



SYNAGIE CORPORATION LTD.

(Incorporated in Singapore)

(Company Registration No. 201717972D)

UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 DECEMBER 2018

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 (“**SE Asia**”) in the Body, Beauty and Baby (“**BBB**”) sector and one of the fastest growing E-Commerce companies in SE Asia. The Group was ranked Number 1 fastest growing technology company in Singapore and Number 22 in Asia Pacific on the Deloitte Technology Fast 500™ Asia Pacific 2018. Our revenue grew at a CAGR of 339.6% from S\$0.2 million in financial period ended 31 December 2015 (“**FP2015**”) to S\$16.1 million in financial year ended 31 December 2018 (“**FY2018**”).

The Group has three (3) main business segments (i) E-Commerce; (ii) E-Logistics; and (iii) Insurtech.

We help our 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 and logistics operations.

Our 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.

In April 2018, we acquired 1Care Global Pte. Ltd. ("**Insurtech Subsidiary**") which provides third party administration and value-added services to help our Brand Partners in the computer, communication and consumer electronics sector manage and execute their extended warranty and accidental damage protection programs. Leveraging on our technology platform and ecosystem, the Group is looking to expand its Insurtech business by extending existing offerings and new products to our brand partners, channel partners and end consumers.

Our Insurtech business segment complements our E-Commerce and E-Logistics business segments and is already profitable.

For the purpose of this announcement, the financial results of the Group for FY2018 and the comparative results of the Group for the financial year ended 31 December 2017 ("**FY2017**") have been prepared on the assumption that the Group's structure pursuant to the Restructuring Exercise has been in place since 1 January 2017.

FULL YEAR FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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.

	Group		Increase/ (Decrease) %
	FY2018 S\$'000	FY2017 S\$'000	
Revenue	16,060	8,029	100.0
Cost of sales	(12,043)	(6,268)	92.1
Gross Profit	4,017	1,761	128.1
Other income	197	16	1,131.3
Distribution costs	(768)	(669)	14.8
Administrative expenses	(9,984)	(4,178)	139.0
Other operating expenses	(284)	(109)	160.6
Finance costs	(620)	(204)	203.9
Loss before income tax ⁽¹⁾	(7,442)	(3,383)	120.0
Income tax credit	64	-	N.M.
Loss for the year ⁽¹⁾	(7,378)	(3,383)	118.1
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	(15)	(10)	50.0
Total comprehensive loss for the year	(7,393)	(3,393)	117.9

Note:

(1) Loss before income tax for FY2018 included one-off expenses amounting to S\$1.8 million that consisted of IPO expenses, amortisation of Convertible Notes and professional fees incurred for the acquisition of Insurtech Subsidiary amounting to S\$1.0 million, S\$0.6 million and S\$0.2 million respectively.

Had the one-off expenses of S\$1.8 million as well as other overheads including post IPO compliance costs of a public listed company that incurred at the Listco level of S\$1.2 million been excluded, the adjusted operating loss would have been S\$4.4 million for FY2018 (FY2017: S\$2.7 million adjusted operating loss after excluding one-off expenses of S\$0.7 million that consisted of professional fees incurred in relation to IPO and Convertible Notes, amortisation of Convertible Notes as well as plant and equipment written off).

The increase in adjusted operating loss of S\$1.7 million as compared to FY2017 was mainly due to an increase in warehousing expenses of S\$1.7 million as a result of warehouse expansion in Singapore and Malaysia, from approximately 22,000 sqft in FY2017 to more than 64,000 sqft by end of FY2018 to cater to our business growth and in anticipation of higher order volumes in FY2019.

N.M. - Denotes not meaningful



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

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

	Group		
	FY2018	FY2017	Increase
	S\$'000	S\$'000	(Decrease) %
Allowance for impairment of trade receivables	20	-	N.M.
Allowance for inventories obsolescence	54	-	N.M.
Amortisation of Convertible Notes	600	192	212.5
Amortisation of intangible assets	391	95	311.6
Bad debts written off	87	-	N.M.
Depreciation of plant and equipment	100	49	104.1
Foreign exchange loss, net	5	9	(44.4)
Government grants received	(124)	-	N.M.
Inventories written off	118	-	N.M.
Operating lease expenses	520	399	30.3
Plant and equipment written off	-	109	N.M.
Staff costs ⁽¹⁾	3,464	1,999	73.3
IPO expenses	1,043	152	586.2

Note:

⁽¹⁾ The increase in staff costs of S\$1.5 million was mainly attributed to staff costs inherited from Insurtech Subsidiary of S\$0.6 million and additional manpower costs of S\$0.9 million to support our business growth in Singapore and business expansion into Malaysia.

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	
	31 Dec 2018 S\$'000	31 Dec 2017 S\$000	1 Jan 2017 S\$'000	31 Dec 2018 S\$'000	31 Dec 2017 S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	7,530	1,827	45	5,536	28
Trade and other receivables	5,949	2,779	542	11,373	358
Deferred costs	2,736	-	-	-	-
Inventories	1,975	1,462	441	-	-
Total current assets	18,190	6,068	1,028	16,909	386
Non-current assets					
Plant and equipment	272	116	121	5	-
Intangible assets	2,152	345	253	-	-
Goodwill	2,171	-	-	-	-
Investment in subsidiaries	-	-	-	9,408	414
Total non-current assets	4,595	461	374	9,413	414
Total assets	22,785	6,529	1,402	26,322	800
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	6,173	3,482	1,266	3,554	2
Deferred revenue	4,360	-	-	-	-
Income tax payables	24	-	-	-	-
Total current liabilities	10,557	3,482	1,266	3,554	2
Non-current liabilities					
Convertible Notes	-	2,881	-	-	607
Other payables	3,042	-	-	-	-
Deferred tax liabilities	363	-	-	-	-
Total non-current liabilities	3,405	2,881	-	-	607
Capital and reserves					
Share capital	23,769	7,392	4,080	23,769	*
Capital contribution pending allotment	-	-	1,000	-	-
Convertible Notes reserve	-	1,111	-	-	234
Merger reserve	(8,261)	-	-	-	-
Other reserve	792	-	-	792	-
Translation reserve	(25)	(10)	-	-	-
Accumulated losses	(7,452)	(8,327)	(4,944)	(1,793)	(43)
Total equity	8,823	166	136	22,768	191
Total liabilities and equity	22,785	6,529	1,402	26,322	800

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	
	FY2018	FY2017
	S\$'000	S\$'000
Operating activities		
Loss before income tax	(7,442)	(3,383)
<u>Adjustments for:</u>		
Amortisation of Convertible Notes	600	192
Amortisation of intangible assets	391	95
Allowance for impairment of trade receivables	20	-
Allowance for inventories obsolescence	54	-
Bad debts written off	87	-
Depreciation of plant and equipment	100	49
Fair value of other payable	16	-
Interest expense	4	12
Inventories written off	118	-
IPO expenses	1,043	-
Plant and equipment written off	-	109
Gain on disposal of plant and equipment	(1)	-
Interest income	(34)	-
Net unrealised exchange adjustment	(15)	(10)
Operating cash flows before working capital changes	(5,059)	(2,936)
Trade and other receivables	(1,703)	(2,237)
Inventories	(679)	(1,021)
Trade and other payables	3,032	2,457
Net cash used in operations	(4,409)	(3,737)
Income tax paid	(180)	-
Net cash used in operating activities	(4,589)	(3,737)
Investing activities		
Purchase of plant and equipment	(249)	(153)
Expenditure on software development	(282)	(187)
Proceeds from disposal of plant and equipment	1	-
Interest received	16	-
Acquisition of subsidiary corporations	(716)	-
Net cash used in investing activities	(1,230)	(340)



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	
	FY2018 S\$'000	FY2017 S\$'000
Financing activities		
Proceeds on issue of shares	11,610	2,312
Payment of IPO listing expenses	(1,784)	-
Proceeds from Convertible Notes	1,700	3,800
Repayment to a related party	-	(58)
Repayment to shareholders	-	(183)
Restricted funds	(211)	(150)
Interest paid	(4)	(12)
Net cash generated from financing activities	11,311	5,709
Net increase in cash and cash equivalents	5,492	1,632
Cash and cash equivalents at beginning of the financial year	1,827	45
Cash and cash equivalents at end of the financial year ⁽¹⁾	7,319	1,677
Note:		
⁽¹⁾ Cash and cash equivalents in the statement of financial position	7,530	1,827
Less: monies pledged with bank	(211)	(150)
Cash and cash equivalents in the statement of cash flows	7,319	1,677



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	Merger reserve	Other reserve	Translation reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2018 [^]	7,392	-	1,111	-	-	(10)	(8,327)	166
Total comprehensive loss for the year								
Loss for the year	-	-	-	-	-	-	(7,378)	(7,378)
Other comprehensive loss	-	-	-	-	-	(15)	-	(15)
	-	-	-	-	-	(15)	(7,378)	(7,393)
Transaction with owners, recognised directly in equity								
Issuance of shares pursuant to the acquisition of subsidiary as part of the Restructuring Exercise	7,400	-	-	-	-	-	-	7,400
Share swap pursuant to the Restructuring Exercise	(7,392)	-	-	(8,261)	-	-	8,253	(7,400)
Conversion of Convertible Notes into 40,740,733 shares	5,500	-	(1,111)	-	792	-	-	5,181
Issuance of shares pursuant to IPO	11,610	-	-	-	-	-	-	11,610
Capitalisation of listing expenses	(741)	-	-	-	-	-	-	(741)
	16,377	-	(1,111)	(8,261)	792	-	8,253	16,050
Balance as at 31 December 2018	23,769	-	-	(8,261)	792	(25)	(7,452)	8,823



Group (Cont'd)	Share capital	Capital contribution pending allotment	Convertible Notes reserve	Merger reserve	Other reserve	Translation reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2017 ^	4,080	1,000	-	-	-	-	(4,944)	136
Total comprehensive loss for the year								
Loss for the year	-	-	-	-	-	-	(3,383)	(3,383)
Other comprehensive loss	-	-	-	-	-	(10)	-	(10)
	-	-	-	-	-	(10)	(3,383)	(3,393)
Transaction with owners, recognised directly in equity								
Capital allotment issued	1,000	(1,000)	-	-	-	-	-	-
Issuance of shares, net of expenses	2,312	-	-	-	-	-	-	2,312
Equity portion of Convertible Notes	-	-	1,111	-	-	-	-	1,111
	3,312	(1,000)	1,111	-	-	-	-	3,423
Balance as at 31 December 2017 ^	7,392	-	1,111	-	-	(10)	(8,327)	166

Note:

^ - The share capital, capital contribution pending allotment and accumulated losses represent BTFL Pte. Ltd. prior to the Restructuring Exercise.



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	Convertible Notes reserve	Other reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan 2018	*	234	-	(42)	192
Loss for the year, representing total comprehensive loss for the year	-	-	-	(1,751)	(1,751)
Transactions with owners, recognised directly in equity					
Issuance of shares pursuant to Restructuring Exercise	7,400	-	-	-	7,400
Conversion of Convertible Notes into 40,740,733 shares	5,500	(234)	792	-	6,058
Issuance of shares pursuant to IPO	11,610	-	-	-	11,610
Capitalisation of listing expenses	(741)	-	-	-	(741)
Total	23,769	(234)	792	-	24,327
Balance as at 31 Dec 2018	23,769	-	792	(1,793)	22,768
At date of incorporation	*	-	-	-	-
Loss for the period, representing total comprehensive loss for the period	-	-	-	(42)	(42)
Transactions with owners, recognised directly in equity					
Equity option for Convertible Notes	-	234	-	-	234
Balance as at 31 Dec 2017	*	234	-	(42)	192

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.**

	Resultant issued and paid-up share capital		
	Number of new issued shares	Number of shares	(S\$)
Issued and paid-up capital as at date of incorporation, 28 June 2017	1	1	1
Acquisition of subsidiary corporation (BTFL Pte. Ltd.) through share swap of 5,932,141 shares *	5,932,141	5,932,142	7,400,000
Sub-division of shares *	172,032,118	177,964,260	7,400,000
Conversion of Convertible Notes	40,740,733	218,704,993	12,900,000
Issuance of new shares pertaining to IPO	43,000,000	261,704,993	24,510,000
Balance as at 31 December 2018	-	261,704,993	24,510,000

* - pursuant to Restructuring Exercise

The Company had no treasury shares as at 31 December 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 31 December 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 Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting 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 a new financial reporting framework, SFRS(I)s on 1 January 2018 and has prepared its financial information under SFRS(I)s for the financial year ended 31 December 2018. In adopting SFRS(I)s, the Group is required to apply all the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group's and Company's opening Statements of Financial Position under SFRS(I)s have been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I)s. SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers* are effective for the Group from 1 January 2018.

The accounting policies to be applied for the first set of SFRS(I) financial statements for the financial year ended 31 December 2018 are the same as those disclosed in Note 2 of the audited combined financial statements for the financial year ended 31 December 2017, except for the changes in accounting policies due to the application of SFRS(I) 9 and SFRS(I) 15. Please refer to Note 2 of the audited combined financial statements for the financial year ended 31 December 2017 for further details on the effects arising from the application of SFRS(I) and the initial application of SFRS(I) 9 and SFRS(I) 15 for financial year ended 31 December 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	
	FY2018	FY2017
Earnings		
Loss attributable to owners of the Company (S\$'000)	(7,378)	(3,383)
Earnings per ordinary share ("EPS")		
Basic and diluted (cents)	(2.80)	(1.29)

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	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Net asset value ("NAV") (S\$'000)	8,823	166	22,768	191
NAV per share (cents)	3.37	0.06	8.70	0.07

Note: For comparative purposes, the NAV per ordinary share of the Group and the Company for the respective financial periods have been computed based on 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

Our Group acquired the entire shareholding of Insurtech Subsidiary for a consideration of S\$3.3 million on 20 April 2018. However, we took over management control of Insurtech Subsidiary in 1 January 2018 and started consolidating the financial results. In addition, our business expansion into Malaysia also achieved notable growth in FY2018.

Revenue

Our revenue increased by 100.0% or S\$8.1 million, from S\$8.0 million in FY2017 to S\$16.1 million in FY2018. This was mainly due to:

- (a) increase in revenue from our E-Commerce business segment as a result of higher demand from online consumers for our Brand Partners' products;
- (b) increase in our number of Brand partners from 186 in FY2017 to over 270 in FY2018;
- (c) our business expansion into Malaysia completing its full year of operations in FY2018; and
- (d) new revenue contribution from our Insurtech Subsidiary.

The breakdown of revenue is as follows:

Revenue	Group	
	FY2018	FY2017
	S\$'000	S\$'000
E-Commerce	12,030	7,212
E-Logistics	952	817
Insurtech	3,078	-
Total	16,060	8,029

Cost of sales

The cost of sales increased by 92.1% or S\$5.7 million, from S\$6.3 million in FY2017 to S\$12.0 million in FY2018, mainly due to an increase in costs of products sold and insurance premium costs attributed to our 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 128.1% or S\$2.2 million, from S\$1.8 million in FY2017 to S\$4.0 million in FY2018. Gross profit margin improved by 3.1% point to 25.0% in FY2018 as compared to 21.9% in FY2017. This was mainly due to higher contribution of services revenue from our E-logistics and new Insurtech business segment, which has higher margins compared to distribution revenue from our E-Commerce business segment.

Other income

Other income increased by 1,131.3% or S\$0.2 million in FY2018 as compared to FY2017 mainly due to government grants received.

Distribution costs

Distribution costs remained relatively constant at S\$0.8 million in FY2018 and S\$0.7 million in FY2017 due to higher costs efficiencies despite a strong growth in our revenue for FY2018 as compared to FY2017.

Administrative expenses

Administrative expenses increased by 139.0% or S\$5.8 million to S\$10.0 million in FY2018 as compared to S\$4.2 million in FY2017. The increase was mainly due to (i) one-off expenses of S\$1.2 million attributed to IPO expenses and professional fees incurred for acquisition of Insurtech Subsidiary; (ii) incremental overhead of S\$1.2 million incurred at the Listco level, mainly consisting of directors' expenses and post IPO compliance costs of a public listed company; (iii) overhead expenses of S\$1.2 million inherited from our new Insurtech Subsidiary, mainly consisting of staff costs and rental of office; and (iv) higher warehouse rental and handling expenses of S\$1.7 million as a result of warehouse expansion in Singapore and Malaysia, from approximately 22,000 sqft in FY2017 to more than 64,000 sqft by end of FY2018 to cater to our business growth in Singapore and in anticipation of an increase in our order volume in FY2019 (Please refer to Section 16 for details on business segment performance).

Other operating expenses

Other operating expenses increased by 160.6% or S\$0.2 million from S\$0.1 million in FY2017 to S\$0.3 million in FY2018, mainly due to impairment loss of trade receivables and inventories written off.

Finance costs

Finance costs increased by S\$0.4 million in FY2018, largely attributed to the amortisation of Convertible Notes issued during our Pre-IPO fund raising.

Loss for the year

The loss for the year increased by 118.1% or S\$4.0 million, from S\$3.4 million in FY2017 to S\$7.4 million in FY2018, mainly comprised of one-off expenses of S\$1.8 million that attributed to IPO expenses, amortisation of Convertible Notes and professional fees incurred for the acquisition of Insurtech Subsidiary. Had the one-off expenses of S\$1.8 million as well as other overheads including post IPO compliance costs of a public listed company that incurred at the Listco level of S\$1.2 million been excluded, the adjusted operating loss would have been S\$4.4 million for FY2018 (Please refer to Section 16 for details on business section performance).

Statement of Financial Position**Current assets**

Current assets increased by 199.8% or S\$12.1 million, from S\$6.1 million as at 31 December 2017 to \$18.2 million as at 31 December 2018, mainly attributed to increase in deferred costs and receivables of S\$2.7 million and S\$2.3 million respectively contributed from Insurtech Subsidiary, as well as increase in cash and cash equivalents of S\$5.7 million. Deferred costs relate to insurance premium fees recognised in corresponding with the deferred revenue from the Insurtech business.

Non-current assets

Non-current assets increased by 896.7% or S\$4.1 million, from S\$0.5 million as at 31 December 2017 to \$4.6 million as at 31 December 2018, mainly attributed to goodwill and intangible assets (contracts/customer relationship) arising from the acquisition of Insurtech Subsidiary.

Current liabilities

Current liabilities increased by 203.2% or S\$7.1 million, from S\$3.5 million as at 31 December 2017 to S\$10.6 million as at 31 December 2018, mainly due to payables and deferred revenue contributed by Insurtech Subsidiary.

Non-current liabilities

Non-current liabilities increased by 18.2% or S\$0.5 million, from S\$2.9 million as at 31 December 2017 to S\$3.4 million as at 31 December 2018, attributed to contingent consideration payable and the associated deferred tax liabilities arising from the acquisition of Insurtech Subsidiary.

Equity

The negative merger reserve of S\$8.3 million relates to the difference between the consideration paid by the Company and the equity of BTFL Pte. Ltd. acquired in relation to the Restructuring Exercise.

Statement of Cash Flows

The Group used approximately S\$4.6 million in its operating activities in FY2018 as compared to S\$3.7 million in FY2017, mainly due to operating loss before movement in working capital of S\$5.1 million, adjusted for net working capital inflows of S\$0.7 million, offset by income taxes paid of S\$0.2 million.

The net working capital inflows were due to increase in inventories and trade and other receivables of S\$0.7 million and S\$1.7 million respectively. This is partially offset by the increase in trade and other payables of S\$3.0 million.

Net cash used in investing activities of S\$1.2 million in FY2018 were mainly attributed to acquisition of subsidiary corporations with net cash outflow of S\$0.7 million and software development of S\$0.3 million.

Net cash generated from financing activities of S\$11.3 million in FY2018 was mainly due to net proceeds from IPO and Convertible Notes of S\$9.8 million and S\$1.7 million respectively.

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.**

E-Commerce & E-Logistics

The Group is the leading E-Commerce solutions provider in SE Asia in the BBB sector and one of the fastest growing E-Commerce companies in SE Asia. During the year, the Group was ranked Number 1 fastest growing technology company in Singapore and Number 22 in Asia Pacific on the Deloitte Technology Fast 500™ Asia Pacific 2018. Our revenue grew at a CAGR of 551.8% from S\$0.2 million in FP2015 to S\$16.1 million in FY2018. As at end of 2018, we are working with more than 270 brand partners including Johnson & Johnson, Unilever and Shiseido who use our E-Commerce enablement solutions for their online business.

SE Asia's expanding middle class is expected to stimulate the E-Commerce market with their higher purchasing power, particularly with the introduction of new banking models and greater access to loans and credit. The total gross merchandise value of SE Asia's E-Commerce industry¹ grew exponentially from

¹ "Independent Market Research on the E-commerce Industry in Singapore and Southeast Asia" by Frost & Sullivan

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%. Currently, our Group derives its revenue from Singapore and Malaysia, but we have plans to further expand into the SE Asia region beginning with Philippines and Vietnam.

Singapore and Malaysia² is estimated to generate 1/3 of total online retail sales in SE Asia, even though they only account for 8.0% of the region's population. In August 2018, we entered into a collaboration agreement with United Overseas Bank ("UOB") to help their small and medium sized enterprise ("SME") clients expand into the E-Commerce market, starting from UOB's SME client base in Singapore, followed by Malaysia, Thailand, Vietnam and Indonesia.

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 2022³. 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 2022⁴.

Insurtech

In FY2018, the Group consolidated contributions from its Insurtech business, which is synergistic to its core E-Commerce business. Leveraging on the Group's technology platform and ecosystem, the Group is looking to expand its Insurtech business by extending existing offerings and new products to our brand partners, channel partners and end consumers. The global Insurtech⁵ market is expected to grow at a 2018-2023 CAGR of 16.0% to US\$1,119.8 million. There is currently considerable room for SE Asia's insurance penetration rate to grow towards the global average of 6.1%⁶. According to UBS report 'Shifting Asia', Asia is one of the most underpenetrated insurance markets in the world. Emerging Asia held 43.0% of the world's population and accounted for 13.0% of the insurance premiums in 2016.⁷

In 2017, SE Asia's life insurance premiums penetration (premiums as a share of GDP) still falls short of the global average (2.7% versus 3.3%) and non-life insurance premiums accounted for just 0.9% of GDP, about a third of the global average (2.8%).⁸

Barring unforeseen circumstances, the Group remains optimistic for the financial year ending 31 December 2019.

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?)

² <https://www.edb.gov.sg/en/news-and-resources/insights/innovation/e-commerce-in-asean-seizing-opportunities-and-navigating-challenges.html>

³ <https://www.statista.com/outlook/243/123/ecommerce/philippines>

⁴ <https://www.statista.com/outlook/243/127/ecommerce/vietnam>

⁵ <https://www.prnewswire.com/news-releases/global-insurtech-market-report-2018-2023---application-of-ai-and-analytics-technologies-in-better-identifying-the-potential-of-online-insurances-300760678.html>

⁶ <https://www.eurochamvn.org/sites/default/files/uploads/pdf/InsuranceAdvocacyPaper.pdf>

⁷ <http://fintechnews.sg/11521/insurtech/insurtech-set-change-asias-insurance-market/>

⁸ https://pulse.schanz-alm.com/files/media/files/db31b38b9be35551b807792b0d16b84a/Pulse_Asean18_Web2.pdf

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 and the reason(s) for the decision.

No dividend has been declared and recommended for the year ended 31 December 2018 as the Company needs to reserve the funds for working capital and future growth.

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 FY2018.

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 follows:

	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	(2,750)	4,650
Working capital	2,423	(1,969)	454
Listing expenses	1,787	(1,787)	-
	11,610	(6,506)	5,104

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.



PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR RESULTS

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.

<u>FY2018</u>	E-Commerce S\$'000	E-Logistics S\$'000	Insurtech S\$'000	Investment holding S\$'000	Total S\$'000
Revenue					
Segment revenue	12,030	952	3,078	-	16,060
Result					
Segment results	(4,486)	133	271	(2,658)	(6,740)
Other income	-	-	-	-	197
Other operating expenses	(192)	(87)	-	-	(279)
Finance costs	-	-	-	-	(620)
Loss before income tax					(7,442)
Income tax expense					64
Loss for the year					(7,378)
Assets					
Segment assets	6,018	243	6,139	3,936	16,336
Unallocated assets					6,449
					22,785
Liabilities					
Segment liabilities	4,070	119	6,200	3,573	13,962
Unallocated liabilities					-
					13,962

<u>FY2017</u>	E-Commerce S\$'000	E-Logistics S\$'000	Insurtech S\$'000	Investment holding S\$'000	Total S\$'000
Revenue					
Segment revenue	7,212	817	-	-	8,029
Result					
Segment results	(3,279)	193	-	-	(3,086)
Other income	-	-	-	-	16
Other operating expenses	-	-	-	-	(109)
Finance costs	-	-	-	-	(204)
Loss before income tax					(3,383)
Income tax expense					-
Loss for the year					(3,383)
Assets					
Segment assets	4,201	501	-	-	4,702
Unallocated assets					1,827
					6,529
Liabilities					
Segment liabilities	3,376	106	-	-	3,482
Unallocated liabilities					2,881
					6,363

Geographical information:

The Group operates in two (2) principal geographical areas – Singapore and Malaysia. The Group's revenue from external customers and information about its segment assets by geographical location are detailed below:

	Revenue		Current assets	
	FY2018 S\$'000	FY2017 S\$000	31 Dec 2018 S\$'000	31 Dec 2017 S\$'000
<u>Based on customer location</u>				
Singapore	15,051	8,020	17,588	5,536
Malaysia	1,009	9	602	532
	16,060	8,029	18,190	6,068

Information about major customer:

Included in revenue is approximately S\$2.0 million (2017: Nil) which arose from sale to the Group's largest customer.

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 paragraph 8.

18. A breakdown of sales as follows:

	Group		
	FY2018 S\$'000	FY2017 S\$'000	Change %
<u>Revenue</u>			
<u>First half</u>			
(a) Sales reported for first half year	6,870	2,956	132.4
(b) Loss after tax	(3,436)	(1,152)	198.3
<u>Second half</u>			
(a) Sales reported for second half year	9,190	5,073	81.2
(b) Loss after tax	(3,942)	(2,231)	76.7

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

(a) Ordinary
Not applicable

(b) Preference
Not applicable

(c) Total
Not applicable

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) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Lee Shieh-Peen Clement	50	Sibling of Zanetta Lee Yue (Executive Director)	CEO and Executive Director of the Group since 2017. He is responsible for the general management and business development of the Group.	Not applicable

Zanetta Lee Yue	43	Sibling of Lee Shieh-Peen Clement (CEO and Executive Director)	Executive Director of the Group since 2018. She is in charge of the Group's growth, business development and corporate affairs as well as overseeing the insurtech business segment.	Not applicable
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BY ORDER OF THE BOARD

Synagie Corporation Ltd.

Lee Shieh-Peen Clement

Executive Director and Chief Executive Officer

28 February 2019