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Issuer: Revez Corporation Ltd

Stock code: RCU

Meeting details:

Date: 26 Apr 2024

Time: 3.00 p.m.

Venue: 101 Seletar Club Road, Seletar Country Club, Singapore 798273

Q1. In the chairman's message, it was highlighted that the group divested its IT business during the financial year and initiated its foray into the healthcare industry. The initial reverse takeover was carried out at a consideration of \$42.66 million satisfied by the allotment and issuance of consideration shares. In 2020, the group acquired PGK Digital Networks for \$4 million.

On 22 November 2023, the company disposed of its wholly-owned subsidiaries, RM and PGK, for a cash consideration of S\$155,000 and S\$1 respectively.

- (i) **What was the total amount invested and lost in the company's foray into and subsequent divestment from the IT industry?**
- (ii) **Was shareholder approval necessary for the disposal?**
- (iii) **Has the board conducted a retrospective analysis of the past acquisition and subsequent divestment to identify potential areas of improvement in due diligence, deal sourcing, deal structuring and deal valuation processes, so as to safeguard shareholder interests?**

Q2. The company acquired 60% of Magenta Wellness on 4 July 2023 for a consideration of \$4.56 million. The total identified net assets at fair value amounted to just \$313,860. The provisional goodwill arising on the acquisition amounted was \$4.37 million (refer to Note 15(d) Acquisition of a subsidiary).

- (i) **What is the size and depth of the executive/management team of Magenta Wellness?**
- (ii) **What are the URLs for Magenta Wellness's website, social media pages, ecommerce storefronts and links to the mobile application?**
- (iii) **Since the acquisition, has Magenta met the board's expectations outlined during the approval process?**

The company supported its exit from the IT business based on the following justifications:

- increasing challenging and complex as competition stiffens
- disruptions in the supply chain
- escalating costs due to inflation and price hikes
- industry becoming saturated
- rapidly evolving consumer preferences
- new customers acquisition proving to be progressively daunting.

It could be said that all the abovementioned factors would generally apply to all businesses, including that of Magenta in the healthcare industry.

- (iv) **Can the board help shareholders better understand how the acquisition of Magenta is different and would be long-term accretive in value for shareholders, especially minority shareholders?**
- (v) **Do the board share the concern that the company overpaid for Magenta given that the goodwill represents 96% of the total consideration that was paid in cash?**

Q3. Mr Hor Siew Fu was appointed to the board on 28 March 2024, following the resignation of Mr Lim Yeow Hua. Mr Lim Yeow Hua served as the board chairman from 30 January 2023 to 20 March 2024.

The announcement of appointment of Mr Hor Siew Fu can be found here:

<https://links.sgx.com/1.0.0/corporate-announcements/FG5ZT7278X50XX0I/c517ab67d10baed81726aded867240b0be413fe0797d3df6df0886223c3dc703>

CHANGE - ANNOUNCEMENT OF APPOINTMENT::APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR - MR HOR SIEW FU

Date Of Appointment

28/03/2024

Name Of Person

Hor Siew Fu

Age

73

Country Of Principal Residence

Singapore

The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)

The Nominating Committee (NC) had evaluated the balance and mix of skills, knowledge, experience, and other aspects of diversity, and had interviewed Mr Hor Siew Fu to assess his suitability for appointment as an Independent Director of the Company. The NC was of the view that Mr Hor would be a suitable addition to the Board and that the Board would benefit from his experience and expertise. The Board concurred with the recommendations of the NC and approved the appointment of Mr Hor as an Independent Director of the Board.

Whether appointment is executive, and if so, the area of responsibility

Non-Executive

Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)

Independent Director & Board Chairman, Audit and Risk Committee Chairman, Nominating Committee Member and Remuneration Committee Member

Professional qualifications

Master of Business Administration (MBA) - Macquarie University

(Source: company announcement)

At the annual general meeting, Mr Hor Siew Fu will retire in accordance with Regulation 122 of the company's regulation and will be seeking his re-election.

- (i) **Would the board elaborate further on the rationale, selection criteria, board diversity considerations and the search and nomination process, that led to the appointment of Mr Hor Siew Fu, as required in the SGX template?**

The company is in a transition, having to pivot away from the IT business to the healthcare industry. There have been significant changes in the management team and on the board.

- (ii) **Have the multiple changes caused any disruption to the board and impacted board effectiveness?**
- (iii) **What is the chairman's experience and track record in leading companies under such challenging situation, and especially one that is in the healthcare industry?**
- (iv) **If re-elected, how does the chairman envision himself guiding and contributing to the board as a director and chairman?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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