



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

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**UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 DECEMBER 2019**

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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 on 8 August 2018. The initial public offering of the Company (the “**IPO**”) was sponsored by RHT Capital Pte. Ltd..

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.

The contact person for the Sponsor is: Name: Mr Khong Choun Mun, Registered Professional, RHT Capital Pte. Ltd. Address: 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619 Telephone: (65) 6381 6966.

**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 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.

Our Insurtech business segment 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.

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**FULL YEAR FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

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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.**

	Group		Increase/ (Decrease) %
	FY2019 S\$'000	FY2018 S\$'000	
<b>Revenue</b>	<b>19,361</b>	16,051	20.6
Cost of sales	<b>(14,331)</b>	(12,043)	19.0
<b>Gross Profit</b>	<b>5,030</b>	4,008	25.5
Other income	<b>3,155<sup>(a)</sup></b>	197	1,501.5
Distribution costs	<b>(1,049)</b>	(768)	36.6
Administrative expenses	<b>(12,986)</b>	(9,984)	30.1
Other operating expenses	<b>(2,669)<sup>(b)</sup></b>	(284)	839.8
Finance costs	<b>(20)</b>	(620)	(96.8)
<b>Loss before income tax</b>	<b>(8,539)</b>	(7,451)	14.6
Income tax credit	<b>87</b>	64	35.9
<b>Loss for the year</b>	<b>(8,452)</b>	(7,387)	14.4
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	<b>(9)</b>	(15)	40.0
<b>Total comprehensive loss for the year</b>	<b>(8,461)</b>	(7,402)	14.3
<i>Losses net of tax attributable to:</i>			
Owners of the Company	(8,449)	(7,387)	14.4
Non-controlling interests	(3)	-	N.M.
<b>Total comprehensive loss for the year</b>	<b>(8,452)</b>	(7,387)	14.4
<i>Total comprehensive loss for the year</i>			
Owners of the Company	(8,458)	(7,402)	14.3
Non-controlling interests	(3)	-	N.M.
<b>Loss for the year</b>	<b>(8,461)</b>	(7,402)	14.3

N.M. - Denotes not meaningful

(a) Other income mainly consisted of reversal of contingent consideration of S\$3.0 million. Please refer to paragraph 8 'Other Income' for details.

(b) Loss before income tax for FY2019 included other operating expenses that consisted goodwill impairment of S\$1.2 million and provisions for stock obsolescence and write off, allowances for impairment of trade receivables of approximately S\$1.1 million.

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

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

	<b>Group</b>		
	<b>FY2019</b> <b>S\$'000</b>	FY2018 S\$'000	Increase (Decrease) %
Impairment loss on trade receivables	<b>401</b>	20	1,905.0
Allowance for inventories obsolescence	<b>322</b>	54	496.3
Amortisation of Convertible Notes	-	600	N.M.
Amortisation of intangible assets	<b>478</b>	391	22.3
Bad debts written off	<b>144</b>	87	65.5
Depreciation of plant and equipment	<b>402</b>	100	302.0
Foreign exchange loss, net	<b>27</b>	5	440.0
Government grants received	<b>(56)</b>	(124)	(54.8)
Inventories written off	<b>245</b>	118	107.6
Operating lease expenses	<b>528</b>	520	1.5
Staff costs	<b>5,620</b>	3,464	62.2
Reversal of contingent consideration	<b>(3,042)</b>	-	N.M.
Impairment of goodwill	<b>1,200</b>	-	N.M.
IPO expenses	-	1,043	N.M.

Other operating expenses include impairment of goodwill of S\$1.2 million and provisions for stock obsolescence and write off, allowances for impairment of trade receivables of approximately S\$1.1 million.

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 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	S\$'000	S\$000	S\$'000	S\$'000
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and cash equivalents	1,594	7,530	69	5,536
Trade and other receivables	6,888	5,927	21,497	11,373
Deferred costs	857	2,736	-	-
Inventories	2,098	1,975	-	-
Total current assets	11,437	18,168	21,566	16,909
<b>Non-current assets</b>				
Plant and equipment	302	272	64	5
Right-of-use assets	297	-	112	-
Intangible assets	1,886	2,152	-	-
Goodwill	971	2,171	-	-
Investment in subsidiaries	-	-	9,413	9,408
Total non-current assets	3,456	4,595	9,589	9,413
<b>Total assets</b>	<b>14,893</b>	<b>22,763</b>	<b>31,155</b>	<b>26,322</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Trade and other payables	8,779	6,151	5,044	3,554
Lease liabilities	195	-	47	-
Deferred revenue	971	4,369	-	-
Income tax payables	-	24	-	-
Total current liabilities	9,945	10,544	5,091	3,554
<b>Non-current liabilities</b>				
Other payables	-	3,042	66	-
Lease liabilities	107	-	-	-
Deferred tax liabilities	276	363	-	-
Total non-current liabilities	383	3,405	66	-
<b>Capital and reserves</b>				
Share capital	24,147	23,769	24,147	23,769
Capital contribution pending allotment	3,828	-	3,828	-
Merger reserve	(8,261)	(8,261)	-	-
Other reserve	792	792	792	792
Translation reserve	(34)	(25)	-	-
Accumulated losses	(15,910)	(7,461)	(2,769)	(1,793)
Total equity attributable to owners	4,562	8,814	25,998	22,768
Non-controlling interests	3	-	-	-
Total equity	4,565	8,814	25,998	22,768
<b>Total liabilities and equity</b>	<b>14,893</b>	<b>22,763</b>	<b>31,155</b>	<b>26,322</b>



**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	
	FY2019	FY2018
	S\$'000	S\$'000
<b>Operating activities</b>		
Loss before income tax	(8,539)	(7,451)
<u>Adjustments for:</u>		
Amortisation of Convertible Notes	-	600
Amortisation of intangible assets	478	391
Impairment loss on trade receivables	401	20
Allowance for inventories obsolescence	322	54
Bad debts written off	144	87
Depreciation of plant and equipment	402	100
Fair value of other payable	-	16
Interest expense	20	4
Inventories written off	245	118
IPO expenses	-	1,043
Gain on disposal of plant and equipment	-	(1)
Reversal of contingent consideration	(3,042)	-
Impairment of goodwill	1,200	-
Share-based expenses	378	-
Interest income	(23)	(34)
Net unrealised exchange adjustment	(9)	(15)
Operating cash flows before working capital changes	(8,023)	(5,068)
Trade and other receivables	2,179	(1,686)
Inventories	(690)	(679)
Trade and other payables	(768)	3,019
Net cash used in operations	(7,302)	(4,414)
Income tax paid	(24)	(180)
<b>Net cash used in operating activities</b>	<b>(7,326)</b>	<b>(4,594)</b>
<b>Investing activities</b>		
Purchase of plant and equipment	(233)	(249)
Expenditure on software development	(212)	(282)
Proceeds from disposal of plant and equipment	-	1
Interest received	23	16
Acquisition of subsidiary corporations	-	(711)
<b>Net cash used in investing activities</b>	<b>(422)</b>	<b>(1,225)</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	
	FY2019 S\$'000	FY2018 S\$'000
<b>Financing activities</b>		
Proceeds on issue of shares	-	11,610
Capital contribution from shareholders pending allotment	2,166	-
Repayment of lease liabilities	(196)	-
Payment of listing expenses	(144)	(1,784)
Proceeds from Convertible Notes	-	1,700
Capital from non-controlling shareholders	6	-
Repayment to shareholders	-	-
Restricted funds	61	(61)
Interest paid	(20)	(4)
<b>Net cash generated from financing activities</b>	<b>1,873</b>	<b>11,461</b>
Net (decrease) / increase in cash and cash equivalents	<b>(5,875)</b>	5,642
Cash and cash equivalents at beginning of the financial year	<b>7,319</b>	1,677
<b>Cash and cash equivalents at end of the financial year <sup>(1)</sup></b>	<b>1,444</b>	<b>7,319</b>
<b>Note:</b>		
<sup>(1)</sup> Cash and cash equivalents in the statement of financial position	<b>1,594</b>	7,530
Less: monies pledged with bank	<b>(150)</b>	(211)
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>1,444</b>	<b>7,319</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.

Group	Share capital	Capital contribution pending allotment	Convertible Notes reserve	Merger reserve	Other reserve	Translation reserve	Accumulated losses	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2019	23,769	-	-	(8,261)	792	(25)	(7,461)	8,814	-	8,814
<b>Total comprehensive loss for the year</b>										
Loss for the year	-	-	-	-	-	-	(8,449)	(8,449)	(3)	(8,452)
Other comprehensive loss	-	-	-	-	-	(9)	-	(9)	-	(9)
	-	-	-	-	-	(9)	(8,449)	(8,458)	(3)	(8,461)
<b>Transaction recognised directly in equity</b>										
Issuance of shares awards	378	-	-	-	-	-	-	378	-	378
Contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	6	6
Capital contribution pursuant to rights issue exercise	-	3,972	-	-	-	-	-	3,972	-	3,972
Capitalisation of listing expenses	-	(144)	-	-	-	-	-	(144)	-	(144)
	378	3,828	-	-	-	-	-	4,206	6	4,212
<b>Balance as at 31 December 2019</b>	<b>24,147</b>	<b>3,828</b>	<b>-</b>	<b>(8,261)</b>	<b>792</b>	<b>(34)</b>	<b>(15,910)</b>	<b>4,562</b>	<b>3</b>	<b>4,565</b>

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

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.

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 2018	7,392	-	1,111	-	-	(10)	(8,327)	166
<b>Total comprehensive loss for the year</b>								
Loss for the year	-	-	-	-	-	-	(7,387)	(7,387)
Other comprehensive loss	-	-	-	-	-	(15)	-	(15)
	-	-	-	-	-	(15)	(7,387)	(7,402)
<b>Transaction recognised directly in equity</b>								
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
<b>Balance as at 31 December 2018</b>	<b>23,769</b>	<b>-</b>	<b>-</b>	<b>(8,261)</b>	<b>792</b>	<b>(25)</b>	<b>(7,461)</b>	<b>8,814</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	Capital contribution pending allotment	Convertible Notes reserve S\$'000	Other reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
<b>Balance as at 1 Jan 2019</b>	23,769	-	-	792	(1,793)	22,768
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(976)	(976)
<b>Transactions recognised directly in equity</b>						
Issuance of shares awards	378	-	-	-	-	378
Capital contribution pursuant to rights issue exercise	-	3,972	-	-	-	3,972
Capitalisation of listing expenses	-	(144)	-	-	-	(144)
<b>Total</b>	<b>378</b>	<b>3,828</b>	-	-	-	<b>4,206</b>
<b>Balance as at 31 Dec 2019</b>	<b>24,147</b>	<b>3,828</b>	-	<b>792</b>	<b>(2,769)</b>	<b>25,998</b>
<b>Balance as at 1 Jan 2018</b>	*	-	<b>234</b>	-	<b>(43)</b>	<b>191</b>
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(1,750)	(1,750)
<b>Transactions recognised directly in equity</b>						
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)
<b>Total</b>	<b>23,769</b>	-	<b>(234)</b>	<b>792</b>	-	<b>24,327</b>
<b>Balance as at 31 Dec 2018</b>	<b>23,769</b>	-	-	<b>792</b>	<b>(1,793)</b>	<b>22,768</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, subdivision, consolidation, 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	(\$)
Balance as at 1 January 2019	-	261,704,993	24,510,000
Issuance of new shares pertaining to share awards (Tranche 1)	1,862,783	263,567,776	24,694,416
Issuance of new shares pertain to share awards (Tranche 2)	1,198,913	264,766,689	24,888,639
Balance as at 31 December 2019	-	264,766,689	24,888,639

The Company had no treasury shares as at 31 December 2019 and 31 December 2018.

Note: Pursuant to the Rights Issue, 39,715,003 Rights Shares were allotted and issued by the Company on 2 January 2020. Accordingly, the number of issued and paid up Shares in the capital of the Company has increased from 264,766,689 Shares to 304,481,692 Shares.

**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 2019 and 31 December 2018.

**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 modifications or emphasis of a matter).**

Not applicable.

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

**a) Updates on efforts taken to resolve each outstanding audit issue.**

Not applicable as the Group's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

**b) Confirmation from Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

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

Except as disclosed in paragraph 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 financial statements for the financial year ended 31 December 2018.

**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 adopted SFRS(I) 16 *Leases*, effective for annual periods beginning on or after 1 January 2019.

The Group adopted the simplified transition approach and the comparative amount for the year prior to first adoption was not restated. All Right-of-use ("**ROU**") assets will be measured at the amount of the lease liability (adjusted for any prepaid or accrued lease expenses).

- Under SFRS(I) 16, qualifying lease payments were no longer taken to other operating expenses but capitalised to the balance sheet as ROU assets and depreciated over the term of the lease.
- Lessees must present cash paid for the interest portion of lease liability as either operating activities or financing activities, as permitted by SFRS(I) 1-7. The Group has opted to include the interest paid as part of financing activities and cash payments for the principal portion for lease liability as part of financing activities.
- The adoption of SFRS(I) 16 did not have an impact on net cash flows.

Arising from the adoption of SFRS(I) 16, the Group recognised ROU assets of S\$0.3 million and lease liabilities of S\$0.3 million, depreciation expenses of S\$0.2 million and finance costs of S\$16,000. The Company recognised ROU assets of S\$0.1 million and lease liabilities of S\$0.1 million.

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.**

	<b>Group</b>	
	<b>FY2019</b>	<b>FY2018</b>
<b><u>Earnings</u></b>		
Loss attributable to owners of the Company (S\$'000)	<b>(8,452)</b>	(7,387)
<b><u>Earnings per ordinary share ("EPS")</u></b>		
Basic and diluted (cents)	<b>(3.21)</b>	(4.37)

Note: For FY2019, EPS was computed based on the weight average number of shares after taking into account share issuance during the year.

For FY2018, EPS was computed based on weighted average number of shares adjusted to take into account the share split and conversion of Convertible Notes. The number of ordinary shares outstanding was retrospectively adjusted for the effect of share split and the number of shares outstanding is adjusted as if the share split was on the first day of the year.

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.**

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
Net asset value ("NAV") (S\$'000)	<b>4,562</b>	8,814	<b>25,998</b>	22,768
NAV per share (cents)	<b>1.73</b>	3.37	<b>9.82</b>	8.70

For the computation of NAV, the total number of issued shares excluding treasury shares as at 31 Dec 2019 is 264,766,689 (31 Dec 2018: 261,704,993).

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 20.6% or S\$3.3 million, from S\$16.1 million in FY2018 to S\$19.4 million in FY2019. This was mainly due to the continued growth in Singapore E-Commerce business segment and the expansion in our Malaysia E-Commerce business segment which recorded Y-O-Y revenue growth 180.5% or S\$1.7 million in FY2019 as compared to FY2018.

The breakdown of revenue is as follows:

<b>Revenue</b>	<b>Group</b>	
	<b>FY2019</b>	<b>FY2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
E-Commerce	<b>15,378</b>	12,030
E-Logistics	<b>882</b>	952
Insurtech	<b>3,101</b>	3,069
<b>Total</b>	<b>19,361</b>	16,051

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

The cost of sales increased by 19.0% or S\$2.3 million, from S\$12.0 million in FY2018 to S\$14.3 million in FY2019. 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 25.5% or S\$1.0 million, from S\$4.0 million in FY2018 to S\$5.0 million in FY2019. Gross profit margin improved from 25.0% in FY2018 to 26.0% in FY2019. This was mainly due to higher contribution of margins from E-Commerce business segment in 2019.

**Other income**

Other income increased by 1,501.5% or S\$3.0 million in FY2019 as compared to FY2018 mainly due to the reversal of contingent consideration of S\$3.0 million. The contingent consideration was reversed as 1Care Global Pte. Ltd. did not achieve the performance targets as disclosed in Note 29 to the audited financial statements for year ended 31 December 2018 and no payout will be made.

**Distribution costs**

Distribution costs increased in FY2019 from S\$0.8 million in FY2018 to S\$1.0 million in FY2019. The increase is mainly due to increase in sales volume in FY2019 as evident by an increase in the Group's revenue.

**Administrative expenses**

Administrative expenses increased by 30.1% or S\$3.0 million to S\$13.0 million in FY2019 as compared to S\$10.0 million in FY2018. The increase in administrative expenses was mainly due to growth in our E-Commerce business segment and the regional expansion to Philippines, Vietnam and Thailand, which led to an increase in staff costs amounting to S\$2.0 million. The expansion in new regions had also increased our marketing expenses by S\$0.3 million and warehouse handling expenses by S\$0.5 million.

**Other operating expenses**

Other operating expenses increased by 839.8% or S\$2.4 million from S\$0.3 million in FY2018 to S\$2.7 million in FY2019. As required by the financial reporting standards, impairment of goodwill was assessed annually and based on the value in use calculation, an impairment to goodwill amounting to S\$1.2 million was made.

The other increase was mainly due to inventories written off of S\$0.2 million, provision for stock obsolescence of S\$0.3 million for damaged and expired goods, and an allowance for doubtful debts of S\$0.4 million in accordance with our accounting policies.

**Finance costs**

Finance costs decreased by S\$0.6 million as the finance costs associated with the Convertible Notes issued during our Pre-IPO fund raising had been fully amortised in FY2018.

**Loss for the year**

The loss for the year increased by 14.4% or S\$1.1 million in FY2019. The increase is mainly due to increase in other operating expenses of S\$2.4 million, administrative expenses of S\$3.0 million and distribution costs of S\$0.2 million as a result of our regional expansion and business growth. This was partly offset by the reversal of contingent consideration of S\$3.0 million, increase in gross profit margin of S\$1.0 million and decrease in finance costs of S\$0.6 million.



## **Statement of Financial Position**

### ***Current assets***

Current assets decreased by 37.0% or S\$6.7 million, from S\$18.2 million as at 31 December 2018 to S\$11.5 million as at 31 December 2019, mainly attributed to decrease in deferred costs and cash and cash equivalents of S\$1.9 million and S\$5.9 million respectively.

Trade and other receivables increased mainly due to S\$1.8 million capital contribution pending allotment from the rights issue exercise carried out in November 2019, offset by an increase in allowances for doubtful debts of S\$0.3 million and collection towards the end of year. The rights issue exercise had been completed and the allotment was subsequently completed on 2 January 2020.

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

Non-current assets decreased by 24.8% or S\$1.1 million in FY2019 as compared to FY2018, mainly due to impairment of goodwill arising from the acquisition of 1Care Global Pte. Ltd. Impairment of goodwill was assessed annually and based on the value in use calculation, an amount of S\$1.2 million was impaired.

### ***Current liabilities***

Current liabilities decreased by 5.7% or S\$0.6 million, from S\$10.5 million as at 31 December 2018 to S\$9.9 million as at 31 December 2019, mainly due to the decrease in deferred revenue of S\$3.4 million, which was partly offset by an increase in trade and other payables of S\$2.6 million as a result of rental and operating expenses incurred in the business operations and setup of our overseas subsidiaries. In addition, with the adoption SFRS (I) 16 Leases, the Group has a current lease liability of S\$0.2 million recognized in FY2019.

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

Non-current liabilities decreased by 88.8% or S\$3.0 million, from S\$3.4 million as at 31 December 2018 to S\$0.4 million as at 31 December 2019, due to the reversal of contingent consideration payable arising from the acquisition of 1Care Global Pte. Ltd. of S\$3.0 million.

### ***Equity***

Capital contribution pending allotment of S\$3.9 million mainly relates to the capital raised from shareholders during the rights issue exercise in November 2019. The allotment was completed on 2 January 2020.

## **Statement of Cash Flows**

The Group used approximately S\$7.3 million in its operating activities in FY2019, mainly due to operating loss before movement in working capital of S\$8.0 million, adjusted for net working capital inflow of S\$0.7 million and income taxes paid of S\$24,000.

The net working capital outflows were due to increase in inventories and payment made for the Group's trade and other payables of S\$0.7 million and S\$0.8 million respectively. This is partially offset by the decrease in trade and other receivables and deferred costs of S\$2.2 million.

Net cash used in investing activities of S\$0.4 million in FY2019 were mainly attributed to purchase of equipment of S\$0.2 million and software development of S\$0.2 million.

Net cash generated from financing activities of S\$1.9 million in FY2019 was mainly due to net proceeds from the contribution from undertaking shareholders for the rights issue exercise in November 2019.

**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.**

The Group expanded its operations into the Philippines, Vietnam and Thailand in FY2019 and plans to extend its footprint into Indonesia by 2020.

During the fiscal year, the Group's Brand Partners portfolio grew to more than 280 brands, with the onboarding of notable brands including global sporting goods giant – Amer Sports, global beauty care giant – Henkel, Asia's biggest celebrity food brand – Chef Nic and Japanese multinational beauty brand – KOSÉ. The Group also onboarded Samsonite Malaysia as its new brand partner, which marked its maiden foray into the Travel & Lifestyle e-Commerce sector.

Other Key Milestones in FY2019 include:

(i) The Group came up top for 'Straits Times- Statista Fastest Growing Companies 2019', which is a testament to its commitment to technology, and the ability to adapt and grow in the fast-changing environment.

(ii) The Group inked a partnership with Singapore Post to provide on-demand warehousing and fulfilment solutions to small and medium-sized enterprises ("SMEs") in Singapore and Southeast Asia.

(iii) The Group entered into an agreement with China's largest WeChat solutions provider, Hong Kong Main board listed Weimob Inc to offer its integrated cross-border e-Commerce and advertising solutions that will help SMEs in SE Asia penetrate China's behemoth social e-Commerce market.

(iv) The Group was appointed as the cross-border e-Commerce Initiative Partner by Malaysia Digital Economy Corporation ("MDEC") for Malaysia's National e-Commerce Strategic Roadmap. This partnership enables Synagie to leverage on MDEC's nationwide network in Malaysia to offer its e-Commerce enablement solutions to businesses in Malaysia to accelerate the nation's e-Commerce adoption and increase its cross-border export revenue.

(v) The Group signed a Memorandum of Understanding with Lazada Southeast Asia to provide services for or on behalf of Lazada in relation to the management and operation of brand stores on Lazada's online marketplaces in Southeast Asia.

(vi) The Group was appointed as a partner by Enterprise Singapore to work on a developmental project, to help SMEs internationalise through e-commerce.

e-Commerce has become the biggest sector of the Internet economy, turbocharged by shopping festivals. The total gross merchandise value of Southeast Asia's e-Commerce industry grew exponentially at a CAGR of 62% from US\$5.5 billion in 2015 to US\$38 billion in 2019 and is forecasted to exceed US\$150 billion by 2025.<sup>1</sup>

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<sup>1</sup> [https://www.blog.google/documents/47/SEA\\_Internet\\_Economy\\_Report\\_2019.pdf](https://www.blog.google/documents/47/SEA_Internet_Economy_Report_2019.pdf)

**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) Record 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 2019 as the Group is focusing its cash flow on regional expansion.

**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. There were no IPTs of S\$100,000 and above for FY2019.

#### 14a. 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 fully 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	(7,400)	-
Working capital	2,423	(2,423)	-
Listing expenses	1,787	(1,787)	-
	<u>11,610</u>	<u>(11,610)</u>	-

#### Use of Proceeds from Rights Issue

Pursuant to the Company's Rights Issue exercise, the Company received gross proceeds from the Rights Issue of approximately S\$4.0 million (the "**Rights Proceeds**"). Please refer to the Offer Information Statement dated 9 December 2019 for further details. As at the date of announcement, the Rights 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)	2,582	(2,015)	567
Working capital	1,260	(1,149)	111
Listing expenses	130	(130)	-
	<u>3,972</u>	<u>(3,294)</u>	<u>678</u>

#### 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.

<b>FY2019</b>	<b>E-Commerce S\$'000</b>	<b>E-Logistics S\$'000</b>	<b>Insurtech S\$'000</b>	<b>Investment holding S\$'000</b>	<b>Total S\$'000</b>
<b>Revenue</b>					
Segment revenue	15,378	882	3,101	-	19,361
<b>Result</b>					
Segment results	(6,982)	265	(282)	(2,006)	(9,005)
Other income	-	-	-	-	3,155
Other operating expenses	(1,460)	(1)	(8)	(1,200)	(2,669)
Finance costs	-	-	-	-	(20)
<b>Loss before income tax</b>					<b>(8,539)</b>
<b>Income tax expense</b>					<b>87</b>
<b>Loss for the year</b>					<b>(8,452)</b>
<b>Assets</b>					
Segment assets	7,339	241	2,165	4,241	13,986
Unallocated assets					907
					14,893
<b>Liabilities</b>					
Segment liabilities	6,718	64	2,496	1,050	10,328
Unallocated liabilities					-
					10,328

<b><u>FY2018</u></b>	<b>E-Commerce S\$'000</b>	<b>E-Logistics S\$'000</b>	<b>Insurtech S\$'000</b>	<b>Investment holding S\$'000</b>	<b>Total S\$'000</b>
<b>Revenue</b>					
Segment revenue	12,030	952	3,069	-	16,051
<b>Result</b>					
Segment results	(4,481)	133	262	(2,658)	(6,744)
Other income	-	-	-	-	197
Other operating expenses	(192)	(87)	(5)	-	(284)
Finance costs	-	-	-	-	(620)
<b>Loss before income tax</b>					<b>(7,451)</b>
<b>Income tax expense</b>					<b>64</b>
<b>Loss for the year</b>					<b>(7,387)</b>
<b>Assets</b>					
Segment assets	5,996	243	6,139	3,936	16,314
Unallocated assets					6,449
					22,763
<b>Liabilities</b>					
Segment liabilities	4,048	119	6,209	3,573	13,949
Unallocated liabilities					-
					13,949

Geographical information:

The Group operates in five (5) principal geographical areas – Singapore, Malaysia, Vietnam, Philippines and Thailand. The Group's revenue from external customers and information about its segment assets by geographical location are detailed below:

<u>Geographical areas</u>	<b>Revenue</b>		<b>Non-Current assets</b>	
	<b>FY2019 S\$'000</b>	<b>FY2018 S\$000</b>	<b>31 Dec 2019 S\$'000</b>	<b>31 Dec 2018 S\$'000</b>
Singapore	15,799	15,042	3,284	4,477
Malaysia	2,844	1,009	117	118
Vietnam	152	-	7	-
Philippines	439	-	44	-
Thailand	127	-	4	-
	<b>19,361</b>	<b>16,051</b>	<b>3,456</b>	<b>4,595</b>

Information about major customer:

The Group's revenue derived from customers who individually accounted for 10% or more of the Group's revenue amounted to S\$2,247,000 (2018: S\$1,742,000).

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:

Revenue	Group		
	FY2019 S\$'000	FY2018 S\$'000	Change %
<u>First half</u>			
(a) Sales reported for first half year	9,002	6,870	31.0
(b) Loss after tax	(3,744)	(3,436)	9.0
<u>Second half</u>			
(a) Sales reported for second half year	10,359	9,181	12.8
(b) Loss after tax	(4,708)	(3,951)	19.2

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	51	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

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
Zanetta Lee Yue	44	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

**BY ORDER OF THE BOARD**

Synagie Corporation Ltd.

**Lee Shieh-Peen Clement**

Executive Director and Chief Executive Officer

29 February 2020