Group disposed Newood Design Pte. Ltd. which principal activities are provision of marketing and communication solutions.

Consideration received

	S\$'000
Consideration received in cash and cash equivalents	<u>15</u>

Analysis of asset and liabilities over which control was lost

Property, plant and equipment	63
Inventory	2
Trade and other receivables	84
Cash and bank balances	30
Trade and other payables	(54)
Contract liabilities	(39)
Net assets disposed	<u>86</u>

Loss on disposal of a subsidiary

Consideration received in cash and cash equivalents	15
Non-controlling interest in respect of the net assets of the subsidiary on loss of control of a subsidiary	42
Net assets disposed	(86)
Loss on disposal of a subsidiary	<u>(29)</u>

The aggregate cash inflow arising from disposal of a subsidiary

Consideration received in cash	15
Cash and cash equivalents disposed	(29)
Cash outflow on disposal of a subsidiary	<u>(14)</u>

15 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

16 Subsequent event

Subsequent to the financial period, the Group completed the disposal for the property located at 18 Howard Road Novelty BizCentre #09-05 Singapore 369585 (the "Property") at the sale price of S\$1,150,000 on 22 February 2022. The Property is classified as asset held for sale as at 31 December 2021.



OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

- 1 - Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed consolidated statement of financial position of Revez Corporation Ltd and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

- 2 - A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF GROUP'S PERFORMANCE FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2021 ("FY2021") AS COMPARED TO THE TWELVE MONTHS ENDED 31 DECEMBER 2020 ("FY2020")

Revenue

Revenue increased by S\$906,000 or 13.7% for FY2021 from S\$6.6 million in FY2020 to S\$7.5 million in FY2021. The increase in revenue were mainly due to higher revenue contribution from PGK Digital Networks Pte. Ltd. ("PGK") of S\$1.7 million. Revenue from IT Solutions decreased by S\$590,000 due to COVID-19. Meetings, incentives, conferences and exhibitions ("MICE") decreased by S\$238,000 due to the disposal of Newood Design Pte Ltd in August 2021.

Other income

Other income decreased by S\$86,000 or 5.47% for FY2021 from S\$1,571,000 in FY2020 to S\$1,485,000 in FY2021 mainly due to less government grant of S\$495,000 and partially offset by higher fair value gain on contingent consideration of S\$454,000.

Material costs and change in inventories

Material costs and changes in inventories decreased by S\$425,000 or 12.9% for FY2021 from S\$3.3 million in FY2020 to S\$2.9 million in FY2021 due to lower revenue contribution from IT solutions and MICE.

Salaries and employees' benefits

Salaries and employees' benefits increased by S\$815,000 or 21.1% for FY2021 from S\$3.9 million in FY2020 to S\$4.7 million in FY2021 mainly due to the inclusion of PGK's twelve months staff costs of S\$ 1 million in FY2021 as compared to three months PGK staff costs in FY2020.

Depreciation of property, plant and equipment and investment property

Depreciation increased by S\$396,000 or 105.9% for FY2021 from S\$374,000 in FY2020 to S\$770,000 in FY2021 due to depreciation of PGK's media equipment acquired during FY2021.

Impairment of goodwill

Impairment of goodwill of S\$1,650,000 was due to the estimated recoverable amount of digital media networks cash generating unit was lower than its carrying amount.

Amortisation of intangible assets

Amortisation increased by S\$98,000 or 297% due to amortisation charge for the twelve months period for customer relationships and software system resulted from the acquisition of PGK in October 2020.

Reversal of Impairment loss/(Impairment loss) of trade receivables and contract assets, net

Impairment loss of trade receivables and contract assets, net of S\$58,000 was recognised based on the expected credit losses assessment done by management as at 31 December 2021. There was a reversal of impairment loss of S\$231,000 in FY2020 due to recovery of outstanding receivables in FY2020.

Other operating expenses

Other operating expenses increased by S\$143,000 or 17.5% for FY2021 from S\$819,000 in FY2020 to S\$962,000 in FY2021 mainly due to PGK's twelve months other operating expenses of S\$196,000 in FY2021 as compared to three months other operating expenses in FY2020 of S\$53,000.

Finance costs

Finance costs increased by S\$67,000 or 319.0% for FY2021 from S\$21,000 in FY2020 to S\$88,000 in FY2021 due to a drawdown of bank loan of S\$2,003,000 during FY2021.

Loss for the financial period/year



As a result of the aforementioned, the Group reported a net loss for the financial period of S\$1.4 million in 2HFY2021 as compared to net loss for the financial period of S\$190,000 in 2HFY2020. As a result of the aforementioned, the Group reported a net loss for the financial year of S\$2.2 million in FY2021 as compared to net loss for the financial year of S\$112,000 in FY2020.

REVIEW OF FINANCIAL POSITION

Non-current assets

The decrease in non-current assets as at 31 December 2021 of S\$758,000 from S\$6.4 million as at 31 December 2020 to S\$5.7 million as at 31 December 2021 was mainly due to the increase of property, plant and equipment of S\$1.7 million, decrease in investment property of S\$645,000 which was classified as asset held for sale and decrease of goodwill due to impairment of S\$1.7 million. The increase of property, plant and equipment was mainly due to purchase of media equipment of S\$2.3 million and partially offset with depreciation during the year of S\$741,000.

Current assets

The decrease in current assets as at 31 December 2021 of S\$1.6 million from S\$7.5 million as at 31 December 2020 to S\$5.9 million as at 31 December 2021 was mainly due to the decrease in cash and cash equivalent of S\$1.4 million, decrease in trade and other receivables of S\$666,000, decrease in contract assets of S\$214,000 and increase of asset held for sale of S\$615,000. The decrease in cash and cash equivalents was mainly due to less receipts from customers due to less completed projects for IT Solutions. The decrease in trade and other receivables and contract assets was also due to the same reason. Asset held for sale was relating to investment property which was classified to current asset due to the management's intention to sell the property within 12 months period.

Current liabilities

The decrease in current liabilities as at 31 December 2021 of S\$751,000 from S\$4.3 million as at 31 December 2020 to S\$3.5 million was mainly due to the decrease in trade and other payables of S\$679,000, decrease in other finance liabilities of S\$1,027,000, decrease in provision for income tax of S\$165,000, increase in contract liabilities of S\$136,000 and increase in loans and borrowings of S\$984,000. The decrease in other finance liabilities was due to reversal of contingent consideration as at 31 December 2021. Based on PGK's financial performance and the financial projections, management considers that it is not probable that this contingent consideration payment will be required. The decrease in trade and other payables was due to more invoices paid due to the timing of the due dates. The increase in contract liabilities was due to revenue deferred because the projects were not yet completed. The increase in loan and borrowings was due to the non-current portion of the property loan was classified to current as management planned to repay the property loan within 12 months.

Non-current liabilities

The increase in non-current liabilities as at 31 December 2021 of S\$625,000 was mainly due to drawdown of bank borrowings during the period which was classified as non-current.

Total Equity

The decrease in total equity of the Group as at 31 December 2021 of S\$2,238,000 from S\$8.3 million as at 31 December 2020 to S\$6.1 million as at 31 December 2021 was mainly due to loss after tax during the period of S\$2.2 million.

Liquidity and capital resources

As at 31 December 2021, the Group had cash and cash equivalents of S\$3.3 million and net current assets of S\$2.3 million. The Group's equity attributable to equity owners of the Company amounted to S\$5.7 million and total liabilities amounted to S\$5.5 million.

REVIEW OF STATEMENT OF CASH FLOWS

The Group's net cash used in operating activities of S\$460,000 for FY2021 was mainly due to negative operating cash flows before changes in the working capital of S\$498,000, net working capital outflow of S\$298,000 and income tax payment of S\$165,000 during the period.

The Group's net cash used in investing activities of S\$612,000 for FY2021 was mainly due to the purchase of property, plant and equipment of \$2.4 Million and partially offset by withdrawal of fixed deposit with maturity period of more than 3 months of S\$1.8 million.

The Group had net cash generated from financing activities of S\$1.5 million for FY2021. This was mainly due to net drawdown of bank borrowings of S\$1.9 million and partially offset by repayment of lease liabilities of S\$286,000 and bank interest payment of S\$88,000.



- 3 - **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement was previously disclosed to shareholders.

- 4 - **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

While the COVID-19 restrictions continue to be imposed in Singapore, the operations of the Group in general continues to be affected. Projects deliveries were delayed which affected the revenue recognition during the period. MICE industry continues to be affected, which resulted in poor performance on the Group's MICE business segment. Digital Media Networks business segment was also not performing as expected during this period.

The Group's business nature has predominantly been on a project basis with recurring maintenance revenue in the past. Since the outbreak of COVID-19, the Group has been embracing new business model with recurring revenue stream instead of project basis to meet with the new normal. On 27th October 2020, the Group has acquired PGK Digital Networks Pte Ltd as part of its efforts to expand its IT business, which contributes to its recurring revenue stream and is classified under Digital Media Networks Operating Segment. The Group has also started to expand its IT business segment on Cybersecurity, which contributes to the revenue stream. As the market starts to see some recovery for immersive solutions, the group has also introduced a Meta Experience Software-as-a-Service ("SaaS") solution, version 1.0 in early 2022. Till date, the group has approximately S\$6.5 million of revenue in the order book.

For long term sustainability, the Group will exit the MICE business segment on build installation. Hence, Newood Design Pte. Ltd., a subsidiary of the Company has been disposed on 31 August 2021. Instead, the Group will collaborate with industry partners focusing on MICE's design and build installation to further support the Group's Meta Experience. The Group will also continue to focus on strengthening its technological capabilities and expanding new IT offerings for short term to long term business growth.

- 5 - **If a decision regarding dividend has been made**

- (a) **Whether an interim (final) ordinary dividend has been declared (recommended).**

None.

- (b) (i) **Amount per share**

Not applicable.

- (ii) **Previous corresponding period**

Not applicable.

- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)**

Not applicable.

- (d) **The date the dividend is payable**

Not applicable.

- (e) **The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined.**

Not applicable.

- 6 - **If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision**

No dividend has been declared/recommended for the current financial period as the Company has adopted a prudent approach to conserve cash amidst the current challenging business environment.



- 7 - **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Catalist Rules. If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have a general mandate from shareholders for interested person transactions. There were no interested person transactions exceeding S\$100,000 entered into between the Group and any other interested person during the period.

- 8 - **Update on use of Compliance Placement Proceeds**

No update from the last update on 12 August 2021.

- 9 - **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules**

The Company hereby confirms that it has procured all the required undertakings from all the Directors and Executive Officer of the Company (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

- 10 - **Negative Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules**

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results for the twelve months period ended 31 December 2021 to be false or misleading in any material aspect.

- 11 - **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) of the Catalist Rules in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

The Company confirms that there is no such person occupying a managerial position in the Company and its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company during FY2021.

By Order of the Board
REVEZ CORPORATION LTD.

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

Date: 27 February 2022

This announcement has been reviewed by the Company's sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this press release.

The contact person for the sponsor is Ms. Vera Leong, Vice President, Hong Leong Finance Limited, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, telephone (+65) 6415 9881.