SYNAGIE CORPORATION LTD.

(Incorporated in Singapore)

(Company Registration No. 201817972D)

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2019

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 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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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 enabler 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 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 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.

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HALF YEAR FINANCIAL STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

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/
	1H2019	1H2018	(Decrease)
	S$'000	S$'000	%
Revenue	**9,002**	6,870	31.0
Cost of sales	**(6,477)**	(5,096)	27.1
Gross Profit	**2,525**	1,774	42.3
Other income	**98**	114	(14.0)
Distribution costs	**(508)**	(299)	69.9
Administrative expenses	**(5,752)**	(4,548)	26.5
Other operating expenses	**(67)**	-	N.M.
Finance costs	**(97)**	(470)	(79.4)
Loss before income tax	**(3,801)**	(3,429)	10.8
Income tax credit/ (expense)	**57**	(7)	N.M.
Loss for the period	**(3,744)**	(3,436)	9.0
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	**4**	5	(20.0)
Total comprehensive loss for the period	**(3,740)**	(3,431)	9.0

Notes:
N.M. - Denotes not meaningful

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

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

	Group		
	1H2019	1H2018	Increase
	S$'000	S$'000	(Decrease) %
Amortisation of convertible notes	**-**	468	N.M.
Amortisation of intangible assets	**240**	74	224.3
Depreciation of plant and equipment	**121**	41	195.1
Fair value adjustments on other payables	**94**	-	N.M.
Foreign exchange loss (gain), net	**17**	(9)	N.M.
Grants received	**(75)**	(104)	(27.9)
Interest income	**(22)**	(7)	214.3
IPO expenses	**-**	992	N.M.
Marketing expenses	**405**	184	120.1
Professional fees	**518**	503	3.0
Share-based expenses	**184**	-	N.M.
Staff costs	**2,378**	1,502	58.3
Warehouse rental and handling expenses	**1,144**	839	36.4

Notes:
N.M. - Denotes not meaningful

1(b)(i) **A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	30 Jun 2019	31 Dec 2018	**30 Jun 2019**	31 Dec 2018
	S$'000	S$000	**S$'000**	S$'000
ASSETS				
Current assets				
Cash and cash equivalents	**1,611**	7,530	**62**	5,536
Trade and other receivables	**6,270**	5,927	**16,683**	11,373
Deferred costs	**1,472**	2,736	**-**	-
Inventories	**2,343**	1,975	**-**	-
Total current assets	**11,696**	18,168	**16,745**	16,909
Non-current assets				
Plant and equipment	**557**	272	**174**	5
Intangible assets	**1,983**	2,171	**-**	-
Goodwill	**2,171**	2,152	**-**	-
Investment in subsidiaries	**-**	-	**9,408**	9,408
Total non-current assets	**4,711**	4,595	**9,582**	9,413
Total assets	**16,407**	**22,763**	**26,327**	**26,322**
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	**8,532**	6,151	**3,766**	3,554
Deferred revenue	**2,200**	4,369	**-**	-
Income tax payables	**6**	24	**-**	-
Total current liabilities	**10,738**	10,544	**3,766**	3,554
Non-current liabilities				
Other payables	**91**	3,042	**37**	-
Deferred tax liabilities	**320**	363	**-**	-
Total non-current liabilities	**411**	3,405	**37**	-
Capital and reserves				
Share capital	**23,953**	23,769	**23,953**	23,769
Merger reserve	**(8,261)**	(8,261)	**-**	-
Other reserve	**792**	792	**792**	792
Translation reserve	**(21)**	(25)	**-**	-
Accumulated losses	**(11,205)**	(7,461)	**(2,221)**	(1,793)
Total equity	**5,258**	8,814	**22,524**	22,768
Total liabilities and equity	**16,407**	**22,763**	**26,327**	**26,322**

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(b)(iii) Note to trade and other payables in the statement of financial position

The Group's trade and other payables include the following:

	Group		Company	
	30 Jun 2019	31 Dec 2018	**30 Jun 2019**	31 Dec 2018
	S$'000	S$000	**S$'000**	S$'000
Current				
Trade payables	**3,390**	4,087	**-**	-
Contingent consideration	**3,136**	-	**-**	-
Other payables and accruals	**1,878**	2,064	**268**	154
Advances from subsidiaries	**-**	-	**3,452**	3,400
Lease commitment	**128**	-	**46**	-
	8,532	6,151	**3,766**	3,544
Non-current				
Contingent consideration	**-**	3,042	**-**	-
Lease commitment	**91**	-	**37**	-
	91	3,042	**37**	-
Total trade and other payables	**8,623**	9,193	**3,803**	3,544

Current trade and other payables increased mainly due to the reclassification of the contingent consideration from non-current trade and other payables amounting to S$3.1 million. Contingent consideration arose due to the acquisition of our Insurtech Subsidiary, that as part of the acquisition deal, an earn-out incentive which will be awarded to the seller should targets be met based on the full year financial performance of Insurtech Subsidiary in 2018 and 2019. Excluding the contingent consideration of S$3.1 million, the Group's current liabilities is S$5.4 million which presents a reduction of 12.3% from financial year ended 31 December 2018.

As disclosed in Note 29 to the Group's financial statements for the year ended 31 December 2018, if the Insurtech Subsidiary is able to achieve the revenue target and net profit after tax target ("NPAT"), the Group will pay out the contingent consideration to the vendor which amounts to S$3.3 million. If Insurtech Subsidiary's actual revenue and/or NPAT falls short of the revenue target and the NPAT target, the Group shall be entitled to offset the aggregate of the two shortfall amounts, from the contingent consideration.

Lease commitment arise from the adoption of SFRS (I) 16 – Leases which was effective for financial period beginning 1 January 2019.

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	
	1H2019	1H2018
	S$'000	S$'000
Operating activities		
Loss before income tax	**(3,801)**	(3,429)
Adjustments for:		
Amortisation of Convertible Notes	**-**	468
Amortisation of intangible assets	**240**	74
Depreciation of plant and equipment	**121**	41
Allowance for inventory obsolescence	**50**	-
Share-based expenses	**184**	-
Interest expense	**97**	2
Interest income	**(22)**	(7)
Net unrealised exchange adjustment	**4**	5
Operating cash flows before working capital changes	**(3,127)**	(2,846)
Trade and other receivables	**935**	1,030
Inventories	**(418)**	(168)
Trade and other payables	**(3,084)**	2,166
Net cash (used in)/ generated from operations	**(5,694)**	182
Income tax paid	**(18)**	(213)
Net cash used in operating activities	**(5,712)**	(31)
Investing activities		
Purchase of plant and equipment	**(155)**	(116)
Expenditure on software development	**(71)**	(97)
Interest received	**22**	7
Acquisition of subsidiaries	**-**	(725)
Net cash used in investing activities	**(204)**	(931)

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	
	1H2019	1H2018
	S$'000	S$'000
Financing activities		
Proceeds from Convertible Notes	**-**	1,700
Restricted funds	**54**	(61)
Interest paid	**(3)**	(2)
Net cash generated from financing activities	**51**	1,637
Net (decrease)/ increase in cash and cash equivalents	**(5,865)**	675
Cash and cash equivalents at beginning of the period	**7,319**	1,827
Cash and cash equivalents at end of the period	**1,454**	2,502

Note:

[1] Cash and cash equivalents in the statement of financial position	**1,611**	2,563
Less: monies pledged with bank for bank guarantees	**(157)**	(61)
Cash and cash equivalents in the statement of cash flows	**1,454**	2,502

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	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
Balance as at 1 Jan 2018	7,400	1,111	-	(8)	(10)	(8,327)	166
Total comprehensive loss for the period							
Loss for the period	-	-	-	-	-	(3,436)	(3,436)
Other comprehensive loss	-	-	-	-	5	-	5
	-	-	-	-	5	(3,436)	(3,431)
Transaction with owners, recognised directly in equity							
Equity option for Convertible Notes	-	658	-	-	-	-	658
Balance as at 30 Jun 2018	**7,400**	**1,769**	**-**	**(8)**	**(5)**	**(11,763)**	**(2,607)**
Balance as at 1 Jan 2019	23,769	-	(8,261)	792	(25)	(7,461)	8,814
Total comprehensive loss for the period							
Loss for the period	-	-	-	-	-	(3,744)	(3,744)
Other comprehensive loss	-	-	-	-	4	-	4
	-	-	-	-	4	(3,744)	(3,740)
Transaction with owners, recognised directly in equity							
Issuance of share awards	184	-	-	-	-	-	184
	184	-	-	-	-	-	184
Balance as at 30 Jun 2019	**23,953**	**-**	**(8,261)**	**792**	**(21)**	**(11,205)**	**5,258**

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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 period, representing total comprehensive loss for the period	-	-	-	(1,255)	(1,255)
Transactions with owners, recognised directly in equity					
Issuance of shares pursuant to Restructuring Exercise	7,400	-	-	-	7,400
Equity option for Convertible Notes	-	658	-	-	658
Total	7,400	658	-	-	8,058
Balance as at 30 Jun 2018	**7,400**	**892**	**-**	**(1,297)**	**6,995**
Balance as at 1 Jan 2019	23,769	-	792	(1,793)	22,768
Loss for the period, representing total comprehensive loss for the period	-	-	-	(428)	(428)
Transactions with owners, recognised directly in equity					
Issuance of share awards	184	-	-	-	184
Balance as at 30 Jun 2019	**23,953**	**-**	**792**	**(2,221)**	**22,524**

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 shares	**(S$)**
Balance as at 31 December 2018	261,704,993	24,510,000
Issuance of share awards	1,862,783	184,416
Balance as at 30 June 2019	263,567,776	24,694,416

The Company had no treasury shares as at 30 June 2019 and 31 December 2018.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

See above for the total number of issued shares. There were no treasury shares as at 30 June 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 qualifications or emphasis of a matter).**

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those applied in the audited combined financial statements for the financial year ended 31 December 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 has adopted the new or revised Financial Reporting Standard ("**FRS**") and the interpretation of FRS ("**INT FRS**") that are effective for entities with financial periods commencing 1 January 2019, as follows:

SFRS (I) 16 – Leases

SFRS(I) 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Remaining lease payments under the operating leases will be recognised at their present value discounted using an appropriate discount rate and the nature of expenses will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

Arising from the adoption of SFRS(I) 16, the Group recognises ROU assets of S$0.2 million and lease liability of S$0.2 million, and a depreciation expense of S$35,000 and finance costs of S$5,000. The Company recognises ROU assets of S$0.1 million and lease liability 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.**

	Group	
	1H2019	1H2018
Earnings		
Loss attributable to owners of the Company (S$'000)	**(3,744)**	(3,436)
Earnings per ordinary share ("EPS")		
Basic and diluted (cents)	**(1.43)**	(1.31)[1]

[1] For comparison purpose, 1H2018 EPS was computed based on 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 has been completed as at 1 January 2017.

Synagie

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

	Group		Company	
	30 Jun 2019	31 Dec 2018	**30 Jun 2019**	31 Dec 2018
Net asset value ("NAV") (S$'000)	**5,258**	8,814	**22,524**	22,768
NAV per share (cents)	**1.99**	3.37	**8.55**	8.70

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 31.0% or S$2.1 million, from S$6.9 million in 1H2018 to S$9.0 million in 1H2019. The increase was mainly due to continued growth in our Singapore market and an increase in revenue from our Malaysia market by 375% or S$0.8 million from $0.2million in 1H2018 to $1.0 million in 1H2019.

The breakdown of revenue is as follows:

	Group	
	1H2019	1H2018
Revenue	**S$'000**	S$'000
E-Commerce	**6,838**	4,941
E-Logistics	**388**	332
Insurtech	**1,776**	1,597
Total	**9,002**	6,870

Cost of sales

Cost of sales increased by 27.1% or S$1.4 million, from S$5.1 million in 1H2018 to S$6.5 million in 1H2019, mainly due to the increase in revenue from our business segments.

Gross profit and gross profit margin

The Group's gross profit increased by 42.3% or S$0.8 million, from S$1.8 million in 1H2018 to S$2.5 million in 1H2019. The Group's gross profit margin improved by 2.2% to 28.0% in 1H2019 as compared to 25.8% in 1H2018 due to a 44.4% increase in gross profit margin achieved by our E-Commerce segment, from 15.0% in 1H2018 to 21.7% in 1H2019.

Other income

Other income decreased by 14.0% in 1H2019 as compared to 1H2018 mainly due to decrease in government grants received.

Distribution costs

Distribution costs increased by 69.9% or S$0.2 million in 1H2019 as compared to 1H2018 mainly due to increase in sales volume.

Administrative expenses

Administrative expenses increased by 26.5% or S$1.2 million to S$5.8 million in 1H2019 as compared to S$4.5 million in 1H2018. The increase is mainly due to our business expansion in SE Asia, which resulted in an increase in staff costs of S$0.9 million, warehouse handling expenses of S$0.3 million and amortization of intangible assets expenses of S$0.2 million.

Other operating expenses

Other operating expenses comprise mainly allowance for inventory obsolescence of approximately S$50,000 and foreign exchange losses of S$17,000.

Finance costs

Finance costs decreased by 79.4% or S$0.4 million in 1H2019, largely attributed to the reduce in amortisation of Convertible Notes in 1H2018 of S$0.5 million. The Convertible Notes were fully converted to shares in 2018. The decrease was offset by increase in fair value adjustment of other payables of S$0.1 million in 1H2019.

Income tax credit (expenses)

Income tax credit increased mainly due to the unwinding of deferred tax liabilities associated with the acquisition of Insurtech Subsidiary.

Loss for the period

The loss for the period increased by 10.8% or S$0.3 million, from S$3.4 million in 1H2018 to S$3.8 million in 1H2019. The increase in loss for the period was mainly due to increase in administrative expenses and distribution costs of S$1.2 million and S$0.2 million respectively as a result of our regional expansion and was partly offset by increase in gross profit of S$0.8 million and decrease in finance costs of S$0.4 million.

Statement of Financial Position

Current assets

Current assets decreased from S$18.2 million as at 31 December 2018 to $11.7 million as at 30 June 2019, mainly attributed to decrease in cash and cash equivalents and deferred costs of S$5.9 million and S$1.3 million respectively. The decrease in cash and cash equivalents is mainly due to costs incurred for regional expansion and utilization in the business operations. Deferred costs relate to fees incurred on warranty services and are recognised in corresponding period with the deferred revenue from the Insurtech business.

The decrease in current assets was partly offset by increase in inventories and trade and other receivables of S$0.4 million and S$0.3 million respectively due to business expansion in SE Asia and the rise in sales for 1H2019.

Non-current assets

Non-current assets comprise plant and equipment, intangible assets and goodwill. Plant and equipment had increased by 104.8% or S$0.3 million mainly due to the capitalisation of lease commitment of S$0.2 million from adopting SFRS(I) 16 Leases which was effective for annual periods beginning 1 January 2019. Intangible assets decreased by S$0.2 million as a result of amortisation.

Current liabilities

Current liabilities increased by 1.8% or S$0.2 million, from S$10.5 million as at 31 December 2018 to S$10.7 million as at 30 June 2019. This was mainly due to increase in trade and other payables of S$2.3 million, partly offset by decrease in deferred revenue of S$2.2 million.

The increase in trade and other payables was attributed to the reclassification of the contingent consideration payable for the acquisition of Insurtech Subsidiary from non-current liabilities amounting to S$3.1 million.

The contingent consideration arose due to the acquisition of our Insurtech Subsidiary, that as part of the acquisition deal, an earn-out incentive which will be awarded to the seller should targets be met based on the full year financial performance of Insurtech Subsidiary in 2018 and 2019.

As disclosed in Note 29 to the Group's financial statement for the year ended 31 December 2018, if the Insurtech Subsidiary is able to achieve the revenue target and NPAT target, the Group will pay out the contingent consideration to the vendor which amounts to S$3.3 million. If Insurtech Subsidiary's actual revenue and/or NPAT falls short of the revenue target and the NPAT target, the Group shall be entitled to offset the aggregate of the two shortfall amounts, from the contingent consideration.

Excluding the contingent consideration of S$3.1 million, the Group's current liabilities is S$5.4 million.

Deferred revenue relates to warranty services revenue that is recognised over the service period from the Insurtech business.

Non-current liabilities

Non-current liabilities decreased by 87.9% or S$3.0 million, from S$3.4 million as at 31 December 2018 to S$0.4 million as at 30 June 2019. The decrease was mainly due to the reclassification of contingent consideration payable arising from the acquisition of Insurtech Subsidiary from non-current liabilities to current liabilities.

Equity

As at 30 June 2019, the equity of S$5.7 million includes mainly issued and full paid-up share capital and other reserve of S$24.0 million and S$0.8 million respectively, offset by accumulated losses and merger reserve of S$11.2 million and S$8.2 million respectively.

Statement of Cash Flows

The Group used S$5.3 million in its operating activities in 1H2019 as compared to S$31,000 in 1H2018, mainly due to operating loss before movement in working capital of S$3.1 million, adjusted for net working capital spending of S$2.6 million.

The net working capital spending were due to decrease in trade and other payables and deferred revenue of S$3.1 million and increase in inventories of S$0.4 million, partially offset by the decrease in trade and other receivables and deferred costs of S$0.9 million.

Net cash used in investing activities of S$0.2 million in 1H2019 was mainly attributed to purchase of plant and equipment for new office and expenditure on software development totaling S$0.2 million.

Net cash generated from financing activities of approximately S$51,000 in 1H2019 was mainly due to proceeds from the release of funds pledged with banks for bank guarantees.

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.

In 1H2019 the Group expanded its operations into the Philippines and Vietnam and plans to start operations in Thailand in 2H2019. As the Group just started its operations in Philippines and Vietnam, revenue contribution from these two countries was not significant during 1H2019. For June 2019, the Group achieved EBITA breakeven for its business in Malaysia. This is a key milestone for the Group considering that its Malaysia operations started only in 2018.

In May 2019, the Group onboarded Samsonite Malaysia as its new brand partner, which marked its maiden foray into the Travel & Lifestyle e-Commerce sector. Through this agreement with Samsonite Malaysia, the Group will assist in the management of the online sales of Samsonite International's brands including Samsonite, Samsonite Red, American Tourister, Lipault and Kamiliant across leading e-Commerce platforms in Malaysia.

Other Key Milestones in 1H2019 include:

(i)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.

(ii)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.

(iii)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.

SE Asia's expanding middle class is expected to stimulate the e-Commerce market with their higher purchasing power. The total gross merchandise value of SE Asia's e-Commerce industry grew exponentially at a CAGR of 62% from US$5.5 billion in 2015 to US$23.2 billion in 2018 and is forecasted to exceed US$100 billion by 2025.[1]

The Group is also looking to expand its Insurtech business by extending existing offerings and new products to its brand partners, channel partners and end consumers. The global Insurtech market is expected to grow at a CAGR of 41.0% (US$15.63 billion) from 2019 to 2023.[2] There is currently considerable room for SE Asia's insurance penetration rate to grow towards the global average of 6.1%.

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

[1] e-Conomy SEA 2018 Google Temasek Report

[2] https://www.businesswire.com/news/home/20190201005309/en/

11. **Dividend**

(a) **Current Financial Period Reported On**

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

No.

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

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

No.

(c) **Date Payable**

Not applicable.

(d) **Book Closure Date.**

Not applicable.

12. **If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the 1H2019 considering the Group's and Company's net loss for 1H2019 and the funding needs of the Group for future business development and 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 and there was no IPT entered during 1H2019.

14. Use of IPO Proceeds

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

	Amount allocated S$'000	Amount utilised S$'000	Amount unused S$'000
Business expansion (including penetrating new geographical locations, investments in information technology capabilities and mergers and acquisitions)	7,400	6,873	527
Working capital	2,423	2,054	369
Listing expenses	1,787	1,787	-
	11,610	10,714	896

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

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

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

On behalf of the Board of Directors of the Company, we confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the half year financial results for the period ended 30 June 2019 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD
Synagie Corporation Ltd.

Lee Shieh-Peen Clement
Executive Director and Chief Executive Officer

14 August 2019