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Synagie Records Strong Growth For 1H2019

- 1H2019 Revenue increased 31.0% Y-O-Y to S\$9.0 million
- Gross Profit jumped by 42.3% Y-O-Y with improved gross profit margin of 28.1%
- Crossed a key milestone as its business in Malaysia achieved EBITA breakeven in June 2019

Singapore, 14 August 2019 – Synagie Corporation Ltd. (SGX: V2Y) (“Synagie”, “思腾控股有限公司”, the “Company”, or the “Group”), Southeast Asia’s leading e-commerce enabler that assists brands to execute their e-Commerce strategies using its cloud-based platform, today announced its consolidated financial results for its half year ended 30 June 2019 (1H2019).

1H2019 Financial Highlights

S\$'000	1H2019	1H2018	Change %
Revenue	9.0	6.9	31.0
Gross profit	2.5	1.8	42.3
Gross profit margin (%)	28.1	25.8	2.3
Net loss for the period	(3.7)	(3.4)	9.0

The Group registered an increase of S\$2.1 million or a growth of approximately 31.0% for 1H2019 revenue to S\$9.0 million, as compared to S\$6.9 million in 1H2018. The revenue growth was mainly attributable to its continued growth in the Singapore market and revenue increase of S\$0.8 million or 375% in its Malaysia market as compared to 1H2018.

Segmental Performance

Revenue (S\$'000)	1H2019	1H2018	Change %
e-Commerce	6.8	4.9	38.4
e-Logistics	0.4	0.3	16.9

Revenue (S\$'000)	1H2019	1H2018	Change %
Insurtech	1.8	1.6	11.2
Total	9.0	6.9	31.0

In parallel with its revenue growth, the Group's gross profit jumped by S\$0.8 million or approximately 42.3%, from S\$1.8 million in 1H2018 to S\$2.5 million in 1H2019. The Group's gross profit margin improved to 28.1% in 1H2019.

During the fiscal period, the Group's loss increased slightly to S\$3.7 million, mainly due to the increase in administrative expenses and distribution costs of S\$1.2 million and S\$0.2 million respectively as a result of regional expansion, which was partially offset by increase in gross profit of S\$0.8 million and decrease in finance costs of S\$0.4 million.

Annotating on the Group's 1H2019 results, Executive Director and Chief Executive Officer of Synagie, Mr Clement Lee said, ***"The first half of 2019 was an exciting period. We are encouraged by the continued momentum where we saw strong growth across all our businesses segments. Our team also successfully inked key deals and partnerships with Singapore Post, Weimob Inc and Malaysia Digital Economy Corporation, to provide our integrated e-Commerce solutions to help SMEs in Southeast Asia digitise and sell their products to online markets in China and across the region. This anchors the foundation for our new cross-border strategy which we expect to roll out during the second half of the year."***

Moving Forward

Southeast Asia's ("SE Asia") 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

Regional Expansion On Track

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 the Philippines and Vietnam, revenue contributions from these two markets were not significant during 1H2019. On the other hand, the Group has successfully achieved an EBITA breakeven

¹ e-Conomy SEA 2018 Google Temasek Report



for its business in Malaysia in June 2019, despite the fact that its operations started only in 2018.

Key Milestones & Deals

During the fiscal period, the Group notably achieved several key milestones:

- (i) The Group onboarded Samsonite Malaysia as one of its new brand partners, which marked its maiden foray into the Travel & Lifestyle e-Commerce sector;
- (ii) The Group inked a strategic partnership with Singapore Post to provide on-demand warehousing and fulfilment solutions to small and medium sized enterprises (“SMEs”) in Singapore and SE 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; and
- (iv) The Group was appointed as Malaysia Digital Economy Corporation’s (“MDEC”) cross-border e-Commerce Initiative Partner for Malaysia’s National e-Commerce Strategic Roadmap, enabling Synagie to leverage on MDEC’s nation-wide network 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.

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 Southeast Asia’s insurance penetration rate to grow towards the global average of 6.1%.³

Mr Clement Lee added, ***“Southeast Asia continues to be one of the fastest growing regions for e-Commerce in the world. We entered into Malaysia in late 2017, we continued to gain positive traction and set foot into new markets - the Philippines and Vietnam in 1H2019, along with Thailand in 2H2019. We continue to maintain a strong business momentum as we enter into the second half of the fiscal year.”***

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² <https://www.businesswire.com/news/home/20190201005309/en/>

³ <https://www.eurochamvn.org/sites/default/files/uploads/pdf/InsuranceAdvocacyPaper.pdf>



About Synagie Corporation Ltd.

Synagie is a Singapore-founded e-commerce solutions provider and one of SE Asia's leading e-commerce enablers that provides end-to-end solutions to help brands and business shift online. Synagie is also a winner of the Deloitte Fast 500 Asia Pacific awards and is ranked No 1 fastest growing technology company in Singapore and No 22 in Asia Pacific in 2018. Synagie helps its Brand Partner which include SMEs and MNCs execute their e-commerce strategies by selling their goods or services to consumers online and providing one-stop services and integrated technology to manage their multi-channel e-commerce operations. The end-to-end commerce enablement and fulfilment solutions is achieved through the Group's cloud-based Synagie Platform which leverages on technology such as Cloud Computing, Big Data Analytics and Artificial Intelligence. This solution encompasses all aspects of the e-commerce value chain covering technology, online store operations, content and channel management, digital marketing, customer service to warehousing and fulfilment. Synagie has a platform-based, asset-light business model with three synergistic business segments, namely e-Commerce, e-Logistics and Insurtech that work together to offer innovative and efficiency driven solutions to its Brand Partners. Synagie is listed on Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 8 August 2018 (SGX:V2Y).

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