



**SYNAGIE CORPORATION LTD.**

(Incorporated in Singapore)

(Company Registration No. 201717972D)

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**UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2018**

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*Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as ascribed to them in the Offer Document of the Company dated 30 July 2018 (the “Offer Document”).*

Synagie Corporation Ltd. (the “**Company**”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 8 August 2018. The initial public offering of the Company (the “**IPO**”) was sponsored by RHT Capital Pte. Ltd. (the “**Sponsor**”).

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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 Mr Khong Choun Mun, Registered Professional, RHT Capital Pte. Ltd. at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, tel: (65) 6381 6757.

**Background**

The Company was incorporated in Singapore on 28 June 2017, in accordance with the Companies Act as a private limited company under the name of “Synagie Corporation Pte. Ltd.”. The Company was subsequently renamed to “Synagie Corporation Ltd.” on 27 June 2018 in connection with its conversion into a public company limited by shares.

The Group, comprising the Company and its subsidiaries (the “**Group**”), was formed pursuant to a restructuring exercise (the “**Restructuring Exercise**”) undertaken as part of its corporate reorganisation prior to the Company’s IPO and listing on Catalist of the SGX-ST. Please refer to the Company’s Offer Document for further details on the Restructuring Exercise.

The Group is the leading E-commerce solutions provider in Southeast Asia in the Body, Beauty and Baby (“**BBB**”) sector. The Group helps its Brand Partners which include small and medium enterprises and multi-national corporations execute their E-commerce strategies by selling their goods or services to consumers online and providing one-stop services and integrated technology to manage their multi-channel E-commerce operations. The end-to-end commerce enablement and fulfilment solutions is achieved through the Group’s cloud-based Synagie Platform which leverages on technology such as Cloud Computing, Big Data Analytics and Artificial Intelligence. This solution encompasses all aspects of the E-commerce value chain covering technology, online store operations, content and channel management, digital marketing, customer service to warehousing and fulfilment.

For the purpose of this announcement, the financial results of the Group for the financial period ended 30 June 2018 (“**1H2018**”) and the comparative results of the Group for the financial period ended 30 June 2017 (“**1H2017**”) have been prepared on the assumption that the Group’s structure pursuant to the Restructuring Exercise has been in place since 1 January 2017.

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**HALF YEAR FINANCIAL STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

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

	<b>Group</b>		Increase/ (Decrease) %
	<b>1H2018</b> S\$'000	1H2017 S\$'000	
<b>Revenue</b>	<b>6,870</b>	2,956	132.4
Cost of sales	<b>(5,096)</b>	(2,252)	126.3
<b>Gross Profit</b>	<b>1,774</b>	704	152.0
Other income	<b>114</b>	16	612.5
Distribution costs	<b>(299)</b>	(288)	3.8
Administrative expenses	<b>(4,548)</b>	(1,483)	206.7
Other operating expenses	-	(96)	N.M.
Finance costs	<b>(470)</b>	(5)	9,300.0
<b>Loss before income tax <sup>(1)</sup></b>	<b>(3,429)</b>	(1,152)	197.7
Income tax expense	<b>(7)</b>	-	N.M.
<b>Loss for the period <sup>(1)</sup></b>	<b>(3,436)</b>	(1,152)	198.3
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	<b>5</b>	-	N.M.
<b>Total comprehensive loss for the period</b>	<b>(3,431)</b>	(1,152)	197.8

**Notes:**

(1) Administrative expenses for 1H2018 included one-off expenses amounting to S\$1.7 million that consisted of IPO expenses, amortisation of Convertible Notes and professional fees incurred for the acquisition of Third Party Administrative (“TPA”) subsidiary amounting to S\$1.0 million, S\$0.5 million and S\$0.2 million respectively. Had these one-off expenses been excluded, the loss for the period would have been S\$1.7 million for 1H2018.

N.M. - Denotes not meaningful

## 1(a)(ii) Notes to Statement of Comprehensive Income

The Group's loss for the period is arrived after charging/(crediting):

	<b>Group</b>		Increase (Decrease) %
	<b>1H2018</b> S\$'000	1H2017 S\$'000	
Amortisation of Convertible Notes	<b>468</b>	-	N.M.
Amortisation of intangible assets	<b>74</b>	47	57.4
Depreciation of plant and equipment	<b>41</b>	28	46.4
Foreign exchange gain, net	<b>(9)</b>	*	N.M.
Grants received	<b>(104)</b>	(5)	1,980.0
Interest income	<b>(7)</b>	-	N.M.
Operating lease expenses	<b>285</b>	185	54.1
Staff costs	<b>1,917</b>	943	103.3
Write-off plant and equipment	-	96	N.M.
IPO expenses	<b>992</b>	-	N.M.

**Notes:**

\* 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	
	30 Jun 2018 S\$'000	31 Dec 2017 S\$000	30 Jun 2018 S\$'000	31 Dec 2017 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	2,563	1,827	25	28
Trade and other receivables	3,939	2,779	4,833	358
Deferred costs	2,102	-	-	-
Inventories	1,636	1,462	-	-
<b>Total current assets</b>	<b>10,240</b>	<b>6,068</b>	<b>4,858</b>	<b>386</b>
<b>Non-current assets</b>				
Plant and equipment	198	116	-	-
Intangible assets	368	345	-	-
Goodwill	4,222	-	-	-
Investment in subsidiaries	-	-	7,814	414
<b>Total non-current assets</b>	<b>4,788</b>	<b>461</b>	<b>7,814</b>	<b>414</b>
<b>Total assets</b>	<b>15,028</b>	<b>6,529</b>	<b>12,672</b>	<b>800</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade and other payables	6,274	3,482	3,833	2
Deferred revenue	3,940	-	-	-
Income tax payables	4	-	-	-
<b>Total current liabilities</b>	<b>10,218</b>	<b>3,482</b>	<b>3,833</b>	<b>2</b>
<b>Non-current liabilities</b>				
Convertible Notes	4,391	2,881	1,844	607
Other payables	3,026	-	-	-
<b>Total non-current liabilities</b>	<b>7,417</b>	<b>2,881</b>	<b>1,844</b>	<b>607</b>
<b>Capital and reserves</b>				
Share capital	7,400	7,392	7,400	*
Convertible Notes reserve	1,769	1,111	892	234
Other reserve	(8)	-	-	-
Translation reserve	(5)	(10)	-	-
Accumulated losses	(11,763)	(8,327)	(1,297)	(43)
<b>Total equity</b>	<b>(2,607)</b>	<b>166</b>	<b>6,995</b>	<b>191</b>
<b>Total liabilities and equity</b>	<b>15,028</b>	<b>6,529</b>	<b>12,672</b>	<b>800</b>

Note: \* less than S\$1,000



**1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.**

None.

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

	Group	
	1H2018	1H2017
	S\$'000	S\$'000
<b>Operating activities</b>		
Loss before income tax	(3,429)	(1,152)
<u>Adjustments for:</u>		
Amortisation of Convertible Notes	468	-
Amortisation of intangible assets	74	47
Depreciation of plant and equipment	41	28
Interest expense	2	5
Interest income	(7)	-
Net unrealised exchange adjustment	5	-
Write-off of plant and equipment	-	96
Operating cash flows before working capital changes	(2,846)	(976)
Trade and other receivables	1,030	(438)
Inventories	(168)	(622)
Trade and other payables	2,166	1,050
Net cash generated from/(used in) operations	182	(986)
Income tax paid	(213)	-
<b>Net cash used in operating activities</b>	<b>(31)</b>	<b>(986)</b>
<b>Investing activities</b>		
Purchase of plant and equipment	(116)	(14)
Expenditure on software development	(97)	(88)
Interest received	7	-
Advances from shareholders	-	103
Acquisition of subsidiary corporations	(725)	-
<b>Net cash from (used in)/generated from investing activities</b>	<b>(931)</b>	<b>1</b>

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd).

	Group	
	1H2018 S\$'000	1H2017 S\$'000
<b>Financing activities</b>		
Capital pending allotment of shares	-	1,123
Proceeds from Convertible Notes	1,700	-
Restricted funds	(61)	-
Interest paid	(2)	-
<b>Net cash generated from financing activities</b>	<b>1,637</b>	<b>1,123</b>
Net increase in cash and cash equivalents	675	138
Cash and cash equivalents at beginning of the financial period	1,827	45
<b>Cash and cash equivalents at end of the financial period <sup>(1)</sup></b>	<b>2,502</b>	<b>183</b>
<b>Note:</b>		
<sup>(1)</sup> Cash and cash equivalents in the statement of financial position	2,563	183
Less: monies pledged with bank	(61)	-
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>2,502</b>	<b>183</b>

1(d)(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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>Group</u>	Share capital	Capital contribution pending allotment	Convertible Notes reserve	Other reserve	Translation reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 31 Jan 2017</b>	4,080	1,000	-	-	-	(4,944)	136
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	-	(1,152)	(1,152)
<b>Transactions with owners, recognised directly in equity</b>							
Capital allotment issued	1,000	(1,000)	-	-	-	-	-
<b>Balance as at 30 Jun 2017</b>	<b>5,080</b>	-	-	-	-	<b>(6,096)</b>	<b>(1,016)</b>
<b>Balance as at 1 Jan 2018</b>	7,400	-	1,111	(8)	(10)	(8,327)	166
<b>Total comprehensive loss for the period</b>							
Loss for the period	-	-	-	-	-	(3,436)	(3,436)
Other comprehensive income for the period	-	-	-	-	5	-	5
<b>Total</b>	-	-	-	-	5	<b>(3,436)</b>	<b>(3,431)</b>
<b>Transactions with owners, recognised directly in equity</b>							
Equity option for Convertible Notes	-	-	658	-	-	-	658
<b>Balance as at 30 Jun 2018</b>	<b>7,400</b>	-	<b>1,769</b>	<b>(8)</b>	<b>(5)</b>	<b>(11,763)</b>	<b>(2,607)</b>



1(d)(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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd).

<u>Company</u>	Share capital S\$'000	Convertible Notes reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
<b>As at date of incorporation and 30 Jun 2017</b>	*	-	-	-
<b>Balance as at 1 Jan 2018</b>	*	234	(42)	192
Loss for the period, representing total comprehensive loss for the period	-	-	(1,255)	(1,255)
<b>Transactions with owners, recognised directly in equity</b>				
Issuance of shares pursuant to Restructuring Exercise	7,400	-	-	7,400
Equity option for Convertible Notes	-	658	-	658
<b>Total</b>	<b>7,400</b>	<b>658</b>	<b>-</b>	<b>8,058</b>
<b>Balance as at 30 Jun 2018</b>	<b>7,400</b>	<b>892</b>	<b>(1,297)</b>	<b>6,995</b>

Note: \* Less than S\$1,000

**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 new issued shares	Resultant issued and paid-up share capital	
		Number of shares	(S\$)
Issued and paid-up capital as at date of incorporation, 28 June 2017	1	1	1
Acquisition of subsidiary satisfied through share swap of 5,932,141 shares	5,932,141	5,932,142	7,400,000
Balance as at 30 June 2018	-	5,932,142	7,400,000

On 26 July 2018, the Company sub-divided each share into 30 shares and converted the entire principal amount of the Convertible Notes into 40,740,733 shares. Following the sub-division and conversion exercises, the issued and paid-up share capital of the Company was S\$12,900,000 comprising 218,704,993 shares.

On 8 August 2018, the Company issued 43,000,000 Invitation Shares at S\$0.27 for each share pursuant to the IPO. The Company's total issued and paid-up share capital is S\$24,510,000 comprising of 261,704,993 shares as at the date of this announcement.

The Company had no treasury shares as at 30 June 2018 and 31 December 2017.

**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.**

See above for the total number of issued shares. There were no treasury shares as at 30 June 2018 and 31 December 2017.

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

Not applicable.

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

Not applicable.

- 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 Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

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.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those applied in the audited combined financial statements for the financial year ended 31 December 2017 as set out in the Company's Offer Document.

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

The group has adopted the new or revised Financial Reporting Standard ("FRS") and the interpretation of FRS ("INT FRS") that are become effective for entities with financial periods commencing 1 January 2018, where applicable. The adoption of the new and revised FRS and IFRS has no material impact on the unaudited financial statements for the half year ended 30 June 2018.

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

	Group	
	1H2018	1H2017
<b>Earnings</b>		
Loss attributable to owners of the Company (S\$'000)	<b>(3,436)</b>	(1,152)
<b>Earnings per ordinary share ("EPS")</b>		
Basic and diluted (cents)	<b>(1.31)</b>	(0.44)

Note: For comparison purpose, the EPS for the respective financial periods have been computed based on the loss attributable to owners of the Company divided by the post-Invitation share capital of 261,704,993 shares assuming that the Restructuring Exercise and the issuance of 43,000,000 new shares pursuant to the IPO had been completed as at 1 January 2017.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	30 Jun 2018	31 Dec 2017	30 Jun 2018	31 Dec 2017
Net (liabilities)/asset value ("NLV"/"NAV") (S\$'000)	<b>(2,607)</b>	166	<b>6,995</b>	191
(NLV)/NAV per share (cents)	<b>(1.00)</b>	0.06	<b>2.67</b>	0.07

Note: For comparative purposes, the NLV/LAV per ordinary share of the Group and the Company for the respective financial periods have been computed based on NLV/NAV divided by the post-Invitation share capital of 261,704,993 shares assuming that the Restructuring Exercise and the issuance of 43,000,000 new shares pursuant to the IPO had been completed as at 1 January 2017.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets and liabilities of the group during the current financial period reported on.**

### **Statement of Comprehensive Income**

#### ***Revenue***

Our revenue increased by 132.4% or S\$3.9 million, from S\$3.0 million in 1H2017 to S\$6.9 million in 1H2018. The increase was mainly due to:

- (i) an increase in online sales volume of our Brand Partners' products as we adopt more proactive marketing strategy with our Brand Partners to promote their products on the various online marketplaces;
- (ii) an increase in the number of Brand Partners from 186 as at 2017 to more than 250 Brand Partners as at 1H2018; and
- (ii) new revenue contribution from Insurtech business segment of S\$1.6 million.

The breakdown of revenue is as follows:

<b>Revenue</b>	<b>Group</b>	
	<b>1H2018</b>	<b>1H2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>
E-Commerce	<b>4,941</b>	2,535
E-Logistics	<b>332</b>	421
Insurtech	<b>1,597</b>	-
<b>Total</b>	<b>6,870</b>	<b>2,956</b>

#### ***Cost of sales***

The cost of sales increased by 126.3% or S\$2.8 million, from S\$2.3 million in 1H2017 to S\$5.1 million in 1H2018, mainly due to an increase in costs of products sold and insurance premium costs derived from Insurtech business. The increase in cost of sales was in tandem with the increase in revenue from our business segments.

#### ***Gross profit and gross profit margin***

The Group's gross profit increased by 152.0% or S\$1.1 million, from S\$0.7 million in 1H2017 to S\$1.8 million in 1H2018. The gross profit margin improved by 2.0% to 25.8% in 1H 2018 as compared to 23.8% in 1H 2017 due to higher margin contribution from Insurtech business.

#### ***Other income***

Other income increased by 612.5% or S\$0.1 million in 1H2018 as compared to 1H2017 mainly due to government grants received.

#### ***Distribution costs***

Distribution costs remained consistent at S\$0.3 million for 1H2018 and 1H2017 respectively.

### ***Administrative expenses***

Administrative expenses increased by 206.7% or S\$3.0 million to S\$4.5 million in 1H2018 as compared to S\$1.5 million in 1H2017, mainly due to a one-off IPO expenses, professional fees and increase in staff costs as a result of an increase in staff strength in Singapore to support our business growth and the new brands we have on-boarded, our setting up of our Malaysian office as part of our expansion plans into Malaysia and staff inherited from the acquisition of our TPA subsidiary.

### ***Finance costs***

Finance costs increased by S\$0.5 million in 1H2018, largely attributed to the amortisation of Convertible Notes.

### ***Loss for the period***

The loss for the period increased by 198.3% or S\$2.2 million, from S\$1.2 million in 1H2017 to S\$3.4 million in 1H2018, mainly comprised of one-off expenses of S\$1.7 million that attributed to IPO expenses, amortisation of Convertible Notes and professional fees incurred for the acquisition of TPA subsidiary. Had these one-off expenses been excluded, the loss for the period would have been S\$1.7 million for 1H2018.

## **Statement of Financial Position**

### ***Current assets***

Current assets increased by 68.8% or S\$4.1 million, from S\$6.1 million as at 31 December 2017 to S\$10.2 million as at 30 June 2018, mainly attributed to increase in deferred costs and receivables of S\$2.1 million and S\$0.9 million respectively contributed from TPA subsidiary, as well as increase in cash and cash equivalents of S\$0.7 million. Deferred costs related to insurance premium fees recognised in corresponding with the deferred revenue from the Insurtech business.

### ***Non-current assets***

Non-current assets increased by 938.6% or S\$4.3 million, from S\$0.5 million as at 31 December 2017 to S\$4.8 million as at 30 June 2018, mainly attributed to goodwill arising from the acquisition of TPA subsidiary.

### ***Current liabilities***

Current liabilities increased by 193.5% or S\$6.7 million, from S\$3.5 million as at 31 December 2017 to S\$10.2 million as at 30 June 2018, mainly due to payables and deferred revenue contributed from TPA subsidiary. Deferred revenue related to extended warranty billings derived from the Insurtech business.

### ***Non-current liabilities***

Non-current liabilities increased by 157.4% or S\$4.5 million, from S\$2.9 million as at 31 December 2017 to S\$7.4 million as at 30 June 2018, attributed to contingent consideration payable arising from the acquisition of TPA subsidiary and the increase in Convertible Notes of S\$3.0 million and S\$1.5 million respectively.

### ***Equity***

As at 30 June 2018, the negative equity of S\$2.6 million comprised mainly issued and full paid-up share capital and Convertible Notes reserve of S\$7.4 million and S\$1.8 million respectively, offset by accumulated losses of S\$11.8 million.

### **Statement of Cash Flows**

The Group used approximately S\$31,000 in its operating activities in 1H2018 as compared to S\$1.0 million in 1H2017, mainly due to operating loss before movement in working capital of S\$2.8 million, adjusted for net working capital inflows of S\$182,000 offset by income taxes paid of S\$213,000.

The net working capital inflows were due to decrease in trade and other receivables of S\$1.0 million and increase in trade and other payables of S\$2.2 million, partially offset by the increase in inventories of S\$0.5 million.

Net cash used in investing activities of S\$0.9 million in 1H2018 was mainly attributed to acquisition of subsidiaries with net cash outflow of S\$0.7 million.

Net cash generated from financing activities of S\$1.6 million in 1H2018 was mainly due to proceeds from Convertible Notes.

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

Not applicable.

**10. A commentary at the date of 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.**

Southeast Asia (“SE Asia”)’s expanding middle class is expected to stimulate the e-commerce market with their higher purchasing power, especially with the introduction of new banking models and greater access to loans and credit. The total gross merchandise value (“GMV”) of SE Asia’s e-commerce industry grew exponentially from US\$5.3 billion in 2014 to US\$16.6 billion in 2017, and is forecasted to reach US\$45.6 billion by 2022 with a revenue CAGR of 22.3%<sup>1</sup>.

In Singapore and SE Asia, the online BBB industry has high market penetration and growth potential. The online BBB market in Singapore grew 28.5% year-on-year to US\$82.1 million in 2017 and is expected to record a revenue CAGR of 14.7% from 2017 to 2022. SE Asia’s online BBB market correspondingly grew 40.8% to US\$0.8 billion in 2017 and is forecasted to grow at a revenue CAGR of 25.2% to reach US\$2.6 billion by 2022<sup>1</sup>.

On 29 August 2018, the Group entered into a collaboration agreement with United Overseas Bank Limited (“UOB”) to help small and medium-sized enterprises (“SMEs”) in the region expand into and manage multiple online sales channels more effectively for business growth. As UOB’s preferred commerce-enabling partner, UOB’s SME clients in the region will have preferential access to Synagie’s range of easy-to-use, end-to-end e-commerce solutions. This includes access to Synagie.com, a one-stop cloud-based platform that enables businesses to integrate their sales and distribution in Singapore and Malaysia across multiple online marketplaces as well as offline channels with a single dashboard. The Synagie Platform also provides real-time big data analytics tools to help businesses understand their customers’ buying preferences and offers on-demand warehousing and fulfilment services on a pay-per-use basis. This collaboration with UOB starts with UOB’s SME client base in Singapore, thereafter followed by Malaysia, Thailand, Vietnam and Indonesia.

In 1H2018, the Group onboarded more than 64 new Brand Partners as compared to a total of 186 Brand Partners in 2017. These new Brand Partners are expected to contribute progressively to the Group in the

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<sup>1</sup> The industry report titled “Independent Market Research on the E-commerce Industry in Singapore and Southeast Asia” by Frost & Sullivan set out in Appendix F of the Offer Document.

coming quarters as the Brand Partners that were onboarded at the end of 2017 start to scale up their e-commerce business. The Group will continue to bring in more Brand Partners in Singapore and SE Asia, as it builds up its e-commerce ecosystem.

The Group plans to further expand into the SE Asia region beginning with Philippines by end of 2018, followed by Vietnam in 2019. Philippines has a population of 106 million people and the revenue of its e-commerce market is estimated to be US\$1.6 billion in 2018 and is projected to grow at a revenue CAGR of 15.2% from 2018 to 2022, resulting in a market volume of US\$2.9 billion by 2022.<sup>2</sup> Vietnam, on the other hand, has a population of 96.2 million and as of 2018, its e-commerce market is estimated to generate revenue amounting to US\$2.7 billion and is projected to grow at a revenue CAGR of 13.5% from 2018 to 2022, resulting in a market volume of US\$4.5 billion by 2022.<sup>3</sup>

## 11. Dividend

### (a) Current Financial Period Reported On

(Any dividend recommended for the current financial period reported on?)

No.

### (b) Corresponding Period of the Immediately Preceding Financial Year

(Any dividend declared for the corresponding period of the immediately preceding financial year?)

No.

### (c) Date Payable

Not applicable.

### (d) Book Closure Date.

Not applicable.

## 12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the current financial period reported on.

## 13. If the Group has obtained a general mandate from shareholders for interested persons transaction ("IPT") the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.

The Group has not obtained a general mandate from shareholders for IPT. Save for the IPTs disclosed in the Company's Offer Document, there were no additional IPTs of S\$100,000 and above for 1H2018.

<sup>2</sup> <https://www.statista.com/outlook/243/123/ecommerce/philippines>

<sup>3</sup> <https://www.statista.com/outlook/243/127/ecommerce/vietnam>



#### 14. Use of IPO Proceeds

Pursuant to the Company's IPO, the Company received gross proceeds from the IPO of approximately S\$11.6 million (the "**Gross Proceeds**"). Please refer to the Offer Document for further details. As at the date of announcement, the Gross Proceeds have been utilised as following:

	Amount allocated S\$'000	Amount utilised S\$'000	Amount unused S\$'000
Business expansion (including penetrating new geographical locations, investments in information technology capabilities and mergers and acquisitions)	7,400	-	7,400
Working capital	2,423	710	1,713
Listing expenses	1,787	1,787	-
	11,610	2,497	9,113

#### 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).

The Company confirms that it has procured undertakings from all its Directors and Executive Officers pursuant to Rule 720(1) of the SGX Listing Manual.

#### 16. Negative confirmation by the Board of Directors pursuant to Rule 705(5) of the Catalist Listing Manual

On behalf of the Board of Directors of the Company, we confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the half year financial results for the period ended 30 June 2018 to be false or misleading in any material aspect.

#### BY ORDER OF THE BOARD

Synagie Corporation Ltd.

#### Lee Shieh-Peen Clement

Executive Director and Chief Executive Officer

12 September 2018