



SYNAGIE CORPORATION LTD.
(Incorporated in Singapore)
(Company Registration No. 201717972D)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 39,715,003 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

1. INTRODUCTION

- 1.1. The board of directors (the “**Board**” or the “**Directors**”) of Synagie Corporation Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing a renounceable non-underwritten rights issue of up to 39,715,003 new ordinary shares in the issued and paid-up capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.10 for each Rights Share (the “**Issue Price**”), on the basis of three (3) Rights Shares for every twenty (20) existing ordinary shares in the issued share capital of the Company (the “**Shares**”), held by shareholders of the Company (the “**Shareholders**”) as at a time and date to be determined by the Directors, at and on which the register of members and the transfer books of the Company will be closed to determine the provisional allotments of Rights Shares of the Entitled Shareholders (as defined herein) (the “**Books Closure Date**”) under the rights issue, fractional entitlements to be disregarded (the “**Rights Issue**”).
- 1.2. The proposed Rights Issue is made pursuant to the share issue mandate, which was approved by the Shareholders at the last annual general meeting of the Company held on 23 April 2019 (the “**AGM**”), authorising the Directors to issue shares not exceeding one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which the aggregate number of shares to be issued other than on a pro-rata basis to Shareholders shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (the “**General Mandate**”). As at the date of this announcement (the “**Announcement**”), the total number of Shares in issue (excluding treasury shares and subsidiary holdings) was 264,766,689.

2. PRINCIPAL TERMS OF THE RIGHTS ISSUE

2.1. Basis of Provisional Allotment

The Rights Issue is proposed to be made on a renounceable basis to Entitled Shareholders (as defined herein) on the basis of three (3) Rights Shares for every twenty (20) existing ordinary shares, as at the Books Closure Date, fractional entitlements to be disregarded.

2.2. Issue Price

The Issue Price for each Rights Share is S\$0.10, payable in full upon acceptance and application. The Issue Price represents a discount of:

- (i) approximately 28.1% to the closing market price of S\$0.139 per Share for trades done on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 8 November 2019 (being the last trading day on which the Shares were transacted on the SGX-ST prior to the release of this Announcement); and

- (ii) approximately 25.3% to the theoretical ex-rights price of S\$0.134 per Share (the “**Theoretical Ex-Rights Price**”) ¹. The Theoretical Ex-Rights Price per Share is calculated based on the closing market price of S\$0.139 per Share on the SGX-ST on 8 November 2019, being the last trading day of the Shares on the SGX-ST prior to this Announcement.

2.3. Size

As at the date of this Announcement, there are 264,766,689 Shares issued by the Company (the “**Existing Issued Share Capital**”) and there are no convertible securities which can be converted into shares.

Based on the Existing Issued Share Capital:

- (i) assuming that all the Rights Shares to be issued pursuant to the Rights Issue are fully subscribed for, 39,715,003 Rights Shares will be issued pursuant to the Rights Issue and the issued and paid-up share capital of the Company will increase to 304,481,692 Shares (the “**Maximum Scenario**”); and
- (ii) assuming that:
 - (a) only the Undertaking Executive Directors (as defined in paragraph 3.1.3 below) and the Undertaking Shareholders (as defined in paragraph 3.2.1 below) subscribes and pays for (or procures subscription and payment for) in full at the Issue Price, by way of acceptance, its provisional allotment of an aggregate of 21,224,705 Rights Shares under the Rights Issue pursuant to the Irrevocable Undertakings of the Executive Directors (as defined in paragraph 3.1.2 below) and the Irrevocable Undertakings of the Undertaking Shareholders (as defined in paragraph 3.2.1 below); and
 - (b) none of the other Shareholders or purchasers of the “nil-paid” rights during the “nil-paid” rights trading period subscribe and pay for any Rights Shares,

21,224,705 Rights Shares will be issued pursuant to the Rights Issue and the issued and paid-up share capital of the Company will increase to 285,991,394 Shares (the “**Minimum Scenario**”).

2.4. Status and Ranking

The Rights Shares will be payable in full upon acceptance and/or application and, upon issue and allotment, will rank *pari passu* in all respects with the existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.

For the purpose herein, “**Record Date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or the CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

¹ The theoretical ex-rights price is calculated using the following formula:

$$\text{Theoretical Ex-Rights Price} = \frac{A + B}{C}$$

where:

A = the Company’s market capitalisation based on the closing price S\$0.139 per Share on the SGX-ST on 8 November 2019, being the last trading day on which the Shares were traded prior to this announcement;

B = the gross proceeds from the Rights Issue assuming the completion of the Rights Issue under the Maximum Scenario (as defined in paragraph 2.3(i)); and

C = the enlarged issued share capital of the Company under the Maximum Scenario of 304,481,692 Shares

2.5. **Non-Underwritten Rights Issue**

The Company has decided to proceed with the Rights Issue on a non-underwritten basis as it is of the view that:

- (i) the Issue Price of S\$0.10 for each Rights Share is sufficiently attractive for the existing Shareholders of the Company who have acquired Shares at a historically higher price;
- (ii) the Company has received Irrevocable Undertakings from the Executive Directors (as set out in paragraph 3.1. below) and Irrevocable Undertakings from the Undertaking Shareholders (as set out in paragraph 3.2. below);
- (iii) there is no minimum amount to be raised from the proposed Rights Issue, as in the event that the Company is unable to raise sufficient funds, it will source for alternative sources of funding, including but not limited to, raising capital through private placements; and
- (iv) the Company will enjoy savings in costs as a result of not having to bear any underwriting fees and commission.

Please refer to paragraphs 4 and 5 for more information on the rationale and intended use of proceeds of the Rights Issue, respectively.

2.6. **Odd Lots**

For the purposes of trading on on the sponsor-supervised listing platform of the SGX-ST (the “**Catalist Board**”), each board lot of Shares will comprise 100 Shares. Following the Rights Issue, Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) and who wish to trade in odd lots on Catalist are able to trade odd lots of Shares in board lots of one (1) Share on the SGXST’s Unit Share Market.

The Unit Share Market is a ready market for trading of odd lots of Shares with a minimum size of one (1) Share. Shareholders should note that the market for trading of such odd lots of Shares may be illiquid. There is no assurance that Shareholders who hold odd lots of Shares will be able to acquire such number of Shares required to make up a board lot, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST’s Unit Share Market.

2.7. **Option to scale down subscription**

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription and/or excess applications for the Rights Shares by any of the Shareholders (if such Shareholder chooses to subscribe for his/her/its pro-rata Rights Shares entitlement and/or apply for Excess Rights Shares (as defined herein)) to avoid placing the relevant Shareholder and parties acting in concert with him/her/it (as defined in the Singapore Code of Takeovers and Mergers (the “**Code**”)) in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up, whether partly or in full, their provisional allotments of the Rights Shares.

3. **IRREVOCABLE UNDERTAKINGS**

3.1. **Irrevocable Undertaking from the Executive Directors.**

- 3.1.1. As of the date of this Announcement, Mr Lee Shieh-Peen Clement, Tai Ho Yan, and Zanetta Lee Yue (Zanetta Li Yu) (the “**Executive Directors**”) and Metadrome Ltd, the controlling Shareholder of the Company hold the following interests in the Shares of the Company:

	Direct Interest		Deemed Interest	
	Number of Shares	Shareholding (%) ⁽¹⁾⁽²⁾	Number of Shares	Shareholding (%) ⁽¹⁾⁽²⁾
Executive Directors				
Lee Shieh-Peen Clement ⁽³⁾	-	-	62,064,060	23.44
Tai Ho Yan	7,875,000	2.97	-	-
Zanetta Lee Yue (Zanetta Li Yu) ⁽³⁾	9,210,600	3.48	-	-
Controlling Shareholder (other than Executive Directors)				
Metadrome Ltd ⁽⁴⁾	62,064,060	23.44	-	-

Notes:

- (1) Calculated based on 264,766,689 Shares, being the total number of Shares issued by the Company as at the date of this Announcement.
- (2) Rounded to the nearest two decimal place.
- (3) Mr Lee Shieh-Peen Clement and Ms Zanetta Lee (Zanetta Li Yu) are siblings.
- (4) Mr Lee Shieh-Peen Clement is the sole beneficial owner of Metadrome Ltd. Accordingly, Mr Lee Shieh-Peen Clement is deemed interested in the Shares held by Metadrome Ltd. by virtue of Section 7 of the Companies Act.

3.1.2. As an indication of their support for the Rights Issue and to demonstrate their commitment to and confidence in the prospects of the Group, the Executive Directors have each given an irrevocable undertaking in favour of the Company (the **“Irrevocable Undertakings of the Executive Directors”**).

3.1.3. As part of the respective Irrevocable Undertakings of the Executive Directors, the Executive Directors will, each respectively (the **“Undertaking Executive Directors”**):

- (i) subscribe and pay for, and/or procure the subscription of and payment for, their respective *pro rata* entitlement of:

- (a) 9,309,609 Rights Shares for Lee Shieh-Peen Clement, via Metadrome Ltd.;
- (b) 1,181,250 Rights Shares for Tai Ho Yan; and
- (c) 1,381,590 Rights Shares for Zanetta Lee Yue (Zanetta Li Yu),

(the Rights Shares in which Lee Shieh-Peen Clement, Tai Ho Yan, and Zanetta Lee Yue (Zanetta Li Yu) have direct or deemed interest in shall collectively be known as the **“Undertaking Shares of the Executive Directors”**),

provided that they will not be placed in a position of incurring a mandatory general offer obligation under Rule 14 of the Code due to other Shareholders not taking up their Rights Shares entitlement fully; and

- (ii) ensure that their registered shareholdings in the Company as at the Books Closure Date shall not be less than:

- (a) 62,064,060 Shares for Lee Shieh-Peen Clement, via Metadrome Ltd.;
- (b) 7,875,000 Shares for Tai Ho Yan; and
- (c) 9,210,600 Shares for Zanetta Lee Yue (Zanetta Li Yu).

3.1.4. The obligations set out in the Irrevocable Undertakings of the Executive Directors are subject to and conditional upon, *inter alia*, the following:

- (i) the receipt of the listing and quotation notice from the SGX-ST (and such notice not having been withdrawn or revoked on or prior to the completion of the Rights Issue) for the dealing in, listing of and quotation for the Rights Shares on the Catalist Board and, if such approval is granted subject to conditions, such conditions being acceptable to the Company; and
- (ii) the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable) in respect of the proposed Rights Issue with the SGX-ST, acting as an agent on behalf of the Monetary Authority of Singapore (“MAS”).

3.1.5. The Undertaking Executive Directors have advanced their subscription monies payable for the 11,872,449 Undertaking Shares of the Executive Directors to the Company (the “**Advances by the Undertaking Executive Directors**”).

3.2. Irrevocable Undertaking from the Undertaking Shareholders

3.2.1. In addition to the Irrevocable Undertakings of the Executive Directors, the Board has also today received irrevocable undertakings from the following shareholders as an indication of their support for the Rights Issue and to demonstrate their commitment to and confidence in the prospects of the Group (the “**Undertaking Shareholders**”):

- (i) Agate Investments Limited;
- (ii) Harmony Treasure Holdings Ltd; and
- (iii) Tai Lai Fun Cindy,

(collectively, the “**Irrevocable Undertakings of the Undertaking Shareholders**”).

3.2.2. The Undertaking Shareholders hold the following interests in the Shares of the Company:

	Direct Interest		Deemed Interest	
	Number of Shares	Shareholding (%) ⁽¹⁾⁽²⁾	Number of Shares	Shareholding (%) ⁽¹⁾
Undertaking Shareholders				
Agate Investments Limited ⁽³⁾	30,366,690	11.47	-	-
Harmony Treasure Holdings Ltd ⁽⁴⁾	19,026,690	7.19	-	-
Tai Lai Fun Cindy ⁽⁵⁾	12,955,000	4.89	-	-

Notes:

- (1) Calculated based on 264,766,689 Shares, being the total number of Shares issued by the Company as at the date of this Announcement.
- (2) Rounded to the nearest two decimal place.
- (3) Pursuant to Section 7 of the Companies Act, Mr Loh Kim Kang David (“**Mr Loh**”) and Mr Han Seng Juan (“**Mr Han**”) are deemed to be interested in the Company’s shares held by Agate Investments Limited as it is an entity that is wholly owned by Centurion Private Equity Ltd (“**Centurion PE**”). Centurion PE is in turn wholly owned by Centurion Global Ltd (“**Centurion Global**”) which is in turn owned by Mr Loh and Mr Han in equal proportions. Centurion PE, Centurion Global, Mr Loh and Mr Han are independent third parties from the Group.
- (4) Pursuant to Section 7 of the Companies Act, Cap. 50, Chow Helen @ Mrs Cheng Helen is deemed to be interested in all the shares held by Harmony Treasure Holdings Ltd as Chow Helen @ Mrs Cheng Helen is the sole beneficial owner of Harmony Treasure Holdings Ltd. Chow Helen @ Mrs Cheng Helen is an independent third party from the Group.

(5) *Tai Lai Fun, Cindy is the aunt of Tai Ho Yan.*

3.2.3. As part of the respective Irrevocable Undertakings of the Undertaking Shareholders, the Undertaking Shareholders will, each respectively:

- (i) subscribe and pay for, and/or procure the subscription of and payment for, their respective *pro rata* entitlement of:
 - (a) 4,555,003 Rights Shares for Agate Investments Limited;
 - (b) 2,854,003 Rights Shares for Harmony Treasure Holdings Ltd; and
 - (c) 1,943,250 Rights Shares for Tai Lai Fun Cindy.

(the Rights Shares in which Agate Investments Limited, Harmony Treasure Holdings Ltd, and Tai Lai Fun Cindy have direct or deemed interest in shall collectively be known as the “**Undertaking Shares of the Undertaking Shareholders**”),

provided that they will not be placed in a position of incurring a mandatory general offer obligation under Rule 14 of the Code due to other Shareholders not taking up their Rights Shares entitlement fully; and

- (ii) ensure that their registered shareholdings in the Company as at the Books Closure Date shall not be less than:
 - (a) 30,366,690 Shares for Agate Investments Limited;
 - (b) 19,026,690 Shares for Harmony Treasure Holdings Ltd; and
 - (c) 12,955,000 Shares for Tai Lai Fun Cindy.

3.2.4. The obligations set out in the Irrevocable Undertakings of the Undertaking Shareholders are subject to and conditional upon, *inter alia*, the following:

- (i) the receipt of the listing and quotation notice from the SGX-ST (and such notice not having been withdrawn or revoked on or prior to the completion of the Rights Issue) for the dealing in, listing of and quotation for the Rights Shares on the Catalist Board and, if such approval is granted subject to conditions, such conditions being acceptable to the Company; and
- (ii) the lodgement of the Offer Information Statement, together with all other necessary accompanying documents, in connection with the Rights Issue with the SGX-ST, acting as an agent on behalf of the MAS.

3.2.5. The Undertaking Shareholders have advanced their subscription monies payable for the 9,352,256 Undertaking Shares of the Undertaking Shareholders to the Company (the “**Advances by the Undertaking Shareholders**”).

3.3. Confirmation of Financial Resources

As the subscription monies payable by the Executive Directors and the Undertaking Shareholders for the 11,872,449 Undertaking Shares of the Executive Directors and 9,352,256 Undertaking Shares of the Undertaking Shareholders will be fully offset against the Advances by the Undertaking Executive Directors and the Advances by the Undertaking Shareholders, the Executive Directors and the Undertaking Shareholders will not be required to provide any letter of confirmation of financial resources.

3.4. **Illustration of shareholding interests of the Undertaking Executive Directors and the Undertaking Shareholders pursuant to the Maximum Scenario and the Minimum Scenario**

	Direct Interest		Deemed Interest	
	Number of Shares	Shareholding (%) ⁽¹⁾	Number of Shares	Shareholding (%) ⁽¹⁾
Maximum Scenario⁽²⁾				
Agate Investments Limited	34,921,693	11.47 ⁽⁴⁾	-	-
Harmony Treasure Holdings Ltd	21,880,693	7.19 ⁽⁵⁾	-	-
Tai Lai Fun Cindy ⁽⁶⁾	14,898,250	4.89	-	-
Tai Ho Yan ⁽⁶⁾	9,056,250	2.97	-	-
Zanetta Lee Yue (Zanetta Li Yu) ⁽⁷⁾	10,592,190	3.48	-	-
Lee Shieh-Peen Clement ⁽⁷⁾	-	-	71,373,669	23.44 ⁽⁸⁾
Controlling Shareholder (other than Executive Directors)				
Metadrome Ltd.	71,373,669	23.44 ⁽⁸⁾	-	-
Minimum Scenario⁽³⁾				
Agate Investments Limited	34,921,693	12.21 ⁽⁴⁾	-	-
Harmony Treasure Holdings Ltd	21,880,693	7.65 ⁽⁵⁾	-	-
Tai Lai Fun Cindy ⁽⁶⁾	14,898,250	5.21	-	-
Tai Ho Yan ⁽⁶⁾	9,056,250	3.17	-	-
Zanetta Lee Yue (Zanetta Li Yu) ⁽⁷⁾	10,592,190	3.70	-	-
Lee Shieh-Peen Clement ⁽⁷⁾	-	-	71,373,669	24.96 ⁽⁸⁾
Controlling Shareholder (other than Executive Directors)				
Metadrome Ltd	71,373,669	24.96 ⁽⁸⁾	-	-

Notes:

- (1) Rounded to the nearest two decimal place.
- (2) Calculated on the assumption that all the Rights Shares to be issued pursuant to the Rights Issue are fully subscribed for, 39,715,003 Rights Shares will be issued pursuant to the Rights Issue, the issued and paid-up share capital of the Company will thus increase to 304,481,692 Shares.
- (3) Calculated on the assumption that:
- (i) only the Undertaking Executive Directors and the Undertaking Shareholders subscribes and pays for (or procures subscription and payment for) in full at the Issue Price, by way of acceptance, its provisional allotment of an aggregate of 21,224,705 Rights Shares under the Rights Issue pursuant to the Irrevocable Undertakings of the Executive Directors and the Irrevocable Undertakings of the Undertaking Shareholders; and
- (ii) none of the other Shareholders or purchasers of the "nil-paid" rights during the "nil-paid" rights trading period subscribe and pay for any Rights Shares,
- 21,224,705 Rights Shares will be issued pursuant to the Rights Issue, the issued and paid-up share capital of the Company will increase to 285,991,394 Shares.
- (4) Pursuant to Section 7 of the Companies Act, Mr Loh Kim Kang David ("**Mr Loh**") and Mr Han Seng Juan ("**Mr Han**") are deemed to be interested in the Company's shares held by Agate Investments Limited as it is an entity

that is wholly owned by Centurion Private Equity Ltd ("**Centurion PE**"). Centurion PE is in turn wholly owned by Centurion Global Ltd ("**Centurion Global**") which is in turn owned by Mr Loh and Mr Han in equal proportions. Centurion PE, Centurion Global, Mr Loh and Mr Han are independent third parties from the Group.

- (5) Pursuant to Section 7 of the Companies Act, Cap. 50, Chow Helen @ Mrs Cheng Helen is deemed to be interested in all the shares held by Harmony Treasure Holdings Ltd as Chow Helen @ Mrs Cheng Helen is the sole beneficial owner of Harmony Treasure Holdings Ltd. Chow Helen @ Mrs Cheng Helen is an independent third party from the Group.
- (6) Tai Lai Fun, Cindy is the aunt of Tai Ho Yan.
- (7) Mr Lee Shieh-Peen Clement and Ms Zanetta Lee (Zanetta Li Yu) are siblings.
- (8) Mr Lee Shieh-Peen Clement is the sole beneficial owner of Metadrome Ltd. Accordingly, Mr Lee Shieh-Peen Clement is deemed interested in the Shares held by Metadrome Ltd. by virtue of Section 7 of the Companies Act.

4. RATIONALE OF THE RIGHTS ISSUE

4.1. Expansion of existing business of the Group

In 2019, the Group expanded its regional footprint and currently has presence in Singapore, Malaysia, Vietnam, Philippines and Thailand where it serves more than 280 brand partners including regional partnerships with leading Japanese multinational beauty brand, Kose and global sporting goods giant Amer Sports who have both appointed Synagie to manage their E-Commerce operations in several markets across Southeast Asia. Growing beyond online sales, the Group has also expanded into "New Retail" distribution where it manages online and offline distribution for global beauty care giant, Henkel and Asia's biggest celebrity food brand, Chef Nic in Southeast Asia.

The Group intends to use part of the Net Proceeds (as defined in paragraph 5.1 below) to further the Group's expansion and growth in 2020. In this regard, the Group plans to commence operations in Indonesia and accelerate the onboarding of brand partners in the rapidly growing E-Commerce markets of Malaysia, Thailand, Philippines and Vietnam through its appointment as a regional Lazada Partner. Pursuant to its appointment as a regional Lazada Partner, the Group will provide management, marketing, operational and other services related to E-commerce for brand stores for and on behalf of Lazada on Lazada's online marketplaces across Southeast Asia. This will increase the Group's share of the rapidly growing Southeast Asia eCommerce market which is expected to exceed S\$153 billion by 2025² and solidify its position as the leading E-Commerce enabler for Beauty, Body & Baby in Southeast Asia.

While global brands and multinational corporations remain a core strength and differentiator for Synagie, the Group believes local brands and small, medium enterprises ("**SMEs**") provide the Group with tremendous potential for growth in Southeast Asia. The Group is well positioned to tap on this growth opportunity via its appointment as a Cross-Border eCommerce Initiative Partner by the Malaysia Digital Economy Cooperation and as a partner by Enterprise Singapore where eligible SMEs in Singapore who subscribe to Synagie's Multichannel eCommerce solution will be entitled to 70% subsidy³ off the S\$20,000 package per SME for the first year.

Both of these are government led initiatives to help local companies and SMEs in Malaysia and Singapore internationalise via E-commerce by using the Group's E-commerce enablement platform and solution to sell products cross border in Southeast Asia and China while leveraging off Synagie's network, channels and regional infrastructure.

4.2. Working capital for the Group

The Company also intends to use part of the Net Proceeds (as defined in paragraph 5.1 below) as working capital for purposes including, *inter alia*, distribution costs, administrative expenses and other operating expenses which the Board deems to be in the interests of the Company and the Group.

² Google Temasek Bain eConomy SEA 2019 report

³ The 70% subsidy is subject to the SMEs meeting qualifying criteria and conditions set for the project.

4.3. Prudent balance sheet management by the Company

Further, the Rights Issue has been proposed by the Company as part of its ongoing and prudent balance sheet management to strengthen its financial position, enlarge its capital base and further enhance the financial flexibility of the Group, and to provide existing Shareholders who are confident of the future prospects of the Group with an opportunity to subscribe for additional Shares.

5. USE OF PROCEEDS OF THE RIGHTS ISSUE

- 5.1. After deducting estimated costs and expenses of approximately S\$130,000 related to the Rights Issue, the estimated net proceeds (the “**Net Proceeds**”) will be approximately S\$3,842,000 under the Maximum Scenario and S\$2,122,000 under the Minimum Scenario. The Net Proceeds will be utilised in the following manner:

Intended Use of Net Proceeds	Maximum Scenario		Minimum Scenario	
	Allocation of the Net Proceeds (S\$'000) ⁽¹⁾	Approximate Allocation of the Net Proceeds ⁽²⁾ (%)	Allocation of the Net Proceeds (S\$'000) ⁽¹⁾	Approximate Allocation of the Net Proceeds (%) ⁽²⁾
Expansion of existing business of the Group	2,582	67	1,422	67
Working capital for the Group	1,260	33	700	33
Total	3,842	100%	2,122	100%

Notes:

(1) Rounded to the nearest thousand.

(2) Rounded to the whole number.

- 5.2. Pending the deployment of the Net Proceeds for the uses identified above, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem appropriate in the interests of the Group.
- 5.3. The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed, and will provide a status report on the use of the Net Proceeds in its half-yearly and full-year financial statements issued under Rule 705 of The Listing Manual of the SGX-ST Section B: Rules of Catalist (the “**Catalist Rules**”) and in the Company’s annual report(s). Where the proceeds have been used for working capital, the Company will also provide a breakdown with specific details on the use of proceeds for working capital in the announcements and status reports. Where there is a material deviation in the use of proceeds, the Company will also state the reasons for such deviation. Any material deviation in the use of the Net Proceeds will be subject to the Catalist Rules and appropriate announcements will be made by the Company on the SGXNET.
- 5.4. There is no minimum amount to be raised from the proposed Rights Issue, as in the event that the Company is unable to raise sufficient funds, it will source for alternative sources of funding, including but not limited to raising capital through private placements.

6. ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

6.1. **Entitled Shareholders.**

The Company proposes to provisionally allot Rights Shares to all the Shareholders who are eligible to participate in the Rights Issue (the “**Entitled Shareholders**”), comprising Entitled Depositors and Entitled Scripholders (both as defined herein) and excluding Foreign Shareholders (as defined herein).

Entitled Shareholders will be entitled to participate in the Rights Issue and receive the offer information statement (the “**Offer Information Statement**”) and its accompanying documents at their respective Singapore addresses as maintained with the records of the Central Depository (Pte) Limited (“**CDP**”) or the Share Registrar (as defined herein), as the case may be.

6.2. **Entitled Depositors.**

Shareholders whose securities accounts with CDP are credited with Shares as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date (“**Depositors**”) will be provisionally allotted the Rights Shares on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at the Books Closure Date.

To be “**Entitled Depositors**”, Depositors must have registered their addresses with the CDP in Singapore as at the Books Closure Date or must have, at least three (3) Market Days (being days on which the SGX-ST is open for trading in securities) prior to the Books Closure Date, provided the CDP with addresses in Singapore for the service of notices and documents.

6.3. **Entitled Scripholders.**

Shareholders whose share certificates are not deposited with CDP and whose Shares are not registered in the name of CDP (the “**Scripholders**”) will have to submit duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Books Closure Date by the Company’s share registrar RHT Corporate Advisory Pte Ltd (the “**Share Registrar**”) in order to be registered to determine the transferee’s provisional allotments of the Rights Shares.

To be “**Entitled Scripholders**”, Scripholders must have registered their addresses in Singapore as at the Books Closure Date or must have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with their addresses in Singapore for the service of notices and documents.

6.4. **Foreign Shareholders.**

For practical reasons and in order to avoid violation of relevant legislation applicable in countries other than Singapore, the Rights Issue is only made in Singapore and the Rights Shares will not be offered to the Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not at least three (3) Market Days prior to the Books Closure Date, provided to the Company, the CDP, or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”). The Offer Information Statement to be issued for the Rights Issue and its accompanying documents will not be despatched outside Singapore. Accordingly, no provisional allotments of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid.

Entitlements to Rights Shares which would otherwise accrue to Foreign Shareholders will, if practicable, be sold “nil-paid” on the Catalist Board after dealings in the provisional allotments of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings as at the Books Closure Date and sent to them at their own risk by ordinary post, where the amount of net proceeds to be distributed to any single Foreign Shareholder is not less than S\$10.00. In the event the amount is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Share Registrar, or the CDP and their respective officers in connection therewith.

Where such provisional allotments of Rights Shares are sold “nil-paid” on the Catalist Board, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Share Registrar, or the CDP and their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS ISSUE SHOULD PROVIDE CDP OR THE SHARE REGISTRAR, AS THE CASE MAY BE, WITH ADDRESSES IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE BOOKS CLOSURE DATE.

6.5. Provisional Allotments and Excess Applications.

Entitled Shareholders will be at liberty to accept, decline, renounce or trade their provisional allotments of the Rights Shares and will be eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue (the “**Excess Rights Shares**”).

Provisional allotments of Rights Shares which are not taken up for any reason shall be used to satisfy excess applications for Rights Shares (if any) or otherwise dealt with in such manner as the Board may in its absolute discretion deem fit in the interests of the Company. In the allotment of Excess Rights Shares, preference will be given to the Entitled Shareholders for rounding of odd lots, and Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of the Company will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will also not make any allotment or issuance of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by the Shareholders at a general meeting.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders’ entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy excess applications (if any), or otherwise dealt with in such manner as the Directors may in their absolute discretion, deem fit for the benefit of the Company.

7. CONFIRMATION BY DIRECTORS

For the purposes of Rule 814(1)(e) of the Catalist Rules, the Directors are of the opinion that, barring any unforeseen circumstances:

- (i) after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements, and the Rights Issue is being undertaken for the reasons as set out in paragraphs 4 and 5 above; and
- (ii) there after taking into consideration the present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

8. APPROVAL OF THE RIGHTS ISSUE

- 8.1. The proposed Rights Issue is subject to, *inter alia*, the following:
- (i) the approval in-principle from the SGX-ST, being obtained for the listing and quotation of the Rights Shares on the Catalist Board and, if the approval is granted subject to conditions, such conditions being reasonably acceptable to the Company, and such approval in-principle not having been withdrawn or revoked on or prior to the closing date of the offer of the Rights Shares under the proposed Rights Issue; and
 - (ii) the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable) in respect of the proposed Rights Issue with the SGX-ST, acting as an agent on behalf of the MAS.
- 8.2. The continuing sponsor of the Company, RHT Capital Pte. Ltd. (the “**Sponsor**”), for and on behalf of the Company, will submit an additional listing confirmation to the SGX-ST for permission for the listing and quotation of the Rights Shares on the Catalist Board. Accordingly, an appropriate announcement will be made in due course to notify the Shareholders when the listing and quotation notice is obtained.
- 8.3. As at the date of the AGM, the total number of Shares in issue (excluding treasury shares and subsidiary holdings) was 261,704,993. The Company has, since the AGM, allotted or issued an aggregate of 3,061,696 Shares as part of the grant of awards of Shares pursuant to the Synagie Performance Share Plan. Accordingly, the maximum number of Shares that may be issued pursuant to the General Mandate, on a pro-rata basis, is 258,643,297.
- 8.4. As the maximum number of Rights Shares (being 39,715,003 Rights Shares assuming Maximum Scenario) to be issued pursuant to the proposed Rights Issue is within the number of Shares that can still be issued pursuant to the General Mandate, the Company will not be seeking specific approval from Shareholders for the proposed Rights Issue.

9. OFFER INFORMATION STATEMENT

The terms and conditions of the Rights Issue are subject to such changes as the Directors may in their absolute discretion deem fit. The final terms and conditions of the proposed Rights Issue will be contained in the Offer Information Statement, to be lodged with the SGX-ST, acting as an agent on behalf of the MAS, and to be despatched by the Company to Entitled Shareholders together with the appropriate application forms and accompanying documents in due course, subject to the necessary approvals listed in paragraph 8 above being obtained.

10. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS, AND CONTROLLING SHAREHOLDERS

None of the Directors, substantial shareholders, and controlling shareholders has any interests, direct or indirect, in the Rights Issue, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

11. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

12. CAUTION IN TRADING

Shareholders and potential investors of the Company are hereby reminded to exercise caution when dealing in the securities of the Company. In particular, Shareholders and potential investors of the Company are reminded that there is no assurance that the Rights Issue mentioned in this Announcement will materialise. Persons who are in doubt to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisors.

13. FURTHER ANNOUNCEMENTS

Further announcements will be made by the Company in relation to the Rights Issue as and when appropriate.

By order of the Board of
SYNAGIE CORPORATION LTD.

LEE SHIEH-PEEN CLEMENT
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

8 November 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (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 and the SGX-ST 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.

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