

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

REVEZ CORPORATION LTD.

Securities

REVEZ CORPORATION LTD. - SGXE83751573 - RCU

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No

Announcement Details

Announcement Title

Financial Statements and Related Announcement

Date & Time of Broadcast

26-Feb-2021 19:03:20

Status

New

Announcement Sub Title

Full Yearly Results

Announcement Reference

SG210226OTHRD5DT

Submitted By (Co./ Ind. Name)

Victor Neo

Designation

Executive Director, Chief Executive Officer and Deputy Board Chairman

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please refer to the attached.

Additional Details

For Financial Period Ended

31/12/2020

Attachments

[REVEZ Annc-Full Year Results FY2020.pdf](#)

Total size =558K MB



REVEZ CORPORATION LTD.

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

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 ("FY2020")

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 announcement.

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.

Background

Revez Corporation Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”), formerly known as Jason Holdings Limited, was formed through a reverse takeover (“**RTO**”) by Revez International Pte. Ltd (formerly known as Revez Group Pte. Ltd.). (“**Revez**”, together with its subsidiaries, the “**Revez Group**”). On 23 May 2019, the Company completed the acquisition of the entire issued and paid-up capital of Revez (the “**Proposed Acquisition**”) and changed its name from “Jason Holdings Limited” to “Revez Corporation Ltd.”. Please refer to the Company’s circular to shareholders (the “**Circular**”) dated 29 March 2019 for further details of the RTO and the Proposed Acquisition.

On 14 February 2020, the Company has undertaken the internal restructuring exercise pursuant to which the ordinary shares of all its indirect subsidiaries held through Revez International Pte. Ltd., a wholly owned subsidiary of the Company, have been transferred to the Company (the Corporate Restructuring”).

The Revez Group is principally engaged in the business of developing and implementation of information technology (“IT Solutions”) solutions. During the year, the operations of the Group has been impacted by Covid-19. In spite of the Covid-19 situation, the Group continued the focus on the development of in-house technological capabilities and adopted a cautious approach in investing in new opportunities that would expand the IT product offerings and customer base. Amongst others, notably the formation of a subsidiary, AIAC Pte. Ltd. on 19 February 2020, an industrial automation service provider (“Industrial Automation”) for the manufacturing sector and as a value-add cybersecurity distributor (“Cybersecurity”) which saw a steady stream of new accounts. As announced by the Company on 1 April 2020 and 30 November 2020, Company’s shareholdings in AIAC Pte. Ltd. (“AIAC”) were diluted from 100% to 55% due to new shares issued during the financial year. The Group also acquired PGK Digital Networks Pte. Ltd. (“PGK”) which provides Out-of-Home (“OOH”) media solutions and digital media solutions and media networks (“Digital Media Networks”) in October 2020. The acquisition is aligned with the Group’s business vision to provide a full-value digitalisation chain for its customers. For disclosure in relation to acquisitions and disposals pursuant to Catalist Rule 706A for FY2020, please refer to the announcement of “Proposed acquisition of the entire issued and paid-up capital of PGK Digital Networks Pte. Ltd.” dated 1 October 2020 by the Company.

Revez Pte Ltd, a wholly-owned subsidiary of the Company, has been struck off from the register of Accounting and Corporate Regulatory Authority of Singapore on 4 January 2021 (“Strike-off”). The Strike-off is not expected to have any material financial impact on the earnings per share and net tangible assets per share of the Company for the financial year ended 31 December 2020.

Notes:

- A. The comparative figures to the Group’s consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the full year period ended 31 December 2019 refer to the enlarged group’s consolidated financials which included the results of the Revez Group from 1 January 2019 to 31 December 2019 and the results of the Company from 24 May 2019 to 31 December 2019.
- B. The Group’s consolidated statement of financial position as at 31 December 2019 refers to the consolidated statement of financial position of the enlarged group comprising Revez Group and the Company as at 31 December 2019.

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a)(i) - A statement of comprehensive income, for a group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group FY 2020 S\$'000	Group FY 2019 S\$'000	Increase/ (Decrease) %
Revenue	6,623	5,614	18.0
Other income	1,571	269	484.0
Material costs and changes in inventories	(3,307)	(2,057)	60.8
Salaries and employees' benefits	(3,863)	(2,597)	48.7
Depreciation of plant, property and equipment	(345)	(199)	73.4
Depreciation of investment property	(29)	(29)	-
Amortisation of intangible assets	(33)	-	N.M.
Trade receivables written off as uncollectible	(40)	-	N.M.
Net write back/(impairment loss) on trade receivables and contract assets	230	(18)	N.M.
Other operating expenses	(818)	(364)	124.7
Finance costs	(21)	(23)	(8.7)
(Loss)/profit before exceptional items	(32)	596	
Less: Exceptional items			
Loss on reverse acquisition	-	(10,977)	N.M.
Acquisition-related costs	-	(1,727)	N.M.
	-	(12,704)	
Loss before income tax	(32)	(12,108)	(99.7)
Income tax	(80)	(72)	11.1
Loss for the year	(112)	(12,180)	(99.1)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	(112)	(12,180)	(99.1)
Loss for the year attributable to:			
Owners of the Company	98	(12,251)	
Non-controlling interests	(210)	71	
	(112)	(12,180)	
Total comprehensive loss for the year attributable to:			
Owners of the Company	98	(12,251)	
Non-controlling interests	(210)	71	
	(112)	(12,180)	

N.M. - Denotes not meaningful

1(a)(ii) – Notes to Consolidated Statement of Comprehensive Income

	Group FY 2020 S\$'000	Group FY 2019 S\$'000	Increase/ (Decrease) %
Loss before income tax is arrived after charging the following:			
Other income			
Government grants	883	166	431.9
Rental income	34	35	(2.9)
Interest income	45	57	(21.1)
Fair value gain on contingent consideration payable	573	-	N.M.
Miscellaneous income	36	11	227.3
Other operating expenses			
Operating lease expenses - office rental	11	-	N.M.
Travelling and transport	50	79	(36.7)
Entertainment and refreshment	31	19	63.2
Advertisement	15	18	(16.7)
Professional fees	474	135	251.1
Net foreign exchange loss	5	2	150.0
Loss on disposal on property, plant and equipment	12	-*	N.M.
Property, plant and equipment written off	27	-	N.M.
Others	193	111	73.9

* Less than S\$ 1,000

N.M. - denotes not meaningful

1(b)(i) - A statement of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 31/12/2020 S\$'000	As at 31/12/2019 S\$'000	As at 31/12/2020 S\$'000	As at 31/12/2019 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	1,840	356	-	-
Investment property	645	674	-	-
Intangible assets	624	-	-	-
Goodwill	3,317	-	-	-
Investment in subsidiaries	-	-	38,160	42,660
Total non-current assets	6,426	1,030	38,160	42,660
Current assets				
Trade and other receivables	2,241	1,543	8	138
Contract assets	444	805	-	-
Inventories	95	-	-	-
Cash and cash equivalents	4,695	6,995	2,878	6,363
Amount due from subsidiaries	-	-	125	-
Total current assets	7,475	9,343	3,011	6,501
Total assets	13,901	10,373	41,171	49,161
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	3,569	822	1,204	342
Contract liabilities	234	65	-	-
Dividend payable	-	950	-	-
Loans and borrowings	31	34	-	-
Lease liabilities	278	65	-	-
Income tax liabilities	165	-	2	-
Amount due to subsidiaries	-	-	81	207
Total current liabilities	4,277	1,936	1,287	549
Non-current liabilities				
Loans and borrowings	648	679	-	-
Lease liabilities	549	-	-	-
Deferred tax liabilities	106	-	-	-
Total non-current liabilities	1,303	679	-	-
Total liabilities	5,580	2,615	1,287	549
Equity				
Share capital	18,713	18,713	62,030	62,030
Merger reserve	138	138	-	-
Accumulated losses	(11,229)	(11,327)	(22,146)	(13,418)
Equity attributable to equity owners of the company	7,622	7,524	39,884	48,612
Non-controlling interests	699	234	-	-
Total Equity	8,321	7,758	39,884	48,612
Total equity and liabilities	13,901	10,373	41,171	49,161

1(b)(ii) - Aggregate amount of group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand;

As at 31 December 2020		As at 31 December 2019	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
31	-	34	-

(b) Amount repayable after one year; and

As at 31 December 2020		As at 31 December 2019	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
648	-	679	-

(c) Details of any collateral

The Group's loans and borrowings comprised finance lease liability and property loan. Finance lease liability is secured by the lessor's title to the leased motor vehicle and the total outstanding amount of approximately \$3,000 was fully repaid in 1H2020; Property loan is secured by a first legal mortgage over the Group's investment property and corporate guarantee of \$698,000 by the Company.

1(c) - A statement of cash flow (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group FY2020 S\$'000	Group FY2019 S\$'000
Cash flows from operating activities		
Loss before income tax	(32)	(12,108)
Adjustments for:		
Introducer fee	-	790
Loss on reverse acquisition	-	10,978
Net (write back)/impairment loss on trade receivables and contract assets	(230)	18
Trade receivables written off as uncollectible	40	-
Fair value gain on contingent consideration payable	(573)	-
Depreciation of property, plant and equipment	345	199
Depreciation of investment property	29	29
Loss on disposal of property, plant and equipment	12	-*
Property, plant and equipment written off	27	-
Provision for inventory obsolescence	112	-
Amortisation of intangible assets	33	-
Interest expense	21	23
Interest income	(45)	(57)
Operating cash flows before working capital changes	(261)	(128)
Changes in working capital:		
Contract assets	411	3
Trade and other receivables	(293)	(499)
Inventories	7	-
Trade and other payables	1,088	(376)
Contract liabilities	149	65
Cash generated from/(used in) operations	1,101	(935)
Interest received	45	57
Income tax paid	(53)	(365)
Net cash generated from/(used in) operating activities	1,093	(1,243)
Cash flows from investing activities		
Purchase of property, plant and equipment	(441)	(54)
Proceeds from disposal of property, plant and equipment	8	-
Net cash outflows from acquisition of subsidiary ⁽¹⁾	(2,135)	-
Proceeds from shareholdings of non-controlling interests	340	-
Decrease/(increase) in fixed deposit with maturity period of more than 3 months	4,900	(4,900)
Net cash generated from/(used in) investing activities	2,672	(4,954)
Cash flows from financing activities		
Proceeds from compliance placement	-	7,922
Dividend paid to former shareholders	(950)	(700)
Amount due from a related party	-	9
Repayments of bank borrowings	(31)	(298)
Repayments of finance lease liability	(3)	(12)
Principal payment of lease liabilities	(165)	(101)
Interest paid	(16)	(17)
Net cash (used in)/generated from financing activities	(1,165)	6,804
Net increase in cash and cash equivalents	2,600	607
Cash and cash equivalent at beginning of the year	2,095	1,488
Cash and cash equivalent at end of the year ⁽²⁾	4,695	2,095

Explanatory Notes:

(1) Net cash outflow from acquisition of subsidiary

The Group acquired entire interest of PGK on 27 October 2020. The value of assets and liabilities of PGK recorded in the financial statement as at acquisition date, and the cash flow effect of the acquisition is as follows:

	Total S\$ 000
Property, plant and equipment	352
Trade and other receivables	223
Contract assets	62
Cash and cash equivalents	265
	<hr/> 902
Trade and other payables	(610)
Provision for income tax	(154)
Carrying value of net assets	<hr/> <hr/> 138
Total consideration paid in cash	(2,400)
Cash and cash equivalent of PGK	265
Net cash outflow on acquisition	<hr/> <hr/> (2,135)

(2) Cash and cash equivalents in the cash flow statement comprised the following:

	Group FY2020 S\$'000	Group FY2019 S\$'000
Cash at bank	1,844	630
Short-term deposits	2,850	6,364
Cash on hand	1	1
	<hr/> 4,695	<hr/> 6,995
Less: Short-term deposits with maturity period of more than 3 months	-	(4,900)
Cash and cash equivalents as per consolidated statement of cash flows	<hr/> <hr/> 4,695	<hr/> <hr/> 2,095

- (i) - A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<---- 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 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						
Proceeds from shareholdings of non-controlling interests	-	-	-	-	675	675
Balance at 31 December 2020	18,713	138	(11,229)	7,622	699	8,321
Balance at 1 January 2019	-*	138	932	1,070	163	1,233
Effect of adopting SFRS(I) 16	-	-	(8)	(8)	-	(8)
Adjusted balance at 1 January 2019	-*	138	924	1,062	163	1,225
Total comprehensive loss for the year	-	-	(12,251)	(12,251)	71	(12,180)
Issue of ordinary shares	1	-	-	1	-	1
Issuance of ordinary shares pursuant to the Reverse Acquisition	10,000	-	-	10,000	-	10,000
Issuance of ordinary shares pursuant to the Introducer fee	790	-	-	790	-	790
Issuance of ordinary shares pursuant to Compliance Placement	7,922	-	-	7,922	-	7,922
Balance at 31 December 2019	18,713	138	(11,327)	7,524	234	7,758

Note:-

* Less than S\$1,000

	Share capital	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000
Company			
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
Balance at 1 January 2019	10,658	(11,665)	(1,007)
Total comprehensive loss for the year	-	(1,753)	(1,753)
Issuance of ordinary shares pursuant to the Reverse Acquisition	42,660	-	42,660
Issuance of ordinary shares pursuant to the Introducer fee	790	-	790
Issuance of ordinary shares pursuant to Compliance Placement	7,922	-	7,922
Balance at 31 December 2019	62,030	(13,418)	48,612

- 1(d)(ii) - Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of issued shares	Issued and paid- up share capital S\$'000
Balance as at 31 December 2020 and 31 December 2019	<u>167,499,937</u>	<u>62,030</u>

On 25 June 2020, the shareholders of the Company approved the adoption of a performance share plan scheme.

There were no outstanding options, convertibles, treasury shares or subsidiary holdings held by the Company as at 31 December 2020 and 31 December 2019.

- 1(d)(iii) - To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 December 2020	As at 31 December 2019
Total number of issued shares, excluding treasury shares	<u>167,499,937</u>	<u>167,499,937</u>

There were no treasury shares as at 31 December 2020 and 31 December 2019.

- 1(d)(iv) - A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company did not have any treasury shares during and as at the end of the current financial period reported on.

- 1(d)(v) - A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

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

The figures have not been audited or reviewed by the auditors.

- 3 - Whether the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter).

The figures have not been audited or reviewed by the auditors.

3A. - Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

4 - Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in section 5 below, the Company has adopted the same accounting and methods of computation in the presentation of the unaudited financial statements for the financial period ended 31 December 2020 as compared with the audited financial statements for the financial year ended 31 December 2019.

5 - If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reason for, and the effect of, the change.

The Group and the Company have adopted the following new SFRS(I)s, amendments to and interpretations of SFRS(I) that are effective for the financial periods beginning on 1 January 2020:-

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 3: <i>Definition of a Business</i>	1-Jan-20
Amendments to SFRS (I) 1-1 and SFRS(I) 1-8: <i>Definition of Material</i>	1-Jan-20
Amendments to SFRS (I) 9, SFRS(I) 1-39 and SFRS(I) 7: <i>Interest Rate Benchmark Reform</i>	1-Jan-20

Adoption of the new and revised standards above did not have any material financial impact on the financial statements of the Group and the Company for the financial year ended 31 December 2020.

6 - Earnings per ordinary share of the group for the current financial period reported on and the immediately preceding financial period, after deducting any provision for preference dividends.

	Group	
	FY2020	FY2019
Profit/(loss) attributable to equity holders of the Company (\$'000)	98	(12,251)
Weighted average number of ordinary shares in issue applicable to basic and diluted earnings/(loss) per share	167,499,937	157,597,934
Basic and diluted earnings/(loss) per shares (cents per share)	0.06	(7.77)

There were no treasury shares as at 31 December 2020 and 31 December 2019.

The basic and diluted loss per share for FY2019 was computed based on the weighted average number of issued shares (determined based on 143,722,494 shares up to 23 May 2019 (assuming issued shares for Revez Group of 116,429,958 for reverse acquisition were accounted from the beginning period together with 27,292,536 of existing shares) and 2,155,837 shares from 24 May 2019 to 31 December 2019 and 21,621,621 shares from 3 June 2019 to 31 December 2019).

The basic and diluted earnings per share for FY2020 was computed based on the weighted average number of issued shares of 167,499,937.

- 7 - **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:**
 (a) **current financial year reported on; and**
 (b) **immediately preceding financial year.**

	Group		Company	
	as at 31/12/2020	as at 31/12/2019	as at 31/12/2020	as at 31/12/2019
Net assets value ⁽¹⁾ (\$'000)	7,622	7,524	39,884	48,612
Number of issued ordinary shares	167,499,937	167,499,937	167,499,937	167,499,937
Net assets value per ordinary share (cents)	4.55	4.49	23.81	29.02

⁽¹⁾Net assets value ("NAV") denotes NAV attributable to equity owners of the Company

- 8 - **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 FINANCIAL YEAR ENDED 31 DECEMBER 2020 ("FY2020") AS COMPARED TO THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 ("FY2019")

Revenue

Revenue increased by approximately \$1,009,000 or 18.0% for FY2020 from \$5.6 million in FY2019 to \$6.6 million in FY2020. The overall increase in revenue was mainly due to revenue contribution from IT Solutions of approximately 12.3% and Digital Media Networks business segment attributable to PGK of approximately \$468,000. MICE support revenue decreased by 17.2% as compared to FY2019 due to the COVID-19 pandemic.

Other income

Other income increased by approximately \$1,302,000 or 484% for FY2020 from approximately \$269,000 in FY2019 to approximately \$1,571,000 in FY2020 due mainly to the government support relief measures for businesses impacted by the COVID-19 pandemic and other government grants received which increased by approximately \$717,000 for FY2020 from approximately \$166,000 to approximately \$883,000. Interest income decreased by approximately \$12,000 for FY2020 from \$57,000 in FY2019 to \$45,000 in FY2020 due to lower bank interest rate on fixed deposit placement. Fair value gain on contingent consideration payable of approximately \$573,000 is recognised mainly due to the change in the fair value of the fixed number of the Company's ordinary shares (to be issued to the Vendor of PGK if the performance conditions are met over the 3-year period) at the reporting date and discounted to present value. The fair value gain is a non-cash transaction.

Costs and profitability

Material costs and change in inventories

Material costs and change in inventories increased by approximately \$1,250,000 or 60.8% for FY2020 from approximately \$2.1 million in FY2019 to approximately \$3.3 million in FY2020 due mainly to increase in procurement of materials from IT Solutions and Digital Media Networks business segments and the cost corresponded to higher revenue for the financial year and provision for inventory obsolescence of approximately \$112,000 due to slow-moving inventory from IT Solutions segment.

Salaries and employees' benefits

Salaries and employees' benefits increased by approximately \$1,266,000 or 48.7% for FY2020 from approximately \$2.6 million in FY2019 to approximately \$3.9 million in FY2020 due mainly to an increase in headcounts as the Group expanded its IT Solutions into Industrial Automation and new business segment in Digital Media Networks in FY2020. The Group headcount increased from 45 employees as at 31 December 2019 to 74 employees as at 31 December 2020.

Depreciation of plant, property and equipment

Depreciation increased by approximately \$146,000 or 73.4% from approximately \$199,000 in FY2019 to approximately \$345,000 in FY2020 due mainly to depreciation of right-of-use assets increasing by approximately \$104,000 in FY2020 as a result of office lease being renewed and new office leases being secured during FY2020. As the Group expanded and depreciation expenses increased by approximately \$42,000 in FY2020 due to additional capital expenditure incurred on purchases of equipment and new office renovation in November 2020 to cater for the Group's expansion in headcounts and upgrade of office servers.

Depreciation of investment property

Depreciation for FY2020 remains comparable to FY2019 for the investment property.

Amortisation of intangible assets

Intangible assets of approximately \$657,000 was recognised through the acquisition of PGK in October 2020 and amortised over 5 years. Therefore, approximately \$33,000 of amortisation was recognised in FY2020.

Impairment of investment in subsidiaries

Impairment loss of investment in subsidiaries of \$9,300,000 was recognised for the Company's investment in subsidiaries, primarily in the IT solutions business segment to reflect the carrying amount to its recoverable amount. The impairment loss recognised at the Company's level has no impact on the Group's loss for the year.

Trade receivables written off as uncollectible

Trade receivables was impaired and written off during FY2020 as uncollectible of approximately \$40,000.

Net (write back)/impairment losses on trade receivables and contract assets

There was a net write back of impairment losses on trade receivables and contract assets of approximately \$230,000 in FY2020 due to the recovery of trade receivables and contract assets as compared to the net impairment losses on trade receivables and contract assets of approximately \$18,000 provided in FY2019.

Other operating expenses

Other operating expenses increased by approximately \$454,000 or 124.7% for FY2020 from approximately \$364,000 in FY2019 to approximately \$818,000 in FY2020 due mainly to an increase by approximately \$339,000 of related listing fees on SGX and continuing sponsorship fees and other professional fees since the Company listed in May 2019 as well as an increase in professional fees incurred for the joint venture and acquisition of company during FY2020. The remaining increase of operating expenses include \$27,000 property, plant and equipment written off and \$12,000 loss on disposal of property, plant and equipment when Company moved its office to cater for the Group's expansion in headcount.

Finance costs

Finance costs decreased by approximately \$2,000 or 8.7% for FY2020 from approximately \$23,000 in FY2019 to approximately \$21,000 in FY2020 due mainly to a decrease in finance lease interest expense as the Group's finance lease loan was fully repaid in 1H2020.

Loss on reverse acquisition

The loss on reverse acquisition of approximately \$11.0 million was due to the difference between purchase consideration and identifiable net liabilities of the Company. This is a one-off transaction relating to the RTO in FY2019.

Acquisition-related costs

Acquisition-related expenses of approximately \$1.7 million was due mainly to professional fees for the execution of the reverse acquisition; included therein was the introducer fee of approximately \$790,000 paid via share issuance, a non-cash transaction with no cash outflow. This is a one-off transaction relating to the RTO in FY2019.

Loss before income tax

The Group's loss before income tax decreased by approximately \$12.0 million from approximately \$12.1 million in FY2019 to approximately \$32,000 in FY2020 due mainly to the one-off transaction relating to the RTO in FY2019. The Group incurred loss before exceptional items of approximately \$32,000 in FY2020 compared to profit before exceptional items of approximately \$596,000 due to higher material costs and changes in inventories, salaries and employees' benefits, depreciation and amortisation expenses and other operating expenses incurred, offset with higher other income and write back in impairment on trade receivables and contract assets.

Taxation

Taxation increased by approximately \$8,000 or 11.1% for FY2020 from approximately \$72,000 in FY2019 to approximately \$80,000 in FY2020 despite loss for the year in FY2020 due to additional income tax payable for the previous periods.

REVIEW OF FINANCIAL POSITION**AS AT 31 DECEMBER 2020****Non-current assets**

The Group's non-current assets as at 31 December 2020 comprised the Group's property, plant and equipment of approximately \$1.8 million, investment property of approximately \$645,000, intangible assets of approximately \$624,000 and goodwill of \$3.3 million.

The property, plant and equipment consisted computers, office equipment, delivery vehicles, renovations, furniture and fittings and right-of-use assets. The investment property is an industrial property rented out to a third party to generate rental income.

The increase in non-current assets as at 31 December 2020 of approximately \$5.4 million from approximately \$1.0 million as at 31 December 2019 to approximately \$6.4 million due mainly to an increase in right-of-use assets of approximately \$762,000 with additional office space leased and renewal of office lease during FY2020. IT Solutions purchased the manufacturing equipment of approximately \$120,000 from the joint venture partner's entity and paid via share issuance in subsidiary, AIAC, a non-cash transaction. Goodwill and net of intangible assets of \$3.3 million and \$624,000 respectively are recognised upon acquisition of PGK in October 2020.

Current assets

The Group's current assets as at 31 December 2020 comprised contract assets of approximately \$444,000, trade and other receivables of approximately \$2.2 million, inventories of approximately \$95,000 and cash and cash equivalents of approximately \$4.7 million.

The decrease in current assets as at 31 December 2020 of approximately \$1.8 million from \$9.3 million as at 31 December 2019 to \$7.5 million as at 31 December 2020 was due mainly to decrease in cash and cash equivalents of approximately \$2.3 million and decrease in contract assets of approximately \$361,000 offset by an increase in trade and other receivables of approximately \$698,000 and an increase in inventories of approximately \$95,000. The net increase in inventories of approximately \$95,000 from IT Solutions business segment due mainly to spare parts purchased to assemble Manufacturing equipment for customers and after provision for slow-moving inventory of approximately \$112,000 during the year for Industrial Automation. The increase in trade and other receivables was due mainly to projects completion and billing in Q42020 with phase 2 reopening in Jun 2020 and partly offset with lower credit loss allowance for trade receivables. The decrease in contract assets was in line with an increase in trade receivable due to completion of projects and billing in Q42020. The net decrease in cash and cash equivalents and fixed deposit was mainly due to acquisition of PGK in October 2020, with cash consideration of \$2.4 million paid.

Current liabilities

Current liabilities as at 31 December 2020 comprised trade and other payables of approximately \$3.6 million, contract liabilities of approximately \$234,000, current portion of loans and borrowings of approximately \$31,000, lease liabilities of approximately \$278,000 and income tax payable of approximately \$165,000.

The increase in current liabilities as at 31 December 2020 of approximately \$2.4 million from approximately \$1.9 million as at 31 December 2019 to approximately \$4.3 million was due mainly to increase in trade and other payables of approximately \$2.7 million, increase in contract liabilities of approximately \$169,000 due to advanced payment received from customers in Q42020 with project completion scheduled in FY2021, increase in current tax liabilities of approximately \$165,000 due mainly to \$154,000 assumed by the Group upon acquisition of PGK and increase in lease liabilities of approximately \$213,000 with additional office properties lease and renewal of office property lease during FY2020. The increase in trade and other payables was due mainly to an increase of approximately \$1.2 million for payments to suppliers and accrued liabilities and \$1.0 million contingent consideration payable recognised at fair value, payable in Company's shares over 3-year period from FY2021 to FY2023 subject to performance conditions, and an amount due to former shareholder of PGK of approximately \$544,000 in cash. The increase in current liabilities was partially offset by \$950,000 decrease in dividend payable due to balance repayment of dividends declared in September 2018 to the executive directors.

Non-current liabilities

Non-current liabilities as at 31 December 2020 comprised non-current portion of loans and borrowings of approximately \$648,000 mortgage term loan for the investment property, lease liabilities of \$549,000 with new office properties lease and renewal of office lease for a lease term between 2 to 3 years during FY2020 and deferred tax liabilities of approximately \$106,000 accrued due to intangible assets recognised upon acquisition of PGK.

Total Equity

Total equity as at 31 December 2020 of approximately \$8.3 million comprised share capital of approximately \$18.7 million, merger reserve of approximately \$138,000 arising from merging of entities of the Group before the execution of reverse acquisition and non-controlling interests of approximately \$699,000 offset by accumulated losses of approximately \$11.2 million.

The increase in total equity of the Group as at 31 December 2020 of approximately \$563,000 from \$7,758,000 as at 31 December 2019 to \$8,321,000 as at 31 December 2020 was due mainly to issuance of shares in subsidiary, AIAC, to 2 joint venture partners of approximately \$675,000 to 2 joint venture partners, and loss after tax of approximately \$112,000.

Liquidity and capital resources

As at 31 December 2020, the Group had cash and cash equivalents of approximately \$4.7 million and net current assets of approximately \$3.2 million. The Group's equity attributable to equity owners of the Company amounted to approximately \$7.6 million and total liabilities amounted to approximately \$5.6 million.

REVIEW OF STATEMENT OF CASH FLOWS

FY2020

The Group had net cash generated from operating activities of approximately \$1,093,000 for FY2020 due mainly to operating cash outflows before changes in the working capital of approximately \$261,000 and net working capital inflow of approximately \$1,362,000 before income tax payment of approximately \$53,000, offset by interest income received of approximately \$45,000.

The Group had net cash generated from investing activities of approximately \$2.7 million for FY2020 due mainly to fixed deposit placement with maturity period for more 3 months as compared to FY2019 of approximately \$4.9 million and proceeds received in cash from issuance of shares in AIAC to 2 joint venture partners in subsidiary of approximately \$340,000, partially offset with purchase of plant and equipment and renovation cost for new leased office properties of approximately \$441,000 and net cash outflows of approximately \$2.1 million from the acquisition of subsidiary, PGK in October 2020.

The Group had net cash used in financing activities of approximately \$1,165,000 for FY2020. This was due to balance payment of dividends amounting to \$950,000 declared in September 2018 to the executive directors, repayments of finance lease liability and bank borrowings of approximately \$3,000 and \$31,000 respectively, and interest payment of approximately \$16,000. The principal repayment of lease liabilities of \$165,000 is due to the adoption of SFRS(I) 16 Leases.

- 9 - **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.

- 10 - **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.**

The 2019 Novel Coronavirus (COVID-19) has affected the operations of the Group in general. Following phase 3 of Singapore reopening, the Group has seen gradual revenue improvement and resuming project executions for customers in all segments except M.I.C.E support which still face challenges due to the on-going COVID-19 pandemic and its restrictive measures. With this new normal for the M.I.C.E industry, we have pivoted our M.I.C.E support arm to a new segment called "Smart Integrated Spaces" during Q42020, where we integrate precision engineering craftsmanship and smart automation features for clients in residential, commercial and retail projects. We have started to see traction in this new initiative.

Our operations continue to function as per normal with Business Continuity Plan in place which includes employees observing safe distancing measures in the office and adopting work-from-home arrangements. The Group will continue to focus and develop on our IT solutions from government-related projects and expand new IT offerings.

In June 2020, the Group also introduced a new business unit, Cybersecurity, as a value-added distributor where we work closely with partners to expand our network of clients and broaden our offerings of next-gen cybersecurity solutions. To date, we have successfully gained a stream of global and regional accounts for cybersecurity along with heightened interest from MNCs and SMEs.

The Group acquired PGK, which provides Out-of-Home (OOH) media solutions and digital media networks in October 2020. The acquisition is aligned with the Group's business vision for a fuller value chain digitalisation for customers. The Group expects to cover higher demand from clients and advertisers as they expand their network channels and locations with high footfalls. PGK will contribute its full-year financial results in FY2021 to the Group.

The Group will continue to closely monitor the COVID-19 development while ensuring adequate liquidity and financial strength to sustain its operations and business growth while managing cost conscientiously. At the same time, the Group will invest in enhancing its in-house technological capabilities to be ready for new opportunities.

Moving forward, the Group is working on a pipeline of initiatives through our in-house collective IT capabilities, to be rolled out in the near future. These initiatives and Go-To-Market ("GTM") strategy are inclined towards Software-as-a-Service ("SaaS") recurring model, similar to our cybersecurity's SaaS as well as PGK's business model.

- 11 - **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

12 - 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 uncertainty on the economic outlook from the recovery of businesses from COVID-19.

13 - 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 in FY2020.

14 - 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 financial year ended 31 December 2020 to be false or misleading in any material aspect.

15 - 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

We hereby confirm that we have 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.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUCEMENT

16 - Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements with comparative information for the immediately preceding year.

16A - Business segments revenue and results

	IT Solutions		MICE		Digital Media Networks		Corporate		Total	
	FY2020 S\$'000	FY2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000
Revenue										
Segment Revenue	5,737	5,109	418	505	468	-	-	-	6,623	5,614
Results										
Segment results before EBITDA	(211)	789	(31)	117	74	-	519	(12,820)	351	(11,914)
Interest income									45	57
Depreciation of property, plant and equipment									(345)	(199)
Amortisation of intangible asset									(33)	-
Depreciation of investment property									(29)	(29)
Finance costs									(21)	(23)
Loss before income tax									(32)	(12,108)
Income tax									(80)	(72)
Loss for the year									(112)	(12,180)

Note: The segment results are presented after inter-company elimination

16B - Geographical information

As the business activities of the Group are conducted in Singapore, the reporting format by geographical segment is not presented.

17 - In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to section 8 of this announcement for the review of the performance of the Group.

18 - Breakdown of sales

	GROUP		
	FY2020 S\$ '000	FY2019 S\$ '000	Increase/ (decrease) %
(a) Revenue reported for the first half year	1,994	2,524	(21.0)
(b) Operating profit/(loss) after tax before non-controlling interest reported for first half year	78	(13,170)	N.M.
(c) Revenue reported for the second half year	4,629	3,090	49.8
(d) Operating (loss)/profit after tax before non-controlling interest reported for second half year	(190)	990	N.M.

N.M. - denotes not meaningful

19 - Breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable. There is no annual dividend paid nor declared for FY2020 and FY2019 by Revez Corporation Ltd.

20 - 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 FY2020.

21 - Update on use of Compliance Placement Proceeds

Description	Compliance Placement Proceeds Allocation (\$'000)	Reallocation ⁽¹⁾ (\$'000)	Revised Compliance Placement Proceeds Allocation (\$'000)	Utilisation up to 25 February 2021 (\$'000)
Repayment of debts owing by the Company before RTO	1,422	(530)	892	892
To fund general corporate activities including, but not limited to, acquisitions, joint ventures and/or strategic alliances, establishing overseas companies and branch offices	4,000	-	4,000	3,200 ⁽²⁾
General working capital ⁽¹⁾	1,360	530	1,890	244 ⁽³⁾
Net Proceeds / Utilisation	6,782	-	6,782	4,336
Professional fees and expenses ⁽⁴⁾	960	-	960	960
Miscellaneous expenses	180	-	180	180
Gross Proceeds / Utilisation	7,922	-	7,922	5,476

⁽¹⁾ All debts owing by the Company before RTO have been repaid by the Company. The balance of approximately S\$530,000 shall be reallocated as general working capital. The old debts repayment was less than budgeted due mainly to reduction of debts owing to several creditors after negotiation by the management

⁽²⁾ The Company has utilised S\$800,250 as paid up capital for the incorporation of AIAC Pte. Ltd on 19 February 2020 and used S\$2,400,000 to fund the Purchase Consideration for the completion of Proposed Acquisition of PGK on 27 October 2020.

⁽³⁾ Approximately S\$44,000 of the working capital from the Placement proceeds were used to pay for the RTO and Placement related expenses and approximately \$200,000 short-term loan to subsidiary for working capital repayable within next 12 months with interest at 2.0% p.a.

⁽⁴⁾ This includes fees payable to professionals including sponsor, legal advisers, tax advisers, auditors, valuers and public relations consultants in connection with the RTO.

Save for the reallocation of the Compliance Placement Proceeds, the use of the Net Proceeds and Gross Proceeds as disclosed above is in accordance with the stated use and in accordance with the percentage allocated in the Circular to Shareholders dated 29 March 2019.

ON BEHALF OF THE BOARD OF DIRECTORS

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

26 February 2021