



SYNAGIE CORPORATION LTD.

(Company Registration No.: 201717972D)
(Incorporated in Singapore on 28 June 2017)

Invitation in respect of 43,000,000 Invitation Shares as follows:

- (a) 3,800,000 Offer Shares at S\$0.27 for each Offer Share by way of public offer; and
- (b) 39,200,000 Placement Shares at S\$0.27 for each Placement Share by way of placement, payable in full on application.



SINGAPORE'S FASTEST GROWING E-COMMERCE START UP AND ONE OF THE FASTEST GROWING IN SOUTHEAST ASIA

OFFER DOCUMENT DATED 30 JULY 2018

(Registered by the Singapore Exchange Securities Trading Limited, acting as agent on behalf of the Monetary Authority of Singapore on 30 July 2018)

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser(s).

RHT Capital Pte. Ltd. ("Issue Manager and Full Sponsor") has on behalf of Synagie Corporation Ltd. ("Company") made an application to the Singapore Exchange Security Trading Limited ("SGX-ST") for permission to deal in, and for quotation of, all the ordinary shares ("Shares") in the capital of the Company already issued, the new Shares which are subject of this Invitation (as defined herein) ("Invitation Shares"), the new Shares which may be allotted and issued pursuant to the Synagie Performance Share Plan (as defined herein) ("Award Shares") and the new Shares which may be allotted and issued pursuant to the Synagie Employee Share Option Scheme (as defined herein) ("Option Shares") on Catalist (as defined herein). The dealing in and quotation of the Shares, Invitation Shares, Award Shares and Option Shares will be in Singapore Dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

This Invitation is made in or accompanied by this Offer Document that has been registered by the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore ("Authority"). We have not lodged or registered this Offer Document in any other jurisdiction.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Issue Manager and Full Sponsor confirming

that the Company is suitable to be listed on Catalist and complies with the Catalist Rules (as defined herein). Neither the Authority nor the SGX-ST has, in any way, considered the merits of the Shares, the Invitation Shares, the Award Shares or the Option Shares, as the case may be, being offered for investment.

The registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, or requirements under the SGX-ST's listing rules, have been complied with.

Acceptance of applications will be conditional upon the issue of the Invitation Shares and the listing and quotation of all our existing issued Shares, the Invitation Shares, the Award Shares and the Option Shares on Catalist. Monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed, and you will not have any claims against us, RHT Capital Pte. Ltd. or UOB Kay Hian Private Limited.

After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Document; and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Document.

INVESTING IN THE SHARES INVOLVES RISKS WHICH ARE DESCRIBED IN THE "RISK FACTORS" SECTION OF THIS OFFER DOCUMENT. YOUR ATTENTION IS ALSO DRAWN TO "RISKS RELATING TO OUR BUSINESS OR OUR INDUSTRY" SECTION OF THIS OFFER DOCUMENT, WHICH YOU SHOULD READ CAREFULLY.

IN ADDITION, OUR GROUP HAS A HISTORY OF LOSSES AND NEGATIVE OPERATING CASH FLOW AND HAS YET TO ESTABLISH A STRONG TRACK RECORD, AND MAY REMAIN UNPROFITABLE. YOU SHOULD NOTE, AMONGST OTHERS, THAT OUR GROUP MIGHT CONTINUE TO RECORD A NET LOSS AND NEGATIVE OPERATING CASH FLOW.

IF ANY OF THE RISKS SET OUT IN THE SECTIONS ABOVE DEVELOPS INTO ACTUAL EVENTS, OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS COULD BE MATERIALLY AND ADVERSELY AFFECTED. IN SUCH CASES, THE TRADING PRICES OF THE SHARES COULD DECLINE AND YOU MAY LOSE ALL OR PART OF YOUR INVESTMENTS.

Issue Manager and Full Sponsor



RHT Capital Pte. Ltd.
(Company Registration No.: 201109968H)
(Incorporated in Singapore)

Underwriter and Placement Agent



UOB Kay Hian Private Limited
(Company Registration No.: 197000447W)
(Incorporated in Singapore)

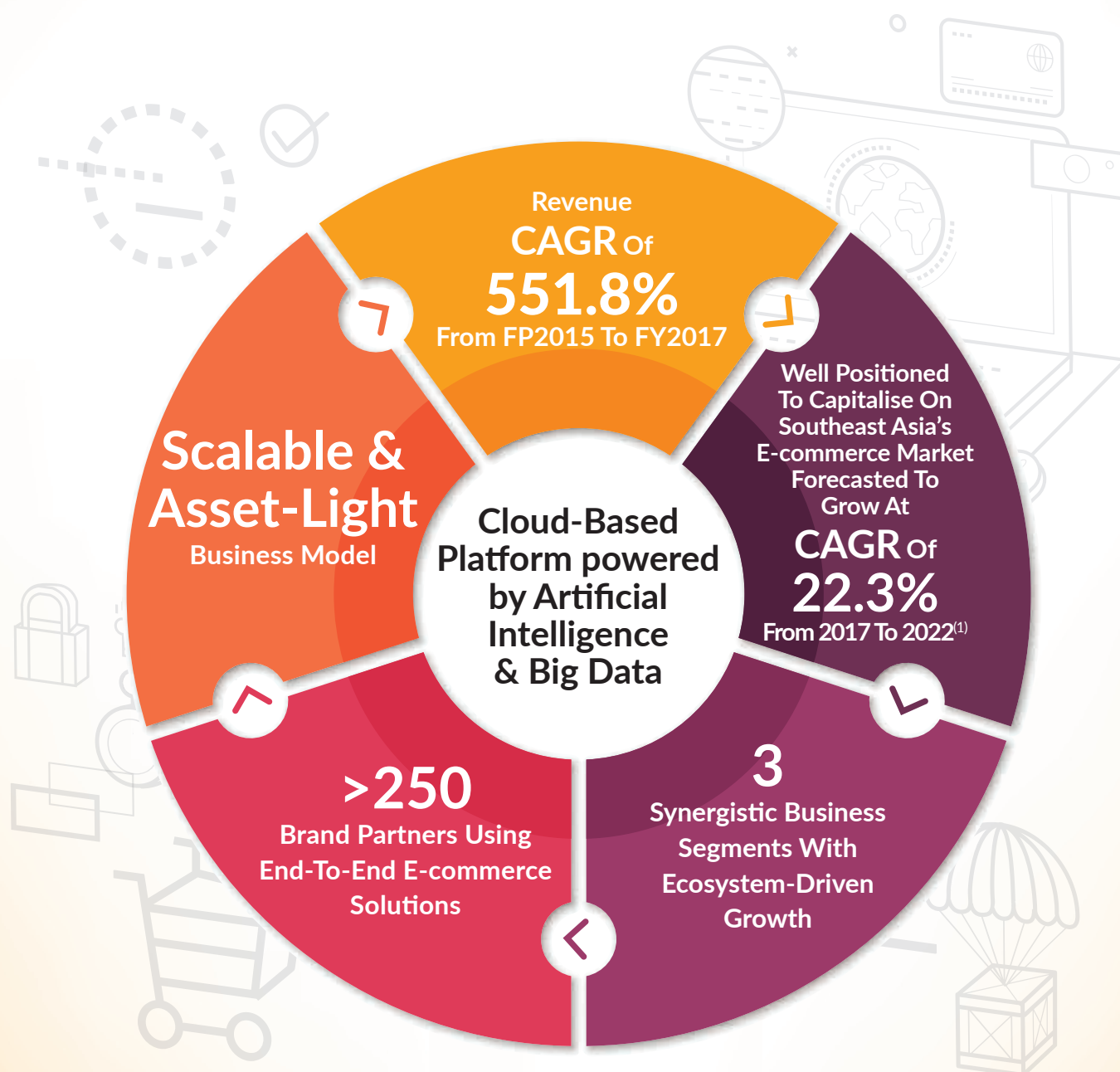
Southeast Asia's Leading BBB E-commerce Enabler

CORPORATE PROFILE

Synagie Corporation Ltd. is the leading E-commerce solutions provider in Southeast Asia in the Body, Beauty and Baby ("BBB") sector. Our Group helps 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 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.

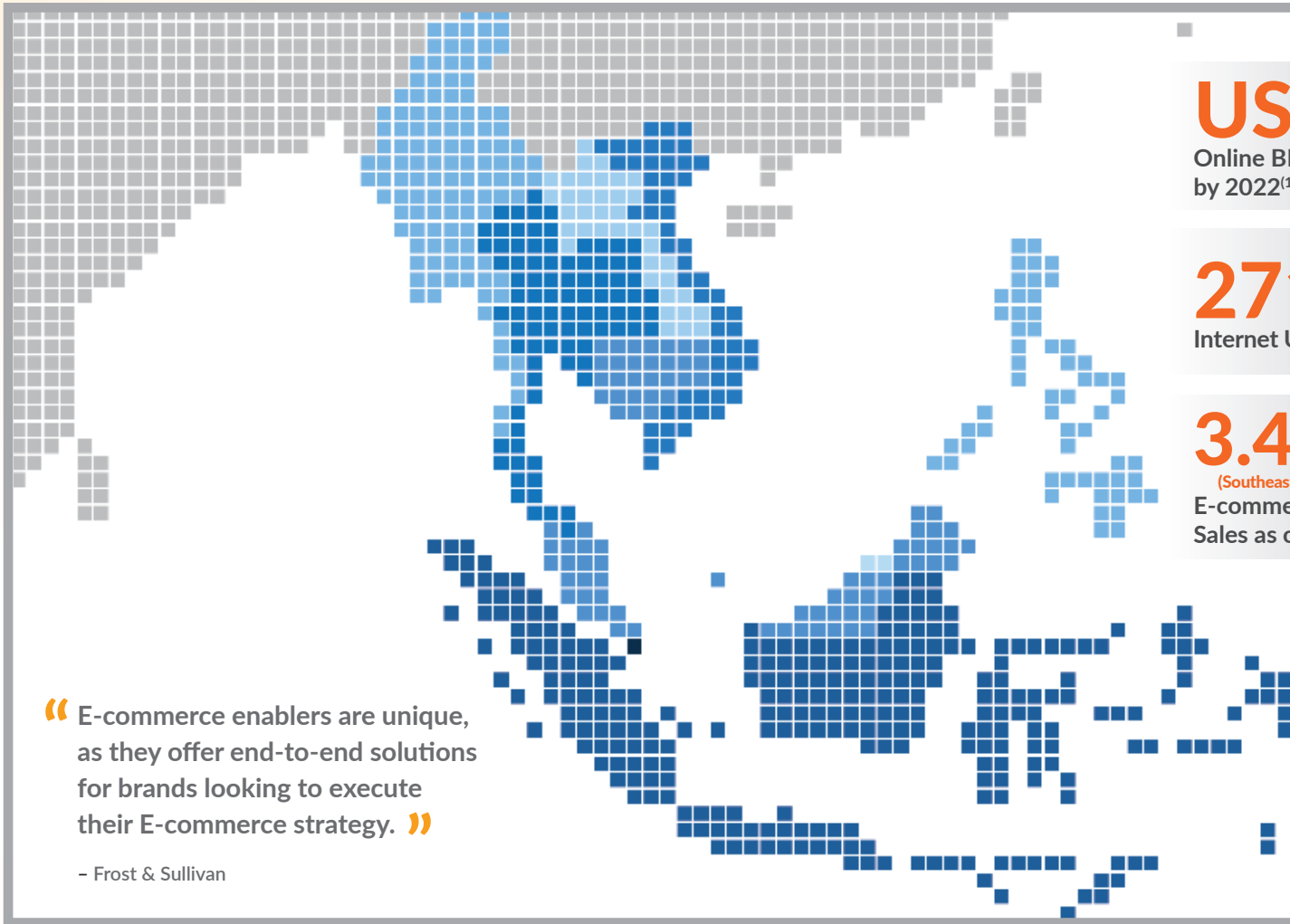
> INVESTMENT HIGHLIGHTS



⁽¹⁾ Based on the industry report titled "Independent Market Research on the E-commerce Industry in Singapore and Southeast Asia" by Frost & Sullivan set out in Appendix F of the Offer Document.

> OPPORTUNITY:

US\$45.6 billion Southeast Asia E-commerce market

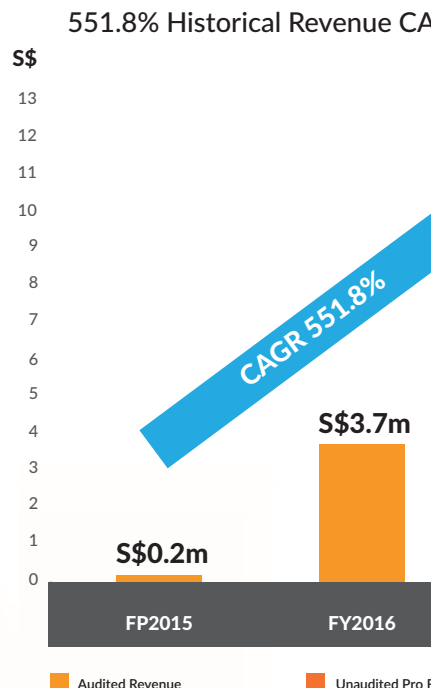


> OUR BUSINESS MODEL

Our Group has a platform-based, asset-light business model with three (3) synergistic business segments, namely, E-commerce, E-logistics and Insurtech that work together to offer innovative and efficiency driven solutions to our Brand Partners.

 <p>E-COMMERCE Our Group helps our Brand Partners transform their traditional businesses into an online model</p>	 <p>E-LOGISTICS Our Group provides our Brand Partners with on-demand warehousing services and last mile delivery services</p>	 <p>INSURTECH Our Group provides our Brand Partners with third party administration solutions for extended warranty and accidental damage protection services as well as after sales support and call centre services</p>
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> FINANCIAL HIGHLIGHTS



(1) Based on the industry report titled "Independent Market Research on the E-commerce Industry in Singapore and Southeast Asia" by Frost & Sullivan set out in Appendix F of the Offer Document.

(2) Southeast Asia comprises Singapore, Malaysia, Indonesia, Thailand, Philippines and Vietnam.

(3) The total number of Internet users in Southeast Asia as of 2017 is calculated based on the sum of the number of Internet users for each of the Southeast Asian countries as of 2017 as set out in Appendix F - Frost & Sullivan.

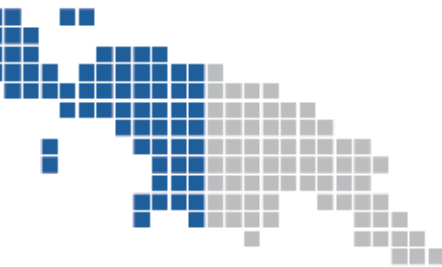
(4) The unaudited Pro Forma revenue takes into account the 12-months revenue of our TPA Subsidiary as if the acquisition had occurred on 1 January 2017.

Market by 2022⁽¹⁾⁽²⁾

\$2.57 billion
E-commerce Market Size in Southeast Asia
(1)(2)

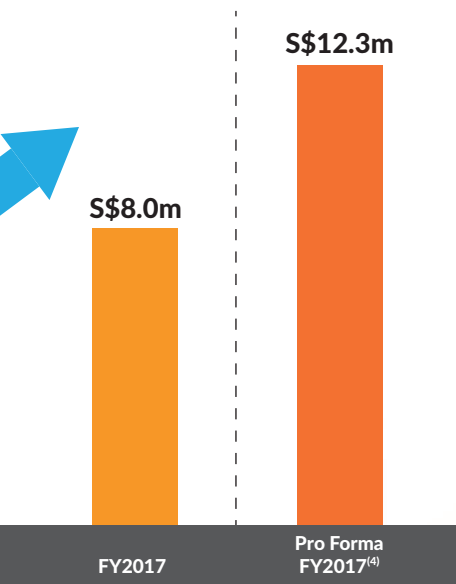
1.3 million
Users in Southeast Asia as of 2017⁽¹⁾⁽³⁾

38.1% vs. 43.1%
E-commerce Penetration Rate of Total Retail
in Southeast Asia (People's Republic of China)
as of 2017 (Estimated)⁽¹⁾



KEY HIGHLIGHTS

Revenue CAGR from FP2015 to FY2017



Revenue

> COMPETITIVE STRENGTHS

- 1** We have the capability to provide end-to-end E-commerce solutions covering all aspects of the E-commerce value chain via our Synagie Platform.
- 2** We have a scalable asset-light E-logistics model that is easily transferable across industries and jurisdictions.
- 3** We enjoy good relationships with our Brand Partners and our online distribution channel partners.
- 4** We have a committed and experienced management team with a proven track record.

> BUSINESS STRATEGIES & FUTURE PLANS



> Further increase the number of our Brand Partners and optimise our product mix.

- Increase the number of our Brand Partners through regional expansion.



> Enhance our Synagie Platform and Big Data analytics capabilities.

- Launch of Synagie's SaaS Service Platform to provide on-demand warehousing and fulfilment solutions targeted at small and medium enterprises.



> Expansion of our ecosystem and geographical markets.

- Continue our geographical market expansion into new jurisdictions in Southeast Asia such as Thailand and Indonesia by replicating our business model.



> Expansion of our Group's business via acquisitions, joint ventures and/or strategic partnerships.

- Explore acquisitions, joint ventures and/or strategic partnerships which will complement our existing operations and are beneficial to our strategic long-term objectives.



> Enhance our current Insurtech business model.

- Leverage our Artificial Intelligence and Big Data analytics capabilities for our ecosystem distribution channel partners to offer warranty and protection services.

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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Lim Chuan Poh, Non-Executive Chairman and Independent Director Lee Shieh-Peen Clement, Executive Director and Chief Executive Officer Tai Ho Yan, Executive Director Zanetta Lee Yue (Zanetta Li Yu), Executive Director Chua Hwee Song, Independent Director Koh Chia Ling, Independent Director Chue En Yaw, Independent Director
COMPANY SECRETARY	:	Siau Kuei Lian, ACIS
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	:	38 Jalan Pemimpin #05-09 M38 Singapore 577178
ISSUE MANAGER AND FULL SPONSOR	:	RHT Capital Pte. Ltd. 9 Raffles Place #29-01 Republic Plaza Tower 1 Singapore 048619
UNDERWRITER AND PLACEMENT AGENT	:	UOB Kay Hian Private Limited 8 Anthony Road #01-01 Singapore 229957
INDEPENDENT AUDITOR AND REPORTING ACCOUNTANT	:	Deloitte & Touche LLP 6 Shenton Way #33-00 OUE Downtown 2 Singapore 068809 Partner-in-charge: Ng Meng Chuan (A member of the Institute of Singapore Chartered Accountants)
SOLICITORS TO THE INVITATION AND LEGAL ADVISER TO OUR COMPANY ON SINGAPORE LAW	:	Colin Ng & Partners LLP 600 North Bridge Road #13-01 Parkview Square Singapore 188778
LEGAL ADVISER TO OUR COMPANY ON MALAYSIAN LAW	:	Raja, Darryl & Loh 18th Floor Wisma Sime Darby Jalan Raja Laut 50350 Kuala Lumpur, Malaysia

CORPORATE INFORMATION

SHARE REGISTRAR AND SHARE TRANSFER OFFICE	:	RHT Corporate Advisory Pte. Ltd. 9 Raffles Place #29-01 Republic Plaza Tower 1 Singapore 048619
INDEPENDENT INDUSTRY CONSULTANT	:	Frost & Sullivan (Singapore) Pte Ltd 100 Beach Road #29-01/11, Shaw Tower Singapore 189702
PRINCIPAL AND RECEIVING BANKER	:	United Overseas Bank Limited 80 Raffles Place UOB Plaza 1 Singapore 049513

DEFINITIONS

In this Offer Document and the accompanying Application Forms and, in relation to Electronic Applications, the instructions appearing on the screens of the ATMs of Participating Banks or the IB websites of the relevant Participating Banks, unless the context otherwise requires, the following definitions apply throughout where the context so admits:

Companies and Persons within our Group

“Anna Thurai”	:	Anna Thurai s/o Alagappan
“BTFL”	:	BTFL Pte. Ltd.
“Clement Lee”	:	Lee Shieh-Peen Clement
“Company”	:	Synagie Corporation Ltd.
“Jenny Tay”	:	Jenny Tay Lee Wee
“Jeremy Ong”	:	Ong Guan Gan
“Metadrome”	:	Metadrome Ltd.
“Olive Tai”	:	Tai Ho Yan
“Promoters” or “Founders”	:	Clement Lee, Olive Tai and Zanetta Lee
“Quek Wei Ling”	:	Quek Wei Ling (Guo Weiling)
“Synagie Insurtech”	:	Synagie Insurtech Pte. Ltd.
“Synagie Malaysia”	:	Synagie Sdn Bhd
“Synagie PL”	:	Synagie Pte. Ltd.
“TPA Shanghai”	:	1Care Global (Shanghai) Co., Ltd.
“TPA Subsidiary”	:	1Care Global Pte. Ltd.
“TPA Vietnam”	:	1Care Global (Vietnam) Ltd.
“Zanetta Lee”	:	Zanetta Lee Yue (Zanetta Li Yu)

Other Persons, Companies, Organisations and Agencies

“Authority” or “MAS”	:	The Monetary Authority of Singapore
“CDP” or “Depository”	:	The Central Depository (Pte) Limited
“Ceva Logistics”	:	Ceva Logistics Singapore Pte. Ltd.
“CPF”	:	The Central Provident Fund
“Deloitte”	:	Deloitte & Touche LLP

DEFINITIONS

“Frost & Sullivan”	:	Frost & Sullivan (Singapore) Pte Ltd
“Insurtech Vendor”	:	Andrew Chua Chye Joo
“Issue Manager and Full Sponsor” or “RHTC”	:	RHT Capital Pte. Ltd.
“NTUC”	:	NTUC Fairprice Co-Operative Ltd.
“Participating Banks”	:	DBS Bank Ltd. (including POSB) (“ DBS Bank ”), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and “Participating Bank” means any of them
“Receiving Bank”	:	United Overseas Bank Limited
“SF Express”	:	SF Express (Singapore) Pte. Ltd.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	RHT Corporate Advisory Pte. Ltd.
“SimplyPost”	:	SimplyPost Asia Pte. Ltd.
“Solicitors to the Invitation”	:	Colin Ng & Partners LLP
“Underwriter”, “Placement Agent” or “UOBKH”	:	UOB Kay Hian Private Limited

General

“Application Forms”	:	The official printed application forms to be used for the purpose of the Invitation and which form part of this Offer Document
“Application List”	:	The list of applications for the subscription of the Invitation Shares
“Associate”	:	(a) in relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or

DEFINITIONS

- (iii) company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more of the aggregate of the nominal amount of all the voting shares;
 - (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
- “Associated Company” : In relation to a corporation, means:
- (a) any corporation in which the corporation or its subsidiary has, or the corporation and its subsidiary together have, a direct interest of not less than 20.0% but not more than 50.0% of the aggregate of the nominal amount of all the voting shares; or
 - (b) any corporation, other than a subsidiary of the corporation or a corporation which is an associated company by virtue of paragraph (a), the policies of which the corporation or its subsidiary, or the corporation together with its subsidiary, is able to control or influence materially
- “ATM” : Automated teller machine of a Participating Bank
- “Audit Committee” : The audit committee of our Company as at the date of this Offer Document, unless otherwise stated
- “Award Shares” : The Shares which are the subject of the Awards under the Synagie Performance Share Plan
- “Awards” : The contingent awards of Shares granted or which may be granted pursuant to the Synagie Performance Share Plan
- “Board” or “Board of Directors” : The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated
- “CAGR” : Compound annual growth rate
- “Catalist” : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules” : The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
- “CEO” : Chief Executive Officer

DEFINITIONS

“China”	:	The People’s Republic of China
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
“Constitution”	:	The constitution of our Company
“Controlling Shareholder”	:	As defined in the Catalist Rules: (a) a person who directly or indirectly has an interest of 15.0% or more of the aggregate of the nominal amount of all the voting shares in our Company (unless otherwise determined by the SGX-ST); or (b) a person who in fact exercises control over our Company
“Convertible Notes”	:	The redeemable convertible notes issued by the Company to the Pre-IPO Investors which consist of Series A Convertible Notes and Series B Convertible Notes
“Director”	:	A director of our Company as at the date of this Offer Document, unless otherwise stated
“Electronic Applications”	:	Applications for the Offer Shares made through an ATM, IB website, or the mobile banking interface of the relevant Participating Banks, subject to and on the terms and conditions of this Offer Document
“Entity at Risk”	:	(a) Our Company; (b) a subsidiary of our Company that is not listed on the SGX-ST or an approved exchange; or (c) an Associated Company that is not listed on the SGX-ST or an approved exchange, provided that our Group or our Group and our Interested Person(s), has control over the Associated Company
“EPS”	:	Earnings per Share
“Executive Director”	:	An executive Director of our Company as at the date of this Offer Document, unless otherwise stated
“Executive Officer”	:	An executive officer of our Company as at the date of this Offer Document, unless otherwise stated
“FP2015”	:	Financial period commenced on 28 November 2014 and ended on 31 December 2015

DEFINITIONS

“Frost & Sullivan Report”	:	The industry report titled “Independent Market Research on the E-commerce Industry in Singapore and Southeast Asia” by Frost & Sullivan set out in Appendix F to this Offer Document
“FRS”	:	Financial Reporting Standards
“FY”	:	Financial year ended or, as the case may be, ending 31 December
“Group”	:	The Company and its subsidiaries
“GST”	:	Goods and Services Tax
“IB”	:	Internet banking
“Independent Directors”	:	The independent Directors of our Company as at the date of this Offer Document, unless otherwise stated
“Interested Person”	:	(a) a director, CEO or Controlling Shareholder of our Company; or (b) an Associate of any such director, CEO or Controlling Shareholder
“Interested Person Transaction”	:	Means a transaction between an Entity at Risk and an Interested Person
“Invitation”	:	The invitation by our Company to the public in Singapore to subscribe for the Invitation Shares at the Invitation Price, subject to and on the terms and conditions of this Offer Document
“Invitation Price”	:	S\$0.27 for each Invitation Share
“Invitation Shares”	:	The 43,000,000 Shares which are the subject of the Invitation, comprising 3,800,000 Offer Shares and 39,200,000 Placement Shares
“Latest Practicable Date”	:	20 June 2018, being the latest practicable date before the lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority
“LBT”	:	Loss before tax
“Listing”	:	The proposed listing and quotation of all our Shares on Catalist

DEFINITIONS

“Management and Full Sponsorship Agreement”	:	The management and full sponsorship agreement dated 30 July 2018 entered into between our Company and RHTC pursuant to which RHTC agreed to manage and sponsor the Invitation, as described in the section entitled “Plan of Distribution – Management, Underwriting and Placement Arrangements” of this Offer Document
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NAV”	:	Net asset value
“Nominating Committee”	:	The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated
“NTA”	:	Net tangible assets
“Offer”	:	The offer by our Company to the public in Singapore for subscription of the Offer Shares at the Invitation Price, subject to and on the terms and conditions of this Offer Document
“Offer Document”	:	This Offer Document dated 30 July 2018 issued by our Company in respect of the Invitation
“Offer Shares”	:	The 3,800,000 Invitation Shares which are the subject of the Offer
“Option Shares”	:	The Shares which may be allotted and issued and/or transferred upon the exercise of the Options granted pursuant to the Synagie Employee Share Option Scheme
“Options”	:	The options which may be granted pursuant to the Synagie Employee Share Option Scheme
“PER”	:	Price earnings ratio
“Period Under Review”	:	The period which comprises FP2015, FY2016 and FY2017
“Placement”	:	The placement of the Placement Shares by the Placement Agent on behalf of our Company for subscription at the Invitation Price, subject to and on the terms and conditions as set out in this Offer Document
“Placement Shares”	:	The 39,200,000 Invitation Shares which are the subject of the Placement
“Pre-IPO Investors”	:	Series A Pre-IPO Investors and Series B Pre-IPO Investors collectively

DEFINITIONS

“Pre-IPO Investment Agreements”	:	Series A Agreements and Series B Agreements collectively
“Pro Forma NAV”	:	Pro forma net asset value
“Remuneration Committee”	:	The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated
“Restructuring Exercise”	:	The corporate restructuring exercise undertaken in connection with the Invitation. Further details are described in the section entitled “Restructuring Exercise” of this Offer Document
“SE Asia”	:	Southeast Asia
“Securities Account”	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account
“Securities and Futures Act” or “SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“Series A Addendums”	:	Addendums to the Series A Main Agreements entered into between BTFL and the Series A Investors between 3 June 2017 to 9 October 2017, details of which are set out in the section entitled “Restructuring Exercise” of this Offer Document
“Series A Agreements”	:	The Series A Main Agreements, Series A Addendums and Series A Supplemental Agreements collectively
“Series A Convertible Notes”	:	The convertible notes to be issued by our Company to the Series A Pre-IPO Investors pursuant to the Series A Agreements
“Series A Main Agreements”	:	Investment agreements and entered into between BTFL and the Series A Pre-IPO Investors between 29 May 2017 and 4 October 2017, details of which are set out in the section entitled “Restructuring Exercise” of this Offer Document
“Series A Pre-IPO Investors”	:	Cheng Liang Kheng; Chua Weijie; Sern Chia Lung; Ann Travis Siau Mei Ling; Chue En Yaw; Elite Star Capital Group Limited; Tan Choh Siang and Tan Hiok Ju, Julia

DEFINITIONS

“Series A Supplemental Agreements”	:	Supplemental agreements entered into between BTFL, our Company and the Series A Pre-IPO Investors dated 25 April 2018, details of which are set out in the section entitled “Restructuring Exercise” of this Offer Document
“Series B Addendums”	:	Addendums to the Series B Main Agreements entered into between BTFL, our Company and the Series B Pre-IPO Investors between 14 November 2017 and 3 January 2018, details of which are set out in the section entitled “Restructuring Exercise” of this Offer Document
“Series B Agreements”	:	Series B Main Agreements and the Series B Addendums collectively
“Series B Convertible Notes”	:	The convertible notes to be issued by our Company to the Series B Pre-IPO Investors pursuant to the Series B Agreements
“Series B Main Agreements”	:	Investment agreements entered into between BTFL, our Company and the Series B Pre-IPO Investors between 9 November 2017 and 29 December 2017, details of which are set out in the section entitled “Restructuring Exercise” of this Offer Document
“Series B Pre-IPO Investors”	:	Island Asset Management Pte Ltd; Wang Yu Huei; Cheng Kar Yunn, Karen; Kingsfield Ventures Inc; Teo Khiam Chong and Ong Tze Keat Aloysius
“Service Agreements”	:	The service agreements entered into between our Company and each of Clement Lee, Olive Tai and Zanetta Lee, as described in the section entitled “Directors and Management – Service Agreements” of this Offer Document
“SFR”	:	The Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore, as amended, modified or supplemented from time to time
“SGXNET”	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
“Share(s)”	:	Ordinary share(s) in the capital of our Company

DEFINITIONS

“Shareholder(s)”	:	Registered holder(s) of Shares, except where the registered holder is CDP, the term “Shareholder” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
“Share Swap Agreement”	:	Share swap agreement dated 23 March 2018 entered into between our Company and the Transferees
“Sub-division”	:	The sub-division of our Shares into 218,704,993 Shares, which was effected on 26 July 2018
“Synagie Employee Share Option Scheme” or “Synagie ESOS” or “Employee Share Option”	:	The employee share option scheme adopted by our Company on 28 June 2018, the rules of which are set out in Appendix E entitled “Rules of the Synagie Employee Share Option Scheme” of this Offer Document
“Synagie Performance Share Plan” or “Synagie PSP” or “Performance Share Plan”	:	The performance share plan adopted by our Company on 28 June 2018, the rules of which are set out in Appendix D entitled “Rules of the Synagie Performance Share Plan” of this Offer Document
“Synagie Platform”	:	Our cloud-based commerce enablement and fulfilment platform which is accessible through our website www.synagie.com
“Substantial Shareholder(s)”	:	Persons who have an interest in one (1) or more voting shares, and the total votes attaching to that share or those shares, represent not less than 5.0% of the total votes attaching to all the voting shares in our Company
“TPA Agreement”	:	Term sheet entered into between the Company and the Insurtech Vendor dated 14 December 2017, which was subsequently amended by way of a first addendum dated 22 March 2018, a second addendum dated 9 April 2018, a supplemental agreement dated 20 April 2018 and a side letter dated 20 April 2018
“Transferees”	:	Metadrome; Agate Investments Limited; Harmony Treasure Holdings Ltd; Spectra Investment Limited; Zanetta Lee; Cai Songhan; Chua Song Ru @ Cai Songru; Carol Sim Siew Tin; Avas Holdings Pte. Limited; Teak Capital Co., Ltd.; Ong Eng Yaw; Lim Sze Hua and Foong Leong Lum Natasha

DEFINITIONS

“Underwriting and Placement Agreement” : The underwriting and placement agreement dated 30 July 2018 entered into between our Company and UOBKH pursuant to which UOBKH agreed to: (i) underwrite our offer of the Offer Shares; and (ii) subscribe and/or procure subscribers for the Placement Shares, details of which are set out in the section entitled “Plan of Distribution – Management, Underwriting and Placement Arrangements” of this Offer Document

Currencies, Units and Others

“MYR” : The lawful currency of Malaysia

“RMB” : The lawful currency of the People’s Republic of China

“S\$” and “cents” : The lawful currency of Singapore

“US\$” : The lawful currency of the United States of America

“%” or “per cent” : Per centum or percentage

The expressions “associated company”, “associated entity”, “related corporation”, “related entity”, “Entity At Risk”, “Interested Person”, “Interested Person Transaction”, “subsidiary”, “subsidiary entity”, “substantial interest-holder” and “Substantial Shareholder” shall have the meanings ascribed to them respectively in the SFA, the SFR, the Companies Act and/or the Catalist Rules, as the case may be.

The expression “business trust” has the same meaning ascribed to it in Section 2 of the Business Trusts Act (Chapter 31A) of Singapore.

The expression “Entity” includes a corporation, an unincorporated association, a partnership and the government of any state, but does not include a trust.

The expressions “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

References in this Offer Document to Appendix or Appendices are references to an appendix or appendices respectively in this Offer Document.

Any discrepancies in tables included herein between the total sum of amounts listed and the totals shown thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Where applicable, figures and percentages are rounded off.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Offer Document, Application Forms and Electronic Applications to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted.

DEFINITIONS

Any word defined under the Companies Act, the SFA, the SFR or any statutory modification thereof and used in this Offer Document, Application Forms and Electronic Applications shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the SFR or any statutory modification thereto, as the case may be.

Any reference in this Offer Document, Application Forms and Electronic Applications to Shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Any reference to a time of day in this Offer Document, Application Forms and Electronic Applications is a reference to Singapore time unless otherwise stated.

Any reference in this Offer Document to the “Group”, “we”, “our”, “us” or their other grammatical variations is a reference to our Company, or Group, or any member of our Group, as the context requires.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of our Group, the following glossary provides a description of some of the technical terms and abbreviations commonly used in our industry. The terms and their assigned meanings may not correspond to standard industry or common meanings or usage of these terms:

“accidental damage protection services”	:	Services that cover repair or replacement of devices that suffer accidental damage due to, <i>inter alia</i> , liquid spills, electrical surges, unintentional breakage, drops, falls or other collisions
“API”	:	Application programming interface which is a set of functions and procedures that allow the creation of applications which access the features or data of an operating system, application, or other service
“average session duration”	:	The sum of the duration of each session during a given time period divided by the total number of sessions during that time period
“Basket Analysis”	:	A data analysis technique that determines the relationships and correlations between purchases by analysing what purchases commonly happen together
“BBB”	:	Body, beauty and baby
“Big Data”	:	Large data sets that may be analysed computationally to reveal patterns, trends, and associations, especially relating to human behaviour and interactions
“Big Data analytics”	:	The process of examining Big Data that can help organisations make more-informed business decisions
“Blockchain”	:	A decentralised technology that uses a global network of computers to jointly manage a database with no single point of failure and where the data is protected by cryptography, allowing it to be distributed but not copied
“Brand Partners”	:	Brands, their owners and distributors
“B2B”	:	Business to business
“B2C”	:	Business to consumer
“Cart abandonment”	:	A term used to describe visitors on a webpage who add items to their online shopping cart but exit without completing the purchase

GLOSSARY OF TECHNICAL TERMS

“Channel management”	:	The process of creating formalised relationships or marketing plans to get products to end consumers
“cloud-based”	:	A term that refers to applications, services or resources made available to users on-demand via the Internet from a provider of virtualized computing resources
“Cohort Analysis”	:	Analysis of the retention of different groups of users with the same characteristics
“content management”	:	A software application, system, set of related programmes or services that are used to create and manage digital content
“Customer Churn”	:	The percentage of subscribers to a service who discontinue their subscriptions to that service within a given time period
“Customer retention”	:	A term used to describe the ability of a company or product to retain its customers over some specified period
“Daily session counts”	:	The number of user interactions with a website that take place within a given time frame where a single session can contain multiple page views, interactions, and transactions
“distribution and fulfilment”	:	The logistics and supply chain system that E-commerce platforms use to distribute and fulfil orders
“E-commerce”	:	Activity of buying or selling of products and services online or over the internet
“E-commerce value chain”	:	A term that refers to the linkage and integration of a series of online activities in which enterprises deliver the created and valued products or services to customers
“E-logistics”	:	The application of Internet based technologies to traditional logistics processes
“ERP”	:	The integrated management of core business processes, often in real-time and mediated by software and technology
“extended warranty”	:	A prolonged warranty offered to consumers in addition to the standard warranty on new items
“FMCG”	:	Fast-moving consumer goods
“GMV”	:	Gross merchandise value
“GTM”	:	Go-To-Market

GLOSSARY OF TECHNICAL TERMS

“Insurtech”	:	Use of technology innovation designed to maximise savings and efficiency from the current insurance industry model
“IOT”	:	Internet of things, which is a network of physical devices, including mobile devices, home appliances and other items embedded with electronics and software that enables these objects to connect and exchange data via the internet
“last mile delivery”	:	The movement of goods from a transportation hub to the final delivery destination
“lookers and buyers”	:	People who browse a product as well as people who eventually purchase them
“multi-channel”	:	Multiple distribution channels, for example online and offline, and direct and indirect channels
“O2O”	:	Online to offline describes systems which encourage consumers within a digital environment to make purchases of goods or services from physical businesses
“online marketplace”	:	A type of E-commerce site where product or service information is provided by multiple third parties, whereas transactions are processed by the marketplace operator
“Purchase Funnel”	:	Consumer focused marketing model which illustrates the theoretical customer journey towards the purchase of a product or service
“SaaS”	:	Software as a service
“SKU”	:	Stock keeping unit is a product and service identification code for a store or product, often portrayed as a machine-readable bar code that helps track the item for inventory
“TPA”	:	Third party administration
“3C”	:	Computer, communication and consumer electronics

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us or our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “expects”, “believes”, “plans”, “intends”, “estimates”, “anticipates”, “may”, “will”, “would” and “could” or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, trend information, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements include, without limitation, statements as to the following:

- (a) our revenue and profitability;
- (b) projections of capital expenditures in general and other financial terms;
- (c) expected growth in demand;
- (d) expected industry trends and developments;
- (e) anticipated expansion plans and whether we can successfully execute, manage and/or implement them;
- (f) anticipated commencement and completion date for projects; and
- (g) other matters discussed in this Offer Document regarding matters that are not historical fact, are only predictions.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These forward-looking statements are based on our beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and hence the forward-looking statements based on these assumptions could be incorrect.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:

- (a) changes in political, social and economic conditions and the regulatory environment in the countries in which we conduct business or expect to conduct business;
- (b) our anticipated growth strategies and expected internal growth;
- (c) changes in the availability and prices of resources which we require for the operation of our business;
- (d) changes in customers’ preferences;
- (e) changes in competitive conditions and our ability to compete under such conditions;

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

- (f) changes in our future capital needs and the availability of financing and capital to fund such needs;
- (g) changes in government regulations and their interpretation;
- (h) changes in currency exchange rates or interest rates; and
- (i) other factors beyond our control.

Some of these risk factors are discussed in greater detail under the section entitled “Risk Factors” of this Offer Document. All forward-looking statements by or attributable to us, or persons acting on our behalf, contained in this Offer Document are expressly qualified in their entirety by such factors. These forward looking statements are applicable only as of the date of this Offer Document.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on these statements which apply only as at the date of this Offer Document. Neither our Company, the Issue Manager and Full Sponsor and Underwriter and Placement Agent, nor any other person represents or warrants that our Group’s actual future results, performance or achievements will be as discussed in those statements.

Our actual results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances. We are, however, subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, we may in consultation with the Issue Manager and Full Sponsor, lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority, if, after the registration of the Offer Document but before the close of the Invitation, our Company becomes aware of:

- (a) a false or misleading statement or matter in the Offer Document;
- (b) an omission from the Offer Document of any information that should have been included in it under the SFA, the SFR or the Catalist Rules; or
- (c) a new circumstance that has arisen since the Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority, and would have been required by Section 243 of the SFA to be included in the Offer Document if it had arisen before the Offer Document was lodged and that is materially adverse from the point of view of an investor.

SELLING RESTRICTIONS

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for our Invitation Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory requirements of any jurisdiction, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit a public offering of the Invitation Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the Invitation Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by our Company, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us, the Issue Manager and Full Sponsor and Underwriter and Placement Agent.

Persons to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

By accepting this Offer Document, you agree to be bound by the foregoing limitations.

No part of this Offer Document may be copied, photocopied or duplicated in any form by any means or distributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose.

HONG KONG

No Shares have been or will be offered or sold in Hong Kong or offered or directed from outside Hong Kong to any person in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made under that ordinance (including, but not limited to the Securities and Futures (Professional Investor) Rules (Cap. 571D of the Laws of Hong Kong)); or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that ordinance.

No advertisement, invitation or document relating to the Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong has been or will be issued or has been or will be in the possession of any person for the purposes of being issued other than with respect to such Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made under that ordinance (including but not limited to the Securities and Futures (Professional Investor) Rules (Cap. 571D of the Laws of Hong Kong)), or as otherwise may be permitted under the laws of Hong Kong. This Offer Document and the information contained herein may not be used other than by the person to whom it is addressed and may not be reproduced in any form or transferred to any person in Hong Kong. The Invitation is not an offer for sale to the public in Hong Kong and it is not our intention that the Invitation Shares be offered for sale to the public in Hong Kong.

SELLING RESTRICTIONS

MALAYSIA

No approval, authorisation or recognition of or from the Securities Commission of Malaysia (“**Securities Commission**”) has been applied for or will be obtained for the making available, offering for subscription, or issuing an invitation to subscribe for, the Shares in Malaysia pursuant to this Offer Document. Accordingly, this Offer Document and any other document or material in connection with the offer or sale, or invitation for subscription of the Shares, may not be circulated or distributed, nor may the Shares be offered or sold, or made the subject of an invitation for subscription, whether directly or indirectly to anyone in Malaysia, unless the making available, offering for subscription, or issuing of an invitation to subscribe for, the Shares, is made to individuals or entities which fall within any of the categories specified in Item 10 of Schedule 5 of the Capital Markets and Services Act, 2007 (“**CMSA**”), which are as follows:

- (a) a closed-end fund approved by the Securities Commission;
- (b) a holder of a Capital Markets Services Licence (as defined in the CMSA);
- (c) a person who acquires the Shares, as principal, for a consideration of not less than MYR250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid in cash or otherwise;
- (d) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceeds MYR3,000,000 or its equivalent in foreign currencies, excluding the value of the primary residence of the individual;
- (e) an individual who has a gross annual income exceeding MYR300,000 or its equivalent in foreign currencies per annum in the preceding 12 months;
- (f) an individual who, jointly with his or her spouse, has a gross annual income of MYR400,000 or its equivalent in foreign currencies per annum in the preceding 12 months;
- (g) a corporation with total net assets exceeding MYR10,000,000 or its equivalent in foreign currencies based on the last audited accounts;
- (h) a partnership with total net assets exceeding MYR10,000,000 or its equivalent in foreign currencies;
- (i) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010 (Act 704);
- (j) an Islamic bank licensee or takaful licensee as defined in the Labuan Islamic Financial Services and Securities Act 2010 (Act 705); and
- (k) any other person as may be specified by the Securities Commission

provided that such exchange is specified by the Securities Commission and the distribution of the Shares is made by a holder of a Capital Markets Services Licence (as defined in the CMSA) who carries on the business of dealing in securities.

SELLING RESTRICTIONS

Neither has or will any offering material or document in connection with the Shares and sale of the Shares been or be registered with the Securities Commission pursuant to the CMSA. Accordingly, no person may issue, offer for subscription, make an invitation to subscribe for, any of the Shares directly or indirectly to anyone in Malaysia, unless the issue, offer for subscription, or invitation to subscribe for, the Shares falls within the aforesaid applicable category under Schedule 5 of the CMSA, and it is an excluded offer, excluded invitation or excluded issue under Schedule 6 or Schedule 7, as the case may be, of the CMSA in which case this Offer Document shall be deposited as an information memorandum with the Securities Commission under the CMSA.

DETAILS OF THE INVITATION

LISTING ON CATALIST

An application has been made to the SGX-ST for permission to deal in, and for the listing and quotation of, all our Shares already issued, the Invitation Shares, the Award Shares and the Option Shares on Catalist. Such permission will be granted when we have been admitted to Catalist. Acceptance of applications will be conditional upon, *inter alia*, the issue of the Invitation Shares and permission being granted by the SGX-ST for the listing and quotation of all our existing issued Shares, the Invitation Shares, the Award Shares and the Option Shares on Catalist. If the admission, listing and trading of our Shares already issued and the Invitation Shares do not proceed or the said permission is not granted for any reason, monies paid in respect of any application accepted will be returned, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, and the applicant will not have any claim against us, our Directors, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent. No Shares will be allotted on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission to Catalist but relies on the Issue Manager and Full Sponsor confirming that our Company is suitable to be listed and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has in any way considered the merits of our Shares or units of Shares being offered for investment.

Admission to Catalist is not to be taken as an indication of the merits of the Invitation, our Company, our subsidiaries, our existing issued Shares, the Invitation Shares, the Award Shares or the Option Shares.

The Invitation is accompanied by this Offer Document, a copy of which has been lodged with and registered by the SGX-ST, acting as agent on behalf of the Authority. Registration of the Offer Document by the SGX-ST, acting as agent on behalf of the Authority, does not imply that the SFA, SFR, the Catalist Rules or any other legal or regulatory requirements, have been complied with. The SGX-ST, acting as agent on behalf of the Authority, has not in any way, considered the merits of our existing issued Shares, the Invitation Shares, the Option Shares or the Award Shares, as the case may be, being offered or in respect of which an invitation is made, for investment. We have not lodged or registered this Offer Document in any other jurisdiction.

DETAILS OF THE INVITATION

We are subject to the provisions of the SFA, SFR and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after the registration of this Offer Document but before the close of the Invitation, we become aware of:

- (a) a false or misleading statement or matter in this Offer Document;
- (b) an omission from this Offer Document of any information that should have been included in it under the SFA, SFR or the Catalist Rules; or
- (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST, acting as an agent on behalf of the Authority, which would have been required by the requirements of the SFA, SFR or the Catalist Rules to be included in the Offer Document if it had arisen before this Offer Document was lodged,

that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority.

In the event that a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Invitation shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the Invitation Shares and:

- (a) where the Invitation Shares have not been issued to the applicants, we shall either:
 - (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, as the case may be, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same, and provide the applicants with an option to withdraw their applications; and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - (iii) (A) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and (B) we shall within seven (7) days from the date of lodgement of the supplementary or replacement offer document, return all monies paid in respect of any application, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk; or

DETAILS OF THE INVITATION

- (b) where the Invitation Shares have been issued to the applicants but trading has not commenced, we shall either:
- (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, as the case may be, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same, and provide the applicants with an option to return to our Company the Invitation Shares which they do not wish to retain title in, and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, as the case may be, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to our Company the Invitation Shares which they do not wish to retain title in; or
 - (iii) (A) treat the issue of the Invitation Shares as void, in which case the issue of the Invitation Shares shall be deemed void and (B) we shall within seven (7) days from date of lodgement of the supplementary or replacement offer document, as the case may be, return the applicants all monies the applicants have paid in respect of any application, without interest or any share of revenue or other benefit arising thereon and at the applicant's own risk.

An applicant who wishes to exercise his option under paragraph (a)(i) or (a)(ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify our Company of this, whereupon our Company shall, within seven (7) days from the receipt of such notification, return to him all monies paid by him on account of his application for those Invitation Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk and the applicant shall not have any claim against us, the Issue Manager and Full Sponsor or the Underwriter and Placement Agent.

An applicant who wishes to exercise his option under paragraph (b)(i) or (b)(ii) to return the Invitation Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify our Company of this and return all documents, if any, purporting to be evidence of title to those Invitation Shares to our Company, whereupon our Company shall, within seven (7) days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those Invitation Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the issue of those Invitation Shares shall be deemed to be void, and he will not have any claim against our Company, the Issue Manager and Full Sponsor or the Underwriter and Placement Agent.

Pursuant to Section 242 of the SFA, the Authority and/or the SGX-ST, acting as agent on behalf of the Authority, may, in certain circumstances issue a stop order ("**Stop Order**") to our Company, directing that no Shares or no further Shares to which this Offer Document relates, be allotted or issued. Such circumstances will include a situation where this Offer Document (i) contains any statement or matter which, in the Authority's opinion, is false or misleading, (ii) omits any information that should have been included in it under the SFA, (iii) does not, in the Authority's opinion, comply with the requirements of the SFA, or (iv) the Authority is of the opinion that it is in the public interest to do so.

DETAILS OF THE INVITATION

In the event that the Authority issues a Stop Order and applications to subscribe for the Invitation Shares have been made prior to the Stop Order, then:

- (a) where the Invitation Shares have not been issued to the applicants, the applications of the Invitation Shares pursuant to the Invitation shall be deemed to have been withdrawn and cancelled and we shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the Invitation Shares; or
- (b) where the Invitation Shares have been issued to the applicants, the issue of the Invitation Shares shall be deemed to be void and our Company shall, (i) if no documents purporting to evidence title to those Invitation Shares have been issued to the applicants, within seven (7) days from the date of the Stop Order, return the applicants all monies the applicants have paid on account of their applications for the Invitation Shares, or (ii) if documents purporting to evidence title to those Invitation Shares have been issued to the applicants, within seven (7) days from the date of the Stop Order, inform the applicants to return such documents to our Company within 14 days from that date and within seven (7) days from the date of receipt of such documents or the date of the Stop Order, whichever is the later, return the applicants all monies the applicants have paid on account of their applications for the Invitation Shares.

Where monies are to be returned to applicants for the Invitation Shares, it shall be paid to the applicants without any interest or share of revenue or benefit arising therefrom at the applicants' own risk, and the applicants will not have any claims against our Company, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent.

Neither our Company, the Issue Manager and Full Sponsor, the Underwriter and Placement Agent nor any other parties involved in the Invitation is making any representation to any person regarding the legality of an investment by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own professional or other advisers for business, legal or tax advice regarding an investment in our Shares.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by us, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent. Neither the delivery of this Offer Document and the Application Forms nor any documents relating to the Invitation, nor the Invitation shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of our Company or our subsidiaries or in the statements of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we will comply with the relevant provisions and requirements and, if required, we may make an announcement of the same to the SGX-ST and/or the Authority and/or the public and if required, we may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority. All applicants should take note of any such announcements and, upon the release of such an announcement, shall be deemed to have notice of such changes.

DETAILS OF THE INVITATION

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies. The Invitation Shares are offered for subscription solely on the basis of the information contained and representations made in this Offer Document.

This Offer Document has been prepared solely for the purpose of the Invitation and may not be relied upon by any other persons other than the applicants in connection with their application for the Invitation Shares or for any other purpose.

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the Invitation Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or unauthorised nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such offer, solicitation or invitation.

Copies of this Offer Document and Application Forms may be obtained on request, subject to availability, during office hours, from:

RHT Capital Pte. Ltd.
9 Raffles Place
#29-01 Republic Plaza Tower 1
Singapore 048619

UOB Kay Hian Private Limited
8 Anthony Road
#01-01
Singapore 229957

An electronic copy of this Offer Document is also available on the SGX-ST website at <http://www.sgx.com>.

The Invitation will be open from 30 July 2018 (immediately upon the registration of the Offer Document by the SGX-ST, acting as agent on behalf of the Authority) to 6 August 2018.

The Application List will open immediately upon the registration of the Offer Document by the SGX-ST, acting as agent on behalf of the Authority on 30 July 2018 and will remain open until 12.00 noon on 6 August 2018 or for such further period or periods as our Directors may, in consultation with the Issue Manager and Full Sponsor and the Underwriter and Placement Agent, in their absolute discretion, decide, subject to any limitation under all applicable laws and regulations. In the event a supplementary offer document or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for application of the Invitation Shares are set out in Appendix G entitled “Terms, Conditions and Procedures for Application” of this Offer Document.

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable on the trading of our Shares is set out below:

Indicative date/time	Event
30 July 2018 immediately upon registration	Opening of Invitation
6 August 2018 at 12.00 noon	Close of Application List
7 August 2018	Balloting of applications, if necessary (in the event of over-subscription for the Offer Shares)
8 August 2018 at 9.00 am	Commence trading on a “ready” basis
14 August 2018	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative as it assumes that the date of closing of the Application List will be on 6 August 2018, the date of admission of our Shares to Catalist will be 8 August 2018, the SGX-ST shareholding spread requirement will be complied with and the Invitation Shares will be issued and fully paid-up prior to 8 August 2018. The actual date on which our Shares will commence trading on a “ready” basis will be announced when it is confirmed by the SGX-ST.

The above timetable and procedures may be subject to such modification(s) as the SGX-ST may, in its absolute discretion, decide, including the commencement of trading on a “ready” basis and the commencement date of such trading.

In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same:

- (i) through a SGXNET announcement to be posted on the Internet at the SGX-ST website <http://www.sgx.com>; and
- (ii) in a local newspaper(s) in Singapore.

We will publicly announce the level of subscription and the results of the distribution of the Invitation Shares pursuant to the Invitation, as soon as it is practicable after the close of the Application List through the channels set out in (i) and (ii) above.

We reserve the right to reject or accept, in whole or in part, or to scale down or ballot any application for the Invitation Shares, without assigning any reason therefor, and no enquiry and/or correspondence on our decision will be entertained. In deciding the basis of allotment and/or allocation, due consideration will be given to the desirability of allotting and/or allocating the Invitation Shares to a reasonable number of applicants with a view to establish an adequate market for our Shares.

Investors should consult the SGX-ST’s announcement on the “ready” trading date released on the Internet (at the SGX-ST website <http://www.sgx.com>) or the local newspapers, or check with their brokers on the date on which trading on a “ready” basis will commence.

PLAN OF DISTRIBUTION

The Invitation

The Invitation is for 43,000,000 Invitation Shares offered in Singapore by way of the Offer and the Placement, comprising 3,800,000 Offer Shares and 39,200,000 Placement Shares at the Invitation Price. The Invitation is managed by RHTC.

Prior to the Invitation, there has been no public market for our Shares. The Invitation Price is determined by us in consultation with the Issue Manager and Full Sponsor and Underwriter and Placement Agent after taking into consideration, *inter alia*, prevailing market conditions and estimated market demand for our Shares (including the Invitation Shares) determined through a book-building process. The Invitation Price is the same for all the Invitation Shares and is payable in full on application. The Offer is fully underwritten.

Pursuant to the Management and Full Sponsorship Agreement entered into between our Company and RHTC as set out in the section entitled “Plan of Distribution – Management, Underwriting and Placement Arrangements – Management and Full Sponsorship Agreement” of this Offer Document, our Company has appointed RHTC and RHTC has agreed to manage and to act as issue manager and full sponsor for the Listing. The Issue Manager and Full Sponsor will receive a management fee for its services rendered in connection with the Listing.

Offer Shares

The Offer Shares are made available to members of the public in Singapore for subscription at the Invitation Price. Applications for Offer Shares may be made by way of printed Application Forms or by way of Electronic Applications. The terms and conditions and procedures for application are set out in Appendix G entitled “Terms, Conditions and Procedures for Application” to this Offer Document.

Pursuant to the terms and conditions contained in the Underwriting and Placement Agreement as disclosed in the section entitled “Plan of Distribution – Management, Underwriting and Placement Arrangements – Underwriting and Placement Agreement” of this Offer Document, the Underwriter has agreed to underwrite the Offer Shares.

In the event of an under-subscription for the Offer Shares as at the close of the Invitation, the number of Offer Shares not subscribed for shall be made available to satisfy excess applications for the Placement Shares to the extent that there is an over-subscription for the Placement Shares as at the close of the Invitation.

In the event of an over-subscription for the Offer Shares as at the close of the Invitation and/or the Placement Shares are fully subscribed or over-subscribed for as at the close of the Invitation, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors, after consultation with the Issue Manager and Full Sponsor, and approved by the SGX-ST, if required.

PLAN OF DISTRIBUTION

Placement Shares

The Placement Shares are made available to retail and institutional investors who apply through their brokers or financial institutions. Applications for the Placement Shares may be made by way of printed Application Forms or such other forms of application as the Issue Manager and Full Sponsor and Underwriter and Placement Agent deem appropriate. The terms, conditions and procedures for applications and acceptance are described in Appendix G entitled “Terms, Conditions and Procedures for Application” of this Offer Document.

Pursuant to the terms and conditions contained in the Underwriting and Placement Agreement as disclosed in the section entitled “Plan of Distribution – Management, Underwriting and Placement Arrangements – Underwriting and Placement Agreement” of this Offer Document, the Underwriter and Placement Agent has agreed to subscribe and/or procure subscribers for the Placement Shares at the Invitation Price.

Subscribers of the Placement Shares may be required to pay brokerage of up to 1.0% of the Invitation Price (and the prevailing GST, if applicable) to the Underwriter and Placement Agent or any sub-placement agent(s) that may be appointed by the Underwriter and Placement Agent (as well as stamp duties, and other charges (if applicable)).

In the event of an under-subscription for the Placement Shares as at the close of the Invitation, that number of Placement Shares not subscribed for shall be made available to satisfy excess applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Invitation.

Subscription for Invitation Shares

None of our Executive Directors, Independent Directors and Executive Officers intends to subscribe for the Invitation Shares. Pursuant to the Invitation, as far as we are aware, none of the members of our Company’s management or employees intends to subscribe for more than 5.0% of the Invitation Shares in the Invitation.

Some of our existing Shareholders, excluding our Executive Directors, Independent Directors, and Substantial Shareholders, intend to subscribe for the Invitation Shares pursuant to the Invitation (“**Subscribing Shareholders**”). These Invitation Shares, if allotted to our Subscribing Shareholders, will not be subject to moratorium, and will be deemed to be held in public hands.

To the best of our knowledge and belief, as at the date of this Offer Document, we are not aware of any person who intends to subscribe for more than 5.0% of the Invitation Shares.

However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate an interest to subscribe for Shares amounting to more than 5.0% of the Invitation Shares. If such person(s) were to make an application for more than 5.0% of the Invitation Shares pursuant to the Invitation and are subsequently allotted such number of Shares, we will make the necessary announcements at an appropriate time. The final allotment of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406 of the Catalist Rules.

No Shares shall be allotted and/or allocated on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

PLAN OF DISTRIBUTION

Interests of the Issue Manager and Full Sponsor and the Underwriter and Placement Agent

In the reasonable opinion of our Directors, save as disclosed below and in the “Plan of Distribution – Management, Underwriting and Placement Arrangements” section of this Offer Document, our Company does not have any material relationship with the Issue Manager and Full Sponsor and the Underwriter and Placement Agent, in relation to the Invitation:

- (a) RHTC is the Issue Manager and Full Sponsor in relation to the Listing;
- (b) RHTC will be the continuing Sponsor of our Company for a period of at least three (3) years from the date our Company is admitted and listed on Catalist; and
- (c) UOBKH is the Underwriter and Placement Agent for the Invitation.

MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

Management and Full Sponsorship Agreement

Pursuant to the Management and Full Sponsorship Agreement dated 30 July 2018 entered into between our Company and RHTC as the Issue Manager and Sponsor, our Company appointed RHTC to manage and sponsor the Listing. RHTC will receive a management fee from our Company for its services rendered in connection with the Listing.

Subject to the consent of the SGX-ST being obtained, the Management and Full Sponsorship Agreement may be terminated by the Issue Manager and Full Sponsor at any time before the close of the Application List on the occurrence of certain events including the following:

- (a) the Issue Manager and Full Sponsor becomes aware of any material breach by our Company and/or its agent(s) of any of the warranties, representations, covenants or undertakings given by our Company to the Issue Manager and Full Sponsor in the Management and Full Sponsorship Agreement; or
- (b) there shall have been, since the date of the Management and Full Sponsorship Agreement, any change or prospective change in or any introduction or prospective introduction of any legislation, regulation, policy, directive, guideline, rule or byelaw by any relevant government or regulatory body, whether or not having the force of law, or any other occurrence of similar nature that would materially change the scope of work, responsibility or liability required of the Issue Manager and Full Sponsor and make it impracticable, inadvisable or inexpedient to proceed with any of the transactions contemplated in the Management and Full Sponsorship Agreement; or
- (c) there is a conflict of interest for the Issue Manager and Full Sponsor, or any dispute, conflict or disagreement with our Company or our Company wilfully fails to comply with any advice from or recommendation of the Issue Manager and Full Sponsor.

PLAN OF DISTRIBUTION

Underwriting and Placement Agreement

Pursuant to the Underwriting and Placement Agreement dated 30 July 2018 entered into between our Company and UOBKH, our Company appointed UOBKH to: (i) underwrite the Offer Shares; and (ii) subscribe and/or procure subscribers for the Placement Shares for an underwriting commission of 3.5% for each Offer Share and a placement commission of 3.5% for each Placement Share. Subject to any applicable laws and regulations, UOBKH may, at their absolute discretion appoint one (1) or more sub-placement agents or sub-underwriters under the Underwriting and Placement Agreement on such terms and conditions as UOBKH may deem fit.

Subscribers of the Placement Shares may be required to pay brokerage of up to 1.0% of the Invitation Price (and the prevailing GST thereon, if applicable) to UOBKH or any sub-placement agent(s) that may be appointed by UOBKH.

The Underwriting and Placement Agreement and the obligation of the Underwriter and Placement Agent under the Underwriting and Placement Agreement is conditional upon:

- (a) the Offer Document having been registered by the SGX-ST, acting as agent on behalf of the Authority, by the date on which the Offer Document shall be registered by the SGX-ST, acting as agent on behalf of the Authority, or such other date as our Company, RHTC and UOBKH shall decide in accordance with the Catalist Rules and the SFA;
- (b) the registration notice being issued or granted by the SGX-ST, acting as agent on behalf of the Authority, and such registration notice not being revoked or withdrawn on or prior to the date of commencement of trading of the Shares on Catalist;
- (c) the compliance by our Company to the satisfaction of the SGX-ST with all the conditions imposed by the SGX-ST in granting the registration notice (if any), where such conditions are required to be complied with by the Closing Date;
- (d) such approvals as may be required for the transactions described in the Underwriting and Placement Agreement and in the Offer Document in relation to the admission of our Company to Catalist and the Invitation being obtained, and not withdrawn or amended, on or before the date on which our Company is admitted to Catalist (or such other date as our Company, RHTC and UOBKH may agree);
- (e) there having been, in the opinion of UOBKH, no material adverse change or any development likely to result in a material adverse change in the business, trading, operational, financial or other condition of our Group between the date of the Underwriting and Placement Agreement and the date of Listing nor the occurrence of any event nor the discovery of any fact rendering untrue, incorrect or misleading in any respect, as at the date of Listing, any of the warranties or representations nor any breach by our Company of any of our obligations under the Underwriting and Placement Agreement; and
- (f) the compliance by our Company with all applicable laws and regulations concerning the Invitation, the admission of our Company to Catalist and the listing and quotation of all the issued Shares, the Invitation Shares, the Option Shares and the Award Shares on Catalist and the transactions contemplated in the Underwriting and Placement Agreement and the Offer Document and no new laws, regulations and directives having been promulgated, published and/or issued and/or having taken effect or any other similar matter having occurred which, in the reasonable opinion of UOBKH, has or may have an adverse effect on the Invitation and the Listing.

PLAN OF DISTRIBUTION

Other than pursuant to the Underwriting and Placement Agreement, there are no contracts, agreements or understandings between our Company and any person or entity that would give rise to any claim for brokerage commission, finder's fees or other payments in connection with the subscription for the Invitation Shares.

Save as aforesaid, no commission, discount or brokerage, has been paid or other special terms granted within the two (2) years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in our Company.

The Underwriting and Placement Agreement and the Management and Full Sponsorship Agreement are each conditional upon the other not being terminated or rescinded pursuant to the provisions of the Underwriting and Placement Agreement or Management and Full Sponsorship Agreement (as the case may be), and may be terminated on the occurrence of certain events, including those specified above. In the event that the Underwriting and Placement Agreement or the Management and Full Sponsorship Agreement is terminated, our Company reserves the right, at the absolute discretion of our Directors, to cancel the Invitation.

OFFER DOCUMENT SUMMARY

The following summary is derived from and should be read in conjunction with the full text of the Offer Document and is qualified in its entirety by, and is subject to, the more detailed information (including the notes thereto) appearing elsewhere in this Offer Document. Terms defined elsewhere in this Offer Document have the same meaning when used herein. You should carefully consider all the information presented in this Offer Document, particularly the matters set out in the section entitled “Risk Factors” of this Offer Document before deciding to invest in our Shares.

OUR COMPANY

On 28 June 2017, our Company was incorporated in Singapore under the Companies Act as a private limited company under the name of Synagie Corporation Pte. Ltd.. Our Company Registration Number is 201717972D.

As part of the Restructuring Exercise as described in the section entitled “Restructuring Exercise” in this Offer Document, our Company became the holding company of our Group on 23 March 2018.

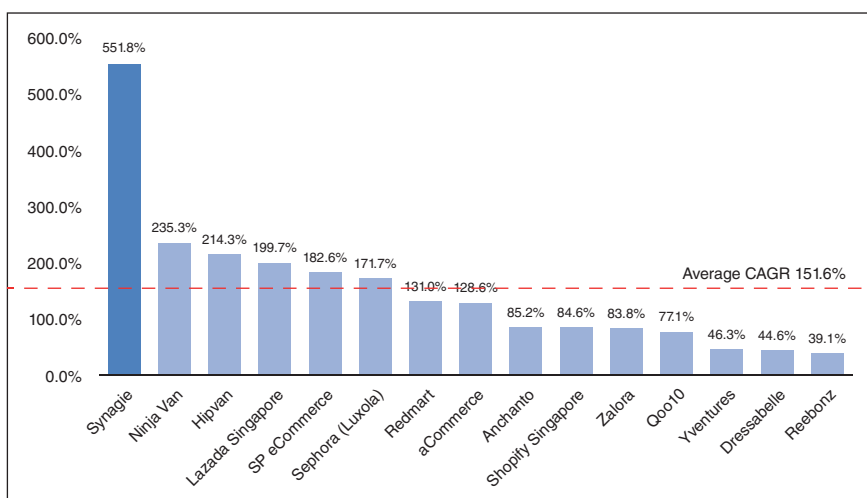
On 27 June 2018, our Company was converted into a public company limited by shares and our name was changed to “Synagie Corporation Ltd.” Please refer to the section entitled “Group Structure” of this Offer Document.

OUR BUSINESS

We are an E-commerce solutions provider and, according to Frost & Sullivan, we are SE Asia’s leading E-commerce enabler in the Body, Beauty and Baby or BBB sector. Our Group’s mission is to simplify commerce by providing end-to-end commerce enablement and fulfilment solutions through our cloud-based Synagie Platform for traditional businesses to shift their business online.

According to Frost & Sullivan, we are also the fastest growing E-commerce startup compared to other major E-commerce startups in Singapore and one of the fastest growing in SE Asia, having achieved the highest historical revenue CAGR of 551.8% from the year of our launch, in 2015, to 2017, as compared to an average CAGR of 151.6% achieved by other major E-commerce startups over the period from 2011 to 2017. Our Group’s business grew from a revenue of S\$0.2 million in FP2015, to a revenue of S\$3.7 million in FY2016 to a revenue of S\$8.0 million in FY2017. We were able to achieve such high growth due to our deep domain expertise in E-commerce and our ability to provide comprehensive solutions to help bring traditional businesses online quickly.

Historical Revenue CAGR of E-commerce Startups, Singapore, 2011 – 2017



Source: Frost & Sullivan Report

OFFER DOCUMENT SUMMARY

With the E-commerce market in SE Asia forecasted to grow at 22.3% CAGR from US\$16.6 billion in 2017 to a potential market size of US\$45.6 billion by 2022 according to Frost & Sullivan, we believe that more global brands and businesses will view E-commerce as a vital part of their business strategy. This exponential market growth will also lead to greater complexities in the commerce supply chain where businesses will require industry expertise and integrated solutions to overcome. We believe that we are well positioned to fill this gap by providing end-to-end E-commerce solutions to help brands and businesses execute and manage their E-commerce strategies without the need for significant investment to develop their own online capabilities or undertake risk in building their own infrastructure.

We work with businesses of all sizes ranging from small and medium enterprises to multi-national companies to help them 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. Our end-to-end E-commerce enablement capabilities encompass 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.

We believe that technology is key to success in the online world. Our Brand Partners can use our Synagie Platform which leverages on technology such as cloud computing, artificial intelligence and Big Data, to manage their multi-channel business processes and sales for both online and offline channels. They can also distribute their products and services via our ecosystem which consists of, among others, online marketplaces like Lazada and Qoo10 and retail chain stores like Watsons and NTUC. We believe that our ecosystem simplifies the commerce process for our Brand Partners by allowing them to focus on increasing their sales while we assist them with setting up and managing their online business.

Our E-commerce enablement business model is a hybrid of the distribution, consignment and subscription models, commonly found in E-commerce enablers' business models, as set out in the Frost & Sullivan report, a summary of which can be found in the section entitled "Industry Overview" of this Offer Document. As at the Latest Practicable Date, we have more than 250 Brand Partners in the BBB sector, with well-known brands such as Johnson & Johnson, Kimberly-Clark and Shiseido, which use our E-commerce solutions.

The distribution model under the E-commerce business segment is the largest contributor to our Group's financial performance. It made up 90.5%, 64.6% and 48.6% of our Group's total revenue earned in FP2015, FY2016 and FY2017 respectively. Our Group started our business in FP2015 as "beautiful.me", an online retail website focusing on BBB products. We incorporated BTFL in Singapore with its distribution model contributing the bulk of our revenue at 90.5%. In FY2016, our Group had tweaked our business model into a multi-channel E-commerce solutions provider which resulted in our Group holding lesser inventories as some of our Brand Partners started to opt for the consignment model and as a result, revenue contribution from our Group's distribution model decreased to 64.6%. As our Group continued to grow the business in FY2017, an increasing number of our Brand Partners opted for the consignment model which resulted in a decrease in revenue contribution from our distribution model to 48.6%.

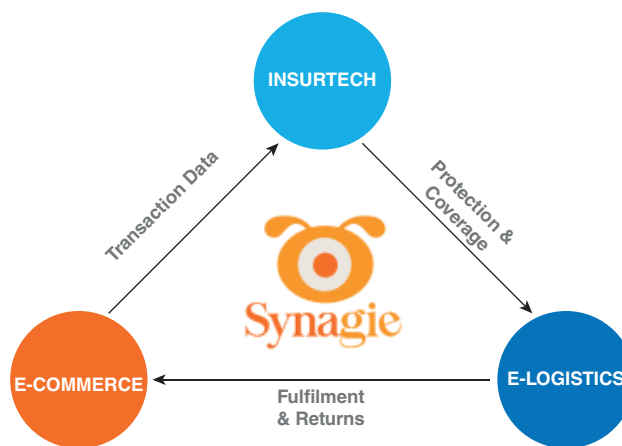
The descriptions of the distribution, consignment and subscription business models can be found under the section entitled "Industry Overview" of this Offer Document.

OFFER DOCUMENT SUMMARY

Our other Brand Partners include:

- (a) E-logistics Brand Partners, such as China UnionPay Merchant Services Co., Ltd, (“**China UnionPay**”) and its subsidiary which intends to use our E-logistics solutions to provide China out-bound parcel delivery services to over 50 countries and/or regions for their 6.8 million China SMEs and 2,000 China courier customers; and
- (b) Insurtech Brand Partners, such as various Fortune 500 companies in the computer, communication and consumer electronics or 3C sector, that use our Insurtech third party administration or TPA solutions to manage their extended warranty and accidental damage protection services. With our success in the BBB industry, Frost & Sullivan believes that our Group provides a big value proposition that helps simplify the complexities of E-commerce and will become a trusted partner with broader brand coverage across industries in the future.

Our Business Model



Our Group’s business model is a hybrid of the distribution model, consignment model and the subscription model as set out in the section entitled “Industry Overview” of this Offer Document. Our Group has a platform-based, asset-light business model with three (3) synergistic business segments, namely, E-commerce, E-logistics and Insurtech that work together to offer innovative and efficiency driven solutions to our Brand Partners. Our three (3) business segments are as set out below:

E-commerce

Leveraging on our Synagie Platform, we provide our Brand Partners with a fast and easy way to transform their traditional businesses to an online model, as follows:

- (a) we help them establish a multi-channel online retail presence within our ecosystem such as listing their products or operating their official brand stores on online marketplaces such as Lazada and Qoo10 to facilitate the distribution of their products and services;
- (b) we also help them manage their logistics and fulfilment processes, which are executed seamlessly from within our Synagie Platform; and
- (c) we also provide them with our suite of end-to-end E-commerce solutions, including channel and content management, inventory and order management, digital marketing and customer services and Big Data analytics to help them increase their sales.

OFFER DOCUMENT SUMMARY

E-logistics

Our Group operates on an asset-light E-logistics model. We do not own any warehouses or delivery vehicles but instead work with our third party logistics partners and manage the entire logistics and fulfilment process via our Synagie Platform. Our Group has fulfilment capabilities which consist of on-demand warehousing services and last mile delivery services for fulfilling both B2C E-commerce orders and B2B orders. Our Group provides both types of solutions to our Brand Partners to help them with their fulfilment requirements:

(a) B2C fulfilment

Our Group provides warehouse space to store Brand Partners' inventory in loose units in storage bins and provides pick, pack and last mile delivery services to the end consumers for B2C E-commerce orders.

(b) B2B fulfilment

Our Group also provides warehouse space to store Brand Partners' inventory in bulk pallets and provides packing and delivery orders in pallets or cartons to retail outlets or business locations to fulfil the Brand Partners' B2B orders.

The majority of our Group's current E-commerce Brand Partners use our Group's fulfilment capabilities such as on-demand warehousing services and last mile delivery services. Our Group also helps them manage the return of orders through our Group's E-logistics services.

Insurtech

In April 2018, we acquired our subsidiary, TPA Subsidiary, an entity which operates in the Insurtech sector.

Our TPA Subsidiary has more than seven (7) years of experience in providing regional third party administration or TPA for extended warranty and accidental damage protection services for customers which include Fortune 500 companies in the 3C sector and working with insurance partners such as Great Eastern General Insurance Limited ("**Great Eastern**"). Our TPA Subsidiary is engaged by our Brand Partners and serves as an administrative intermediary between our Brand Partners and the insurance partners, reducing the administrative burden borne by both of them. Our TPA Subsidiary's team in Singapore has provided services to their customers from countries across Asia including Singapore, India, Hong Kong and Malaysia.

Some of our Group's Brand Partners such as Shiseido, have requested our Group to assist in sourcing for additional insurance to protect their inventory that is stored with our Group. Our TPA Subsidiary had facilitated in sourcing for Industrial All Risks insurance from Great Eastern, an insurance partner which provides insurance against fire and/or theft of inventory. Our Brand Partners can also manage the claims process through the TPA Subsidiary's current web portal.

A detailed discussion of our business and the products and services we provide is set out in the section entitled "General Information on our Company and our Group – Business Overview" of this Offer Document.

OFFER DOCUMENT SUMMARY

SUMMARY OF OUR FINANCIAL INFORMATION

The following summary of our financial data should be read in conjunction with the full text of this Offer Document, including the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document, the “Independent Auditor’s Report and the Audited Combined Financial Statements for the Financial Period/Years Ended 31 December 2015, 2016 and 2017” as set out in Appendix A and “Independent Auditor’s Assurance Report and the Compilation of Unaudited Pro Forma Financial Information for the Financial Year Ended 31 December 2017” as set out in Appendix B of this Offer Document.

Selected items from the combined statements of Comprehensive Income

(\$'000)	Audited FP2015	Audited FY2016	Audited FY2017	Unaudited Pro Forma FY2017
Revenue	189	3,679	8,029	12,287
Gross profit	31	949	1,761	3,780
Loss before income tax	(2,677)	(2,267)	(3,383)	(2,022)
Loss for the period/years	(2,677)	(2,267)	(3,383)	(2,253)
Pre-Invitation EPS (cents)⁽¹⁾	(1.22)	(1.04)	(1.55)	(1.03)
Post-Invitation EPS (cents)⁽²⁾	(1.02)	(0.87)	(1.29)	(0.86)

Notes:

- (1) The pre-Invitation EPS for the Period Under Review has been computed based on our pre-Invitation share capital of 218,704,993 Shares.
- (2) The post-Invitation EPS for the Period Under Review has been computed based on our post-Invitation share capital of 261,704,993 Shares.

Selected items from the combined statements of Financial Position

(\$'000)	Audited as at 31 December 2015	Audited as at 31 December 2016	Audited as at 31 December 2017	Unaudited Pro Forma as at 31 December 2017
Current assets	1,485	1,028	6,068	11,316
Non-current assets	391	374	461	4,655
Current liabilities	1,053	1,266	3,482	8,198
Non-current liability	–	–	2,881	3,026
Total equity	823	136	166	4,747
NAV per Share (cents)⁽¹⁾	0.38	0.06	0.08	2.17

Note:

- (1) The NAV per Share has been derived using our total equity divided by our pre-Invitation share capital of 218,704,993 Shares.

OFFER DOCUMENT SUMMARY

OUR COMPETITIVE STRENGTHS

Our Directors believe that our competitive strengths are as follows:

- We have the capability to provide end-to-end E-commerce solutions covering all aspects of the E-commerce value chain via our Synagie Platform;
- We have a scalable asset-light E-logistics model that is easily transferable across industries and jurisdictions;
- We enjoy good relationships with our Brand Partners and our distribution channel partners; and
- We have a committed and experienced management team with a proven track record.

A detailed discussion of our competitive strengths is set out in the section entitled “General Information on our Company and our Group – Our Competitive Strengths” of this Offer Document.

OUR PROSPECTS

Our Directors believe that the prospects of our Group are encouraging for the following reasons:

- Exponential growth of the E-commerce industry in SE Asia;
- High market penetration and growth potential for the online BBB industry in Singapore and SE Asia;
- Singapore holds a strategic market position for brands looking to expand their online presence; and
- E-commerce enablers will play an important and critical role for the future development of the E-commerce industry in Singapore and SE Asia.

A detailed discussion of our prospects is set out in the section entitled “Prospects, Business Strategies and Future Plans” of this Offer Document.

OUR BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans for the continued growth of our business are as follows:

- Further increase the number of our Brand Partners and optimise our product mix;
- Enhance our Synagie Platform and Big Data analytics capabilities;
- Expansion of our ecosystem and geographical markets;
- Expansion of our Group’s business via acquisitions, joint ventures and/or strategic partnerships; and
- Enhance our current Insurtech business model.

A detailed discussion of our business strategies and future plans is set out in the section entitled “Prospects, Business Strategies and Future Plans” of this Offer Document.

OFFER DOCUMENT SUMMARY

OUR CONTACT DETAILS

Our Company's registered office and principal place of business is located at 38 Jalan Pemimpin #05-09, M38, Singapore 577178. Our Company's telephone number is 6755 7755. Our Internet address is www.synagie.com.

Information contained in our website does not constitute part of this Offer Document.

THE INVITATION

Invitation Price	:	S\$0.27 for each Invitation Share, payable in full on application.
Invitation Size	:	43,000,000 Invitation Shares offered in Singapore comprising 3,800,000 Offer Shares and 39,200,000 Placement Shares. The Invitation Shares, will, upon issue and allotment, rank <i>pari passu</i> in all respects with the existing issued Shares.
The Offer	:	The Offer comprises an offer of 3,800,000 Offer Shares by our Company to the public in Singapore to subscribe for at the Invitation Price, subject to and on the terms and conditions of this Offer Document.
The Placement	:	The Placement comprises a placement by the Placement Agent on behalf of our Company of 39,200,000 Placement Shares at the Invitation Price, subject to and on the terms and conditions of this Offer Document.
Clawback and Re-allocation	:	The Invitation Shares may be re-allocated between the Offer and the Placement tranches at the discretion of the Issue Manager and Full Sponsor and the Underwriter and Placement Agent in the event of an excess of applications in one tranche and a deficit of applications in the other.
Purpose of the Invitation	:	Our Directors believe that the listing of our Company and the quotation of our Shares on Catalist will enhance our public image locally and internationally and enable us to tap the capital markets to fund our business growth. The Invitation will also provide members of the public, our employees, our business associates and others who have contributed to the success of our Group with an opportunity to participate in the equity of our Company.
Listing Status	:	Our Shares will be quoted on Catalist, in Singapore Dollars, subject to admission of our Company to Catalist and permission for dealing in, and for quotation of, our Shares being granted by the SGX-ST.
Risk Factors	:	Investing in our Shares involves risks which are described in the section entitled “Risk Factors” of this Offer Document.
Use of Proceeds	:	Please refer to the section entitled “Use of Proceeds and Listing Expenses” of this Offer Document for more details.

RISK FACTORS

You should evaluate carefully each of the following risk factors and all of the other information set forth in this Offer Document before deciding to invest in our Shares. Some of the following considerations relate principally to the industry in which we operate and our business in general. Other considerations relate principally to general social, economic, political and regulatory conditions, the securities market and ownership of our Shares, including possible future dilution in the value of our Shares.

You should also note that certain statements set forth below constitute “forward-looking statements” that involve risks and uncertainties. If any of the following risk factors and uncertainties develops into actual events, our business, financial condition, results of operations or cash flows could be materially and adversely affected. In such circumstances, the trading price of our Shares could decline due to any of these risk factors, and you may lose all or part of your investment. To the best of our Directors’ belief and knowledge, all the risk factors that are material to investors in making an informed judgment have been set out below.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We have recorded losses and negative operating cash flow and our business may remain unprofitable and may require additional financing

Our revenue has grown from S\$0.2 million in FP2015 to S\$3.7 million in FY2016 to S\$8.0 million in FY2017 in a span of three (3) years since we commenced business in 2015. However, our Group has been loss-making and had incurred net losses of S\$2.7 million, S\$2.3 million and S\$3.4 million for FP2015, FY2016 and FY2017 respectively. Our Group has also experienced negative net cashflows from our operating activities of S\$2.7 million, S\$2.0 million and S\$3.7 million for FP2015, FY2016 and FY2017 respectively and negative net cashflows from our investing activities of S\$0.4 million, S\$0.2 million and S\$0.3 million for FP2015, FY2016 and FY2017 respectively. Subsequent to Listing, we will incur additional legal, accounting, and other expenses which are not incurred as a private company.

There can be no assurance that we will be able to expand our business and secure sufficient clients for our services to generate significant revenue and to attain profitability, or if attained, there can be no assurance that we will be able to sustain profitability. In addition, we may continue to experience net losses. In the event the revenue generated from our Group’s operations prove insufficient for our working capital and expansion plans, we may need to access the capital markets for debt or equity financing to fund future capital expenditure. Additional financing may result in a dilution to the shareholdings of the holders of the Shares. We may also seek bank financing. There is no assurance that our Group will be able to obtain any additional financing on terms that are acceptable to our Group or at all. If our Group is unable to obtain such financing, our financial performance may be materially and adversely affected.

Our business will be adversely affected if we are unable to innovate or adapt to new changes in the intensely competitive E-commerce, E-logistics and Insurtech sectors

The E-commerce, E-logistics and Insurtech sectors are characterised by rapidly changing technology, evolving industry standards, new service and product introductions and changing demands from our Brand Partners. We face intense competition in the E-commerce, E-logistics and Insurtech sectors, and we expect competition to continue to intensify in the future. Increased competition may result in reduced pricing for our end-to-end E-commerce solutions or a decrease in our market share. If we are unable to offer our end-to-end E-commerce solutions at a competitive price, our ability to retain existing Brand Partners and attract new Brand Partners may be negatively affected and our future financial and operating results may also suffer as a result.

RISK FACTORS

Our competitors are constantly innovating and coming up with new end-to-end solutions such as consumer conversion services and data analytics services to remain competitive. They may be able to adapt more quickly to new technologies and changes in Brand Partners' requirements and devote greater resources to the promotion and sales of their products and services than we can. To achieve market acceptance for our end-to-end solutions, we must effectively anticipate and offer solutions that will meet frequently changing requirements of our Brand Partners in a timely manner. If we fail to innovate or to come up with effective end-to-end solutions ahead of our competitors, our ability to renew our contracts with existing Brand Partners and to attract new Brand Partners, as well as our ability to create or increase demand for our end-to-end solutions will be impaired. If we are unable to compete successfully against our competitors, our business and our operating and financial results could be adversely affected.

The Insurtech industry is also highly competitive. We believe that our future success will depend in part on our ability to continue to uncover market needs and to offer related services that meet the evolving industry practices on a timely and cost-effective basis. We may not always be able to successfully identify new market needs and develop and introduce new solutions to our customers in a timely and cost-effective manner, which could have a material and adverse effect on our business and results of operations. Our current Insurtech business model may become obsolete as our competitors come up with more innovative products to serve the needs of our customers.

Further, the Insurtech industry in Singapore is an emerging industry characterised by evolving industry practices and is still undergoing the evolutionary stage with uncertainties that are difficult to predict. Our proposed online-centric approach for distributing Insurtech products through the online marketplaces and our technology components in integrating our strategies in serving the needs of customers in their daily lives may be disruptive and may not be well acknowledged by customers and business players in Singapore. In addition, there is no assurance that we may be able to successfully implement our proposed plans for our online-centric Insurtech strategy.

As at the Latest Practicable Date, our Company has not encountered any past instances where our inability to innovate or adapt to new changes has had a material adverse impact on our Group's financials and/or operations.

We face uncertainties relating to the growth and profitability of the E-commerce market in SE Asia and we may face challenges and uncertainties in implementing our business strategies

While E-commerce has existed in SE Asia since the 2000s, some of the regional E-commerce companies have only become sizeable in recent years. Our future results of operations will depend on numerous factors affecting the development of the E-commerce market in SE Asia, which may be beyond our control. These factors include:

- the growth rate of internet, broadband, personal computers, and smartphone penetration and usage in SE Asia;
- the trust and confidence level of E-commerce consumers in SE Asia, as well as changes in customer demographics and consumer tastes and preferences;
- the selection, pricing and popularity of products that online sellers offer;
- whether alternative retail channels or business models that better address the needs of consumers emerge in SE Asia; and
- the development of E-logistics, payment and other ancillary services associated with E-commerce.

RISK FACTORS

In addition, we will continue to face challenges in the growth of our business and profitability related to the expansive and diverse geographic regions we operate in and the need for substantial improvements in E-logistics, including last mile delivery and warehousing infrastructure necessary to fulfil consumers' orders. Moreover, the growth of our business depends on assumptions about the E-commerce penetration rate and overall growth of the E-commerce market. To the extent that these growth assumptions and forecasts turn out to be incorrect, our business may be materially and adversely affected.

A decline in the popularity of online shopping in general; or any failure by us to adapt to changes in the online marketplaces or the official brand stores of our Brand Partners or to improve the online retail experience of consumers in response to trends and consumer preferences may adversely affect our revenue and business prospects.

We have a limited operating history

We have a limited operating history upon which to evaluate the viability and sustainability of our businesses, in particular our Insurtech business segment. Our history of operating all three (3) of our business segments together is relatively short, as we completed the acquisition of our TPA Subsidiary, which operates in the Insurtech industry in Singapore, in April 2018. Our historical results may not be indicative of our future performance and you should consider our future prospects in light of the risks and uncertainties of early stage companies operating in fast evolving high-tech industries in emerging markets. Some of these risks and uncertainties relate to our ability to:

- retain existing Brand Partners and attract new Brand Partners;
- maintain growth rates across our business segments;
- maintain and expand our network of ecosystem partners which include online and offline distribution channel partners and third party service providers;
- upgrade our technology and infrastructure;
- anticipate and adapt to changing user preferences;
- increase awareness of our brand;
- adapt to competitive market conditions;
- maintain adequate control of our expenses; and
- attract and retain qualified personnel.

If we are unsuccessful in addressing any of these risks and uncertainties, our business, financial condition and results of operations may be materially and adversely affected. Please refer to the risk factor entitled "We may seek opportunities for growth through acquisitions, joint ventures, investments and partnerships which may not be successful" in the section entitled "Risk Factors" of this Offer Document.

RISK FACTORS

Our rapid growth may not be sustainable and depends on our ability to attract new Brand Partners, retain existing Brand Partners and increase sales to both new and existing Brand Partners

We seek to attract new Brand Partners by providing them with customised end-to-end E-commerce solutions that enable them to grow their business more rapidly and cost-effectively than they could on their own. Even though our Brand Partners have increased in recent years, there can be no assurance that we will be able to retain these Brand Partners. We may also fail to attract new Brand Partners, retain existing Brand Partners or increase sales to both new and existing Brand Partners as a result of a number of other factors, including:

- reductions in Brand Partners' spending levels;
- competitive factors affecting the end-to-end E-commerce solutions market including the introduction of competing platforms, discount pricing and other strategies that may be implemented by our competitors;
- our ability to execute on our growth strategy and operating plans;
- a decline in our Brand Partners' level of satisfaction with our Synagie Platform and Brand Partners' usage of our Synagie Platform;
- changes in our relationships with third parties, including our third party logistics partners, referral sources and payment service providers;
- the timeliness and success of our end-to-end E-commerce solutions;
- the frequency and severity of any system outages;
- technological change; and
- our focus on long-term value over short-term results, meaning that we may make strategic decisions that may not maximise our short-term revenue or profitability if we believe that the decisions are consistent with our mission and will improve our financial performance over the long-term.

In addition, we anticipate that our growth rate will decline over time to the extent that the number of Brand Partners using our Synagie Platform increases and we achieve higher market penetration rates. Based on the Frost & Sullivan Report, our historical revenue CAGR is 551.8% from the year of our launch, in 2015, to 2017. To the extent our growth rate slows, our business performance will become increasingly dependent on our ability to retain existing Brand Partners and increase sales to existing Brand Partners.

RISK FACTORS

Our success is tied to the performance and reputation of our existing and future Brand Partners, and negative publicity about our Brand Partners and their products or the E-commerce, E-logistics and Insurtech sectors in general may have a material adverse effect on our business and reputation

Our success is substantially dependent upon the performance and reputation of our Brand Partners. As we continue to expand and optimise our Brand Partner base, our future success will also be tied to the performance and reputation of our future Brand Partners. Although we carefully select prospective Brand Partners, choosing to work only with Brand Partners that are established in the FMCG industry and show long-term potential, we cannot assure you that our efforts to optimise our Brand Partner base will be successful or will not have any material adverse impact on our business performance or results of operation. If our Brand Partners were to have financial difficulties, suffer impairment of their brands or if the profitability of, or demand for, their products decreases, we may have to write down any inventory which we have purchased from our Brand Partners, and it could adversely affect our results of operations and our ability to maintain and grow our business. Our business could also be adversely affected if our Brand Partners' marketing, brands or retail stores are not successful or if our Brand Partners reduce their marketing efforts.

Further, negative publicity about our Brand Partners and products may arise from time to time. Negative comments about online marketplaces, official brand stores operated by us, products offered in such online distribution channel partners and official brand stores, our business operations or management may appear in internet postings and other media sources from time to time and we cannot assure you that other types of negative publicity of a more serious nature will not arise in the future. In addition, our Brand Partners may also be subject to negative publicity for various reasons, such as consumers' complaints about the quality of their products and related services or other public relations incidents of such Brand Partners, which may adversely affect the sales of products of these Brand Partners. This may indirectly affect our reputation. Moreover, negative publicity about online retailers or E-commerce service providers may arise from time to time and cause Brand Partners to lose confidence in the end-to-end E-commerce solutions we offer. Any such negative publicity, regardless of veracity, may have a material adverse effect on our business, our reputation and the trading price of our Shares.

As at the Latest Practicable Date, our Company has not encountered any past instances where the poor performance or reputation of our existing Brand Partners have had a material adverse impact on our Group's financials and/or operations.

We depend on the success of certain online marketplaces and our relationship with our online distribution channel partners

A substantial majority of the revenue generated from online marketplaces is derived from the provision of our end-to-end E-commerce solutions rendered to our Brand Partners. If these online marketplaces are not successful in attracting consumers or their reputations are adversely affected for whatever reasons, our Brand Partners may cease to sell their products on these online marketplaces. As our results of operations rely on the end-to-end E-commerce solutions we provide on these online marketplaces, a decrease in the use of these online marketplaces would reduce demand for our end-to-end E-commerce solutions, which would adversely affect our business and results of operations.

RISK FACTORS

Our online distribution channel partners also have no obligation to do business with us or to allow us access to their online marketplaces in the long term. If we fail to maintain our relationships with these online distribution channel partners they may decide at any time and for any reason to significantly curtail or inhibit our ability to integrate our end-to-end E-commerce solutions with their online marketplaces. Additionally, these online distribution channel partners may decide to make significant changes to their respective business models, policies, systems or plans and those changes could impair or inhibit our Brand Partners' ability to use our end-to-end E-commerce solutions to sell their products on their online marketplaces, or may adversely affect the total gross merchandise value or GMV that our Brand Partners can sell on those online marketplaces or reduce the desirability of selling on those online marketplaces. Further, these online distribution channel partners could offer or integrate similar capabilities that we possess and compete with us. Any of these could cause our Brand Partners to re-evaluate the value of our end-to-end E-commerce solutions and potentially terminate their relationships with us, which would have a material adverse effect on our results of operations.

As at the Latest Practicable Date, our Company has not encountered any past instances where failure or strained relationships with our online distribution channel partners has had a material adverse impact on our Group's financials and/or operations.

Improper use or disclosure of business data and breach of security could harm our reputation

Our business generates and processes a large quantity of personal, transaction, demographic and behavioural data via our Synagie Platform. We face risks inherent in handling large volumes of data and in protecting the security of such data. In particular, we face a number of challenges relating to data from transactions and other activities on our platform, including:

- protecting the data on our Synagie Platform, against attacks by outside parties or fraudulent behaviour by our employees;
- addressing concerns related to privacy and sharing, safety, security and other factors; and
- complying with applicable laws, rules and regulations relating to the collection, use, disclosure or security of personal information, including any requests from regulatory and governmental authorities relating to such data.

The Personal Data Protection Act 2012 (No. 26 of 2012) of Singapore ("**PDPA**") establishes a data protection law that comprises various rules governing the collection, use, disclosure and care of personal data. The PDPA requires, *inter alia*, organisations to obtain the consent of individuals before collecting, using or disclosing their personal data for purposes that a reasonable person would consider appropriate in the circumstances; have mechanisms in place for individuals to withdraw their consent and reasonable security arrangements in place to prevent unauthorised access, collection, use, disclosure, copying, modification or disposal of personal data.

Any improper use or disclosure of business data and breaches of security leading to disclosure of personal data may lead to criminal sanctions under the PDPA, as well as reputational damage. It may also result in a direct loss of business should our Brand Partners cease to use our Synagie Platform. Material channel downtime or disruption could also result, preventing us from providing end-to-end E-commerce solutions to our Brand Partners and reducing sales via the online marketplaces, official brand stores operated by us and our own brand store, "beautiful.me". As at the Latest Practicable Date, we are not aware of any improper use or disclosure of our business data.

RISK FACTORS

Our Group's Synagie Platform is hosted on a cloud computing platform which provides a security architecture that includes identity and access management tools, security capabilities, encryption and network security that is certified or compliant with the AWS System & Organization Control (SOC) 1, 2 and 3 reports, ISO 27001, 27017, 27018 and 9001 certifications and PCI DSS compliance reports.

Our Group's data is secured via an encryption system which encrypts all data and prevents anyone who might have access to the underlying files from accessing the data while still maintaining performance. The encryption keys are managed via a management system which uses a combination of Hardware Security Modules and software to control, manage and audit the usage of the encryption keys. Backup of data is also encrypted and stored on the cloud.

Our Group is of the view that it does not take a large number of IT staff from our end to manage the security of our data as we do not host our own servers. The small number of staff our Group has does not pose any security concerns as security is outsourced to our cloud computing platform provider and its secure cloud environment. The general IT controls of our Synagie Platform has also been reviewed by our Group's internal auditors. We also employ third party developers to help us develop our Synagie Platform.

As at the Latest Practicable Date, our Group has not encountered any past instances where improper use or disclosure of business data has had a material adverse impact on our Group's financials and/or operations.

We rely on third party service providers for IT development, data storage, warehousing and E-logistics

We currently outsource our warehousing and E-logistics capabilities to established third party service providers and established third party logistics partners. Unforeseen interruptions to or failure of the operations of these third party service providers and third party logistics partners due to events beyond our control such as inclement weather, transportation disruptions, labour unrest, industry consolidation, insolvency or government shut-downs could prevent the timely and proper delivery of products to our consumers. If we are not able to find alternative third party service providers and third party logistics partners in a timely and reliable manner, our business and prospects, as well as our financial condition and results of operations could be materially and adversely affected.

We work with third party service providers for (i) the development of source codes; and (ii) storage of the information we generate from our data analytics capabilities. As there is no long-term contract with such third party service providers, there is no guarantee that they will continue servicing our Synagie Platform. If the third party service providers discontinue their services, the efficiency of our Synagie Platform and our data storage capabilities will be adversely affected, thereby impeding our ability to utilise our Synagie Platform to maximise sales revenue and profitability. Furthermore, we cannot guarantee that the data storage facilities and capabilities of the various cloud server providers that we engage will not experience technical failure or data corruption/loss or disclose data without authorisation. As at the Latest Practicable Date, we have not experienced any technical failure or fault in the data storage facilities and capabilities of the various cloud server providers.

RISK FACTORS

In addition, the third party service providers that we engage will have access to our software and other intellectual property, and may make unauthorised use or disclosure of our intellectual property. In such events, enforcement of our intellectual property rights may entail substantial costs and time, resulting in a diversion of our managerial and financial resources. If we do not succeed in enforcing our intellectual property rights or preventing any unauthorised use or disclosure of our intellectual property or confidential information, our business prospects and operations may be materially and adversely affected. As at the Latest Practicable Date, we are not aware of any unauthorised use or disclosure of our proprietary information. Please refer to the section entitled “General Information on our Company and our Group – Intellectual Property” of this Offer Document for further details on the steps taken to protect our proprietary data.

As at the Latest Practicable Date, our Group has not encountered any past instances where the inability to find third party service providers or the failure of our third party service providers for IT development has had a material adverse impact on our Group’s financials and/or operations.

We may be accused of infringing intellectual property rights of third parties and content restrictions of relevant laws

Third parties may claim that the technology or content used in our operation of online channels or our end-to-end E-commerce solutions infringe upon their intellectual property rights. As at the Latest Practicable Date, we have not been the subject of material legal proceedings and claims relating to infringement of the intellectual property rights of others. However, the possibility of intellectual property claims against us increases as we continue to grow, particularly as we expand our operation overseas. Such claims, whether or not having merit, may result in our expenditure of significant financial and management resources, injunctions against us or payment of damages. We may need to obtain licenses from third parties who allege that we have infringed their rights, but such licenses may not be available on terms acceptable to us or at all. These risks have been amplified by the increase in the number of third parties whose sole or primary business is to assert such claims.

Defending against claims that are brought against us could be both costly and time-consuming, and could significantly divert the efforts and resources of our management and other personnel. Further, the outcome of any claims, investigations and proceedings is inherently uncertain. If the outcome of any such litigation or proceedings is not in our favour, we could be liable to pay damages, as well as legal and other costs, and this could limit our ability to conduct business or require us to change the manner in which we operate.

We may seek opportunities for growth through acquisitions, joint ventures, investments and partnerships, which may not be successful

Our Group has grown substantially in recent years. Such growth is principally derived from the growth in the expansion of our presence on online channels. There is no assurance that our Group can sustain such growth, or otherwise maintain our financial performance or meet anticipated financial performance expectations. We may seek opportunities for growth through strategic alliances, joint ventures, investments and partnerships. For instance, in April 2018, we acquired our TPA Subsidiary which operates in the Insurtech industry. There is no assurance that such transactions and initiatives or any of these efforts will be successful. The acquisitions and investments that our Group may make, or joint ventures and partnerships that our Group may enter into, may expose our Group to additional business or operating risks or uncertainties, including but not limited to the following:

- inability to effectively integrate and manage the acquired businesses;

RISK FACTORS

- inability of our Group to exert control over the actions of our joint venture partners, including any non-performance, default or bankruptcy of the joint venture partners;
- time and resources expended to coordinate internal systems, controls, procedures and policies;
- disruption to ongoing business and diversion of management's time and attention from our day-to-day operations and other business concerns;
- risk of entering markets that our Group may have no or limited prior experience or dealing with new counterparties;
- potential loss of key employees and customers of the existing business and acquired businesses;
- risk that an investment or acquisition may reduce our Group's future earnings; and
- exposure to unknown liabilities.

The expansion of our business in other jurisdictions may expose us to risks related to a new business venture as well as to the risks of operating in a new jurisdiction that has economic, legal and regulatory conditions that are different from the existing jurisdictions which we operate in. Accordingly, there is no assurance of our success or the sustainability of our business in the new jurisdictions. If we are unable to adapt or assimilate our operations to the new market, this could have a material adverse effect on our business, financial condition, results of operations and prospects.

If our Group is unable to successfully implement our growth strategy or is unable to address the risks associated with our Group's acquisitions, joint ventures, investments and partnerships, or if our Group encounters unforeseen expenses, difficulties, complications or delays frequently encountered in connection with the integration of acquired businesses and the expansion of operations, or fails to achieve acquisition synergies, our business, financial condition, results of operations and prospects may be materially and adversely affected. Please refer to the risk factor entitled "We have a limited operating history" in the section entitled "Risk Factors" of this Offer Document.

We are dependent on our key management personnel and our ability to recruit suitable and qualified employees

The future success of our Group depends upon the capabilities and efforts of our management team and our ability to hire and retain key management personnel as well as suitable and qualified employees. The ability of our Group to continue to attract, retain and motivate key personnel will have an impact on our operations. The loss of the services of one or more of these individuals without timely adequate replacements or the inability to attract new suitably qualified personnel at a reasonable cost would have a material adverse effect on our financial performance and operations. In addition, our Group may lose business to the organisations that members of the key management of our Group may join after leaving their positions with us. Although we have entered into service contracts with certain of our key management personnel, we cannot assure you that we will be able to continue to engage their services in the future. If we are unable to retain or recruit suitable and qualified employees, our Group's business, financial condition and results of operations may be adversely affected.

RISK FACTORS

Our business may be affected by global economic uncertainties

The success of our business ultimately depends on consumer spending. Our business is impacted to a significant extent by economic conditions globally and specifically to online commerce. The global economy, markets and levels of consumer spending are influenced by many factors which are beyond our control such as consumer perception of current and future economic conditions, political uncertainty, levels of employment, inflation or deflation, real disposable income, interest rates, taxation and currency exchange rates.

Government regulations, measures and policies in response to Insurtech businesses may materially and adversely affect our business

Currently, we do not need additional licenses or permits to operate our existing business in Singapore. However, new applicable laws and regulations and new interpretation to the existing laws and regulations may be adopted from time to time to address new issues that arise, and additional licenses and permits may be required as the relevant government authorities issue and implement additional regulations with respect to these industries. As a result, we face substantial uncertainties regarding the evolution of the regulatory system and the interpretation and implementation of the current and any future Singapore laws and regulations applicable to our business. We cannot guarantee that our past, current and future practice and operations will not be challenged by any relevant authorities past and future or that such authorities will not change their policies so as to conflict with the existing ones we are complying with now. Also, if any new Singapore regulations promulgated in the future require us to obtain additional licenses or permits in order to continue to conduct our business operations, we cannot guarantee that we will immediately meet all the new requirements of such new regulations in order to obtain such licenses or permits in a timely fashion. The occurrence of any circumstance described above may materially and adversely affect our business, financial condition and prospects.

We may be affected by terrorist attacks, natural disasters, outbreaks of communicable diseases and other events beyond our control

Terrorist attacks, natural disasters and other events beyond our control in the countries in which we operate may lead to uncertainty in the economic outlook of these countries leading to an economic downturn. This will in turn have an adverse impact on our business. In addition, although such acts have not in the past targeted our assets or those of our clients, there can be no assurance that this will not happen in the future. Our current insurance policies do not cover terrorist attacks. The consequences of any such terrorist attacks, natural disasters or other events beyond our control are unpredictable and unforeseeable, and may have an adverse effect on our business operations and financial position. An outbreak of Ebola virus, SARS, avian influenza, Influenza A (H1N1) and/or other communicable diseases, if uncontrolled, could affect our operations, as well as the operations of our clients and suppliers. Any occurrence of a pandemic, an epidemic or outbreak of other disease may have an adverse effect on our business operations including our ability to travel and deploy personnel for tasks. Further, in the event that any of our employees is infected or suspected to be infected with Ebola virus, SARS, avian influenza, Influenza A (H1N1) and/or other communicable diseases, we may be required to quarantine some of our employees and shut down part of our operations to prevent the spread of the disease. This would result in delays in the completion of our tasks. Failure to meet our clients' expectations could damage our reputation, and may, as a result, lead to loss of business and affect our ability to attract new business. An outbreak of Ebola virus, SARS, avian influenza, Influenza A (H1N1) and/or other communicable diseases could therefore have an adverse impact on our business and operations.

RISK FACTORS

We are subject to risks relating to economic, political, legal or social environment in Malaysia

We currently have operations in Malaysia. Our business operations are therefore dependent on the political, economic, regulatory and social conditions in Malaysia. Our business, earnings, asset values, prospects and the value of our Shares may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies, exchange control regulations, food industry laws and regulations, taxation, expropriation, social instability and other political, legal, economic or diplomatic developments in or affecting Malaysia, where applicable. We have no control over such conditions and developments and can provide no assurance that such conditions and developments will not have a material adverse effect on our operations or the price of or market for our Shares.

Any adverse development in the political situation and economic uncertainties in Malaysia could materially and adversely affect our results of operations. Such political or regulatory changes include (but are not limited to) the introduction of new laws and regulations which impose and/or increase restrictions on the conduct of business, the repatriation of profits, the imposition of capital controls and changes in interest rates.

We are subject to laws, regulations and guidelines in connection with our business operations in Malaysia

Our business operations in Malaysia require valid and existing licences, permits and/or approvals issued by the relevant authorities. Our Group believes that we are in compliance in all material respects with the relevant regulatory requirements applicable to our Group. Our Group has obtained all necessary permits, approvals and licences required for our Group's business and operations.

There is no assurance that the relevant licences, permits and/or approvals will be granted or, where granted, will not be revoked or will be renewed in due course. Any revocation, rejection or non-renewal of any licences, permits and/or approvals or any changes to the relevant legislation, regulations or guidelines in connection with our business operations on Malaysia whether currently or in the future could affect our ability to continue our business in Malaysia. This may in turn affect our business operations and profitability of our Group. There is no assurance that the laws, regulations and guidelines which are applicable to our business will not change. In the event of any such amendments, we may need to ensure compliance with such new laws, regulations and guidelines or we may also need to comply with new licensing requirements under such laws, regulations and guidelines. If we are unable to comply or are unable to obtain such new licences, permits and/or approvals our business operations may be adversely affected.

RISK FACTORS

We operate in countries or may expand into countries where we would be subject to local legal and regulatory conditions and may be affected by the political, economic and social conditions in these countries as well as bilateral relationships between these countries

As at the Latest Practicable Date, we have a business presence or carry out operations in Singapore and Malaysia. We are subject to the applicable laws, regulations and guidelines in these countries and jurisdictions, particularly in relation to entry and employment requirements and restrictions in respect of our employees and workers. If we fail to comply with such laws, regulations and guidelines, we may be subject to penalties for such breaches, including fines or restrictions on our ability to carry on business or operate in such countries or jurisdictions. In addition, the relevant employees in breach of such laws, regulations and/or guidelines may also be subject to penalties such as fines, imprisonment or deportation. In addition, we may expand into other countries in which we presently do not have a business presence. Laws and regulations governing business entities in these countries may change and are often subject to a number of possibly conflicting interpretations, both by business entities and by the courts. Our business, financial condition, profitability and results of operations may be adversely affected by changes in and uncertainty surrounding governmental policies, in particular with respect to business laws and regulations, licences and permits, taxation, inflation, interest rates, currency fluctuations, price and wage controls, exchange control regulations, labour laws and expropriation. Any changes in economic, political, legal and regulatory conditions or policies in these countries as well as bilateral relationships between these countries could adversely affect the results of our operations and in turn, the market price of our Shares.

RISKS RELATING TO AN INVESTMENT IN OUR SHARES

Investment in shares quoted on Catalist involves a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST

An application has been made for our Shares to be listed for quotation on Catalist, a listing platform designed primarily for fast-growing and emerging or smaller companies to which a higher investment risk tends to be attached, as compared to larger or more established companies listed on the Main Board of the SGX-ST. An investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST.

There is no prior market for our Shares and the Invitation may not result in an active or liquid market for our Shares

Prior to the Invitation, there has been no public market for our Shares. Although we have made an application to the SGX-ST to list our Shares on Catalist, there is no assurance that an active trading market for our Shares will develop or, if it develops, it will be sustained after the Invitation. Active or liquid markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. Liquidity in the market for a particular security is often a function of the volume of the underlying shares that are publicly held by unrelated parties.

There is also no assurance that the market price for our Shares will not decline below the Invitation Price. The Invitation Price may not be indicative of prices that may prevail in the trading market after the Invitation. Investors may not be able to sell their Shares at or above the Invitation Price. The market price of our Shares could be subject to significant fluctuations as investors' sentiments may be affected by external factors, such as the liquidity of our Shares in the market, differences between our actual financial or operating results and those expected by investors and analysts, the general market conditions and broad market fluctuations may also result in significant fluctuations in the market price of our Shares.

RISK FACTORS

Our Share price may be volatile, which could result in substantial losses for investors subscribing for Shares pursuant to the Invitation

The trading price of our Shares may fluctuate significantly and rapidly after the Invitation as a result of, among others, the following factors, some of which are beyond our control:

- variations of our operating results;
- changes in our assets and liabilities;
- changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- announcements made by us of significant acquisitions, strategic alliances or joint ventures;
- additions or departures of key personnel;
- fluctuations in stock market prices and volume;
- material changes or uncertainty in the political, economic and regulatory environment in the markets in which we operate;
- success or failure of our efforts in implementing business and growth strategies;
- involvement in litigation; and
- changes in general economic and stock market conditions.

Any future sale, availability or issuance of our Shares could adversely affect our Share price

Any future sale, availability or issuance of a large number of our Shares can have a downward pressure on our Share price. The sale of a significant amount of our Shares in the public market after the Invitation, or the perception that such sales may occur, could materially and adversely affect the market price of our Shares. These factors also affect our ability to sell additional equity securities. Except as otherwise described in the section entitled "Shareholders – Moratorium" of this Offer Document, there will be no restriction on the ability of our existing Shareholders to sell their Shares, either on Catalist or otherwise. In addition, our Share price may be under downward pressure if Shareholders who are subject to a moratorium sell their Shares upon the expiry of their respective moratorium periods.

We may require additional funding for our growth plans and such funding may result in a dilution of our Shareholders' investment

We attempted to estimate our funding requirements in order to implement our growth plans, as set out in the section entitled "Prospects, Business Strategies and Future Plans" of this Offer Document.

In the event that the costs of implementing such plans should exceed these estimates significantly or we come across opportunities to grow through expansion plans which cannot be predicted at this juncture and the funds generated from our operations prove insufficient for such purposes, we may need to raise additional funds to meet these funding requirements.

RISK FACTORS

These additional funds may be raised by issuing equity or debt securities or by borrowing from banks or from other resources. We cannot ensure that we will be able to obtain any additional financing on terms that are acceptable to us, or at all. If we fail to obtain additional financing on terms that are acceptable to us, we will not be able to implement such plans fully. Such financing, even if obtained, may be accompanied by conditions that limit our ability to pay dividends or require us to seek lenders' consent for the payment of dividends or restrict our freedom to operate our business by requiring lenders' consent for certain corporate actions.

Further, in the event that we raise additional funds by way of a limited placement or by a rights offering or through the issuance of new Shares, any Shareholders who are unable or unwilling to participate in such additional rounds of fundraising may suffer dilution in their investments.

Investors in our Shares would face immediate and substantial dilution in the Pro Forma NAV per Share and may experience future dilution

The Invitation Price of our Invitation Shares of 27.0 cents is higher than our Group's Pro Forma NAV per Share of 5.57 cents based on the post-Invitation share capital adjusted for the net proceeds due to our Company from the Invitation. If we were to be liquidated immediately following this Invitation, each investor subscribing to this Invitation would receive less than the price they paid for their Shares. Please refer to the section entitled "Dilution" of this Offer Document for details of the immediate dilution of our Shares incurred by new investors.

In addition, we may issue Award Shares and/or Options under our Synagie Performance Share Plan and/or Synagie Employee Share Option Scheme. To the extent that such Award Shares are issued and/or the Options are granted and exercised, there may be further dilution to investors participating in our Invitation, as well as impact to the financial performance of our Group. Please refer to the sections entitled "Synagie Performance Share Plan" and "Synagie Employee Share Option Scheme" of this Offer Document for details of the Synagie Performance Share Plan and Synagie Employee Share Option Scheme respectively.

We may not be able to pay dividends in the future

Our ability to declare dividends to our Shareholders will depend on, *inter alia*, our future financial performance and distributable reserves of our Company. Our Company's future financial performance and distributable reserves depend on several factors such as the successful implementation of our strategies, general economic conditions, demand for and selling prices of our products and services. Many of these factors may be beyond our control. As such, there is no assurance that our Company will be able to pay dividends to our Shareholders after the completion of the Invitation. In the event that any Group Company enters into any loan agreements in the future, covenants therein may also limit when and how much dividends we can declare and pay.

RISK FACTORS

Information contained in the forward-looking statements included in this Offer Document is subject to inherent uncertainties and investors should not rely on any of them

This Offer Document contains certain statements that constitute “forward-looking” statements, including, *inter alia*, those in relation to our financial condition, business strategies, prospects, future plans and objectives. These forward-looking statements involve risks, uncertainties and other facts which are known or currently unknown, which may cause our actual results, performance, profitability, achievements or industry results to differ materially from those expressed or implied by the forward-looking statements contained in this Offer Document. These forward-looking statements are based on several assumptions regarding our present and future business strategies and the business environment in which we will operate in the future. Investors should not place undue reliance on any such forward-looking statements. The inclusion of these forward-looking statements in this Offer Document shall not be regarded as a representation or warranty by our Company or any of our professional advisers that the plans and objectives of our Company can or will be achieved.

INVITATION STATISTICS

Invitation Price **27.0 cents**

NAV

NAV per Share based on the audited combined statement of financial position of our Group as at 31 December 2017:

- | | |
|---|------------|
| (a) before adjusting for the estimated net proceeds of the Invitation based on the pre-Invitation share capital of 218,704,993 Shares | 0.08 cents |
| (b) after adjusting for the estimated net proceeds of the Invitation and based on the post-Invitation share capital of 261,704,993 Shares | 3.82 cents |

Premium of Invitation Price over the NAV per Share:

- | | |
|---|-----------|
| (a) before adjusting for the estimated net proceeds of the Invitation based on the pre-Invitation share capital of 218,704,993 Shares | 33,650.0% |
| (b) after adjusting for the estimated net proceeds of the Invitation and based on the post-Invitation share capital of 261,704,993 Shares | 606.8% |

Pro Forma NAV per Share based on the unaudited Pro Forma combined statement of financial position of our Group as at 31 December 2017:

- | | |
|---|------------|
| (a) before adjusting for the estimated net proceeds of the Invitation based on the pre-Invitation share capital of 218,704,993 Shares | 2.17 cents |
| (b) after adjusting for the estimated net proceeds of the Invitation and based on the post-Invitation share capital of 261,704,993 Shares | 5.57 cents |

Premium of Invitation Price over the Pro Forma NAV per Share:

- | | |
|---|----------|
| (a) before adjusting for the estimated net proceeds of the Invitation based on the pre-Invitation share capital of 218,704,993 Shares | 1,144.2% |
| (b) after adjusting for the estimated net proceeds of the Invitation and based on the post-Invitation share capital of 261,704,993 Shares | 384.7% |

EPS

Historical EPS⁽¹⁾ based on the audited combined loss for FY2017 and our Company's pre-Invitation share capital of 218,704,993 Shares (1.55) cents

Historical EPS⁽¹⁾ based on the audited combined loss for FY2017 and our Company's pre-Invitation share capital of 218,704,993 Shares, assuming that the Service Agreements had been in place from the beginning of FY2017 (1.69) cents

PER

Historical PER based on the Invitation Price and the historical EPS of our Group for FY2017 n.m.⁽²⁾

Historical PER based on the Invitation Price and the historical EPS of our Group for FY2017, assuming that the Service Agreements had been in place from the beginning of FY2017 n.m.⁽²⁾

INVITATION STATISTICS

Net cash flow from operations

Historical net cash flow from operations⁽³⁾ per Share of our Group for FY2017 based on our Company's share capital immediately before the Invitation of 218,704,993 Shares (1.71) cents

Historical net cash flow from operations⁽³⁾ per Share of our Group for FY2017 based on our Company's share capital immediately before the Invitation of 218,704,993 Shares, assuming that the Service Agreements had been in place from the beginning of FY2017 (1.86) cents

Price to net cash flow from operations ratio

Invitation Price to historical net cash flow from operations per Share for FY2017 n.m.⁽²⁾

Invitation Price to historical net cash flow from operations per Share for FY2017, assuming that the Service Agreements had been in place from the beginning of FY2017 n.m.⁽²⁾

Market capitalisation

Market capitalisation based on the Invitation Price and our Company's share capital immediately after the completion of the Invitation of 261,704,993 Shares S\$70.7 million

Notes:

- (1) The historical audited combined losses of our Group for FY2017 does not take into account the results of TPA Subsidiary as the acquisition of TPA Subsidiary was only completed on 20 April 2018.
- (2) Denotes not meaningful as our Group is loss making and/or the net cash flow from operations is negative, as the case may be.
- (3) Net cash flow from operations is defined as net cash flows from operating activities.

USE OF PROCEEDS AND LISTING EXPENSES

Use of Proceeds

The estimated net proceeds to be raised by our Company from the Invitation, after deducting the estimated cash expenses in relation to the Invitation of approximately S\$1.8 million, will be approximately S\$9.8 million.

We intend to use our gross proceeds from the Invitation primarily as follows:

Use of Proceeds	Amount in Aggregate (S\$'000)	Estimated amount allocated for each dollar of the gross proceeds raised from the Invitation (as a percentage of the gross proceeds) (%)
Business expansion (including penetrating new geographical locations, investments in information technology capabilities and mergers and acquisitions)	7,400	63.7
Working capital	2,423	20.9
Listing expenses	1,787	15.4
Total	11,610	100.0

Further details of our use of proceeds may be found in the section entitled “Prospects, Business Strategies and Future Plans” of this Offer Document.

The foregoing discussion represents our Company’s best estimate of the allocation of the proceeds of the Invitation based on our current plans and estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates and our Company may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. In the event that our Company decides to reallocate the net proceeds of the Invitation for other purposes, our Company will publicly announce our intention to do so through a SGXNET announcement on the Internet at the SGX-ST’s website, <http://www.sgx.com>. In addition, our Company will make periodic announcements on the use of the proceeds from the Invitation as and when the proceeds from the Invitation are materially disbursed and provide a status report on the use of the proceeds from the Invitation in our annual reports.

Pending the deployment of the net proceeds from the Invitation as aforesaid, the funds will be placed in short-term deposits or money market instruments as our Directors may, in their absolute discretion, deem fit.

In the reasonable opinion of our Directors, there is no minimum amount which must be raised by the Invitation.

None of the proceeds of the Invitation will be used to discharge, reduce or retire any indebtedness of our Group.

USE OF PROCEEDS AND LISTING EXPENSES

Listing expenses

The estimated amount of expenses of the Invitation and of the application for listing, including underwriting and placement commission, audit and legal fees, advertising and printing expenses, fees payable to the SGX-ST and all other incidental expenses in relation to this Invitation is approximately S\$1.8 million. Such expenses will be borne by us and deducted from the gross proceeds from the Invitation.

A breakdown of these estimated expenses to be borne by us in relation to the Invitation is as follows:

Expenses	Amount in aggregate (S\$'000)	As a percentage of gross proceeds from the Invitation (%)
Listing and processing fees	57	0.5
Professional fees ⁽¹⁾	1,124	9.7
Underwriting and Placement commission ⁽²⁾	406	3.5
Miscellaneous expenses ⁽³⁾	200	1.7
Total⁽⁴⁾	1,787	15.4

Notes:

- (1) Includes, among others, estimated fees for the legal adviser, the Issue Manager and Full Sponsor and other professionals.
- (2) The underwriting and placement commission payable in connection with the Invitation is 3.5% of the gross proceeds.
- (3) Includes the estimated cost of production of this Offer Document and other marketing expenses and certain other expenses incurred or to be incurred in connection with the Invitation.
- (4) Of the total estimated listing expenses of approximately S\$1.8 million borne by our Company, approximately S\$0.6 million will be capitalised against share capital and the balance of the estimated listing expenses will be charged to profit or loss.

EXCHANGE RATES

The reporting currency of our Group is the Singapore Dollar. The exchange rates between MYR and S\$ as outlined in the tables below are from www.oanda.com⁽¹⁾ and have been presented solely for informational purposes only. The tables and figures below should not be construed as representations that those S\$ could have been, could be or would be, converted or convertible into MYR, as the case may be, at any particular rate, the rate stated below, or at all.

The exchange rate between MYR and S\$ as at the Latest Practicable Date is MYR1.00 to S\$0.3386. The table below sets out the highest and lowest exchange rates between MYR and S\$ in each of the six (6) completed months prior to the Latest Practicable Date. The table indicates how much S\$ may be bought with MYR1.00 in each such month.

	S\$: MYR1.00	
	Highest	Lowest
December 2017	0.3316	0.3282
January 2018	0.3373	0.3288
February 2018	0.3387	0.3255
March 2018	0.3390	0.3347
April 2018	0.3402	0.3366
May 2018	0.3393	0.3351

The table below sets out, for each of the financial period/year indicated, the average and closing exchange rates between MYR and S\$. The average exchange rate is calculated by using the average of the closing exchange rates on the last day of each month during each financial year/period. Where applicable, the exchange rates in this table are used for the translation of our Group's financial statements disclosed elsewhere in this Offer Document.

	S\$: MYR1.00	
	Average	Closing
FP2015	n.a. ⁽²⁾	n.a. ⁽²⁾
FY2016	n.a. ⁽²⁾	n.a. ⁽²⁾
FY2017	0.3211	0.3292

Notes:

(1) The above information is extracted and compiled from www.oanda.com on the Latest Practicable Date and is included in its proper form and context in this Offer Document. The accuracy of the information has not been verified by our Directors, the Issue Manager and Full Sponsor and Underwriter and Placement Agent. www.oanda.com has not consented to the inclusion of the information in this Offer Document for the purposes of Section 249 of the SFA, and is not liable under Sections 253 and 254 of the SFA.

(2) "n.a." denotes not applicable as our Group's operations in Malaysia only commenced in 2017.

DIVIDEND POLICY

Statements contained in this section that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties and should under no circumstances be regarded as a representation, warranty or prediction by us, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

Neither our Company nor our subsidiaries have declared or paid any dividends since their incorporation.

We currently do not have a fixed dividend policy. The form, frequency and amount of future dividends on our Shares will depend on our earnings, general financial position, results of operations, capital requirements, cash flow, general business condition, our development plans and other factors as our Directors may, in their absolute discretion, deem appropriate. Therefore, there can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future.

Subject to our Constitution and in accordance with the Companies Act, our Company may, in a general meeting, from time to time, declare a dividend or other distribution (subject to the approval of our Shareholders), but no dividend or other distribution shall be declared in excess of the amount recommended by our Directors. Our Directors may also declare an interim dividend without the approval of our Shareholders. Our Company may pay all dividends out of our profits. For information relating to taxes payable on dividends, please refer to the section entitled "Taxation" of this Offer Document.

All dividends are paid *pro rata* among the Shareholders in proportion to the amount paid up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provides otherwise. We currently only have one (1) class of Shares with equal rights attaching to such Shares. Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that Shareholder in respect of that payment.

For information relating to taxes payable on dividends, please refer to the section entitled "Taxation" of this Offer Document.

SHARE CAPITAL

Our Company (Registration No. 201717972D) was incorporated in Singapore on 28 June 2017 under the Companies Act as an exempt private company limited by shares under the name of “Synagie Corporation Pte. Ltd.”. On 27 June 2018, our Company changed its name to “Synagie Corporation Ltd.” in connection with its conversion into a public company limited by shares.

As at the date of incorporation, our issued and paid-up share capital was S\$1.00, comprising one (1) ordinary share. As at the Latest Practicable Date, our issued and paid-up share capital was S\$7,400,000 comprising 5,932,142 Shares.

Pursuant to written resolutions passed on 25 June 2018, 28 June 2018 and 25 July 2018, our Shareholders approved, *inter alia*, the following:

- (a) the conversion of our Company into a public company limited by shares and the consequential change of our name to “Synagie Corporation Ltd.”;
- (b) our adoption of a new set of Constitution;
- (c) the sub-division of every one (1) Share into 30 Shares;
- (d) the approval of the listing and quotation of all the issued Shares (including the Invitation Shares to be issued and allotted pursuant to the Invitation, Award Shares and Option Shares) on Catalist;
- (e) the issue and allotment of the Invitation Shares which are the subject of the Invitation on the basis that the Invitation Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the existing issued Shares;
- (f) the adoption of the Performance Share Plan, and the authorisation of our Directors, pursuant to Section 161 of the Companies Act, to allot and issue Shares upon the release of Awards granted under the Performance Share Plan;
- (g) the participation in the Synagie Performance Share Plan by our Controlling Shareholders and their associates;
- (h) the adoption of the Synagie ESOS, the rules of which are set out in Appendix E entitled “Rules of the Synagie Employee Share Option Scheme” section of this Offer Document, and that our Directors be authorised to allot and issue Shares upon the exercise of Options granted under the Synagie ESOS;
- (i) the participation in the Synagie ESOS by our Controlling Shareholder and their associates;
- (j) that authority be and is hereby given to our Directors, pursuant to Section 161 of the Companies Act and the Catalist Rules to:
 - (A) (i) issue Shares whether by way of rights, bonus or otherwise; and/or

SHARE CAPITAL

- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and/or
- (iii) notwithstanding that such authority may have ceased to be in force at the time that Instruments are to be issued, issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues,

at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit; and

- (B) issue Shares in pursuance of any Instrument made or granted by our Directors pursuant to (A)(ii) and/or (A)(iii) above, while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution),

provided that:

- (1) the aggregate number of Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to this authority but excluding Shares which may be issued pursuant to any adjustments (“**Adjustments**”) effected under any relevant instrument, which Adjustments shall be made in compliance with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of our Company), does not exceed 100.0% of the post-Invitation issued share capital excluding treasury shares, and provided further that the aggregate number of Shares to be issued other than on a *pro rata* basis to Shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to such authority but excluding Shares which may be issued pursuant to Adjustments effected under any relevant Instrument) shall not exceed 50.0% of the post-Invitation issued share capital excluding treasury shares;
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under subparagraph (1) above, the percentage of Shares that may be issued shall be based on the post-Invitation issued Share capital of our Company (excluding treasury shares), after adjusting for: (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities; (b) new Shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this authority; and (c) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising such authority, our Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of our Company; and

SHARE CAPITAL

- (4) unless revoked or varied by our Company in general meeting by ordinary resolution, the authority so conferred shall continue in force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting of our Company is required by law to be held or the general mandate is fully utilised, whichever is the earlier; and

For the purposes of this resolution and pursuant to Rules 806(3) and 806(4) of the Catalist Rules, the “post-Invitation issued share capital” shall mean the total number of issued Shares of our Company (excluding treasury shares) immediately after the Invitation, after adjusting for: (i) new Shares arising from the conversion or exercise of any convertible securities; (ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time such authority is given, provided the options or awards were granted in compliance with the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or sub-division of Shares.

Pursuant to the completion of the Restructuring Exercise on 20 April 2018, our issued and paid-up share capital is S\$7,400,000 comprising 5,932,142 Shares. Please refer to the section entitled “Restructuring Exercise” of this Offer Document for more details.

As at the date of this Offer Document, there is only one (1) class of Shares in the capital of our Company, being the Shares. A summary of the Constitution of our Company relating to, among others, the voting rights of our Shareholders is set out in Appendix C entitled “Selected Extracts of our Constitution” of this Offer Document.

As at the Latest Practicable Date, prior to the Sub-division, the issued and paid-up share capital of our Company is S\$7,400,000 comprising 5,932,142 Shares. Upon the issue and allotment of the Invitation Shares which are the subject of the Invitation, the resultant issued and paid-up share capital of our Company will be increased to S\$24,510,000 comprising 261,704,993 Shares.

There are no founder, management, deferred or unissued Shares reserved for issuance for any purpose.

As at the Latest Practicable Date, no option to subscribe for Shares in our Company has been granted to, or was exercised by, any of our Directors or Executive Officers.

SHARE CAPITAL

Details of the changes in the issued and paid-up share capital of our Company since the date of incorporation and immediately after the Invitation are set out below:

	Number of new Issued Shares	Number of Shares	Resultant Issued and Paid-Up Share Capital (\$)
Issued and fully paid Shares as at incorporation	1	1	1.00
Issue of 5,932,141 Shares pursuant to the Restructuring Exercise (excluding the Sub-division)	5,932,141	5,932,142	7,400,000
Issued and paid-up share capital immediately after the Restructuring Exercise (including the Sub-division)	172,032,118	177,964,260	7,400,000
Conversion of Convertible Notes after the Restructuring Exercise (including the Sub-division)	40,740,733	218,704,993	12,900,000
Invitation Shares issued pursuant to the Invitation	43,000,000	261,704,993	24,510,000
Post-Invitation issued and paid-up share capital	–	261,704,993	24,510,000 ⁽¹⁾

Note:

- (1) Based on the gross proceeds from the Invitation, before taking into account the capitalisation of approximately S\$0.6 million being a portion of the listing expenses incurred in relation to the Invitation.

SHARE CAPITAL

The issued share capital and the shareholders' equity of our Company as at the date of incorporation, after adjustments to reflect the Restructuring Exercise, the sub-division of Shares, the conversion of the Convertible Notes to Shares to the Pre-IPO Investors, and the issue and allotment of the Invitation Shares pursuant to the Invitation, are set forth below.

	As at date of incorporation	After adjustments to reflect the Restructuring Exercise, the sub-division of Shares and conversion of the Convertible Notes to Shares of Pre-IPO Investors	Assuming the allotment and issue of the Invitation Shares
Issued and fully paid-up shares (number of shares)	1	218,704,993	261,704,993
Issued and fully paid-up share capital (S\$)	1.00	12,900,000	23,910,373 ⁽¹⁾
Total shareholders' equity (S\$)	1.00	12,900,000	23,910,373 ⁽¹⁾

Save as disclosed above, there has been no other changes in the share capital of our Company since its incorporation on 28 June 2017.

Note:

- (1) After deducting the listing expenses incurred in relation to the Invitation of approximately S\$0.6 million which is capitalised against our Company's share capital.

SHAREHOLDERS

SHAREHOLDING AND OWNERSHIP STRUCTURE

Our Directors and Substantial Shareholders and their respective shareholdings as at the Latest Practicable Date, immediately before and after the Invitation are summarised below:

Shareholders	As at the Latest Practicable Date, adjusted for the sub-division of Shares before the Conversion of the Convertible Notes and before the Invitation		After the Conversion of the Convertible Notes but before the Invitation		After the Conversion of the Convertible Notes and after the Invitation	
	Direct Interest No. of Shares (%)	Deemed Interest No. of Shares (%)	Direct Interest No. of Shares (%)	Deemed Interest No. of Shares (%)	Direct Interest No. of Shares (%)	Deemed Interest No. of Shares (%)
<u>Directors</u>						
Lim Chuan Poh	-	-	-	-	-	-
Clement Lee ⁽¹⁾⁽²⁾	-	62,064,060 34.9	-	62,064,060 28.4	-	62,064,060 23.7
Olive Tai	7,875,000 4.4	-	7,875,000 3.6	-	7,875,000 3.0	-
Zanetta Lee ⁽¹⁾	9,210,600 5.2	-	9,210,600 4.2	-	9,210,600 3.5	-
Chua Hwee Song	-	-	-	-	-	-
Koh Chia Ling	-	-	-	-	-	-
Chue En Yaw	-	-	1,481,481 0.7	-	1,481,481 0.6	-
<u>Controlling Shareholder</u>						
Metadrome ⁽²⁾	62,064,060 34.9	-	62,064,060 28.4	-	62,064,060 23.7	-
<u>Substantial Shareholders</u>						
Agate Investments Limited ⁽³⁾	30,366,690 17.1	-	30,366,690 13.9	-	30,366,690 11.6	-
Harmony Treasure Holdings Ltd ⁽⁴⁾	19,026,690 10.7	-	19,026,690 8.7	-	19,026,690 7.3	-
Other Shareholders ⁽⁵⁾	49,421,220 27.8	-	88,680,472 40.5	-	88,680,472 33.9	-
Public⁽⁶⁾	-	-	-	-	43,000,000 16.4	-
Total	177,964,260 100.0⁽⁷⁾	-	218,704,993 100.0	-	261,704,993 100.0	-

SHAREHOLDERS

Notes:

- (1) Clement Lee and Zanetta Lee are siblings.
- (2) Clement Lee is the sole beneficial owner of Metadrome. Accordingly, Clement Lee is deemed interested in the Shares held by Metadrome by virtue of Section 4 of the SFA.
- (3) Agate Investments Limited is an entity that is wholly owned by Centurion Private Equity Ltd (“**Centurion PE**”). Centurion PE is wholly owned by Centurion Global Ltd (“**Centurion Global**”). Centurion Global is owned by Mr Loh Kim Kang David (“**Mr Loh**”) and Mr Han Seng Juan (“**Mr Han**”) in equal proportions. Mr Loh and Mr Han are deemed to be interested in our Company’s shares held by Agate Investments Limited which is in turn held by Centurion PE which is in turn held by Centurion Global, pursuant to Section 4(7) of the SFA. Centurion PE, Centurion Global, Mr Loh and Mr Han are independent third parties from our Group.
- (4) Harmony Treasure Holdings Ltd is an entity that is wholly owned by Chow Helen @ Mrs Cheng Helen. Chow Helen @ Mrs Cheng Helen is the mother of Cheng Kar Yunn, Karen, who is a Series B Pre-IPO Investor. Chow Helen @ Mrs Cheng Helen and Cheng Kar Yunn, Karen are independent third parties from our Group.
- (5) Comprises of 23 shareholders, each holding between 0.3% to 3.3% of the post-Invitation share capital. Save for Tan Choh Siang, who is the mother-in-law of Olive Tai, and Tai Lai Fun, Cindy, who is Olive Tai’s aunt, none of the Shareholders are related to the Directors, Executive Officers and Controlling Shareholder of our Company.
- (6) Includes Invitation Shares that are subscribed for by our Subscribing Shareholders pursuant to the Invitation. These Invitation Shares are not moratorised and will be deemed to be held in public hands.
- (7) Does not add due to rounding.

Save as disclosed in the section entitled “Directors and Management” of this Offer Document, there are no other relationships among our Directors, Substantial Shareholders and Executive Officers.

Save as disclosed in the section entitled “Restructuring Exercise” of this Offer Document, there has been no change in the percentage ownership of Shares by our Directors and Substantial Shareholders from its incorporation until the Latest Practicable Date.

The Shares held by our Directors and Substantial Shareholders do not carry voting rights that are different from the Invitation Shares. Our Directors are not aware of any arrangement, the operation of which may, at a subsequent date, result in a change in control of our Company.

As at the Latest Practicable Date, our Company has only one (1) class of shares, being our Shares which are in registered form. There is no restriction on the transfer of fully paid ordinary shares in scripless form except where required by law or the Catalist Rules.

There has not been any public takeover offer by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or units of business trust which has occurred between the date of its incorporation to the Latest Practicable Date.

Save as disclosed above, our Company is not directly or indirectly owned or controlled, whether severally or jointly by any other corporation, any government or person.

Save as disclosed above and in the sections entitled “Restructuring Exercise” and “Share Capital” of this Offer Document, no shares or debentures were issued or agreed to be issued by our Company for cash or for a consideration other than cash during the last three (3) years preceding the date of lodgement of this Offer Document.

There are no Shares in our Company that are held by or on behalf of our Company or by the subsidiaries of our Company.

SHAREHOLDERS

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

Save as disclosed above and in the sections entitled “Share Capital” and “Restructuring Exercise” of this Offer Document, there were no significant changes in the percentage of ownership of our Directors and Substantial Shareholders in our Company between the date of incorporation on 28 June 2017 and the Latest Practicable Date.

However, the main business and operations of our Group was undertaken by BTFL. As such, the significant changes in the percentage of ownership of BTFL held by our Directors and Substantial Shareholders since 28 November 2014, being the date of incorporation of BTFL, and up to the Latest Practicable Date is set out below:

Directors

Transferee	Transferor	Date of transaction	No. of Shares transferred	Consideration	Basis for consideration	Total no. of Shares in BTFL as at the date of transaction	Percentage shareholding as at the date of transaction (%)
Zanetta Lee	Metadrome ⁽²⁾	28 November 2017	223,282	S\$1	Willing buyer-willing seller	5,932,142	3.8

Substantial Shareholders

Transferor	Transferee	Date of transaction	No. of Shares transferred	Consideration	Basis for consideration	Total no. of Shares in BTFL as at the date of transaction	Percentage shareholding as at the date of transaction (%)
Metadrome	Best Loyal International Limited ⁽¹⁾	26 October 2016	254,854	RMB5,000,000	Willing buyer-willing seller	3,640,777	7.0
	Risdon Holdings Limited ⁽¹⁾	26 October 2016	36,408	S\$150,000	Willing buyer-willing seller	3,640,777	1.0
	Zanetta Lee ⁽²⁾	28 November 2017	223,282	S\$1	Willing buyer-willing seller	5,932,142	3.8
	Lim Bee Ling (Lin Meiling) ⁽¹⁾⁽³⁾	29 November 2017	97,636	S\$440,275	Willing buyer-willing seller	5,932,142	1.6
	Chua Song Ru @ Cai Songru ⁽¹⁾⁽³⁾	29 November 2017	97,637	S\$440,275	Willing buyer-willing seller	5,932,142	1.6

Notes:

- (1) These transferees are all unrelated third parties to the Directors, Executive Officers and Substantial Shareholders of our Group.
- (2) The transfer of BTFL shares from Metadrome to Zanetta Lee was for a nominal consideration of S\$1.00. The transfer of BTFL shares to Zanetta Lee was to reward her for her hard work in our Group and for the key role that she has played to prepare our Company for the Listing.
- (3) Lim Bee Ling (Lin Meiling) and Chua Song Ru @ Cai Songru (and together with Cai Songhan, collectively, “**Chua Family**”) were existing shareholders of BTFL. Based on the business prospects of BTFL, the Chua Family had made an open offer to all the then existing shareholders of BTFL, and purchased shares from Metadrome at an agreed valuation.

SHAREHOLDERS

MORATORIUM

Metadrome

To demonstrate its commitment to our Group and to comply with Rule 422(1) of the Catalist Rules, Metadrome, our Controlling Shareholder, which holds 62,064,060 Shares representing approximately 23.7% of our Company's share capital immediately after the completion of the Invitation, has undertaken to the Issue Manager and Full Sponsor, *inter alia*, that, it will not, directly or indirectly: (i) sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, any part of the shares in the capital of our Company ("**Lock-Up Shares**"); (ii) enter into any transaction or other arrangement, in whole or in part, (including any swap, hedge or derivative transaction) with a similar economic effect to the foregoing, whether such transaction is to be settled by delivery of the Lock-Up Shares, in cash or otherwise; (iii) deposit all of its effective interest, in any Lock-Up Shares in any depository receipt facility; (iv) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; and (v) publicly announce any intention to do any of the above (collectively, "**Restrictions**"), for the following periods as follows:

- (i) from the date commencing on the date of admission of our Company to Catalist and for a period of two (2) years thereafter in relation to 100.0% of its shareholding interests in our Company ("**Metadrome Full Lock-Up Period**"); and
- (ii) in the one (1) year following the Metadrome Full Lock-Up Period thereafter in relation to 50.0% of its shareholding interests in our Company ("**Metadrome Partial Lock-Up Period**", collectively, "**Metadrome Lock-Up Period**").

Clement Lee, being the sole beneficial owner of Metadrome, has undertaken to the Issue Manager and Full Sponsor that, during the entire Metadrome Lock-Up Period spanning a total of three (3) years, he will comply with the Restrictions which shall *mutatis mutandis* apply in respect of all of his interests in the share capital of Metadrome; and procure that Metadrome will not, without the prior written consent of the Issue Manager and Full Sponsor breach any of the Restrictions.

Zanetta Lee

To demonstrate her commitment to our Group and to comply with Rules 422(1) and 422(2) of the Catalist Rules, Zanetta Lee, our Executive Director, who holds 9,210,600 Shares representing approximately 3.5% of our Company's share capital immediately after the completion of the Invitation, has undertaken to the Issue Manager and Full Sponsor, *inter alia*, that, from the date commencing on the date of admission of our Company to Catalist and for a period of twelve (12) months thereafter, she will not, without prior consent of the Issue Manager and Full Sponsor, directly or indirectly sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, any part of her Lock-Up Shares and abide by the Restrictions as above in respect of all her Shares in our Company. The Restrictions shall apply to all the Shares held by Zanetta Lee prior to the Invitation, being 9,210,600 Shares, representing approximately 3.5% of our Company's share capital immediately after the completion of the Invitation.

Cai Songhan

Cai Songhan (brother of Chua Song Ru @ Cai Songru), one of our existing Shareholders, being an investor who acquired his securities and who made payment for his acquisition less than twelve months prior to the date of Listing, is required to comply with Rule 422(2) of the Catalist Rules.

SHAREHOLDERS

As such, Cai Songhan, who holds 8,719,290 Shares representing approximately 3.3% of our Company's share capital immediately after the completion of the Invitation, has undertaken to the Issue Manager and Full Sponsor, *inter alia*, that, from the date commencing on the date of admission of our Company to Catalist and for a period of twelve (12) months thereafter, he will not, without prior consent of the Issue Manager and Full Sponsor, directly or indirectly sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, any part of his Lock-Up Shares and abide by the Restrictions as above in respect of all his Shares in our Company. The Restrictions shall apply to all the Shares held by Cai Songhan prior to the Invitation, being 8,719,290 Shares, representing approximately 3.3% of our Company's share capital immediately after the completion of the Invitation.

Teak Capital Co., Ltd.

Teak Capital Co., Ltd., one of our existing Shareholders, being an investor who acquired its securities and who made payment for its acquisition less than twelve months prior to the date of Listing, is required to comply with Rule 422(2) of the Catalist Rules.

As such, Teak Capital Co., Ltd., who holds 3,343,560 Shares representing approximately 1.3% of our Company's share capital immediately after the completion of the Invitation, has undertaken to the Issue Manager and Full Sponsor, *inter alia*, that, from the date commencing on the date of admission of our Company to Catalist and for a period of six (6) months thereafter ("**Teak Initial Lock-Up Period**"), it will not, without prior consent of the Issue Manager and Full Sponsor, directly or indirectly sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, any part of its Lock-Up Shares and abide by the Restrictions as above in respect of all its Shares in our Company. The Restrictions shall apply to all the Shares held by Teak Capital Co., Ltd. prior to the Invitation, being 3,343,560 Shares, representing approximately 1.3% of our Company's share capital immediately after the completion of the Invitation.

For the next six (6) month period after the Teak Initial Lock-Up Period, the Restrictions shall apply to 2,158,375 of its Shares prior to the Invitation. The moratorium provided by Teak Capital Co., Ltd. exceeds the minimum moratorium requirements as required under the cash formula of Rule 422(2).

All other existing Shareholders prior to the Invitation

To: (i) comply with Rules 422(1) and 422(2) of the Catalist Rules (if applicable); (ii) demonstrate their commitment to our Group; and (iii) for the purposes of consistency, all the existing Shareholders of our Group prior to the Invitation (save for Metadrome, Zanetta Lee, Cai Songhan, and Teak Capital Co., Ltd), being Agate Investments Limited, Ann Travis Siau Mei Ling, Avas Holdings Pte. Limited, Carol Sim Siew Tin, Cheng Kar Yunn, Karen; Cheng Liang Kheng, Chua Song Ru @ Cai Songru, Chua Weijie, Chue En Yaw, Elite Star Capital Group Limited, Foong Leong Lum Natasha, Harmony Treasure Holdings Ltd, Island Asset Management Pte Ltd, Kingsfield Ventures Inc, Lim Sze Hua, Ong Eng Yaw, Ong Tze Keat Aloysius, Sern Chia Lung, Tai Ho Yan, Tai Lai Fun, Cindy; Tan Ah Kiaw, Tan Choh Siang, Teo Khiam Chong and Wang Yu Huei (collectively "**All Other Existing Shareholders**"), has individually undertaken to the Issue Manager and Full Sponsor, *inter alia*, that, from the date commencing on the date of admission of our Company to Catalist and for a period of six (6) months thereafter ("**AOS Initial Lock-Up Period**"), they will not, without prior consent of the Issue Manager and Full Sponsor, directly or indirectly sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, any part of their Lock-Up Shares and abide by the Restrictions as above in respect of all their Shares in our Company.

SHAREHOLDERS

The Restrictions shall apply to all the Shares held by All Other Existing Shareholders, being 135,367,483 Shares, representing approximately 51.7% of our Company's share capital immediately after the completion of the Invitation. For the next six (6) month period after the AOS Initial Lock-Up Period, the Restrictions shall apply to 50.0% of the Shares held by All Other Existing Shareholders.

A breakdown of the Shares held by All Other Existing Shareholders is set out below:

	Number of shares held, immediately before the invitation	Percentage Shareholding immediately before the Invitation (%)	Percentage Shareholding immediately after the Invitation (%)
Series A Pre-IPO Investors			
Cheng Liang Kheng	7,407,407	3.4	2.8
Chua Weijie	4,444,444	2.0	1.7
Sern Chia Lung	3,703,703	1.7	1.4
Ann Travis Siau Mei Ling	1,481,481	0.7	0.6
Chue En Yaw	1,481,481	0.7	0.6
Elite Star Capital Group Limited	1,481,481	0.7	0.6
Tan Choh Siang	1,481,481	0.7	0.6
Series B Pre-IPO Investors			
Island Asset Management Pte Ltd	5,185,185	2.4	2.0
Wang Yu Huei	4,444,444	2.0	1.7
Cheng Kar Yunn, Karen	3,703,703	1.7	1.4
Kingsfield Ventures Inc	2,962,962	1.4	1.1
Teo Khiam Chong	1,481,481	0.7	0.6
Ong Tze Keat Aloysius	740,740	0.3	0.3
Other Existing Shareholders			
Agate Investments Limited	30,366,690	13.9	11.6
Harmony Treasure Holdings Ltd	19,026,690	8.7	7.3
Chua Song Ru @ Cai Songru	8,719,290	4.0	3.3
Olive Tai	7,875,000	3.6	3.0
Tai Lai Fun, Cindy	7,875,000	3.6	3.0
Carol Sim Siew Tin	7,645,620	3.5	2.9
Avas Holdings Pte. Limited	6,660,330	3.0	2.5
Ong Eng Yaw	2,457,540	1.1	0.9
Lim Sze Hua	2,184,480	1.0	0.8
Foong Leong Lum Natasha	1,816,110	0.8	0.7
Tan Ah Kiaw ⁽¹⁾	740,740	0.3	0.3
Total	135,367,483	61.9	51.7

Note:

(1) Tan Hiok Ju, Julia, a Series A Pre-IPO Investor, had transferred her Series A Convertible Notes, with an aggregate principal amount of S\$100,000, to her mother-in-law, Tan Ah Kiaw on 25 May 2018.

SHAREHOLDERS

Some Subscribing Shareholders intend to subscribe for Invitation Shares pursuant to the Invitation. These Invitation Shares, if allotted to our Subscribing Shareholders, will not be subject to moratorium, and will be deemed to be held in public hands.

CAPITALISATION AND INDEBTEDNESS

The following table, which should be read in conjunction with the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document, “Independent Auditor’s Report and the Audited Combined Financial Statements for the Financial Period/Years Ended 31 December 2015, 2016 and 2017” as set out in Appendix A of this Offer Document and “Independent Auditor’s Assurance Report and the Compilation of Unaudited Pro Forma Financial Information for the Financial Year Ended 31 December 2017” as set out in Appendix B of this Offer Document shows our cash and cash equivalents, capitalisation and indebtedness:

- (i) on an actual basis as at 31 December 2017 based on the Audited Combined Statements of Financial Position as at 31 December 2017;
- (ii) as at 31 May 2018, being a date no earlier than 60 days before the date of lodgement of this Offer Document and based on our unaudited management accounts;
- (iii) as adjusted for the net proceeds from the Invitation, after deducting estimated listing expenses.

(S\$'000)	As at 31 December 2017	As at 31 May 2018	As adjusted for the net proceeds from the Invitation
Cash and cash equivalents	1,827	2,701	12,524
Non-current indebtedness			
– Unsecured and non-guaranteed, being the Convertible Notes	2,881	4,304	–
Total indebtedness	2,881	4,304	–
Total shareholders’ equity⁽¹⁾	166	(1,511)	8,312
Total capitalisation and indebtedness	3,047	2,793	8,312

Note:

(1) Includes share capital and accumulated losses.

As at the Latest Practicable Date, we do not have any credit facilities or bank loans.

As at the Latest Practicable Date, save for the conversion of the Convertible Notes, there were no material changes to our capitalisation and indebtedness as disclosed above, save for changes in our reserves arising from day-to-day operations in the ordinary course of business.

DILUTION

Dilution is the amount by which the Invitation Price paid by the subscribers of our Shares in this Invitation (“**New Investors**”) exceeds our Pro Forma NAV per Share of our Group immediately after the Invitation. Our Pro Forma NAV per Share as at 31 December 2017, but before adjusting for the estimated net proceeds due to our Company from the Invitation and based on our Company’s pre-Invitation issued and paid-up share capital of 218,704,993 Shares, was approximately 2.17 cents per Share.

Pursuant to the Invitation in respect of 43,000,000 Invitation Shares at the Invitation Price, our Pro Forma NAV per Share, based on our Company’s post-Invitation issued and paid-up share capital of 261,704,993 Shares and adjusted for the estimated net proceeds due to our Company from the Invitation, would have been approximately 5.57 cents. This represents an immediate increase in Pro Forma NAV per Share of approximately 3.40 cents to our existing Shareholders and an immediate dilution in Pro Forma NAV per Share of approximately 21.43 cents or approximately 79.4% to our new public investors.

The following table illustrates the dilution on a per Share basis as at 31 December 2017:

	Cents
Invitation Price per Share	27.0
Pro Forma NAV per Share based on the pre-Invitation share capital of 218,704,993 Shares	2.17
Increase in Pro Forma NAV per Share attributable to existing Shareholders	3.40
Pro Forma NAV per Share after the issue of Invitation Shares and based on the post-Invitation share capital of 261,704,993 Shares ⁽¹⁾	5.57
Dilution in Pro Forma NAV per Share to new investors	21.43
Dilution in Pro Forma NAV per Share to new investors as a percentage of the Invitation Price	79.4%

Note:

(1) The computed Pro Forma NAV per Share after the Invitation does not take into account our actual financial performance from 1 January 2018 up to the Latest Practicable Date. Depending on our actual financial results, our NAV per Share may be higher or lower than the above computed Pro Forma NAV.

DILUTION

The following table summarises the total number of Shares acquired by our Directors and/or Substantial Shareholders, as adjusted for the Restructuring Exercise and the conversion of the Convertible Notes, during the period of three (3) years prior to the date of lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority, the total consideration paid by them and the average effective cost per Share to them and to our New Investors pursuant to the Invitation.

	Number of Shares acquired	Consideration (S\$)	Average effective cost per Share (cents)
Directors and/or Substantial Shareholders and their respective Associates			
Olive Tai ⁽¹⁾	7,875,000	327,453	4.16
Zanetta Lee	9,210,600	382,989	4.16
Chue En Yaw	1,481,481	200,000	13.50
Metadrome ⁽²⁾	62,064,060	2,580,709	4.16
Agate Investments Limited ⁽³⁾	30,366,690	1,262,689	4.16
Harmony Treasure Holdings Ltd ⁽⁴⁾	19,026,690	791,156	4.16
Tai Lai Fun, Cindy ⁽¹⁾	7,875,000	327,453	4.16
Tan Choh Siang ⁽¹⁾	1,481,481	200,000	13.50
Cheng Kar Yunn, Karen ⁽⁴⁾	3,703,703	500,000	13.50
New Investors	43,000,000	11,610,000	27.00

Notes:

- (1) Tan Choh Siang is the mother-in-law of Olive Tai, and Tai Lai Fun, Cindy, is Olive Tai's aunt.
- (2) Clement Lee is the sole beneficial owner of Metadrome. Accordingly, Clement Lee is deemed interested in the Shares held by Metadrome by virtue of Section 4 of the SFA.
- (3) Agate Investments Limited is an entity that is wholly owned by Centurion PE. Centurion PE is wholly owned by Centurion Global. Centurion Global is owned by Mr Loh and Mr Han in equal proportions. Mr Loh and Mr Han are deemed to be interested in our Company's shares held by Agate Investments Limited which is in turn held by Centurion PE which is in turn held by Centurion Global, pursuant to Section 4(7) of the SFA. Centurion PE, Centurion Global, Mr Loh and Mr Han are independent third parties from our Group.
- (4) Harmony Treasure Holdings Ltd is an entity that is wholly owned by Chow Helen @ Mrs Cheng Helen. Chow Helen @ Mrs Cheng Helen is the mother of Cheng Kar Yunn, Karen, who is a Series B Pre-IPO Investor. Chow Helen @ Mrs Cheng Helen and Cheng Kar Yunn, Karen are independent third parties from our Group.

Save as disclosed above and in the sections entitled "Restructuring Exercise" and "Shareholders" of this Offer Document, none of the Directors or Substantial Shareholders, or their respective Associates, have acquired any Shares during the period of three (3) years prior to the date of lodgement of this Offer Document.

RESTRUCTURING EXERCISE

Our Group was formed through the Restructuring Exercise which involved acquisitions and the rationalisation of our corporate and shareholding structure for the purposes of the Invitation. Pursuant to the Restructuring Exercise, our Company became the holding company of our Group.

The steps below describe the Restructuring Exercise:

(a) Series A Pre-IPO Investments

Pursuant to the Series A Main Agreements entered into between BTFL and the Series A Pre-IPO Investors between 29 May 2017 and 4 October 2017, BTFL agreed to issue convertible notes ("**BTFL Convertible Notes**") to the Series A IPO Pre-Investors having an aggregate principal amount of S\$3,000,000.

Under the Series A Main Agreements, the BTFL Convertible Notes will convert into ordinary shares of BTFL ("**BTFL Shares**") based on a 50.0% discount to the valuation of BTFL in the event of a listing or trade sale ("**BTFL Conversion Entitlement**").

BTFL and the Series A Pre-IPO Investors entered into the Series A Addendums between 3 June 2017 and 9 October 2017. Pursuant to the Series A Addendums, BTFL and the Series A Pre-IPO Investors deemed the valuation of BTFL for purposes of the BTFL Conversion Entitlement to be S\$80.0 million ("**BTFL Assumed Valuation**"), and agreed to, correspondingly, fix the number of BTFL Shares to be issued to the Series A Pre-IPO Investors applying this BTFL Assumed Valuation, at 515,838 BTFL Shares. The BTFL Assumed Valuation is based on approximately ten (10) times of our Group's total revenue earned in FY2017.

Pursuant to the Series A Supplemental Agreements entered into between BTFL, our Company and the Series A Pre-IPO Investors on 25 April 2018, our Company agreed to issue the Series A Convertible Notes to the Series A Pre-IPO Investors *in lieu* of BTFL issuing the BTFL Convertible Notes on the same terms and conditions as set out in the Series A Main Agreements and the Series A Addendums.

On 25 May 2018, our Company issued an aggregate principal amount of S\$3,000,000 of Series A Convertible Notes to the Series A Pre-IPO Investors⁽¹⁾.

The shareholdings held by the Series A Pre-IPO Investors would be subject to the moratorium requirements under Part IX of Chapter 4 of the Catalist Rules. The moratoriums provided by the Series A Pre-IPO Investors exceeds the minimum moratorium requirements as required under the cash formula of Rule 422(2).

Note:

- (1) One of the Series A Pre-IPO Investors, Tan Hiok Ju, Julia, transferred her Series A Convertible Notes with an aggregate principal amount of S\$100,000 to her mother-in-law, Tan Ah Kiaw on 25 May 2018.

RESTRUCTURING EXERCISE

(b) Incorporation of our Company

Our Company, the holding company of our Group, was incorporated in Singapore on 28 June 2017, in accordance with the Companies Act as an exempt private company limited by shares with an issued and paid-up share capital of S\$1.00 comprising one (1) Share held by Clement Lee.

(c) Incorporation of Synagie Malaysia

Synagie Malaysia was incorporated in Malaysia in accordance with the Companies Act 2016 on 17 July 2017 as a company limited by shares with an issued and paid-up share capital of comprising one (1) Share held by our Company. On 24 November 2017, 249,999 shares in Synagie Malaysia were allotted to our Company. A further 1,000,000 shares in Synagie Malaysia were allotted to our Company on 26 February 2018.

(d) Series B Pre-IPO Investments

Pursuant to the Series B Main Agreements entered into between BTFL, our Company and the Series B Pre-IPO Investors between 9 November 2017 and 29 December 2017, our Company agreed to issue the Series B Convertible Notes to the Series B IPO Pre-Investors having an aggregate principal amount of S\$2,500,000.

Under the Series B Main Agreements, the Series B Convertible Notes will convert into Shares based on a 50.0% discount to the valuation of our Company in the event of a listing or trade sale ("**Synagie Conversion Entitlement**"), save for Wang Yu Huei, Teo Khiam Chong and Island Asset Management Pte Ltd who are entitled to convert their Series B Convertible Notes into Shares at a conversion price of no more than 50.0% to the valuation of our Company in the event of a listing or trade sale, provided always that the valuation of our Company for the purposes of a listing or a trade sale is capped at S\$90.0 million ("**Valuation Capped Synagie Conversion Entitlement**").

BTFL, our Company and the Series B Pre-IPO Investors entered into the Series B Addendums between 14 November 2017 and 3 January 2018. Pursuant to the Series B Addendums, BTFL, our Company and the Series B Pre-IPO Investors deemed the valuation of our Company for purposes of the Synagie Conversion Entitlement and the Valuation Capped Synagie Conversion Entitlement to be S\$80.0 million ("**Synagie Assumed Valuation**"), and agreed to, correspondingly, fix the number of Shares to be issued to the Series B Pre-IPO Investors applying this Synagie Assumed Valuation, at 429,865 Shares. The Synagie Assumed Valuation is based on approximately ten (10) times of our Group's total revenue earned in FY2017.

On 25 May 2018, our Company issued an aggregate principal amount of S\$2,500,000 of Series B Convertible Notes to the Series B Pre-IPO Investors.

RESTRUCTURING EXERCISE

The shareholdings held by the Series B Pre-IPO Investors would be subject to the moratorium requirements under Part IX of Chapter 4 of the Catalist Rules. The moratoriums provided by the Series B Pre-IPO Investors exceeds the minimum moratorium requirements as required under the cash formula of Rule 422(2).

(e) Acquisition of BTFL

Pursuant to the Share Swap Agreement, our Company acquired the entire shareholding of BTFL from the Transferees who, collectively held 5,932,142 shares in BTFL, representing 100.0% of the BTFL shares.

In consideration of the Transferees' transfer of their shareholding in BTFL to our Company, our Company allotted and issued an aggregate of 5,932,141 new Shares to the Transferees on 23 March 2018⁽¹⁾. The last remaining Share in our Company was previously held by Clement Lee, who subsequently transferred it to Metadrome on 23 March 2018 as part of the Restructuring Exercise.

Note:

(1) One of the Transferees, Spectra Investment Limited, an entity wholly owned by Olive Tai and Tai Lai Fun, Cindy, Olive Tai's aunt, transferred all of its Shares to each of Olive Tai and Tai Lai Fun, Cindy equally on 16 May 2018.

(f) Incorporation of Synagie PL

Synagie PL was incorporated in Singapore on 22 March 2018, in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital comprising one (1) share held by our Company.

(g) Incorporation of Synagie Insurtech

Synagie Insurtech was incorporated in Singapore on 12 April 2018, in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital comprising one (1) share held by Synagie PL, a wholly-owned subsidiary of our Company.

(h) Acquisition of our TPA Subsidiary

Pursuant to the TPA Agreement, our Group acquired the entire shareholding of our TPA Subsidiary from the Insurtech Vendor for a consideration of S\$3.3 million (the "**Consideration**") on 20 April 2018. The consideration for the acquisition of the TPA Subsidiary is approximately three (3) times the TPA Subsidiary's profit after tax for FY2017. Following our acquisition of the TPA Subsidiary, the Insurtech Vendor is not involved in our Company in any role, executive or otherwise, and the Insurtech Vendor has no Shares in our Group and has never been a shareholder of our Company or any of our subsidiaries at any point of time in our Group's existence. Since the Insurtech Vendor is not a Director, CEO or Controlling Shareholder of our Company, or an associate of any such Director, CEO or Controlling Shareholder, the Insurtech Vendor is not deemed as an Interested Person.

RESTRUCTURING EXERCISE

An earn-out incentive is to be paid to the Insurtech Vendor, should our TPA Subsidiary achieve certain milestones or benchmarks. For FY2018 and FY2019, our Group and the Insurtech Vendor agreed that the TPA Subsidiary's revenue and net profit after tax ("**NPAT**") targets shall be set as follows: a revenue target amount of S\$5.5 million ("**Revenue Target**") and a NPAT target amount of S\$1.3 million ("**NPAT Target**").

For FY2018, in the event our TPA Subsidiary's actual revenue achieves the Revenue Target and our TPA Subsidiary's NPAT achieves the NPAT Target, an earn-out consideration of S\$2.0 million will be paid out ("**First Earn-Out Consideration**").

Similarly, for FY2019, in the event our TPA Subsidiary's actual revenue achieves the Revenue Target and our TPA Subsidiary's actual NPAT achieves the NPAT Target, an additional earn-out consideration of S\$1.3 million will be paid out ("**Second Earn-Out Consideration**"). The First Earn-Out Consideration and Second Earn-Out Consideration (together, the "**Earn-out Incentives**") will be paid by our Group. It will be funded with our Group's internal resources and will not utilise any of the IPO proceeds. If both the Revenue Target and NPAT Target are met, the cash flows arising from these will be able to fund the Earn-Out Incentives.

In the event our TPA Subsidiary's actual revenue for FY2018 falls short of the Revenue Target and/or our TPA Subsidiary's NPAT falls short of the NPAT Target, the relevant shortfalls shall be carried over and added to the Revenue Target for FY2019 ("**Revised Revenue Target**") and/or the NPAT Target for FY2019 ("**Revised NPAT Target**"), as the case may be. The First Earn-Out Consideration will be withheld and deferred to the Second Earn-out Consideration and no earn-out incentive would be paid out for FY2018. The earn-out incentive for FY2019 will be adjusted to S\$3.3 million.

If our TPA Subsidiary's actual revenue earned in FY2018 and FY2019 exceeds S\$11.0 million or NPAT earned in FY2018 and FY2019 exceeds S\$2.6 million, the total earn-out incentive paid out will be S\$3.3 million. The earn-out incentive would be reduced by the aggregate shortfall in revenue and NPAT in FY2018 and FY2019. For example, if revenue is S\$11.0 million (for FY2018 and FY2019) and NPAT (for FY2018 and FY2019) is S\$2.6 million, a total incentive of S\$3.3 million would be paid out. However, if the combined revenue for FY2018 and FY2019 is S\$10.0 million and the combined NPAT for FY2018 and FY2019 is S\$1.6 million, the total earn-out incentive is S\$1.3 million.

If our TPA Subsidiary's actual revenue and/or NPAT falls short of the Revised Revenue Target and the Revised NPAT Target, our Group shall be entitled to offset the aggregate of the two (2) shortfall amounts, as may be applicable, from the aggregate of the First Earn-Out Consideration and the Second Earn-Out Consideration. The balance will then be paid to the Insurtech Vendor, in full and final settlement of the Consideration. In the event the Revenue Target and NPAT Target are not met, the earn-out incentive would be reduced by the aggregate shortfall in revenue and NPAT. For example, if revenue is S\$5.0 million (for FY2019) and NPAT (for FY2019) is S\$0.8 million, the total earn-out incentive for FY2019 will be S\$0.3 million.

RESTRUCTURING EXERCISE

In the event our TPA Subsidiary suffers a net loss after tax in FY2018 and/or FY2019, our Group is entitled to demand from the Insurtech Vendor the amount of net loss after tax for the relevant year. Our Group is of the view that the Insurtech Vendor will be able to fulfil the aforementioned obligations (should such an event occur) as follows:

- (i) the Insurtech Vendor has investments in multiple companies in various fields such as telecommunications, technology and IT support services, and is a director and shareholder of an internet infrastructure company which develops and operates hyper-scale data centres;
- (ii) the Insurtech Vendor had received payment of consideration under the TPA Agreement;
- (iii) the Insurtech Vendor owns the property which our Group currently leases from for our operations which is generating rental income for the Insurtech Vendor; and
- (iv) our Directors are of the opinion that the Earn-Out Incentives set out for FY2018 and FY2019 are likely to be achieved.

Notwithstanding the above, the TPA Agreement provides for clauses which address events of default and the jurisdiction of the Singapore courts should a dispute arise. In the event that a net loss is incurred by the TPA Subsidiary and the Insurtech Vendor is unable to pay the amount of such net loss to our Group, our Group will have a cause of action against the Insurtech Vendor in the Singapore courts to recover the same.

According to the TPA Agreement, the actual revenue, NPAT and/or net loss of our TPA Subsidiary shall be determined by an independent firm of auditors appointed by our Group, and in accordance with the FRS. As such, the Revenue Target, the NPAT Target, the Revised Revenue Target and the Revised NPAT Target will be evaluated against audited figures of our TPA Subsidiary.

In addition, at the completion of the acquisition of our TPA Subsidiary, the TPA Subsidiary's net cash balance (determined as current assets minus current liabilities, excluding deferred costs, prepayments and inventories as at 31 December 2017) exceeded the agreed amount of S\$3.3 million by more than S\$250,000. On 2 May 2018, pursuant to the terms of the TPA Agreement, the excess capped at S\$250,000 was refunded to the Insurtech Vendor.

Subsequent Corporate Actions

Following the Restructuring Exercise and in preparation of the Listing, our Company undertook the following corporate actions:

- (a) Conversion of our Company into a public company

On 27 June 2018, our Company changed its name to "Synagie Corporation Ltd." in connection with its conversion into a public company limited by shares.

- (b) Sub-division of Shares in our Company

On 26 July 2018, our Company sub-divided each Share in our Company into 30 Shares. Following this sub-division, the issued and paid-up share capital of our Company was S\$7,400,000 comprising 177,964,260 Shares.

RESTRUCTURING EXERCISE

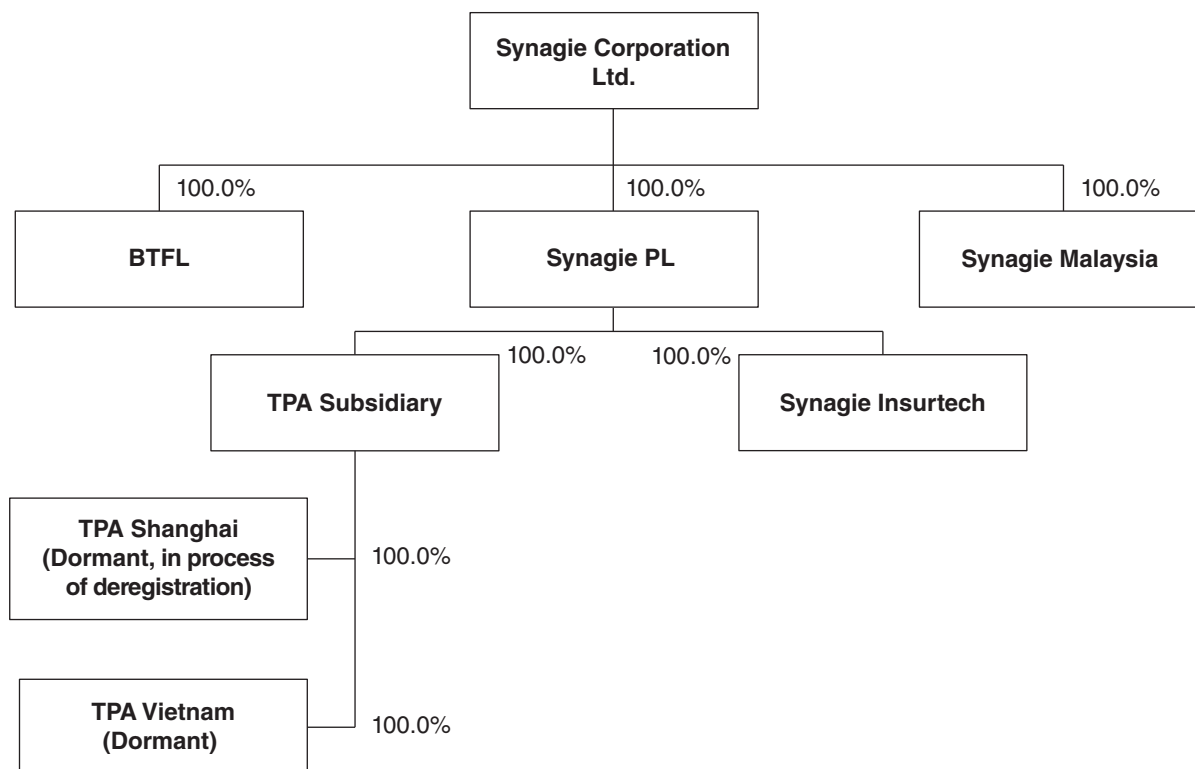
(c) Conversion of the Convertible Notes

On 26 July 2018, 100.0% of the principal amount of the Convertible Notes were converted into 40,740,733 Shares pursuant to the terms and conditions of the Convertible Notes.

Our Group structure immediately after this Restructuring Exercise is as set out in the section entitled “Group Structure” of this Offer Document.

GROUP STRUCTURE

Our Group structure as at the date of this Offer Document is as follows:



The details of our Group are as follows:

Company	Date and Place of Incorporation	Principal Business Activities/Principal Place of Business	% Ownership Interest held by our Company
Company	28 June 2017/ Singapore	Investment holding company/Singapore	–
BTFL	28 November 2014/ Singapore	Value added logistics providers and retail sale via internet/ Singapore	100.0
Synagie Malaysia	17 July 2017/ Malaysia	Warehousing and storage services, retail sale of any kind of product over the internet and wholesale of other household goods/Malaysia	100.0
Synagie PL	22 March 2018/ Singapore	Investment holding company/Singapore	100.0

GROUP STRUCTURE

Company	Date and Place of Incorporation	Principal Business Activities/Principal Place of Business	% Ownership Interest held by our Company
Synagie Insurtech ⁽¹⁾	12 April 2018/ Singapore	Other information technology and computer service activities/Singapore	100.0
TPA Subsidiary ⁽²⁾	17 August 2010/ Singapore	Other information technology and computer service activities and general wholesale trade (including general importers and exporters)/Singapore	100.0
TPA Shanghai ⁽³⁾	14 December 2011/ China	Dormant (in process of deregistration)	100.0
TPA Vietnam ⁽⁴⁾	31 October 2014/ Vietnam	Dormant	100.0

Notes:

- (1) Synagie Insurtech is a wholly-owned subsidiary of Synagie PL.
- (2) TPA Subsidiary is a wholly-owned subsidiary of Synagie PL.
- (3) TPA Shanghai is a wholly-owned subsidiary of our TPA Subsidiary.
- (4) TPA Vietnam is a wholly-owned subsidiary of our TPA Subsidiary.

Save as disclosed above, our Group does not have any subsidiaries or associated companies. Our subsidiaries are not listed on any stock exchange.

SELECTED FINANCIAL INFORMATION

The following selected Group financial information should be read in conjunction with the full text of this Offer Document, including the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document and “Independent Auditor’s Report and the Audited Combined Financial Statements for the Financial Period/Years Ended 31 December 2015, 2016 and 2017” as set out in Appendix A and “Independent Auditor’s Assurance Report and the compilation of Unaudited Pro Forma Financial Information for the Financial Year Ended 31 December 2017” as set out in Appendix B of this Offer Document.

AUDITED COMBINED STATEMENTS OF COMPREHENSIVE INCOME

(S\$'000)	FP2015	FY2016	FY2017
Revenue	189	3,679	8,029
Cost of sales	(158)	(2,730)	(6,268)
Gross profit	31	949	1,761
Other income	2	76	16
Distribution costs	(9)	(230)	(669)
Administrative expenses	(2,701)	(3,057)	(4,178)
Other operating expenses	–	(5)	(109)
Finance costs	–	–	(204)
Loss before income tax	(2,677)	(2,267)	(3,383)
Income tax expense	–	–	–
Loss for the period/years	(2,677)	(2,267)	(3,383)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	–	–	(10)
Total comprehensive loss for the period/years	(2,677)	(2,267)	(3,393)
EPS:			
Pre-Invitation EPS (cents) ⁽¹⁾	(1.22)	(1.04)	(1.55)
Post-Invitation EPS (cents) ⁽²⁾	(1.02)	(0.87)	(1.29)

Notes:

- (1) The pre-Invitation EPS for the Period Under Review has been computed based on the loss for the period/years and our pre-Invitation share capital of 218,704,993 Shares.
- (2) The post-Invitation EPS for the Period Under Review has been computed based on the loss for the period/years and our post-Invitation share capital of 261,704,993 Shares.

SELECTED FINANCIAL INFORMATION

AUDITED COMBINED STATEMENTS OF FINANCIAL POSITION

(\$S'000)	As at 31 December 2015	As at 31 December 2016	As at 31 December 2017
ASSETS			
Current assets			
Cash and cash equivalents	38	45	1,827
Trade and other receivables	1,016	542	2,779
Inventories	431	441	1,462
Total current assets	1,485	1,028	6,068
Non-current assets			
Plant and equipment	178	121	116
Intangible assets	213	253	345
Total non-current assets	391	374	461
Total assets	1,876	1,402	6,529
LIABILITIES AND EQUITY			
Current liability			
Trade and other payables	1,053	1,266	3,482
Non-current liability			
Convertible Notes ⁽¹⁾	–	–	2,881
Capital and accumulated losses			
Share capital	3,500	4,080	7,392
Capital contribution pending allotment	–	1,000	–
Convertible Notes reserve ⁽¹⁾	–	–	1,111
Translation reserve	–	–	(10)
Accumulated losses	(2,677)	(4,944)	(8,327)
Total equity	823	136	166
Total liabilities and equity	1,876	1,402	6,529
NAV per Share (cents)⁽²⁾	0.38	0.06	0.08

Notes:

(1) These are Convertible Notes with an aggregate of S\$3.8 million granted to our Company's Pre-IPO Investors in 2017. The Convertible Notes with an aggregate of S\$5.5 million were issued in 2017 and 2018. Of the S\$5.5 million, S\$3.8 million of the Convertible Notes were issued in 2017. The remaining Convertible Notes amounting to S\$1.7 million were issued between January 2018 and March 2018, and hence not reflected in the audited combined statements of financial position for the financial year ended 31 December 2017.

(2) The NAV per Share has been computed based on the total NAV of our Group and our pre-Invitation share capital of 218,704,993 shares.

SELECTED FINANCIAL INFORMATION

UNAUDITED PRO FORMA COMBINED STATEMENT OF COMPREHENSIVE INCOME

(\$'000)	FY2017
Revenue	12,287
Cost of sales	(8,507)
Gross profit	3,780
Other income	491
Distribution costs	(669)
Administrative expenses	(5,261)
Other operating expenses	(159)
Finance costs	(204)
Loss before income tax	(2,022)
Income tax expense	(231)
Loss for the year	(2,253)
<i>Item that may be reclassified subsequently to profit or loss:</i>	
Exchange differences on translation of foreign operations	(12)
Total comprehensive loss for the year	(2,265)
EPS:	
Pre-Invitation EPS (cents) ⁽¹⁾	(1.03)
Post-Invitation EPS (cents) ⁽²⁾	(0.86)

Notes:

- (1) The Pro Forma EPS immediately before the Invitation and after the conversion of Convertible Notes aggregating S\$5.5 million and the acquisition of TPA Subsidiary for the Period Under Review has been computed based on the loss for the year and our pre-Invitation share capital of 218,704,993 Shares.
- (2) The Pro Forma EPS immediately after the Invitation and conversion of Convertible Notes aggregating S\$5.5 million and the acquisition of TPA Subsidiary for the Period Under Review has been computed based on the loss for the year and our post-Invitation share capital of 261,704,993 Shares.

SELECTED FINANCIAL INFORMATION

UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION

(\$S'000)	As at 31 December 2017
ASSETS	
Current assets	
Cash and cash equivalents	2,877
Trade and other receivables	6,971
Inventories	1,468
Total current assets	11,316
Non-current assets	
Plant and equipment	124
Intangible assets	345
Goodwill	4,186
Total non-current assets	4,655
Total assets	15,971
LIABILITIES AND EQUITY	
Current liabilities	
Trade and other payables	7,988
Income tax payable	210
Total current liabilities	8,198
Non-current liability	
Other payable	3,026
Capital and accumulated losses	
Share capital	13,084
Translation reserve	(10)
Accumulated losses	(8,327)
Total equity	4,747
Total liabilities and equity	15,971
NAV per Share (cents)⁽¹⁾	2.17

Note:

(1) The Pro Forma NAV per Share has been computed based on the total equity of our Group and our pre-Invitation share capital of 218,704,993 shares.

SELECTED FINANCIAL INFORMATION

Basis of preparation

The unaudited Pro Forma combined financial information is arrived at based on the following assumptions:

(i) Acquisition of TPA Subsidiary

On 20 April 2018, our Group completed the acquisition of the entire issued share capital of TPA Subsidiary for a cash consideration of S\$3.3 million. After offsetting the related party loans of S\$2.0 million, the net cash payable to the Insurtech Vendor is S\$1.3 million. Details of the related party loans of S\$2.0 million are as follows:

- (i) S\$1.3 million to the Insurtech Vendor;
- (ii) S\$0.4 million to 1CG Holdings Pte. Ltd., an entity wholly owned by the Insurtech Vendor, which was extended to finance the business operations of the entity; and
- (iii) S\$0.3 million to 1CARE Global (India) Pvt Ltd, an entity wholly owned by the Insurtech Vendor, which was extended to finance the business operations of the entity.

As part of our acquisition terms, there would be Earn-out Incentives payable to the Insurtech Vendor based on the financial performance of TPA Subsidiary in FY2018 and FY2019.

As at the Latest Practicable Date, our Board of Directors is of the opinion that the Earn-out Incentive is likely to be achieved and therefore the net present value of associated future payments is accrued in the Pro Forma as payable of S\$3.0 million.

As at the completion of the acquisition of our TPA Subsidiary, the TPA Subsidiary's net cash balance (determined as current assets minus current liabilities, excluding deferred costs, prepayments and inventories as at 31 December 2017) exceeded the agreed amount of S\$3.3 million by more than S\$250,000. On 2 May 2018, pursuant to the terms of the TPA Agreement, the excess capped at S\$250,000 was refunded to the Insurtech Vendor.

(ii) Conversion of Convertible Notes

Our Group had entered into Pre-IPO Investment Agreements with the Pre-IPO Investors to raise Convertible Notes of S\$5.5 million which bear interest at 6.0% per annum and are due to mature 24 months after the drawdown date. According to the Pre-IPO Investment Agreements, the Pre-IPO Investors shall be entitled to convert the Convertible Notes into Shares of our Company at the lesser of a price equal to: (i) 50.0% of the Invitation Price for each Share; or (ii) a valuation cap of S\$90.0 million for our Company for the purposes of the Listing, if applicable. For the purpose of Pro Forma adjustments, the Convertible Notes is assumed to convert to Shares on 31 December 2017 at 50.0% of the Invitation Price for each Share, thereby extinguishing the liability to the Pre-IPO Investors of S\$5.5 million and increasing the share capital of our Company by S\$5.5 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

OVERVIEW

Our Group provides a cloud-based commerce enablement and fulfilment platform, Synagie.com, for businesses operating in the E-commerce, E-logistics and Insurtech sectors. Our Synagie Platform integrates end-to-end E-commerce solutions covering all aspects of the E-commerce value chain, from content management, distribution, warehousing and fulfilment to Big Data analytics and after-sales services.

Our Brand Partners use our Synagie Platform like an integrated “back office” system to manage their multi-channel business processes and sales for both online and offline channels.

We have established relationships with more than 250 Brand Partners as of the Latest Practicable Date, including well-known brands in the BBB sector, like Johnson & Johnson, Kimberly Clark and Shiseido, which use our E-commerce solutions.

Our Group operates in the following three (3) business segments:

(i) E-commerce

Our Group helps our Brand Partners transform their traditional business models into an online model.

(ii) E-logistics

Our Group provides our Brand Partners with on-demand warehousing services and delivery services.

(iii) Insurtech

Our Group provides our Brand Partners with third party administration solutions for extended warranty and accidental damage protection services as well as after-sales support and call centre services.

Please refer to the section entitled “General Information on Our Company and Our Group” of this Offer Document for further details of our business activities and our production and promotion capabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Revenue

Our revenue amounted to approximately S\$0.2 million, S\$3.7 million and S\$8.0 million in FP2015, FY2016 and FY2017 respectively.

The table below summarises the breakdown of our revenue by business segment:

	Audited FP2015		Audited FY2016		Audited FY2017	
	S\$'000	%	S\$'000	%	S\$'000	%
E-commerce	171	90.5	3,217	87.4	7,212	89.8
E-logistics	18	9.5	462	12.6	817	10.2
Total	189	100.0	3,679	100.0	8,029	100.0

Our revenue is derived primarily from two (2) principal segments during the Period Under Review as detailed below, as our Insurtech business segment only commenced in FY2018 pursuant to the acquisition of our TPA Subsidiary:

- (i) E-commerce revenue, which includes:
 - (a) online distribution of our Brand Partners' products through various online marketplaces such as Lazada and Qoo10;
 - (b) online-to-offline distribution of our Brand Partners' products to various retail chain stores in Singapore such as NTUC; and
 - (c) marketing support services covering full spectrum of E-commerce solutions ranging from channel and content management, inventory and order management, digital marketing and customer services to Big Data analytics.

Revenue from the E-commerce business segment accounted for 90.5%, 87.4% and 89.8% of our total revenue in FP2015, FY2016 and FY2017 respectively.

- (ii) E-logistics services revenue, which includes integrated warehousing, logistics and fulfilment solutions which accounted for 9.5%, 12.6% and 10.2% of our revenue in FP2015, FY2016 and FY2017 respectively.

Our revenue is mainly dependent on the following factors:

- (i) Our ability to attract new Brand Partners and provide services with a difference in terms of innovation, cost and timeliness;
- (ii) Our ability to retain existing Brand Partners by continuously providing them with customised end-to-end E-commerce solutions that enable them to grow their business more rapidly and cost-effectively;
- (iii) Our relationships with online distribution channel partners and the stability of their online marketplaces; and
- (iv) Our ability to compete with our competitors in terms of services and pricing.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Please refer to the section entitled "Risk Factors" of this Offer Document for factors which may affect our revenue.

Cost of sales

Our cost of sales comprises products sold, marketplace service fees, promotional claims as well as warehouse rental and handling fees.

Our cost of sales amounted to approximately S\$0.2 million, S\$2.7 million and S\$6.3 million in FP2015, FY2016 and FY2017 respectively.

We set out below the breakdown of our cost of sales for FP2015, FY2016 and FY2017:

	Audited FP2015		Audited FY2016		Audited FY2017	
	S\$'000	%	S\$'000	%	S\$'000	%
Products sold:						
– Outright	153	96.8	2,407	88.2	4,173	66.6
– On-demand	–	–	164	6.0	1,753	28.0
Marketplace service fees	–	–	75	2.7	209	3.3
Promotional claims	–	–	(41)	(1.5)	(51)	(0.8)
Warehouse rental and handling fees	5	3.2	125	4.6	184	2.9
Total	158	100.0	2,730	100.0	6,268	100.0

Products sold

Our purchases comprise:

- (i) Outright purchase which is the purchase of products from our Brand Partners at a pre-agreed price on an exchangeable or a non-exchangeable basis, and sold via our distribution channels in our ecosystem. Outright purchase costs are recognised upon the receipt of goods in our warehouse; and
- (ii) On-demand purchase which is when our Brand Partners store goods in our warehouse and we facilitate the sale of their products through our distribution channels in our ecosystem. On-demand purchase costs are recognised upon the sale of products.

Marketplace service fees

Marketplace service fees are commission or handling fees charged by our online distribution channel partners based on a fixed percentage of the value of products sold. The rate varies depending on the online distribution channel partners and product categories.

Promotional claims

Promotional claims are incentives given by Brand Partners to run sales promotions on their products. Promotional claims are claimable upon the sale of products.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Warehouse rental and handling fees

Warehouse rental and handling fees are allocation of warehouse overheads from administrative expenses that are deemed directly attributable to our E-logistics business segment.

Our cost of sales is mainly dependent on the following factors:

- (i) Fluctuations in pricing for outright purchases;
- (ii) Our ability to obtain favourable pricing from merchants that supply on-demand purchases; and
- (iii) Fluctuations in marketplace service fees charged by our online distribution channel partners.

Please refer to the section entitled "Risk Factors" of this Offer Document for factors which may affect our cost of sales.

Gross profit

Our gross profit is primarily determined by: (i) revenue generated from the E-commerce business segment after deducting costs of sales; and (ii) revenue generated from the E-logistics business segment after deducting directly attributable costs. Gross profit margin is largely dependent on the revenue contribution from products that were procured via outright purchase and on-demand purchase, with the former providing higher gross profit margins than the latter. Revenue from our E-logistics business segment commands a higher gross profit margin compared to revenue from our E-commerce business segment.

Our gross profit amounted to approximately S\$31,000, S\$1.0 million and S\$1.8 million, representing 16.4%, 25.8% and 21.9% of total revenue in FP2015, FY2016 and FY2017 respectively.

The table below summarises gross profit and gross profit margin for FP2015, FY2016 and FY2017 respectively by business segment:

	Audited FP2015		Audited FY2016		Audited FY2017	
	S\$'000	%	S\$'000	%	S\$'000	%
E-commerce	18	58.1	612	64.5	1,128	64.1
E-logistics	13	41.9	337	35.5	633	35.9
Total	31	100.0	949	100.0	1,761	100.0
Gross profit margin	16.4%		25.8%		21.9%	

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Other income

Our other income comprises mainly government grants from the Temporary Credit Scheme and the Productivity and Innovation Credit Scheme received by our Group and one-time lease compensation relating to the takeover of a commercial vehicle leasing contract from a third party which is amortised over the lease period.

Our other income amounted to approximately S\$2,000, S\$76,000 and S\$16,000, representing 1.1%, 2.1% and 0.2% of our total revenue in FP2015, FY2016 and FY2017 respectively.

Distribution costs

Our distribution costs relate to last-mile fulfilment for online sales and O2O deliveries which amounted to approximately S\$9,000, S\$0.2 million and S\$0.7 million, representing 4.8%, 6.3% and 8.3% of our total revenue in FP2015, FY2016 and FY2017 respectively.

Administrative expenses

Our administrative expenses comprise amortisation costs, depreciation expenses, marketing expenses, rental of commercial vehicles, rental of equipment, rental of office, professional fees, staff costs, subscription and IT support fees, warehouse rental and handling fees and others.

Administrative expenses amounted to approximately S\$2.7 million, S\$3.1 million, S\$4.2 million, representing 1,429.1%, 83.1% and 52.0% of our total revenue in FP2015, FY2016 and FY2017 respectively as set out in the table below:

	Audited FP2015		Audited FY2016		Audited FY2017	
	S\$'000	%	S\$'000	%	S\$'000	%
Amortisation costs	12	0.4	93	3.0	95	2.3
Depreciation expenses	37	1.4	76	2.5	49	1.2
Marketing expenses	173	6.4	356	11.6	388	9.3
Rental of commercial vehicles	17	0.6	43	1.4	30	0.7
Rental of equipment	36	1.3	24	0.8	19	0.5
Rental of office	22	0.8	33	1.1	40	1.0
Professional fees	35	1.3	32	1.0	489	11.7
Staff costs	1,782	66.0	1,791	58.6	1,999	47.8
Subscription and IT support fees	55	2.0	147	4.8	170	4.1
Warehouse rental and handling fees	195	7.2	244	8.0	399	9.5
Others	337	12.6	218	7.2	500	11.9
Total	2,701	100.0	3,057	100.0	4,178	100.0

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Amortisation costs relate to software which accounted for 0.4%, 3.0% and 2.3% of our total administrative expenses in FP2015, FY2016 and FY2017 respectively.

Depreciation expenses relate to computers, furniture and fittings, renovations and office equipment, which accounted for 1.4%, 2.5% and 1.2% of our total administrative expenses in FP2015, FY2016 and FY2017 respectively.

Marketing expenses consist mainly of advertisement fee, coupon redemption, marketing rebate and event expense. Marketing expenses accounted for 6.4%, 11.6% and 9.3% of our total administrative expenses in FP2015, FY2016 and FY2017 respectively.

Rental of commercial vehicles for in-house support and logistics fulfilment accounted for 0.6%, 1.4% and 0.7% of our total administrative expenses in FP2015, FY2016 and FY2017 respectively.

Rental of equipment relates to electric forklift leased to support warehouse activities, which accounted for 1.3%, 0.8% and 0.5% of our total administrative expenses in FP2015, FY2016 and FY2017 respectively.

Rental of office consists of old and new offices for the Period Under Review, with the former located at Serangoon North and the latter located at M38 Jalan Pemimpin. We moved to our new office in August 2017. Rental of office accounted for 0.8%, 1.1% and 1.0% of our total administrative expenses in FP2015, FY2016 and FY2017 respectively.

Professional fees comprise mainly agent fees paid for introducing investors who invested in our Convertible Notes, internal and external audit fees, secretarial, tax, legal, consultancy and professional fees incurred in relation to our listing exercise, which accounted for 1.3%, 1.0% and 11.7% of our total administrative expenses in FP2015, FY2016 and FY2017 respectively. The agent fees were paid to introducing agents who are independent third parties from our Group.

Staff costs comprise mainly salaries, allowances, statutory contributions, levies, staff welfare benefits, medical claims and provision for unutilised leave. Staff costs accounted for 66.0%, 58.6% and 47.8% of our total administrative expenses in FP2015, FY2016 and FY2017 respectively.

Subscription and IT support fees comprise mainly SaaS services subscriptions to support our Synagie Platform, which accounted for 2.0%, 4.8% and 4.1% of our total administrative expenses in FP2015, FY2016 and FY2017 respectively.

Warehouse rental and handling fees consist of rental, manpower costs, amortisation of implementation cost, utilities, and other supplies such as labels and pallet films. Warehouse rental includes old and new warehouses for the Period Under Review, with the former located at Serangoon North and the latter located at Greenwich Drive. We moved to the new warehouse in June 2017 upon expiry of the old tenancy at Serangoon North. We started incurring warehouse handling costs subsequent to the outsource of warehouse management to a third party in June 2017. The warehouse rental and handling accounted for 7.2%, 8.0% and 9.5% of our total administrative expenses in FP2015, FY2016 and FY2017 respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Other expenses comprise mainly utilities, insurance, office and warehouse supplies, communication costs, bank charges, foreign exchange losses (net), printing and stationery, entertainment, travelling expenses, transportation and online payment gateway fees. Other expenses accounted for 12.6%, 7.2% and 11.9% of our total administrative expenses in FP2015, FY2016 and FY2017 respectively.

Other operating expenses

Other operating expenses consist of assets written off which amounted to approximately S\$5,000 and S\$0.1 million, representing 0.1% and 1.4% of our total revenue in FY2016 and FY2017 respectively.

Finance costs

Finance costs comprise mainly amortisation costs on S\$3.8 million of the Convertible Notes which were issued in FY2017. Finance costs amounted to approximately S\$0.2 million, representing 2.5% of our total revenue in FY2017.

Income tax expense

Income tax rate in Singapore is calculated at 17.0% of the estimated assessable income for FP2015, FY2016 and FY2017.

REVIEW OF PAST PERFORMANCE

FP2015 VS FY2016

Revenue

Our Group's revenue increased by 1,846.6% or S\$3.5 million, from S\$0.2 million in FP2015 to S\$3.7 million in FY2016 mainly due to the following factors:

- (i) full year contributions in FY2016 compared to three (3) months contributions in FP2015. During FP2015, our business started generating revenue only towards the last quarter of FP2015 after nine (9) months of development and pre-launch marketing;
- (ii) we on-boarded and signed on more Brand Partners in FY2016, some of whom have leading market positions in their product categories;
- (iii) we secured more Brand Partners who used our E-logistics services such as warehouse solutions and fulfilment services; and
- (iv) we expanded our multi-channel E-commerce business to online marketplaces such as Qoo10 and Lazada in FY2016. As a result, sales volume surged significantly in FY2016 as compared to FP2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Cost of sales

Our Group's cost of sales increased by 1,627.8% or S\$2.6 million, from S\$0.1 million in FP2015 to S\$2.7 million in FY2016. The increase is mainly from purchases of products which is in line with the increase in our E-commerce revenue.

We incurred marketplace fees of S\$75,000 in FY2016 as a result of our expansion into various online marketplaces.

Promotional claims of S\$41,000 in FY2016 were incentives given by new Brand Partners secured in FY2016.

Warehouse rental and handling fees of S\$0.1 million in FY2016 are attributed to allocation of warehouse overheads to support E-logistics revenue.

Gross profit and gross profit margin

Our Group's gross profit increased by 2,961.3% or S\$0.9 million, from S\$31,000 in FP2015 to S\$1.0 million in FY2016.

Our overall gross profit margin increased to 25.8% from 16.4% in FP2015. The expansion of gross profit margin was attributed to the following factors:

- (i) higher revenue contribution from E-logistics services which accounted for 12.6% or S\$0.5 million of total revenue in FY2016 as compared to 9.5% or S\$18,000 of total revenue in FP2015; and
- (ii) increase in overall margin from an improved product mix through collaborations with 109 Brand Partners in FY2016.

Other income

Other income increased by 3,700.0% or S\$74,000, from S\$2,000 in FP2015 to S\$76,000 in FY2016. This was mainly due to the Productivity and Innovation Credit Scheme grant of S\$60,000 in FY2016.

Distribution costs

Distribution costs increased to S\$0.2 million in FY2016, from S\$9,000 in FP2015, which is in line with the increase in E-commerce revenue.

Administrative expenses

Administrative expenses increased by 13.2% or S\$0.4 million, from S\$2.7 million in FP2015 to S\$3.1 million in FY2016. The key contributors to such increase are marketing expenses of S\$0.2 million, subscription and IT support fees of S\$0.1 million, amortisation costs of S\$81,000 as well as warehouse rental and handling fees of S\$49,000. The increase was attributed mainly to business expansion and full year results recorded in FY2016 as compared to the few months of business operations commencing towards end of FP2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Other operating expenses

Other operating expenses of S\$5,000 was attributed to assets written off.

Loss before income tax

As a result of the above, we recorded an improvement in loss before income tax of S\$2.3 million in FY2016 as compared to S\$2.7 million in FP2015.

Reconciliation of audited and unaudited Pro Forma combined statement of comprehensive income for FY2017

In FY2017, our Group recorded a loss of S\$3.4 million. Our Group will record Pro Forma loss of S\$2.3 million for FY2017. The improvement in loss for the year amounting to S\$1.1 million was mainly due to the unaudited Pro Forma adjustments to reflect the 12-months results of our TPA Subsidiary to account for the full year results as if the acquisition had occurred on 1 January 2017. Our TPA Subsidiary recorded profit after tax of S\$1.1 million in FY2017 from the provision of Insurtech services, which includes TPA services, after-sales support and call centre services.

Reconciliation of audited and unaudited Pro Forma combined statement of financial position as at 31 December 2017

Current assets

Based on the unaudited Pro Forma combined statement of financial position as at 31 December 2017, current assets increased by S\$5.2 million from S\$6.1 million in the audited financial statement to S\$11.3 million, which was due mainly to an increase in cash and bank balances and receivables arising from the acquisition of TPA Subsidiary.

Non-current assets

Based on the unaudited Pro Forma combined statement of financial position as at 31 December 2017, non-current assets increased by S\$4.2 million from S\$0.5 million in the audited financial statement to S\$4.7 million, which was due mainly to goodwill arising from the acquisition of TPA Subsidiary.

Current liabilities

Based on the unaudited Pro Forma combined statement of financial position as at 31 December 2017, current liabilities increased by S\$4.7 million from S\$3.5 million in the audited financial statement to S\$8.2 million, which was due mainly to payables and income tax liabilities arising from the acquisition of TPA Subsidiary.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Non-current liability

Based on the unaudited Pro Forma combined statement of financial position as at 31 December 2017, non-current liability increased by S\$0.1 million from S\$2.9 million in the audited financial statement to S\$3.0 million. This was due to the conversion of Convertible Notes to equity of S\$2.9 million, offset by contingent consideration payable of S\$3.0 million arising from the acquisition of TPA Subsidiary.

Based on the characteristics of the Convertible Notes and guidance per FRS 32 Financial Instruments: Presentation, Deloitte agrees with our Group's assessment on the classification of the Convertible Notes as an equity instrument. This is also consistent with the "Independent Auditor's Report and the Audited Combined Financial Statements for the Financial Period/Years Ended 31 December 2015, 2016 and 2017" as set out in Appendix A of this Offer Document.

Equity

Based on the unaudited Pro Forma combined statement of financial position as at 31 December 2017, equity increased by S\$4.6 million from S\$0.2 million to S\$4.8 million. This was due mainly to the conversion of the Convertible Notes aggregating S\$5.5 million.

FY2016 vs FY2017

Revenue

Our Group's revenue increased by 118.2% or S\$4.3 million, from S\$3.7 million in FY2016 to S\$8.0 million in FY2017. The increase was mainly due to the following factors:

- (i) increase in revenue from our E-commerce business segment due to:
 - (a) increase in sales volume of our Brand Partners' products as we adopted a more proactive marketing strategy with our Brand Partners to promote the sales of their products on the various online marketplaces;
 - (b) expansion of FMCG product portfolio, from 109 Brands Partners in FY2016 to 186 Brand Partners in FY2017 following the on-boarding of 77 new Brand Partners in FY2017;
 - (c) bulk purchases from our online distribution channel partners such as Lazada and new market penetrations of O2O distribution to lower trade retail customers and retail chain stores such as NTUC; and
 - (d) higher revenue contribution from marketing support services due mainly to the higher demand and an increase in spending by our Brand Partners on marketing campaigns in FY2017 to generate traffic to their own stores as well as new value-added services such as store maintenance, content design and photography rendered to Brand Partners.
- (ii) increase in revenue from our E-logistics business segment mainly due to on-boarding of 17 new Brand Partners in FY2017 who utilise our warehousing, logistics and fulfilment solutions.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Cost of sales

Our Group's cost of sales increased by 129.6% or S\$3.6 million, from S\$2.7 million in FY2016 to S\$6.3 million in FY2017. The increase was in line with the growth of our E-commerce and E-logistics business segments.

Gross profit and gross profit margin

Our Group's gross profit increased by 85.6% or S\$0.8 million, from S\$1.0 million in FY2016 to S\$1.8 million in FY2017.

Our overall gross profit margin decreased by 3.9%, from 25.8% in FY2016 to 21.9% in FY2017. The decline in gross profit margin was largely attributed to higher contribution of on-demand product sales in FY2017 from our E-commerce business segment which commanded lower gross profit margin as compared to outright purchase products. Revenue from our E-logistics business segment experienced smaller revenue contribution in FY2017. As a result, the blended gross profit margin decreased from 25.8% in FY2016 to 21.9% in FY2017.

Other income

Other income decreased by 78.9% or S\$60,000, from S\$76,000 in FY2016 to S\$16,000 in FY2017. This was mainly due to the absence of grant from the Productivity and Innovation Credit Scheme in FY2017.

Distribution costs

Distribution costs increased by 190.9% or S\$0.5 million, from S\$0.2 million in FY2016 to S\$0.7 million in FY2017. The increase is in line with the growth in revenue.

Administrative expenses

Administrative expenses increased by 36.6% or S\$1.1 million, from S\$3.1 million in FY2016 to S\$4.2 million in FY2017. Staff costs, warehousing rental and handling fees as well as professional fees were the key contributors to such increase by S\$0.2 million, S\$0.2 million and S\$0.5 million respectively.

In terms of staff costs, we hired additional 15 headcount in FY2017 to meet the demands of our growing business in Singapore and for our new setup in Malaysia. The addition of headcount was partially offset by the departure of our own warehouse team following the outsourcing of our warehouse activities to Ceva Logistics.

We incurred higher warehousing rental and handling fees in FY2017 as a result of outsourcing the warehouse activities. Included in warehouse handling expenses was mainly the manpower costs charged by Ceva Logistics.

The increase in professional fees was due mainly to agent fees paid for introducing investors who invested in our Convertible Notes in FY2017, higher external and internal audit fees, professional fees incurred in relation to the IPO exercise as well as consulting fees paid for our corporate blog and branding management. The agent fees were paid to introducing agents who are independent third parties from our Group.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Other operating expenses

Other operating expenses was solely attributed to assets written-off relating to renovation and furniture and fittings of the old warehouse and office, which accounted for S\$0.1 million in FY2017.

Finance costs

Finance costs comprised mainly amortisation costs on the S\$3.8 million of Convertible Notes which were issued in FY2017.

Loss before income tax

As a result of, *inter alia*, our growth and expansion, we recorded a loss before income tax of S\$3.4 million in FY2017 as compared to S\$2.3 million in FY2016.

REVIEW OF FINANCIAL POSITION

As at 31 December 2017

Current assets

Our current assets accounted for approximately S\$6.1 million or 92.9% of our total assets. Our current assets consisted of cash and cash equivalents, trade and other receivables and inventories.

Cash and cash equivalents consisted of cash on hand and in our bank accounts, representing approximately S\$1.8 million or 30.1% of our total current assets as at 31 December 2017.

Trade and other receivables comprised mainly trade receivables, deposits and prepayments, and reimbursement to related party representing approximately S\$2.8 million or 45.8% of our total current assets as at 31 December 2017.

Inventories comprised of trading stocks, representing approximately S\$1.5 million or 24.1% of our total current assets as at 31 December 2017.

Non-current assets

Our non-current assets accounted for approximately S\$0.5 million or 7.1% of our total assets. Our non-current assets comprise of plant and equipment as well as intangible assets.

Plant and equipment which included computers, furniture and fittings, office equipment and renovation, represented approximately S\$0.1 million or 25.2% of our total non-current assets as at 31 December 2017.

Intangible assets which comprised of software and software development for our Synagie Platform, represented approximately S\$0.4 million or 74.8% of our total non-current assets as at 31 December 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Current liability

Our current liability of approximately S\$3.5 million accounted for 54.7% of our total liabilities, comprising solely trade and other payables. Trade and other payables comprised of payables and accrued expenses as at 31 December 2017.

Non-current liability

Our non-current liability of approximately S\$2.9 million comprising Convertible Notes, accounted for 45.3% of our total liabilities as at 31 December 2017.

Equity

As at 31 December 2017, our equity amounted to approximately S\$0.2 million.

LIQUIDITY AND CAPITAL RESOURCES

As at the Latest Practicable Date, our Group has two sources of funds: internal and external sources. Internal sources of funds refer to cash generated from our Group's operating activities. External sources of funds comprise mainly capital investments from shareholders as well as the Pre-IPO Investors. The principal uses of these cash sources are to finance purchases, capital expenditures and operating expenses such as rental, payroll and administrative expenses.

As at the Latest Practicable Date, our Group had cash and cash equivalents of S\$2.3 million.

Our Group has prepared the Pro Forma to take into effect the following Pro Forma adjustments: (i) the acquisition of TPA Subsidiary; and (ii) the conversion of the Convertible Notes into Shares of our Company. The above Pro Forma adjustments will result in an improvement in the working capital of our Group from a positive S\$2.6 million to a positive S\$3.1 million.

In view of the above, our Group has sufficient resources to meet our working capital requirements and service our financial obligations as and when they fall due, taking into consideration the following:

- (i) our Group has managed to attract investors to invest in our growth. Since incorporation, our Group had gone through four (4) rounds of pre-IPO fund raising exercises, raising in aggregate more than S\$10.0 million from our shareholders as well as via the Convertible Notes.
- (ii) as at the Latest Practicable Date, our Group's borrowings comprise only of the Convertible Notes and our Group does not have any other forms of borrowings, such as bank loans. The Convertible Notes will be converted into ordinary shares of our Company upon listing and the associated borrowings and liabilities would extinguish, and this would have a positive impact on our Group's NAV;
- (iii) our Group currently has no bank borrowings and the Directors believe that our Group may be able to obtain bank borrowings to supplement our Group's existing capital requirements, if required; and

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

(iv) our Group has acquired TPA Subsidiary, which is revenue generating, profitable and generates positive cash flow. The acquisition has an accretive contribution to our Group's financial performance and cash flows as evident from the Pro Forma financial statements.

Our Directors are of the reasonable opinion that, after having made due and careful enquiry and after taking into account the cash flows generated from our operations, our existing cash and cash equivalents, the working capital available to us as at the date of lodgement of this Offer Document is sufficient for present requirements and for at least twelve months after the listing of our Group on Catalist.

The Sponsor is of the reasonable opinion that, after having made due and careful enquiry and after taking into account the cash flows generated from our Group's operations, our Group's existing cash and cash equivalents and the funds raised from the Pre-IPO Investors, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for present requirements and for at least twelve months after the listing of our Group on Catalist.

The following table sets out a summary of our Group's cash flow for FP2015, FY2016 and FY2017.

(\$'000)	FP2015	FY2016	FY2017
Net cash used in operating activities	(2,729)	(1,950)	(3,738)
Net cash used in investing activities	(440)	(158)	(339)
Net cash from financing activities	3,207	2,115	5,709
Net increase in cash and cash equivalents at the end of the period/years	38	7	1,632
Add: Restricted cash	–	–	150
Cash and cash equivalents at the beginning of the period/years	–	38	45
Cash and cash equivalents at the end of the period/years	38	45	1,827

FP2015

In FP2015, we recorded a net cash outflow from operating activities of approximately S\$2.7 million, which was a result of operating loss before movement in working capital of approximately S\$2.6 million, adjusted for net working capital outflow of approximately S\$0.1 million. The net working capital outflow was mainly due to the following:

- (i) increase in trade and other receivables of approximately S\$0.2 million, attributed mainly to the commencement of the business in the last quarter of 2015 and the majority of the sales having occurred towards the end of FP2015; and
- (ii) increase in inventories of approximately S\$0.4 million, due mainly to purchases incurred towards the end of FP2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The above working capital decreases were partially offset by the increase in trade and other payables of approximately S\$0.5 million due to the increase in purchases from both trade and non-trade vendors towards the end of FP2015.

Net cash outflow in investing activities amounted to approximately S\$0.4 million. This was attributable to purchases of plant and equipment as well as software, amounted to approximately S\$0.2 million each.

Net cash inflow from financing activities amounted to approximately S\$3.2 million. This comprised of proceeds on issuance of share capital of approximately S\$3.5 million, advances from Clement Lee, our Executive Director and CEO and a related party, Avenza Pte. Ltd., of approximately S\$45,000 and S\$0.5 million respectively. The inflow was partially offset by the advances to shareholder (Alegria Group Limited), a then shareholder of BTFL of approximately S\$0.8 million.

As at 31 December 2015, our cash and cash equivalents were approximately S\$38,000.

FY2016

In FY2016, we recorded a net cash outflow from operating activities of approximately S\$2.0 million, which was a result of operating loss before movement in working capital of approximately S\$2.1 million, adjusted for working capital inflow of approximately S\$0.1 million. The net working capital inflow was due to mainly increase in trade and other receivables of approximately S\$0.4 million as a result of business expansion. This was partially offset by the increase in trade and other payables of approximately S\$0.5 million.

Net cash outflow in investing activities amounted to approximately S\$0.2 million, which was attributed mainly to expenditure incurred on software development.

Net cash inflow from financing activities amounted to approximately S\$2.1 million, which comprised of proceeds on issuance of share capital and right issues of approximately S\$0.6 million and S\$1.0 million respectively, as well as new advances from shareholders, Zanetta Lee, Executive Director, and Olive Tai, Executive Director, and repayment from shareholder, Alegria Group Limited, a then shareholder of BTFL of approximately S\$0.5 million.

As at 31 December 2016, our cash and cash equivalents were approximately S\$45,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

FY2017

In FY2017, we recorded a net cash outflow from operating activities of approximately S\$3.7 million, which was a result of operating loss before movement in working capital of approximately S\$2.9 million, adjusted for working capital outflow of approximately S\$0.8 million. The net working capital outflow was due to the following:

- (i) increase in trade and other receivables of approximately S\$2.2 million which was attributed mainly to:
 - (a) higher sales towards the end of FY2017;
 - (b) receivables from Brand Partners which have been mutually agreed with our Group on an offset arrangement against the corresponding payables upon future payment made to Brand Partners; and
 - (c) new deposits pledged to Brand Partners in FY2017, which was in return for being granted better credit terms (such as 60 days instead of the typical 30 days) and higher credit limits;
- (ii) increase in inventories of approximately S\$1.0 million mainly due to stocks acquired for new setup in Malaysia as well as stocking up of inventories to fulfil sales orders due for delivery after the year-end.

The increase was partially offset by an increase in trade and other payables of approximately S\$2.4 million mainly as a result of substantial purchases towards the end of the year.

Net cash outflow in investing activities amounted to approximately S\$0.3 million, which attributed to mainly expenditure incurred on software development and renovation of new office of approximately S\$0.2 million and S\$0.1 million respectively.

Net cash inflow from financing activities amounted to approximately S\$5.7 million, which comprised of proceeds on issuance of share capital and Convertible Notes of approximately S\$2.3 million and S\$3.8 million respectively.

All advances received or provided by our Group have been fully repaid and settled.

As at 31 December 2017, our cash and cash equivalents were S\$1.8 million. The restricted cash of S\$0.2 million relates to banker guarantee extended to our Brand Partners.

SEASONALITY

As our Group provides end-to-end E-commerce solutions all year round, our business and our financial performance for the Period Under Review was not materially affected by seasonality on a Group basis. We do, however, generally experience peaks or surges in our revenue in the months of November and December, during the year-end holiday season, as well as on special festival days, such as Singles Day or Black Friday.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

INFLATION

Our financial performance for the Period Under Review was not materially affected by inflation on a Group basis.

CAPITAL EXPENDITURE, DIVESTMENTS AND COMMITMENTS

Capital Expenditure

The capital expenditures made by our Group for FP2015, FY2016, FY2017 and from 1 January 2018 to the Latest Practicable Date were as follows:

(\$'000)	FP2015	FY2016	FY2017	1 January 2018 up to the Latest Practicable Date
Computers	31	–	21	34
Furniture and fittings	59	23	10	9
Office equipment	16	1	23	5
Renovation	108	–	98	49
Software	225	61	*	2
Software construction-in-progress	–	72	187	81
Total	439	157	339	180

Note:

* – less than S\$1,000

The above capital expenditures were primarily financed by internally generated resources.

Divestments

No material divestments were made by our Group during the Period Under Review and for the period from 1 January 2018 to the Latest Practicable Date.

Capital Commitments

We have capital commitments for development of software and renovation of approximately S\$63,000 and S\$10,000 respectively as at the Latest Practicable Date.

We intend to finance the above commitments through internally generated funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Operating Lease Commitments

As at 31 December 2017 and the Latest Practicable Date, the operating lease commitments of our Group were as follows:

(S\$'000)	As at 31 December 2017	As at the Latest Practicable Date
Not later than one year	468	833
Later than one year but not later than five years	575	882
More than five years	–	–
Total	1,043	1,715

The above operating lease commitments were primarily financed by internally generated resources.

Contingent liabilities

As at the Latest Practicable Date, our Group did not have any contingent liabilities.

EXCHANGE CONTROLS

There are no foreign exchange control restrictions in Singapore.

FOREIGN EXCHANGE MANAGEMENT

Our business operations are predominantly in S\$, hence our Group's reporting currency is in S\$. Our Malaysia subsidiary, Synagie Malaysia, maintains its book and records in MYR.

Foreign currency transactions are translated into the operating subsidiary's functional currency at rates of exchange approximating those prevailing at transaction dates. Currency translation difference from the settlement of such transactions and from the translation of foreign currency monetary assets and liabilities at rates as at the balance sheet date are dealt with through the income statement.

In the preparation of the audited combined financial statements of our Group, the financial statements of Synagie Malaysia were translated to S\$ at rates of exchange approximating those prevailing at the end of the reporting period except for share capital and reserves, which were translated at historical exchange rates and income and expenses items, which were translated at the average exchange rates for the period. Foreign exchange differences arising from translation are accounted for as translation reserves in shareholder's equity and other comprehensive income.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Foreign Exchange Exposure

The proportions of our revenue and purchases denominated in S\$ and foreign currencies are as follows:

Percentage of revenue denominated in	FP2015 %	FY2016 %	FY2017 %
S\$	100.0	100.0	99.7
MYR	–	–	0.3
	100.0	100.0	100.0

Percentage of purchases denominated in	FP2015 %	FY2016 %	FY2017 %
S\$	100.0	100.0	99.5
MYR	–	–	0.5
	100.0	100.0	100.0

Percentage of other expenses denominated in	FP2015 %	FY2016 %	FY2017 %
S\$	100.0	98.6	94.2
MYR	–	–	0.9
US\$	–	1.4	4.9
	100.0	100.0	100.0

To the extent that our revenue, purchases and expenses are not naturally matched in the same currency and to the extent that there are timing differences between invoicing and collection/ payment, we will be exposed to fluctuations of various currencies against the S\$, which will affect our earnings. The appreciation and depreciation in the value of other currency other than the functional currency will have either a positive or negative effect on our financial results.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Our net foreign exchange exposure for FP2015, FY2016 and FY2017 were as follows:

	FP2015	FY2016	FY2017
Net foreign exchange gain (S\$'000)	*	*	9
As a percentage of revenue (%)	#	#	0.1
As a percentage of loss before tax (%)	#	#	0.3

Notes:

* – less than S\$1,000

– less than 0.1%

We do not have a formal hedging policy, although we may, subject to the approval of our Board, enter into relevant transactions when necessary, to hedge our exposure to foreign currency fluctuations. We will also put in place, where necessary, procedures to hedge our exposure to foreign currency fluctuations. Such procedures will be reviewed and approved by our Audit Committee and our Board.

SIGNIFICANT ACCOUNTING POLICY CHANGES

There has been no significant change in the accounting policies for our Group during the Period Under Review. The accounting policies have been consistently applied by our Group during the Period Under Review, except for the changes in accounting policies and related notes as discussed in the “Independent Auditors’ Report and the Audited Combined Financial Statements for the Financial Period/Years Ended 31 December 2015, 2016 and 2017” as set out in Appendix A of this Offer Document.

INDUSTRY OVERVIEW

We have commissioned Frost & Sullivan to provide the Frost & Sullivan Report for inclusion in this Offer Document. The Frost & Sullivan Report is set out in Appendix F of this Offer Document and the executive summary is extracted from the Frost & Sullivan Report and set out below. The Frost & Sullivan Report contains certain statements that are “forward-looking” and are based on underlying assumptions containing variables that may have changed since the date of issue. By their nature, forward-looking statements are subject to risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. No forward-looking statements contained herein should be relied upon as predictions of future events. No assurance can be given that the expectations expressed in these forward-looking statements will prove to be correct. The information in the Frost & Sullivan Report has not been independently verified by us, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent or any of our and their respective affiliates or advisors. The information may not be consistent with other information compiled. Please see the section entitled “Cautionary Note on Forward-looking Statements” of this Offer Document for more details. None of our Group, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent makes any representation as to the accuracy or completeness of such information and shall not be obligated to provide any updates on the same. For the purpose of this section entitled “Industry Overview”, the SE Asia countries comprise Indonesia, Malaysia, Vietnam, Thailand, the Philippines, Malaysia and Singapore as set out in the Frost & Sullivan Report.

B2C E-commerce Industry Overview in SE Asia

SE Asia is a disparate and fragmented market with various infrastructure and regulatory structures. There are thousands of E-commerce participants of all sizes operating across the region.

The key market drivers of the E-commerce ecosystem in SE Asia are set out below:

- (a) SE Asia’s growing middle-class population serving as the foundation for sustainable growth of the E-commerce market;
- (b) social media and millennials are redefining the shopping experience;
- (c) rapid proliferation of the internet population, primarily mobile internet users, driving consumer awareness and accelerating the purchasing process;
- (d) advance of the United States and Chinese E-commerce markets becoming key influences in SE Asia; and
- (e) explosive growth of E-commerce sites increasing the choice of goods and driving brands’ E-commerce strategy.

The total GMV of SE Asia’s E-commerce industry grew from US\$5.3 billion in 2014 to US\$16.6 billion in 2017 and is forecasted to reach US\$45.6 billion by 2022 at a CAGR of 22.3%. E-commerce volume as a percentage of retail volume recorded steady growth in SE Asia from 2014 to 2017, from 1.2% to 3.4%. Frost & Sullivan estimates the E-commerce penetration to reach 7.0% by 2022.

Singapore’s E-commerce market is anticipated to have the highest penetration of total retail volume over the period between 2017 to 2022 (“**Forecast Period**”). Singapore has one of the highest gross domestic product (“**GDP**”) per capita, level of education, and ease of conducting business globally, providing a conducive environment for the development of the E-commerce industry.

INDUSTRY OVERVIEW

B2C E-commerce Business Model Overview

In SE Asia, products are offered online using the following four (4) major channels using websites and mobile applications:

- (a) brand.com stores, also known as “straight first-party sales”, are online stores directly operated/managed by brands/brand owners to list and sell their products;
- (b) online marketplace platforms, where third party vendors own the products, provide product information and stipulate pricing whereas the marketplace operator processes the transactions;
- (c) direct market resellers, which refer to online resellers that sell directly to consumers without a physical presence, usually specialising in vertical product categories such as clothing, groceries, personal care, and beauty; and
- (d) omnichannel retailers, which are resellers that have both brick-and-mortar and online retail presence.

Over the Forecast Period, the online marketplace platforms are expected to lead as the dominant sales channel as brands build their E-commerce go-to-market strategies. Omnichannel retailers are also increasingly making a presence online. However, this may not be a main priority in the short term.

B2C E-commerce Industry in the BBB Industry in SE Asia and Singapore

According to Statista, 3C products accounted for the largest product segment which consumers purchased online in SE Asia in 2017, at 29.6%, followed by fashion and clothing (26.8%), furniture and appliances (16.3%), food and personal care (13.1%), toys and hobby products (8.3%) and others (5.7%). The BBB industry is a sub-segment of the food and personal care category.

The online BBB industry market size in Singapore has been reported to be US\$82.1 million in 2017, growing by 28.5% compared to 2016. The market is expected to record a CAGR of 14.7% from 2017 to 2022. The SE Asia online industry managed to reach US\$0.8 billion by the end of 2017, growing by 40.8% compared to 2016. Singapore is estimated to contribute 9.8% out of the total online BBB product GMV in SE Asia in 2017. Singapore’s online BBB product GMV is forecasted to contribute 7.8% of the total E-commerce GMV in Singapore by the end of 2022, higher than SE Asia’s 5.6%.

Competitive Landscape in the Online B2C BBB Market in Singapore

Brands in Singapore face the following challenges in implementing an effective E-commerce strategy to fully enable their E-commerce business both locally and in SE Asia:

- (a) gaps in the E-commerce ecosystem and customer expectations limit the growth of Singapore’s online BBB industry;
- (b) difficulty in justifying investment for E-commerce set-up and operations;
- (c) lack of expertise among brands in managing E-commerce business model; and
- (d) insufficient support for brands across the entire E-commerce value chain.

INDUSTRY OVERVIEW

Emergence of E-commerce Enablers

The challenges above suggest a growing need for third party E-commerce service partners (E-commerce enablers) to facilitate the operations of online businesses.

E-commerce enablers provide solutions and services to brands including, but not limited to, online store management, product content management, warehousing, order fulfilment, delivery, after-sales services, and consumer insights.

In China where B2C E-commerce is well developed, brands actively work with E-commerce enablers, leveraging their local knowledge and industry expertise to execute and integrate E-commerce strategies across different online marketplaces.

E-commerce enablers are unique in their capability to offer end-to-end solutions for brands looking to execute their E-commerce strategy. Compelling value propositions of E-commerce enablers include:

- (a) in-depth understanding of products, brand value, and local customer demand;
- (b) high level of engagement between brands and multiple online sales channels;
- (c) technology infrastructure for back-end systems integration;
- (d) ability to collect, centralise, and analyse consumer data of the E-commerce sales cycle from consumer awareness, order placement, order fulfilment, delivery, and after-sales services;
- (e) economies of scale by vertical and horizontal brands expansion; and
- (f) quick entry into the E-commerce market without the need for upfront capital investment or infrastructure set-up.

Business Model

Distribution Model

E-commerce enablers serve as e-distributors and usually purchase the products and sell them through official stores across various marketplaces and enablers' own online stores if any. Under this model, E-commerce enablers manage the entire sales process for brands including warehousing, demand generation, order fulfilment, delivery, and after-sales services. This is the primary model for enablers at present, especially when working with mass-market brands in the FMCG segment.

INDUSTRY OVERVIEW

Consignment Model

Unlike the distribution model, with the consignment model, E-commerce enablers do not need to purchase the products ahead of time, but may lease the warehouse space to brand owners. Consignment sales are a trading arrangement where a seller sends the goods to a buyer or reseller who pays the seller only when the goods are sold. In addition to warehousing, enablers also offer options to manage order fulfilment, delivery, and after-sales services for products sold across various platforms including brand.com, online marketplaces and direct market resellers if any. Enablers charge brands based on the warehousing capacity and commission fees for functions such as fulfilment and delivery. E-commerce enablers play a greater back-end support role in this model.

Subscription Model

Under the subscription model, E-commerce enablers charge brand owners for usage of online listing platforms only, without other services such as warehousing, fulfilment, and delivery. The subscription is generally on a per user per month/year basis. This is not a mainstream revenue source for most E-commerce enablers in light of brands requiring support for end-to-end services or critical functions of E-commerce, not only the subscription of the listing platforms. However, it could be a key revenue source for pure-play listing platforms that mainly target small and medium enterprises or small office/home office products in B2C and customer-to-customer marketplaces.

Industry Outlook

With the highest E-commerce penetration rate over total retail volume in SE Asia, Singapore will continue to hold the strategic market position for brands looking to expand their online presence. Macro-economic conditions including the highest GDP per capita, internet penetration and credit card penetration in SE Asia, level of consumer education, and ease of conducting business globally have provided a conducive environment for the development of the E-commerce industry in Singapore.

The E-commerce enablement segment is derived from the E-commerce industry, hence the future growth prospects of E-commerce enablers is highly dependent on brands' E-commerce GTM strategies and the overall development of the E-commerce industry. Similar to brands which operate their online business in China, brands operating online in Singapore and SE Asia will emphasise consumers' E-commerce experience rather than their products' online appearance. E-commerce value chain activities including product online appearance, content management, order placement and fulfilment, payment collection, last-mile delivery and after-sales services will be increasingly handled by E-commerce enablers instead of brands and different online sales channels. Hence E-commerce enablers will play an important and critical role for the future development of the E-commerce industry in Singapore and SE Asia.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

HISTORY

Our Company was incorporated in Singapore on 28 June 2017 under the Companies Act as a private company limited by shares, under the name of “Synagie Corporation Pte. Ltd.”, with a Company Registration Number of 201717972D. Our Company became the holding company of our Group pursuant to the completion of a restructuring exercise undertaken for the purposes of the Listing.

The main operations of our Group are undertaken by BTFL, the main operating subsidiary of our Group. Founded in 2014 and headquartered in Singapore, Clement Lee and Olive Tai, noticed that the Singapore retail market was being disrupted by online shopping which resulted in a decline in the traditional retail sector. They decided to collaborate to start an online retail website named “beautiful.me”, focusing on BBB products. They incorporated BTFL in Singapore on 28 November 2014, for the purpose of operating “beautiful.me”.

Zanetta Lee joined our Group in April 2015 and together with Clement Lee and Olive Tai, launched the “beautiful.me” site, targeted at female consumers in SE Asia, in November 2015. After the launch of “beautiful.me”, it acquired a sizeable following on Facebook, with a predominantly female following.

Following the launch of “beautiful.me”, the Founders noticed that online marketplaces, such as Lazada and Qoo10, were gaining traction amongst online shoppers. Some of our Group’s suppliers were also enquiring if they could use our Group’s services to help sell and fulfil their own sales on these marketplaces. Recognising this opportunity, the Founders made the decision to expand our Group’s business model from an online retailer into a multi-channel E-commerce solutions provider. Our Group began to approach online distribution channel partners with a view to offering our catalogue of brands and products for sale on their online marketplaces. As our Group had a sizeable offering of brands and products, our online distribution channel partners were agreeable to allow our Group to set up official “beautiful.me” stores on their platforms.

In March 2016, our Group launched our first official “beautiful.me” brand store on Qoo10 which resulted in an increase in our sales. Our Group concurrently introduced this new business model and started offering E-commerce, E-logistics fulfilment services to some of our suppliers, who responded positively, as these suppliers were also looking for a multi-channel E-commerce partner which could provide them with an end-to-end solution for their online sales, from content development, to channel management, warehousing and last mile fulfilment.

Following our success on Qoo10, our Group continued to work with other leading online distribution channel partners and, at the same time, converted existing suppliers to our Group into our customers, for these suppliers to utilise our Group’s multi-channel E-commerce enablement and fulfilment solutions. Our Group would be able to offer Brand Partners warehousing and fulfilment, multi-channel selling, inventory and order management, performance reports and analytics, demand forecasting and business intelligence to support Brand Partners’ E-commerce business through a single platform.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

In order to overcome the challenges of our multi-channel E-commerce operations, our Group started to develop our own platform to further assist our customers in monitoring and managing their online business/sales. In August 2016, our Group launched the first version of our Synagie Platform, which had real time data connections to major online marketplaces, as well as to our Group's third party logistics partners in Singapore. By then, our Group had also successfully launched official "beautiful.me" brand stores on other major online marketplaces, including Lazada and Shopee. Our Group had also begun to develop and manage official brand stores for some of our Group's Brand Partners on these online marketplaces. By the end of 2016, our Group had signed up more than 100 Brand Partners for our Group's multi-channel E-commerce enablement and fulfilment solutions with more than 100,000 online transactions being fulfilled in 2016.

In 2017, our Group further expanded the business. We launched a second version of our Synagie Platform which included new solutions such as real time Big Data analytics to provide our Brand Partners with an integrated "back office" system to manage their E-commerce business. Through our Synagie Platform, the Brand Partners would be able to better forecast product demand and manage inventory by analysing consumers' buying behaviours and patterns across different online marketplaces. Our Synagie Platform analyses Big Data collected from the online marketplaces and transforms it into actionable data so that our Brand Partners can have a real time overview of their business and use this data to make key decisions that will help them grow their sales. Our Synagie Platform is also able to offer on-demand warehousing services and delivery services with its online warehousing and delivery management module.

In 2017, our Group added O2O fulfilment as one of our product offerings, which allowed Brand Partners to use our infrastructure-logistics solutions for B2B fulfilment to brick and mortar retail chain stores such as NTUC and Watsons. Our Group also started offering managed services to some of our Brand Partners in the luxury beauty market and managed multi-language online marketplaces for some of our Brand Partners in Singapore, Malaysia, Philippines and Thailand, out of our Singapore office.

That same year, instead of renting our own warehouse space, our Group outsourced our warehousing and E-logistics operations to Ceva Logistics, our third party logistics partner, to minimise capital expenditures and increase the efficiency of our operations. Our Group also ventured into Malaysia through our wholly owned subsidiary Synagie Malaysia, which was incorporated in Malaysia in the third quarter of 2017, with a view to scaling our operations into the Malaysian market and serving Brand Partners directly in Malaysia.

In April 2018, our Group acquired our TPA Subsidiary to venture into the Insurtech business and plans to offer Insurtech products through our online distribution channels.

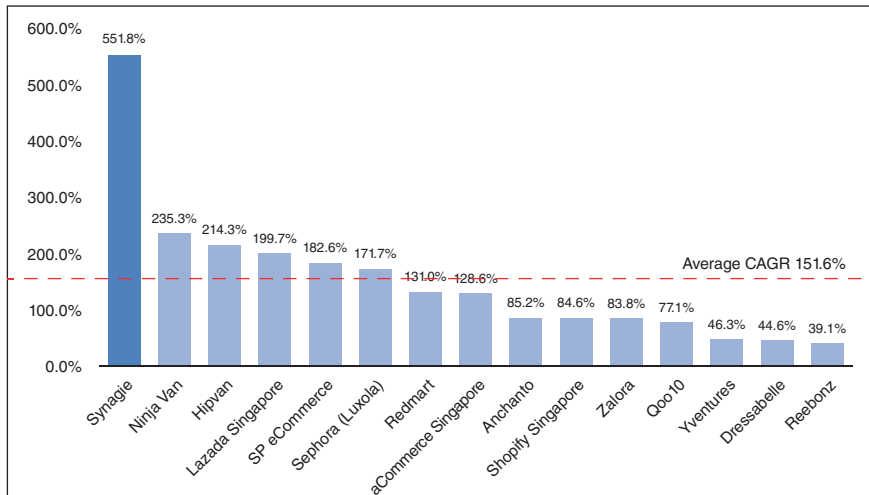
GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

BUSINESS OVERVIEW

We are an E-commerce solutions provider and, according to Frost & Sullivan, SE Asia's leading E-commerce enabler in the Body, Beauty and Baby or BBB sector. Our Group's mission is to simplify commerce by providing end-to-end E-commerce enablement and fulfilment solutions through our cloud-based Synagie Platform for traditional businesses to shift their business online.

According to Frost & Sullivan, we are also the fastest growing E-commerce startup compared to other major E-commerce startups in Singapore and one of the fastest growing in SE Asia, having achieved the highest historical revenue CAGR of 551.8% from the year of our launch, in 2015, to 2017, as compared to an average CAGR of 151.6% achieved by other major E-commerce startups over the period from 2011 to 2017. Our Group's business grew from a revenue of S\$0.2 million in FP2015, to a revenue of S\$3.7 million in FY2016 to a revenue of S\$8.0 million in FY2017. We were able to achieve such high growth due to our deep domain expertise in E-commerce and our ability to provide comprehensive solutions to help bring traditional businesses online quickly.

Historical Revenue CAGR of E-commerce Startups, Singapore, 2011 – 2017



Source: Frost & Sullivan Report

When our Group started our business in 2015, we were of the view that the retail industry was starting to decline on the back of digital disruption. As more consumers looked to shop online, brands and businesses were seeking new solutions to meet the fast-changing habits of their customers. Commerce was becoming increasingly complex as the traditional supply chain was unable to handle the complexities of online businesses. We started to rethink commerce and sought to provide a better way for Brand Partners to benefit from digital transformation with minimal disruption. Our Synagie Platform was founded on the belief that we could provide seamless solutions that would simplify commerce for brands and businesses in SE Asia.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

With the E-commerce market in SE Asia forecast to grow at 22.3% CAGR from US\$16.6 billion in 2017 to a potential market size of US\$45.6 billion by 2022 according to Frost & Sullivan, we believe that more global brands and businesses will view E-commerce as a vital part of their business strategy. This exponential market growth will also lead to greater complexities in the commerce supply chain where businesses will require industry expertise and integrated solutions to overcome. We believe that we are well positioned to fill this gap by providing end-to-end E-commerce solutions to help brands and businesses execute and manage their E-commerce strategies without the need for significant investment to develop their own online capabilities or undertake risk in building their own infrastructure.

We work with businesses of all sizes ranging from small and medium enterprises to multi-national companies to help them 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. Our end-to-end E-commerce enablement capabilities encompass 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.

We believe that technology is key to success in the online world. Our Brand Partners can use our Synagie Platform which leverages on technologies such as cloud computing, artificial intelligence and Big Data, to manage their multi-channel business processes and sales for both online and offline channels. They can also distribute their products and services via our ecosystem which consists of, among others, online marketplaces like Lazada and Qoo10 and retail chain stores like Watsons and NTUC. We believe that our ecosystem simplifies the commerce process for our Brand Partners by allowing them to focus on increasing their sales while we assist them with setting up and managing their online business.

Our E-commerce enablement business model is a hybrid of the distribution, consignment and subscription models, commonly found in E-commerce enablers' business models, as set out in the Frost & Sullivan report, a summary of which can be found in the section entitled "Industry Overview" of this Offer Document. As at the Latest Practicable Date, we have more than 250 Brand Partners in the BBB sector, with well-known brands such as Johnson & Johnson, Kimberly-Clark and Shiseido, which use our E-commerce solutions.

The distribution model under the E-commerce business segment is the largest contributor to our Group's financial performance. It made up 90.5%, 64.6% and 48.6% of our Group's total revenue earned in FP2015, FY2016 and FY2017 respectively. Our Group started our business in FP2015 as "beautiful.me", an online retail website focusing on BBB products. We incorporated BTFL in Singapore with its distribution model contributing the bulk of our revenue at 90.5%. In FY2016, our Group had tweaked our business model into a multi-channel E-commerce solutions provider which resulted in our Group holding lesser inventories as some of our Brand Partners started to opt for the consignment model and as a result, revenue contribution from our Group's distribution model decreased to 64.6%. As our Group continued to grow the business in FY2017, an increasing number of our Brand Partners opted for the consignment model which resulted in a decrease in revenue contribution from our distribution model to 48.6%.

The descriptions of the distribution, consignment and subscription business models can be found under the section entitled "Industry Overview" of this Offer Document.

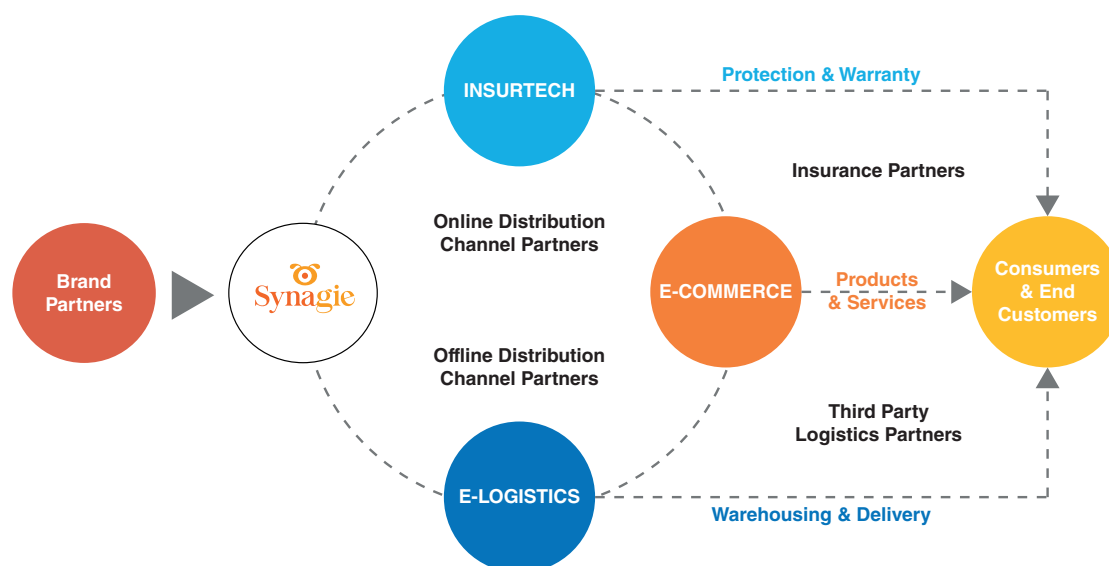
GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

Our other Brand Partners include:

- (a) E-logistics Brand Partners, such as China UnionPay and its subsidiary which intends to use our E-logistics solutions to provide China out-bound parcel delivery services to over 50 countries and/or regions for their 6.8 million China SMEs and 2,000 China courier customers; and
- (b) Insurtech Brand Partners, such as various Fortune 500 companies in the computer, communication and consumer electronics or 3C sector, that use our Insurtech third party administration or TPA solutions to manage their extended warranty and accidental damage protection services.

With our success in the BBB industry, Frost & Sullivan believes that our Group provides a big value proposition that helps simplify the complexities of E-commerce and will become a trusted partner with broader brand coverage across industries in the future.

Our Ecosystem



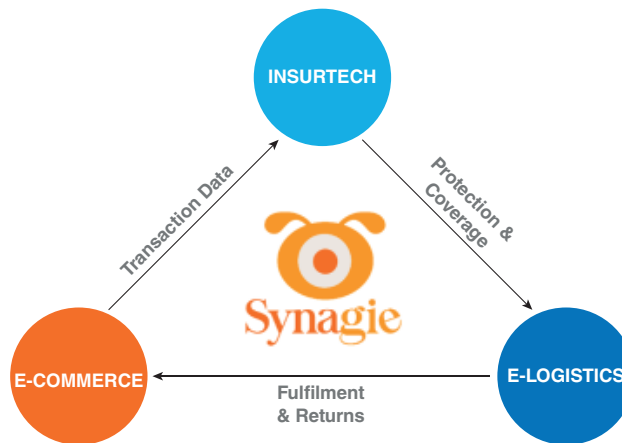
Our Brand Partners, together with their consumers and end customers, are at the core of our ecosystem. We help our Brand Partners sell their products and services to their consumers and end customers using our Synagie Platform.

Our ecosystem partners include our distribution channel partners, third party logistics partners and insurance partners which add value to our ecosystem through their service offerings which make it simpler for our Brand Partners to sell to their consumers and end customers, and insuring the risks while doing so. Our online distribution channel partners operate online marketplaces such as Lazada and Qoo10 and our offline distribution channel partners include retail chain stores such as Watsons and NTUC. Our third party logistics partners include Ceva Logistics and SF Express and our insurance partners include Great Eastern.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

Our ecosystem is powered by our Synagie Platform that provides the technology for value creation through increasing collaboration and competition amongst our ecosystem partners. Our Group believes that this will result in new solutions being formulated to meet the rising demands of our Brand Partners and their consumers and end customers. As our ecosystem evolves and expands it will also help drive our growth. Our Brand Partners can sell their products and services to consumers through our ecosystem via our distribution channel partners' platforms and our third party logistics partners can seamlessly handle the fulfilment of orders and our insurance partners can provide risk protection solutions for the entire E-commerce transaction.

Our Business Model



Our Group's business model is a hybrid of the distribution model, consignment model and the subscription model as set out in the section entitled "Industry Overview" of this Offer Document. Our Group has a platform-based, asset-light business model with three (3) synergistic business segments, namely E-commerce, E-logistics and Insurtech that work together to offer innovative and efficiency driven solutions to our Brand Partners. Our scalable asset-light E-logistics model allows us to scale rapidly without having to require a large amount of capital, without holding excessive amounts of inventory or spending large amounts of marketing costs to generate sales.

We adopt an ecosystem-oriented approach to help our Brand Partners distribute their products on both offline and offline channels in our ecosystem. By doing so we generate "network effects" in that an increase in the number of our Brand Partners will attract more offline and online channels and conversely more offline and online channels will also attract more Brand Partners. This helps our Group accelerate the speed of our Brand Partner acquisition and minimises our Brand Partner acquisition cost.

We also believe that we have a unique platform-based business model as each of our three (3) business segments work synergistically to create a virtuous cycle in a two (2)-sided market where we get revenue and customers from both the supply and demand side. For example, whilst we help our Brand Partners sell their products to consumers via our online distribution channel partners, our online distribution channel partners also become our customers when they buy products directly from us or use our logistics solutions.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

Our Revenue Models

Our Group generates revenue from our Brand Partners under one (1) or a combination of our three (3) revenue models below:

E-commerce Revenue Model

Our Group charges fees which can be a one-off flat fee or recurring fees as a percentage of sales when we provide end-to-end E-commerce solutions to our Brand Partners. Our Group also curates and purchase goods from our Brand Partners and/or their authorised distributors and sells them to consumers via our distribution channels in our ecosystem. Our online distribution channels include our own brand store, “beautiful.me”, and our Brand Partner’s official brand stores on online marketplaces such as Lazada and Qoo10. Our offline distribution channels include retail chain stores such as Watsons and NTUC. Our Group transacts with our Brand Partners either on an advanced purchase basis or on a “on-demand” purchase basis:

(a) Outright Purchase

On an outright purchase basis, our Group purchases products from our Brand Partners at a pre-agreed price on an exchangeable or a non-exchangeable basis, and sold via our distribution channels in our ecosystem. Outright purchase costs are recognised upon the receipt of goods in our warehouse.

(b) On-Demand Purchase

On an on-demand purchase basis, our Brand Partners store goods in our outsourced warehouse and we facilitate the sale of their products through our distribution channels in our ecosystem. On-demand purchase costs are recognised upon the sale of products.

In FP2015, FY2016 and FY2017, our Group’s aggregate revenue from our E-commerce activities accounted for 90.5%, 87.4% and 89.8% of our total revenue.

E-logistics Revenue Model

Under the E-logistics revenue model, we provide E-logistics services including warehousing, pick and pack as well as last mile delivery to our Brand Partners in exchange for fees which may include one-time flat fee, recurring fees, a percentage of sales generated, or a combination of all three (3) of these fee types. Our E-logistics services are fulfilled by our third party logistics partners in our ecosystem.

We utilise our E-logistics capabilities, as further described in the section entitled “E-logistics” under this section of this Offer Document, to help fulfil sales orders for the products and services of our Brand Partners that are transacted through our ecosystem.

In FP2015, FY2016 and FY2017, our Group’s aggregate revenue from our E-logistics activities accounted for 9.5%, 12.6% and 10.2% of our total revenue.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

Insurtech Revenue Model

Going forward, with our acquisition of our TPA Subsidiary, our Insurtech revenue model would be to charge upfront or recurring fees when we provide: (i) third party administration services for our Insurtech Brand Partners which offer extended warranty and accidental damage protection products to consumers; and (ii) after sales support and call centre services. TPA services include, programme set up, product registration, fraud detection, claims verification processing to help our Brand Partners manage their extended warranty or accidental damage protection programmes. We also charge fees when we provide after sales support and call centre services such as customer care and follow-ups, staff training for our customers and call centre services such as handling enquiries or calls from end consumers to help our Brand Partners solve consumer complaints.

Geographical Markets

The products which our Group distributes and markets are currently targeted for sale, through online channels, in Singapore and Malaysia.

Singapore was the sole market for income generated by our E-commerce and E-logistics businesses for FP2015 and FY2016. In FY2017, approximately 99.9% of our total revenue from our E-commerce and E-logistics business was generated from Singapore, whilst the remaining revenue was generated from Malaysia.

While our revenue is largely generated from Singapore, due to the nature of E-commerce, the end-customer may not necessarily be residing in Singapore, or in SE Asia. Nevertheless, our Group has and intends to continue to maintain a strong presence on online channels within SE Asia.

Business Segments

Our Group operates in the following three (3) business segments:

(a) E-commerce

Our Group helps our Brand Partners transform their traditional business models into an online model.

(b) E-logistics

Our Group provides our Brand Partners with on-demand warehousing services and delivery services.

(c) Insurtech

Our Group provides our Brand Partners with third party administration solutions for extended warranty and accidental damage protection services well as after sales support and call centre services.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

E-commerce

Overview

Our Group believes that the traditional retail industry and businesses will continue to be significantly disrupted by the growth of online shopping and that the E-commerce market in SE Asia is in a phase of high growth, driven primarily by increasing internet penetration and the widespread adoption of mobile and smartphone technology by consumers in SE Asia. We believe that businesses are now being compelled to transform their traditional business models to an online model ahead of their competitors or risk being left behind.

Leveraging on our Synagie Platform, we provide our Brand Partners with a fast and easy way to transform their traditional businesses to an online model, as follows:

- (a) we help them establish a multi-channel online retail presence within our ecosystem on online marketplaces such as Lazada and Qoo10 to facilitate the distribution of their products and services;
- (b) we help them manage their E-logistics and fulfilment processes, which are executed seamlessly from within our Synagie Platform; and
- (c) we also provide them with our suite of end-to-end E-commerce solutions, including channel and content management, inventory and order management, digital marketing and customer services and Big Data analytics to help them increase their sales.

Our Brand Partners are able to manage their entire online business process via our Synagie Platform which contains a simple-to-use control dashboard where they can view all their sales, inventory and fulfilment data. The control dashboard can be accessed by logging in from any internet browser without the need to install any additional software or hardware which makes it a user-friendly business management solution.

We offer the following modes of services to our Brand Partners:

- (a) Managed Services

We provide dedicated personnel to help manage our Brand Partners' operations.

- (b) SaaS Services

Our Brand Partners' employees use our Synagie Platform to manage their operations on a self-serve basis.

The scalability of our Synagie Platform allows our Group to efficiently provide customised end-to-end E-commerce solutions and related services to our Brand Partners and to support an increasing array of transactions as we increase the number of our Brand Partners, integrate new online channels, accommodate peaks and surges in order fulfilment and digitise traditional processes across various different industry sectors.

We believe our Brand Partners look to our Group as a trusted partner for our technology, domain knowledge and industry expertise to manage the complexities of quickly transforming their businesses online without the need for investments associated with establishing and up-keeping new technological infrastructure and fulfilment capabilities themselves.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

End-To-End E-commerce Solutions

Depending on the requirements of our Brand Partners or the specific needs of their products or industry sectors, our Group provides our Brand Partners with end-to-end E-commerce solutions that are tailored to meet their unique needs. Our E-commerce capabilities cover every aspect of the E-commerce value chain, and include the following:

- (a) channel and content management;
- (b) inventory and order management;
- (c) digital marketing and customer services; and
- (d) Big Data analytics.

Channel and Content Management

Our Group believes that efficient store operations are crucial to our Brand Partners' online retail operations and as part of our channel and content management services we provide dedicated operational teams to help manage the online channels of our Brand Partners. These operational teams closely monitor and are responsible for all the activities and the daily upkeep of their various official brand stores.

In relation to channel management services, we help our Brand Partners to negotiate with online channels on product pricing, marketing support, joint promotions and other marketing plans such as product launches. We further tap on our Group's expertise in web design and our deep understanding of consumers' online shopping habits to help our Brand Partners set up official brand stores on online marketplaces in our ecosystem and achieve optimal branding effect and sales results. In addition, we conduct performance reviews with these online channel partners and brain storm strategies and promotional ideas with them which are aimed at increasing brand awareness and improving the sales of our Brand Partners' products on these online channels.

In relation to content management services, we help our Brand Partners develop and manage product content that will attract consumers to purchase their products or services online. We also frequently update the product content on our Brand Partners' online channels to maintain their appeal. Our design services team helps ensure that our Brand Partners' online presence is artfully presented and refreshed to keep up-to-date with their latest advertising campaigns. Our design services team also develops and manages the digital product catalogue of our Brand Partners which includes the photography of the products and documenting standardised product specifications such as product categories, sizes and dimensions of the products for the sale of the products online. Our design services team regularly works with our Brand Partners to design and develop the most updated digital content, including online product marketing banners, that is synced to their product pages or official brand stores on online channels via our Synagie Platform.

Our channel management and content management services are available to our Brand Partners who use our managed services mode of service.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

Inventory and Order Management

Our operational teams also assist our Brand Partners which use our managed services mode of service to process sales orders as they arrive from the online channels. We manage and process these sales orders using our proprietary order management system on our Synagie Platform to ensure that orders are accurately fulfilled in a timely manner as it allows us to monitor the real time status of the orders such as whether an order has been picked and packed or delivered to the consumer. Our Synagie Platform also syncs product inventory levels across all online channels in real time and has an alert system that will notify the user if a product has low inventory levels or is out of stock. Our operational teams rely on our Synagie Platform to maintain sufficient levels of inventory across online channels and to forecast inventory requirements based on expected demands. This helps to ensure that our Brand Partners are not over stocked or do not lose sales due to out of stock situations which could affect their business. For our Brand Partners using our SaaS Services, they can manage all their inventory and orders by logging on to our Synagie Platform.

We also provide merchandising services with a focus on product and price competitiveness to ensure that the products sold on our Brand Partners' online channels are not over-priced and that the benefits of their products are clearly communicated to consumers. Our merchandising team also handles order processing as well as inventory monitoring to make sure that there is sufficient inventory available to sell to consumers on all online channels.

Digital Marketing and Customer Services

Our Group believes that digital marketing and customer services are vital to our Brand Partners' online success. Such services may lead to more consumers buying the products of our Brand Partners and increase the transaction volumes on their online channels. Our digital marketing and customer services capabilities includes the following:

(a) Channel Marketing

Our Group works with our Brand Partners and online distribution channel partners to establish on-site marketing and promotional activities on their online marketplaces for our Brand Partner's products. These on-site marketing and promotional activities include the procurement of banner space, the organising of joint promotions and product giveaways as well as coordinating new product launches.

Our Group's aim is to help our Brand Partners obtain better brand and product visibility on the online marketplaces by negotiating for prime banner space such as on the home page of the online marketplaces or higher search ranking within the online marketplace search engines so that the products of our Brand Partners can be easily found by the consumer. We also help our Brand Partners negotiate in advance for product or promotional features on direct emailers sent out by the online marketplaces to consumers to announce new product launches or highlight new promotional campaigns. Our Group also uses data which we collect from online channels to understand consumers' online buying habits and use these insights to develop promotional campaigns including price discounts, free gifts as well as product sampling events that help increase consumer loyalty and spur repeat purchases for our Brand Partners' products.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

(b) Social Media and Word-of-Mouth Marketing

Based on our Group's experience, we recognise and understand that consumers are strongly influenced by word-of-mouth marketing and peer to peer recommendations, which comprises product usage information and good reviews about particular products, services or brands derived from non-commercial communicators.

We provide value to our Brand Partners by assisting them to formulate strategies that encourage consumer engagement with their respective brands and drive these consumers' desire to purchase their respective products.

Our Group believes that one of the most important channels for word-of-mouth marketing is social media platforms. We identify the preferred social media platforms of our Brand Partners' target consumers, which are generally Facebook and Instagram. We then set up or manage accounts on these platforms for our Brand Partners, create and publish contents on these accounts and engage in dialogues with consumers who post on the accounts. We also closely track visitors' activities and analyse the impact of our word-of-mouth marketing outreach.

(c) Creative Content

Our Group provides our Brand Partners with the infrastructure and expertise to produce creative digital content for use on their respective online channels. We provide photography, videography, graphic design and copywriting services to create appealing online content for product promotions, product launches, and marketing campaigns. Our production services include pre-production and post-production work from casting, art direction to editing and retouching.

(d) Customer Service

One of our Group's top priorities is to ensure that we provide satisfactory pre-sale and post-sale customer service for our Brand Partners. In this regard, we believe in the importance of customer service assistance and provide our Brand Partners with customer service personnel who have undergone customer service training and targeted coaching sessions to address their consumer queries, feedback and complaints pertaining to product usage, product pricing as well as experience after using a product. Our customer service team also helps our Brand Partners monitor consumer reviews on online channels to spot negative consumer feedback or complains and try to resolve any issues with the consumer expeditiously.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

Big Data Analytics

Our Group collects sales, order fulfilment and consumer data from both online and offline channels that is securely stored and analysed by the real-time Big Data analytics engine on our Synagie Platform. This real-time Big Data analytics engine converts large amounts of raw data into actionable data by presenting them in the form of interactive charts that can be found on our Synagie Platform online dashboard. Our Brand Partners can use our Big Data analytics to better understand their consumers, control costs, identify sales opportunities or to get an in-depth view of their entire business. We provide Big Data analytics in real-time in connection with the following:

(a) Geographical Analysis

- Top selling products by location or districts
- Number of customers by location or districts
- Frequency of purchase by location or districts
- Total sales by location or districts

(b) Basket Analysis

- Analysis of other products bought by consumers who bought a specific product

(c) Profitability Analysis

- By online channel or product SKUs

(d) Online Channel Analysis

- Average order value and average order volume by online channels
- New and repeat customers by online channels

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(e) Behavioural Analysis (available only for the E-commerce websites of our Brand Partners)

Behavioural analysis involves the analysis of the following aspects of the usage of the E-commerce websites of our Brand Partners:

- Purchase Funnel
- Daily session counts
- Average session duration
- Lookers and buyers
- New and repeat users
- Cart abandonment
- Customer Churn
- Customer retention
- Cohort Analysis

Our team regularly reviews the information on the interactive Big Data charts with our Brand Partners to jointly develop sales and business strategies that will help improve their business.

Our Synagie Platform is also capable of generating all our Brand Partners business data in the form of downloadable reports. This allows our Brand Partners to export the reports for accounting or business review purposes within their own organisation. Our Group believes that we are able to help our Brand Partners overcome their Big Data challenges including capturing data, data storage, data analysis, search, sharing and visualization all from our Synagie Platform. This provides our Brand Partners with a powerful solution that will help them gain an edge over the competition in the online business.

Our Brand Partners

The number of Brand Partners which we work with in our E-commerce business segment has progressively grown from 109 in both FP2015 and FY2016, to 186 in FY2017 and more than 250 as of the Latest Practicable Date.

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These Brand Partners range from established international brands and multinational corporations to small and medium enterprises which span diverse industry categories. Our Group has thus far adopted a vertical approach in Brand Partner acquisition, choosing to focus on brands in the consumer goods or BBB sectors. This is largely due to our management team's deep industry expertise in these sectors. Our vertical focus allows us to collect data to generate deep consumer insights on our consumers who are mainly female. We use such data to help our Brand Partners refine their marketing strategies or better understand their target consumers.

Our Brand Partners are recognised by consumers in SE Asia. Some of the key brands which our Brand Partners own and distribute are as set out below:

Key Brands

Product Type

Blackmores	Health Supplements and Infant Formula
Colgate	Oral Care
Dove	Personal Care
Etude House	Skin Care
Goo.n	Diapers
Hada Labo	Skin Care
Heinz	Packed Food
Huggies	Diapers
Innisfree	Skin Care
Johnson & Johnson	Baby Toiletries
Kleenex	Tissue Paper
Kotex	Feminine Care
Lotte	Packed Food
Mentholatum	Personal Care
Nestle	Infant Formula
Neutrogena	Skin Care
OPPO	Smart Phone
Ovaltine	Packed Food
Palmolive	Hair Care
Petpet	Diapers
Scott	Health Supplements
Shiseido	Skin Care and Hair Care
Softlan	Household
Schwarzkopf	Hair Care

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

Distribution Channel Partners

Our ecosystem consists of our distribution channel partners which provide our Brand Partners with an integrated solution for the online and offline distribution of their products or services, on a “plug and play” basis, helping them save the time and resources otherwise required to develop and implement their own multi-channel distribution network.

Our ecosystem’s distribution channel partners include online and offline channels such as:

(a) Online distribution channel partners

We have well-established relationships with leading online marketplaces, such as Lazada, Qoo10, Shopee, Redmart, Honestbee, Zalora and Amazon. We leverage on these relationships to help our Brand Partners develop and set up store fronts on these online marketplaces, which we then help them to manage and operate through the provision of our E-commerce enablement services.

Our Group’s E-commerce enablement services also benefit our online distribution channel partners by helping them attract and manage new Brand Partners. As such, these online distribution channel partners collaborate with us to enhance our ability to connect our Brand Partners to their platforms or to introduce new Brand Partners to us for our services.

Our online distribution channel partners generally charge us or our Brand Partners, handling fees and/or commissions for the sale of products through their platforms. Most of these fees and commissions are based on fixed percentages of the value of the products sold and the fee rates vary by product category. Our online distribution channel partners may also charge us advertising fees for promotional banners and other marketing activities when we run promotions or marketing campaigns on their platform. These advertising fees are usually charged as a fixed fee or percentage of sales.

As at the Latest Practicable Date, the products distributed and managed by our Group made up an aggregate in excess of 18,000 product listings across the various online marketplaces that we work with.

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Official Brand Stores

In addition to helping our Brand Partners develop and set up and then manage their own official brand stores on the online marketplaces within our ecosystem, we might from time to time at the request of our Brand Partners help with the design, development and management of their E-commerce websites. We further distribute the products and services of our Brand Partners on our own brand store, “beautiful.me” to increase the number of consumer touch points and establish a wider presence online.

As at Latest Practicable Date we manage and operate approximately 51 official brand stores for our Brand Partners, including those of the following leading brands:

Brand \ Online Marketplace	Lazada	Qoo10	Shopee	Zalora
Johnson & Johnson	✓	✓		
Colgate	✓	✓	✓	
Blackmores	✓	✓	✓	
Shiseido	✓			✓
Kimberly-Clark		✓		
Huggies			✓	
Kotex			✓	
OPPO	✓			

“beautiful.me” Stores

In 2015, we developed and launched our first E-commerce store front under our own brand “beautiful.me” on the website www.beautiful.me. Initially launched as an online shopping club for ladies, we later adopted a multi-channel strategy by establishing our own “beautiful.me” brand stores on online marketplaces such as Lazada and Qoo10 in 2016. We help our Brand Partners list and sell their products on our own “beautiful.me” website and our own “beautiful.me” brand stores on online marketplaces such as Lazada and Qoo10 to extend the online presence of our Brand Partners and increase their consumer touch points.

As at the Latest Practicable Date, “beautiful.me” has attracted a sizable online consumer following with more than 36,000 followers on our Qoo10 official brand store and a social media following on Facebook of more than 90,000 followers from SE Asia out of which more than 90.0% are Asian female consumers. We regularly help our Brand Partners market and promote their products including new product launches or seasonal sales to our online followers. Our Group believes that “beautiful.me” acts as an additional data collection channel and also functions as a launch platform for some of our Brand Partners which have a small product range or new products which are not ready to establish their own official brand stores.

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The table below sets out a summary of the types of product listings which we distribute and manage in our official brand store and the various online marketplaces:

Legend

“√” means that the relevant products are sold on the indicated online marketplace.

“–” means that the relevant products are not sold on the indicated online marketplace.

Product Category	Product Sub Categories	beautiful.me	Lazada	Qoo10	Shopee	Redmart	Honestbee	Zalora	Amazon
Baby	Baby Health Care								
	Vitamins & Supplements	√	√	√	√	√	–	–	–
	Baby Personal Care								
	Baby Detergent	√	√	√	√	√	√	–	–
	Bubble Bath	√	√	√	√	–	√	–	–
	Grooming & Healthcare Kits	√	√	√	√	–	–	–	–
	Shampoo & Conditioners	√	√	√	√	√	√	–	–
	Sun Protection	√	√	√	√	–	–	–	–
	Toothbrushes & Toothpaste	√	√	√	√	–	–	–	–
	Travel Bathing Kits	√	√	√	√	–	–	–	–
	Baby Personal Care/Skin Care								
	Lotions & Creams	√	√	√	√	–	√	–	–
	Oils	√	√	√	√	–	√	–	–
	Powders	√	√	√	√	–	√	–	–
	Baby Personal Care/Soaps, Cleansers & Bodywash								
	Bar Soaps	√	√	√	√	–	√	–	–
	Body Wash	√	√	√	√	–	√	–	–
	Foaming Soaps	√	√	√	√	–	√	–	–
	Hypoallergenic Cleansers	√	√	√	√	–	√	–	–
	No-Rinse Cleansers	√	√	√	√	–	√	–	–
	Baby Personal Care/Washcloths & Towels								
	Washcloths	√	√	–	–	–	–	–	–
	Diapering & Potty								
	Diapering Care/Creams & Ointments	√	√	√	√	–	√	–	–
	Disposable Diapers	√	√	√	√	√	√	–	–
	Wipes & Holders/Wipes & Refills	√	√	√	√	–	√	–	–
	Feeding/Bottle-Feeding								
	Bottle Care & Cleaning	–	–	–	–	–	–	–	–
	Bottle Nipples & Accessories	–	–	–	–	–	–	–	–
	Bottles	–	–	–	–	–	–	–	–
	Feeding								
	Milk Formula/Toddler Milk	√	√	√	√	–	–	–	–
	Utensils/Food Storage	–	–	–	–	–	–	–	–
Gifts									
Gift Baskets	–	–	–	–	–	–	–	–	
Gift Sets/Bathing	–	–	–	–	–	–	–	–	
Nursery									
Nursery Decor/Night Lights	–	–	–	–	–	–	–	–	
Toys & Games									
Action Figures & Collectibles/Collectibles	√	√	√	√	–	–	–	–	
Remote Control & Play Vehicles/Play Vehicles/Vehicles	√	–	–	√	–	–	–	–	
Stuffed Toys	√	–	–	–	–	–	–	–	

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Product Category	Product Sub Categories	beautiful.me	Lazada	Qoo10	Shopee	Redmart	Honestbee	Zalora	Amazon
Beauty	Makeup/Eyes								
	Eyebrows	✓	✓	✓	✓	✓	-	-	-
	Eyeliners	✓	✓	✓	✓	-	-	-	-
	Makeup/Face								
	BB & CC	✓	✓	✓	✓	-	-	✓	-
	Compacts & Powder	✓	✓	✓	✓	✓	-	✓	-
	Concealer	✓	✓	✓	✓	-	-	✓	-
	Foundation	✓	✓	✓	✓	✓	-	✓	-
	Makeup Base & Primer	✓	✓	✓	✓	-	-	✓	-
	Makeup/Lips								
	Lip Gloss	✓	✓	✓	✓	✓	-	✓	-
	Lipsticks	✓	✓	✓	✓	✓	-	✓	-
	Makeup/Makeup Accessories								
	Makeup Brushes & Sets	✓	✓	✓	✓	-	-	✓	-
	Oil Blotters	✓	✓	✓	✓	-	-	✓	-
	Makeup								
	Makeup Removers	✓	✓	✓	✓	-	-	✓	-
	Skin Care								
	Gifts & Value Sets	✓	✓	✓	✓	-	-	-	-
	Moisturizers and Cream/ Moisturizers	✓	✓	✓	✓	✓	✓	-	-
	Serum & Essence	✓	✓	✓	✓	✓	-	-	-
	Sunscreen and Aftersun	✓	✓	✓	✓	✓	-	-	-
	Toner & Mists	✓	✓	✓	✓	✓	-	-	-
	Skin Care/Dermacare								
	Eye Care	✓	✓	✓	✓	✓	-	✓	-
	Face Mask & Packs	✓	✓	✓	✓	✓	✓	✓	-
	Face Scrubs & Exfoliators	✓	✓	✓	✓	✓	✓	✓	-
	Facial Cleansers	✓	✓	✓	✓	✓	✓	✓	-
	Gifts & Value Sets	✓	✓	✓	✓	-	-	✓	-
	Lip Balm and Treatment	✓	✓	✓	✓	✓	✓	✓	-
	Skin Care/Moisturizers and Cream								
	Facial Oils	✓	✓	✓	✓	✓	✓	✓	-
Moisturizers	✓	✓	✓	✓	✓	✓	✓	-	
Night Cream	✓	✓	✓	✓	✓	✓	✓	-	
Serum & Essence	✓	✓	✓	✓	✓	-	✓	-	
Sunscreen and Aftersun	✓	✓	✓	✓	✓	-	✓	-	
Toner & Mists	✓	✓	✓	✓	✓	-	✓	-	
Body	Hair Care								
	Conditioner	✓	✓	✓	✓	✓	✓	-	-
	Gifts & Value Sets	✓	✓	✓	✓	-	-	-	-
	Hair Colouring	✓	✓	✓	✓	✓	-	-	-
	Hair Styling	✓	✓	✓	✓	✓	✓	-	-
	Hair Treatments	✓	✓	✓	✓	✓	✓	-	-
	Shampoo	✓	✓	✓	✓	✓	✓	-	-
	Medical Supplies								
	First Aid Supplies	✓	✓	-	✓	-	-	-	-
	Health Accessories	✓	✓	✓	✓	-	-	-	-
	Injury Support and Braces	✓	✓	✓	✓	-	-	-	-
	Medical Tests	✓	✓	-	✓	-	-	-	-
	Ointments and Creams	✓	✓	✓	✓	-	-	-	-
	Men's Care/Bath & Body								
	Body Soap & Shower Gel	✓	✓	-	✓	-	-	-	-

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Product Category	Product Sub Categories	beautiful.me	Lazada	Qoo10	Shopee	Redmart	Honestbee	Zalora	Amazon	
Body	Men's Care/Hair Care									
	Hair Colouring	✓	✓	-	✓	-	-	-	-	
	Hair Styling	✓	✓	✓	✓	-	✓	-	-	
	Shampoo	✓	✓	✓	✓	-	✓	-	-	
	Men's Care/Skin Care									
	Face Scrubs & Exfoliators	✓	✓	-	✓	-	-	-	-	
	Facial Cleanser	✓	✓	✓	✓	-	-	-	-	
	Gifts & Value Sets	✓	✓	-	-	-	-	-	-	
	Moisturizers and Cream/ Facial Oils	✓	✓	-	-	-	-	-	-	
	Moisturizers and Cream/ Moisturizers	✓	✓	-	-	-	-	-	-	
	Body Care									
	Bath & Body Accessories	✓	✓	✓	✓	-	-	-	-	
	Body Moisturizers	✓	✓	✓	✓	-	-	-	-	
	Body Scrubs	✓	✓	✓	✓	✓	-	-	-	
	Body Soaps & Shower Gels	✓	✓	✓	✓	✓	-	-	-	
	Gifts & Value Sets	✓	✓	✓	✓	-	-	-	-	
	Foot Care									
	Lotion, Cream and Scrubs	✓	✓	✓	✓	-	-	-	-	
	Foot Relief Accessories & Tools	✓	✓	✓	✓	-	-	-	-	
	Hand Care									
	Hand Washes and Sanitizers	✓	✓	✓	✓	-	-	-	-	
	Lotion, Cream and Scrubs	✓	✓	✓	✓	-	-	-	-	
	Sun Care for Body									
	Sunscreen & After Sun	✓	✓	✓	✓	✓	-	-	-	
	Food Supplements/Beauty Supplements									
	Hair & Nail	✓	✓	✓	✓	✓	✓	✓	-	-
	Skin Nourishment	✓	✓	✓	✓	✓	✓	-	-	-
	Food Supplements/Sports Nutrition									
	Fat Burner	✓	✓	✓	✓	✓	-	-	-	-
	Food Supplements/Weight Management									
	Appetite Suppressant	✓	✓	✓	✓	✓	-	-	-	-
	Fat Blockers & Burners	✓	✓	✓	✓	✓	-	-	-	-
	Meal Replacement	✓	✓	✓	✓	✓	-	-	-	-
	Food Supplements/Well Being									
	Anti-Aging	✓	✓	✓	✓	✓	✓	✓	-	-
	Bone & Joint Support	✓	✓	✓	✓	✓	✓	✓	-	✓
	Brain & Memory	✓	✓	✓	✓	✓	✓	✓	-	✓
	Detoxification	✓	✓	✓	✓	✓	✓	✓	-	✓
	Digestive Care	✓	✓	✓	✓	✓	✓	✓	-	✓
	Gifts & Value Sets	✓	✓	✓	✓	✓	-	✓	-	✓
	Heart & Blood Pressure	✓	✓	✓	✓	✓	✓	✓	-	✓
	Immunity	✓	✓	✓	✓	✓	✓	✓	-	✓
	Men's Health	✓	✓	✓	✓	✓	✓	✓	-	✓
	Multivitamins	✓	✓	✓	✓	✓	✓	✓	-	✓
	Pregnancy Care	✓	✓	✓	✓	✓	✓	✓	-	✓
	Stress, Sleep, and Anxiety	✓	✓	✓	✓	✓	✓	✓	-	✓
	Vision Care	✓	✓	✓	✓	✓	✓	✓	-	✓
Women's Health	✓	✓	✓	✓	✓	✓	✓	-	✓	
Over the Counter Medicine										
Coughs, Colds & Flu	-	✓	✓	✓	✓	-	-	-	-	
Eye, Nose, Throat Care	✓	✓	✓	✓	✓	-	-	-	-	
Scar Care	✓	✓	✓	✓	✓	-	-	-	-	

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Product Category	Product Sub Categories	beautiful.me	Lazada	Qoo10	Shopee	Redmart	Honestbee	Zalora	Amazon	
Body	Topical Analgesics	✓	✓	✓	✓	-	✓	-	-	
	Personal Care									
	Adult Diapers & Incontinence	✓	✓	✓	✓	-	✓	-	-	
	Deodorants	✓	✓	✓	✓	-	-	-	-	
	Personal Care/Eye Care									
	Eye Drops	✓	✓	✓	✓	-	-	-	-	
	Personal Care/Feminine Care									
	Feminine Wash	✓	✓	✓	✓	-	-	-	-	
	Panty Liners	✓	✓	✓	✓	-	✓	-	-	
	Sanitary Napkins	✓	✓	✓	✓	-	✓	-	-	
	Tampons	✓	✓	✓	✓	-	✓	-	-	
	Personal Care/Oral Care									
	Dental Flosses & Sticks	✓	✓	✓	✓	-	✓	-	-	
	Electric Toothbrushes	✓	✓	✓	✓	-	-	-	-	
	Mouthwash	✓	✓	✓	✓	✓	✓	-	-	
	Oral Care Accessories	✓	✓	✓	✓	-	-	-	-	
	Teeth Whitening	✓	✓	✓	✓	-	-	-	-	
	Toothbrushes	✓	✓	✓	✓	✓	-	-	-	
	Toothpaste	✓	✓	✓	✓	✓	-	-	-	
Food & Groceries	Food & Groceries									
	Coffee, Tea	✓	✓	✓	✓	-	-	-	-	
	Packed Food, Noodles, Pasta & Rice	✓	✓	✓	✓	✓	✓	-	-	
Household	Cleaning									
	Bathroom	✓	✓	✓	✓	-	-	-	-	
	Floors	✓	✓	✓	✓	-	-	-	-	
	Multipurpose Cleaner	✓	✓	✓	✓	-	-	-	-	
	Dishwashing/Hand Dishwashing	✓	✓	✓	✓	-	-	-	-	
	Laundry									
	Bleach	✓	✓	✓	✓	-	-	-	-	
	Delicate Care	✓	✓	✓	✓	-	-	-	-	
	Fabric Conditioners	✓	✓	✓	✓	-	-	-	-	
	Fresheners & Ironing	✓	✓	✓	✓	-	-	-	-	
	Stain Remover	✓	✓	✓	✓	-	-	-	-	
	Washing Liquid	✓	✓	✓	✓	-	-	-	-	
	Washing Powder	✓	✓	✓	✓	-	-	-	-	
	Paper									
	Kitchen Roll	✓	✓	✓	✓	✓	✓	-	-	
Tissues	✓	✓	✓	✓	✓	✓	-	-		
Toilet Paper	✓	✓	✓	✓	✓	✓	-	-		
Electronic Devices	Electronic Devices/Mobile	✓	✓	✓	-	-	-	-	-	
Total No. of Product Listings		2,385	10,744	1,245	2,621	837	527	262	24	
Aggregate No. of Product Listings		18,645								

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

(b) Offline Distribution Channel Partners

Aside from online distribution, we help our Brand Partners formulate and execute O2O strategies to achieve optimal branding effect and enhanced sales results in line with their long-term business objectives.

In particular, we help our Brand Partners analyse their sales data and consumer buying patterns on our Synagie Platform to identify new trends and sales opportunities and create a more connected consumer experience both online and offline. We also assist our Brand Partners to distribute and deliver their products to various leading retail chain stores in Singapore and assist them to set up promotional booths or product display areas in selected malls and to manage their point of sales at trade fairs. As at the Latest Practicable Date, our O2O partners in our ecosystem include the leading retail chain stores in Singapore such as Watsons and NTUC.

We are able to efficiently assist our Brand Partners to execute their respective O2O strategies by centralising their inventory storage requirements for both online and offline sales channels. We fulfil not only B2C orders (by consumers who order online) but also B2B orders from brick-and-mortar retail chain stores, which place bulk orders for the products and services of our Brand Partners, which are channelled through our Synagie Platform, for resale at their respective retail chain stores.

E-logistics

We believe that the growth in the number of E-commerce transactions in SE Asia has challenged its traditional logistics infrastructure. Traditional logistics providers typically provide B2B fulfilment services such as the storage of pallets or delivery of cartons to retail stores and most of them do not cater to the requirements of E-commerce B2C fulfilment which requires the storage of loose inventory for individual product picking and packing as well as the processing of deliveries to thousands of individual end consumers. We believe that as a result, many businesses going online are looking to outsource their logistics requirements to service providers which can cater to E-commerce B2C fulfilment or both B2B and B2C fulfilment.

Our Group has the following fulfilment capabilities which are catered to fulfilling both B2C E-commerce orders and B2B orders:

- (a) on-demand warehousing services; and
- (b) last mile delivery services.

The majority of our Group's current E-commerce Brand Partners also use our Group's fulfilment capabilities such as on-demand warehousing services and last mile delivery services. Our Group also helps them manage the returns of orders through our Group's E-logistics services.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

On-Demand Warehousing Services

We provide two (2) types of on-demand warehousing services to our Brand Partners:

(a) B2C Fulfilment

Our Group provides warehouse space to store our Brand Partners' inventory in loose units in storage bins for B2C E-commerce orders.

(b) B2B Fulfilment

Our Group provides warehouse space to store our Brand Partners' inventory in bulk pallets or cartons and to fulfil B2B orders in pallets or cartons.

Last Mile Delivery Services

We provide two (2) types of last mile delivery services to our Brand Partners in the form of local and cross border shipping and last mile delivery of their products to their customers:

(a) B2C Fulfilment

Our Group provides pick, pack and last mile delivery services to the end consumers for B2C E-commerce orders.

(b) B2B Fulfilment

Our Group also provides packing and delivery orders in cartons to retail outlets or business locations to fulfil the Brand Partners' B2B orders.

Our Scalable Asset-light E-logistics Model

Our Group works on a scalable asset-light E-logistics model. We do not own any warehouses or delivery vehicles but instead work with our third party logistics partners and manage the entire logistics and fulfilment process via our Synagie Platform. We outsource our logistics and fulfilment services to leading third party logistics partners, such as Ceva Logistics which provides warehousing services and SF Express and SimplyPost which provide last mile delivery services.

We believe that the scalable asset-light E-logistics model enables us to leverage on the infrastructure of our third party logistics partners to quickly procure additional warehouse space when required, increase our order fulfilment capacity during new product launches or peak periods, such as Singles Day or Black Friday minimise the need for the provision of infrastructure and heavy capital investment by our Group. This model also enables us to tap on the local expertise of our third party logistics partners within the region to help fast track the growth of our Group as we expand into new territories.

Our Group is able to adopt the scalable asset-light E-logistics model through utilising our Synagie Platform which is built with an online warehousing and order management module. Our third party logistics partners can use this module online or integrate their backend systems via our API to receive real time data on incoming orders which they will use to process the order from storage to pick and pack to last mile delivery.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

Our Brand Partners utilise our Synagie Platform by synchronising their multi-channel sales orders, inventory and customer data in real time on our Synagie Platform. Our Synagie Platform then automates the process of fulfilling multi-channel sales orders by passing the order data to our third party logistics partners, which provide the necessary warehousing, picking, packing and last mile delivery services to fulfil these orders. Our Brand Partners are able to track or manage the entire fulfilment process in real time via our Synagie Platform.

For our on-demand warehousing services, our Brand Partners are able to procure warehousing space directly from our Synagie Platform which provides real time calculations on the amount of storage space required and shows three (3) dimensional visualisations on how inventory should be stored to maximise space usage based on information such as the sizes of cartons and products to be stored. They are also provided with online quotes for the storage space followed by a check out process to confirm the storage space they need. After confirmation, the storage space is reserved for them and they can either send their inventory or have our third party logistics partners pick up their inventory for storage.

For last mile delivery services, our Brand Partners can access data pertaining to order processing status, inventory levels and delivery status data which is updated in real time on our Synagie Platform to monitor and manage the provision of last mile delivery services. Our third party logistics partners' systems are connected to our Synagie Platform to provide live status of their last mile delivery status.

We leverage on the scale of our operations to obtain favourable contractual terms from our third party logistics partners and typically negotiate and enter into agreements with them for terms of between one (1) to three (3) years, subject to renewal. For our warehousing services, we pay our third party logistics partners a fee based on the area of warehouse space utilised and the provision of manpower services required for the warehousing operations. For our last mile delivery services, we pay our third party logistics partners a fixed delivery fee, based, amongst others, on the weight and destination of the products to be delivered.

Working together with our third party logistics partners, we are able to handle more than 3,000 daily outbound orders and to provide same day local deliveries from a warehouse facility of more than 30,000 square feet in Singapore which we lease from Ceva Logistics.

Our Cross Border E-logistics Contracts

We have formed partnerships with China UnionPay and its subsidiary. On 2 May 2018, BTFL entered into an agreement with China UnionPay, pursuant to which we will grant China UnionPay access to our Synagie Platform ("**China UnionPay Agreement**"). It is intended under the China UnionPay Agreement that China UnionPay shall connect its cross-border parcel delivery service to our Synagie Platform. Thereafter, China UnionPay will be able to rely on real time tracking and Big Data analytics to facilitate international delivery services and provide its customers with cross-border parcel delivery services in a more efficient and effective manner.

Further, on 25 April 2018, BTFL entered into an agreement with Shanghai UnionPay, pursuant to which we will grant Shanghai UnionPay access to our Synagie Platform ("**Shanghai UnionPay Agreement**"). Under the Shanghai UnionPay Agreement, our Group shall provide our E-logistics capabilities to Shanghai UnionPay in respect of its cross border parcel deliveries. It is intended under the Shanghai UnionPay Agreement that we shall use our Synagie Platform to aggregate the China out-bound parcel delivery orders and route them to our third party logistics partners for fulfilment in SE Asia and more than 50 countries worldwide.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

Insurtech

In April 2018, our Group completed the acquisition of our subsidiary, TPA Subsidiary, an entity which operates in the Insurtech sector. Upon completion of the acquisition, the TPA Subsidiary became a wholly-owned subsidiary of our Group. The day to day operations and key business functions of our TPA subsidiary such as finance, human resource, sales and marketing have been integrated with our Group.

Our TPA Subsidiary has more than seven (7) years of experience in providing regional third party administration or TPA for extended services and accidental damage protection services for customers which include Fortune 500 companies in the 3C sector and in working with insurance partners such as Great Eastern. Our TPA Subsidiary is engaged by the Brand Partners and serves as an administrative intermediary between our Brand Partners and the insurance partners, reducing the administrative burden borne by both of them.

Our TPA Subsidiary's team in Singapore has provided services to their customers from countries across Asia including Singapore, India, Hong Kong and Malaysia.

Our TPA Subsidiary enables the extended warranty value chain by allowing manufacturers and retailers to outsource vital processes for their extended warranty programmes. It has provided end-to-end solutions such as process mapping, registration and validation, redemption administration, repairs validation, fraud monitoring, logistics services, claims processing and reporting which have helped our insurance partners to reduce fraud and customers using its TPA services to save costs. We also provide after sales support such as customer care and follow-ups and staff training for our customers, and call centre services such as handling enquiries or calls from end consumers to value add to our customers.

Our TPA Subsidiary does not underwrite claims or sell any insurance products but instead works with insurance partners who provides the coverage for the claims directly to the manufactures or retailers which offer the extended warranty and accidental damage protection services to their customers. It also does not provide repair services but instead manages third party repairers to ensure that the quality of repairs and the repair cost are within acceptable standards.

Some of our Group's Brand Partners, such as Shiseido, have requested our Group to assist in sourcing for additional insurance to protect their inventory that is stored with our Group. Our TPA Subsidiary had facilitated in sourcing for Industrial All Risks insurance from Great Eastern, an insurance partner which provides insurance against fire and/or theft of inventory. Our Brand Partners can also manage the claims process through the TPA Subsidiary's current web portal.

Following the completion of the acquisition of our TPA Subsidiary, the overall management of the business of our TPA Subsidiary will continue to be led by Anna Thurai, our Operations Director, who will be responsible for revenue, receivables and compliance report in terms of contracts and agreements; and will report to Zanetta Lee, our Executive Director. Zanetta Lee will also be responsible for managing the sales pipeline delivery and strategic planning for the development of new products as well as heading interactions with customers together with Anna Thurai and team. In this regard, our Group is of the view that it has the relevant experience to operate and manage the Insurtech business.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

Our Group understands that Insurtech's transformation of the traditional insurance industry, which is highly dependent on legacy systems, can be classified into two (2) phases:

(a) Phase 1 – Expense side

Technological transformation focuses on the expense side of the business including outsourcing, claims handling and solutions focused on cost reduction and increased efficiency where traditional processes are digitised with the use of the internet and other technologies to reduce cost. Such cost reducing solutions include outsourcing and digitising processes e.g. web based claims and programme management that traditionally would involve a large amount of manpower in manual processing of voluminous paper policies.

(b) Phase 2 – Revenue side

Technological disruption which focuses on the revenue side of the business offering tech-enabled pricing, online based distribution and automated claims management to enable the online distribution of traditional products in the industry.

Our Group is of the view that our TPA Subsidiary is currently in Phase 1 as we have been offering our multi-national clients an outsourced web-based solution for managing their extended warranty and protection programmes, having customised and developed web solutions such as management dashboards and portals for our customers to upload their products for registration, submit claims and manage their extended warranty programmes via a web-based portal that reduces manpower cost and increases efficiency. This model has already been operational since the acquisition of the TPA Subsidiary.

Value Add to Manufacturers, Retailers and Insurance partners

We believe that our TPA Subsidiary's end-to-end TPA services provide added value to manufacturers, retailers and insurance partners.

For manufacturers and retailers, we believe that they can benefit from TPA Subsidiary's end-to-end TPA services as these services have the following characteristics:

- (a) reduces administration and operational costs through outsourced warranty administration services such as after sales and customer support services that increases consumer loyalty and reduces the need for manufacturers and retailers to hire an in-house team;
- (b) reduces fraudulent claims and related product repair or replacement costs by providing verification and validation services before approving a claim which consequently reduces the rate of claims rejection and increases the speed of claims pay outs by processing claims on behalf of the manufacturer and retailer to the insurance partner; and
- (c) manages and controls repair costs and repair quality to ensure that manufacturers and retailers do not over pay repairers and the quality of repairs are in accordance to the requirements.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

For insurance partners, we believe that they can benefit from TPA Subsidiary's end-to-end TPA services as these services ensure that claims submitted by manufacturers and retailers have been correctly verified to reduce the risk of unverified pay-outs; ensure that repair costs are within the scope of coverage to reduce risk of over pay-outs; and provide warranty coverage to manufacturers and retailers without the need for an in-house back-end warranty administration team.

Our Group believes that our insurance partners bring much value to our ecosystem as we are able to develop new online Insurtech products which will better protect customers as they shop on the platforms of our distribution channel partners in our ecosystem.

Our Technology

We believe that technology is vital to our success and continued growth. Our Group has and will continue to dedicate a significant amount of time and resources to develop our Synagie Platform which is our proprietary, cloud-based system built on an open architecture and which is powered by advanced artificial intelligence, natural language processing and real time Big Data analytics.

Using our Synagie Platform, our Group is able to offer end-to-end E-commerce solutions that synchronise sales and order data from multi-channels, centralise inventory management and order fulfilment, manage marketing campaigns and customer service, provide real-time analytics for consumer behaviour and purchasing patterns, process order fulfilment and convert vast amounts of transaction data into actionable data to help our business partners and customers make critical decisions affecting their business operations. We believe that we have helped our Brand Partners simplify their E-commerce processes through our Synagie Platform which can assist them to manage their business from end-to-end and significantly reduce their operation costs and improve their operational efficiency.

We created our Synagie Platform in 2016 to address the challenges we were internally facing when we first started helping our customers take their businesses online. Our aim is to harness advanced technology to simplify complex commerce processes by providing a self-serve platform, with enterprise-grade functionality, that is designed for ease-of-use and requires minimal. Some of the advanced technologies we have used on our Synagie Platform include the following:

(a) **Cloud Computing**

Cloud computing refers to using a network of remote servers hosted on the internet to store, manage, and process data, rather than using a local server or a personal computer. The key advantages of cloud computing include the availability of high-capacity networks with a service-oriented architecture that reduces the need to own and manage physical servers and the ability to scale on-demand by requesting the cloud provider for more capacity when required, paying for only what is used.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

(b) Artificial Intelligence

Artificial intelligence refers to the development of computer systems able to perform tasks such as visual perception, speech recognition, decision-making, and translation between languages that normally require human intelligence. Examples of artificial intelligence that we have used on our Synagie Platform include:

- Machine Learning – a computer’s ability to keep improving its performance without humans having to explain exactly how to accomplish all the tasks it is given.
- Natural Language Processing – a branch of artificial intelligence that helps computers understand and manipulate human language to fill the gap between human communication and computer understanding.
- Computer Vision – a science that works on enabling computers to see, identify and process images in the same way that the human vision does, and then provide output in the form of information or data.

(c) Big Data Analytics

Big Data analytics refers to amounts of data that are so large or complex that traditional data processing application software is insufficient to deal with them. Modern analytical methods or software are required to process these sets of data to create better outcomes, business improvements and opportunities leveraging on the available data and present them in easy-to-understand format such as interactive charts or reports.

Some of the key modules on our Synagie Platform that we have developed using the above technologies include:

(i) Content Analytics

The Content Analytics module uses computer vision, optical character recognition and natural language processing to provide analytics for product content, consumer reviews and marketing copy. Our Group has developed a proprietary scoring methodology based on the team’s experience from developing more than 10,000 product content pages for Brand Partners. This module processes and analyses images, texts or texts in images and provides a score for photo quality, content quality, keyword analysis, colour analysis and emotional scoring for text copy to guide our customers to create more sellable product content and write better marketing copy.

(ii) Business Intelligence Bot

Our Business Intelligence Bot, “SYNY”, is powered by artificial intelligence, machine learning and natural language processing to help answer our business partners’ and customers’ queries on their business performance or provide instant business information retrieval via a chat messaging interface. SYNY provides immediate answers for, among others, sales on individual channels, delivery cost, pending orders, average order value by specific channels or time periods to fulfilment information such as delivery cost and orders pending delivery. This provides information on-demand faster and more in depth than manual searches, spreadsheets or reading charts.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

(iii) Real Time Big Data Analytics

Our real time Big Data analytics engine forms the core of our Synagie Platform and is capable of processing vast amounts of disparate data from all sales channels, fulfilment processes and consumer touch points in real time and convert them into easy-to-understand actionable data for the user to make better business decisions or grow their business. The visualisation of data is presented in the form of interactive charts or downloadable reports and provides instant analytics on, among others, business costs, consumer buying behaviour, geo-location sales, profit margins and key business indicators.

Our Group believes that our Synagie Platform is scalable. Our Synagie Platform is a robust cloud-based platform that is built on a modular implementation model, with open API, that allow for easy integration with our Brand Partners' back-end systems and new online marketplaces and easy implementation of new technological modules, such as Blockchain or the IOT as they are commercialised. This allows our Synagie Platform to be dynamic and serve customers from different industries and effectively customise solutions for new Brand Partners and integrate new channels based on the specific requirements of different industries.

Our Group's Synagie Platform is hosted on a cloud computing platform which provides a security architecture that includes identity and access management tools, security capabilities, encryption and network security that is certified or compliant with the AWS System & Organization Control (SOC) 1, 2 and 3 reports, ISO 27001, 27017, 27018 and 9001 certifications and PCI DSS compliance reports.

Our Group's data is secured via an encryption system which encrypts all data and prevents anyone who might have physical access to the underlying files from accessing the data while still maintaining performance. The encryption keys are managed via a management system which uses a combination of Hardware Security Modules and software to control, manage and audit the usage of the encryption keys. Backup of data is also encrypted and stored on the cloud.

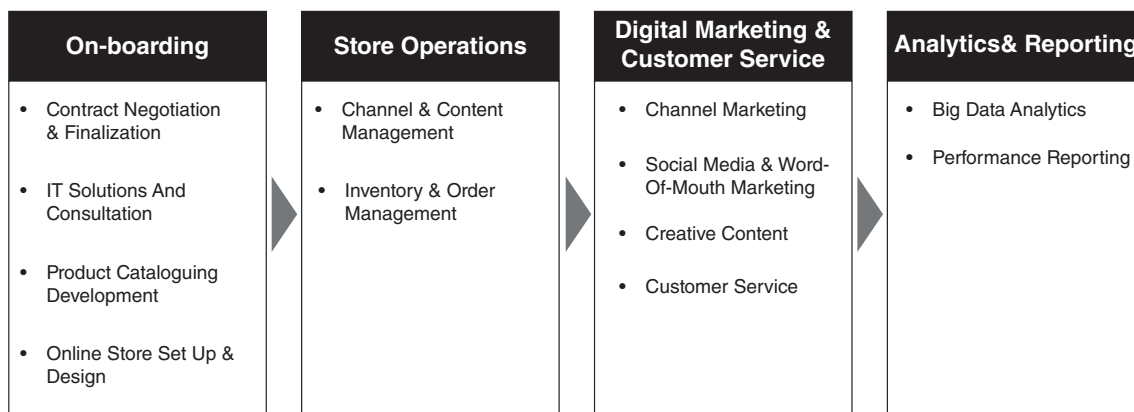
Our Group is of the view that it does not take a large number of IT staff from our end to manage the security of our data as we do not host our own servers. The small number of staff our Group has does not pose any security concerns as security is outsourced to our cloud computing platform provider and its secure cloud environment. The general IT controls of our Synagie Platform has also been reviewed by our Group's internal auditors. We also employ third party developers to help us develop our Synagie Platform.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

Business Processes

E-commerce Business Process

The typical flow of our business process for our E-commerce business segment is set out below:



On-boarding

Our Group has put in place a methodical Brand Partner on-boarding process. For our SaaS services mode of service which is targeted at small and medium enterprises, our Brand Partners usually login to our Synagie Platform, follow our online on-boarding guide and thereafter manage their business processes themselves. For our managed services mode of service, we carefully select prospective Brand Partners, choosing to work predominantly with Brand Partners that are established in industries where our team has in-depth domain expertise, such as the FMCG industry, or those which show long-term potential. We typically do not work with Brand Partners which are in businesses pertaining to prohibited, dangerous or combustible goods.

Upon completion of our selection process we begin negotiating our contract terms with our Brand Partners. Our contract terms will include our contract period which is typically a minimum of one (1) or two (2) years, that is automatically renewed upon expiration unless earlier terminated by either party. Our contract terms will also include our trading terms such as margins, payment terms and terms of purchase which specify whether we are buying our Brand Partners' products on an outright purchase basis or consignment basis.

Our Group also provides strategic consultation on technology and E-commerce solutions based on the specific needs of our Brand Partners. Depending on their requirements we might help them develop customised IT and E-commerce solutions such as integrating our Synagie Platform into their ERP or back end systems.

For our Brand Partners which do not have a digital product catalogue, we provide cataloguing services from product photography to product information specifications including dimensions, weight and product descriptions. We also help design their product content pages which includes graphics, marketing copy, detailed product descriptions and usage instructions to give consumers an in depth understanding of the products sold by our Brand Partners. We harness our Group's expertise in web design and our understanding of local consumers' online shopping habits to help our Brand Partners set up effective E-commerce sites or official brand stores on online marketplaces that both enhance their brands and cater to the taste of local consumers.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

Store Operations

Please refer to the “Channel and Content Management” and “Inventory and Order Management” sections of this Offer Document for more information.

Digital Marketing and Customer Service

Please refer to the “Digital Marketing and Customer Service” section of this Offer Document for more information.

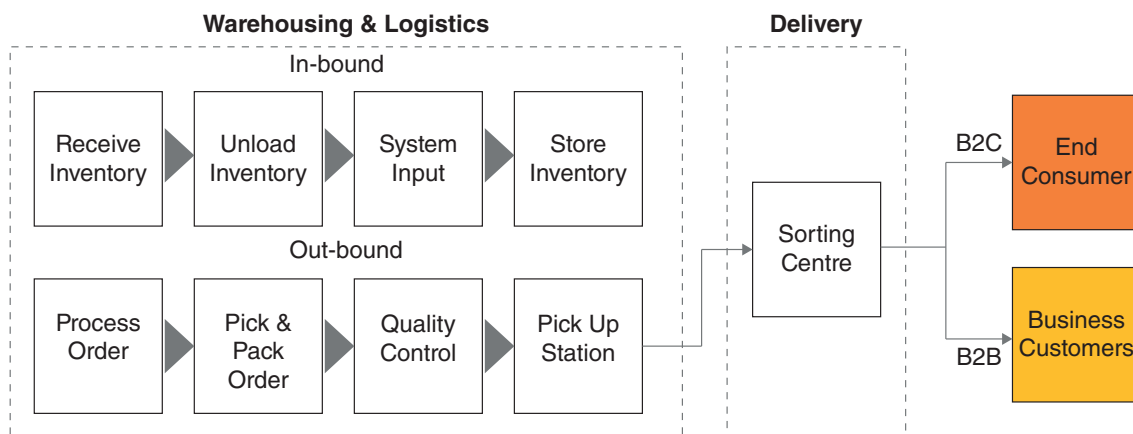
Analytics and Reporting

Please refer to the “Big Data Analytics” section of this Offer Document for more information.

E-logistics Business Process

Our E-logistics business process commences when our Brand Partners make an inventory restock order on our Synagie Platform with the details and quantity of the inventory to be stored.

The typical flow of our business process for our E-logistics business segment is set out below:



In-bound Process

Receive Inventory

When inventory arrives at our warehouse on the delivery vehicles, the warehouse team matches the delivery order with the delivery order details in the warehouse management system on our Synagie Platform to ensure that the incoming inventory corresponds to our Brand Partners’ requests.

Unload Inventory

Once the delivery order is verified with the warehouse management system on our Synagie Platform, our warehouse team proceeds to unload the inventory from the delivery vehicles. Inventory is usually delivered to our warehouse either in the form of loose cartons or pallets.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

System Input

Our warehouse team scans the inventory barcodes on the pallets, cartons and/or products to ensure that the type of inventory and the quantity delivered corresponds to the delivery order details captured in the warehouse management system on our Synagie Platform.

Store Inventory

Our warehouse team then proceeds to allocate a storage location in our warehouse which can be in the form of pallet, carton or bin space to store the inventory. Inventory for B2B fulfilment is usually stored in pallets whilst inventory for B2C fulfilment is stored in bins if the product size fits into our bins.

Out-bound Process

Process Order

When an order arrives from a sales channel it appears on the warehouse management system on our Synagie Platform which shows the type of products and the quantities ordered as well as the delivery details for the order. Our warehouse team generates pick slips from the warehouse management system on our Synagie Platform based on the details of the order and the storage location of the products ordered.

Pick & Pack Order

Our warehouse team takes the pick slips to the storage location and starts picking the products based on the quantities specified on the pick slips. In order to increase our productivity, we usually generate pick slips either by grouping orders based on sales channel or the storage location of the products to facilitate batch picking. The picked products are then sent to our packing station where the products are packed into delivery boxes or parcels that are labelled with the order number and delivery details including the third party logistics partners that will be used to deliver the order.

Quality Control

The packed delivery boxes or parcels are then sent to our quality control station where the products in the delivery boxes are scanned and matched with the order number on the delivery label to ensure that the correct product has been picked. The delivery boxes are sealed once they pass our quality control inspection.

Pick Up Station

The sealed delivery boxes or parcels are sent to our pick up station where they are sorted by the different third party logistics partners that are used to fulfil our orders. After sorting, the warehouse system of our Synagie Platform notifies our third party logistics partners that their orders are ready to be picked up.

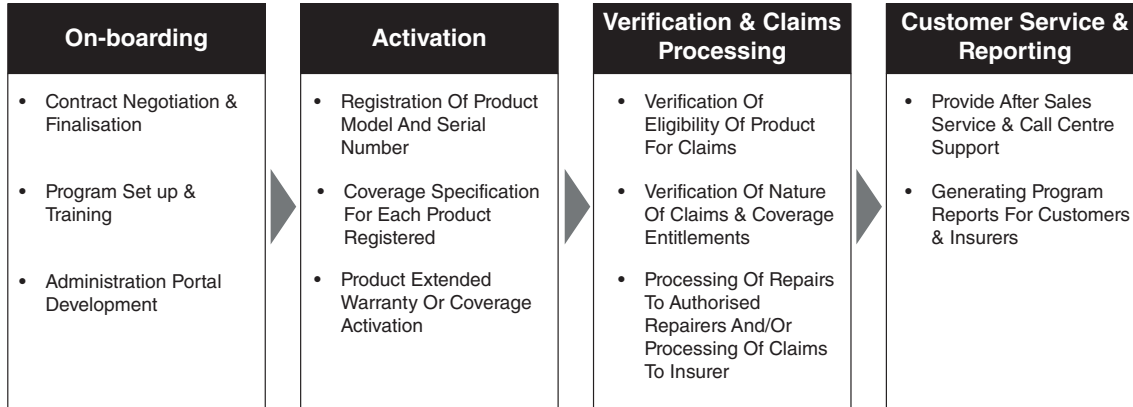
Sorting Centre

Our third party logistics partners pick up the deliveries and send it back to their sorting centres where they are sorted based on delivery address, districts and/or the type of delivery e.g. B2B delivery or B2C delivery. After sorting, the delivery boxes or parcels are loaded into the respective delivery vehicles where the drivers dispatch them to the final recipient.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

Insurtech Business Process

The typical flow of our business process for our Insurtech business segment is set out below:



On-Boarding

For customers using our Insurtech TPA services, we begin by documenting all their requirements and terms of our service in agreements. After execution of the agreements, we will review the terms of the intended coverage and start training our customers' staff on the scope and limitations of the coverage. As part of the training we will also go through the claims process and coverage exclusions with our customers' staff so that they understand the extent coverage which the policy provides. We subsequently begin the customisation of an online administration portal where our customers can login to register products for coverage or at a later stage to submit claims.

Activation

When our customers are ready to activate the coverage for their products, they will either send us the details of the product model and serial number or we will provide them with a login to their online administration portal where they can upload and register the model number and serial number of the products which they intend to cover. We also specify the coverage that is granted for each product such as the type of coverage, the extent and period for the coverage and terms and conditions including exclusions for the coverage. Thereafter, we will submit a copy of the registered products to the insurance partner to activate the policy's coverage for the products.

Verification and Claims Processing

In the event of a claim, we will verify the eligibility of the claim by matching the product model number and serial number to our database to ensure that the product is covered and the claim is in line with the coverage entitlement of the relevant policy. This process usually includes verifying whether the product is still within the warranty or insured period and the claims which the product is entitled for. After verification is completed, we will proceed to initiate repair and/or claims processing for the product. If a repair is needed, we will inform our customers or their end users to send the product to authorised repairers approved by us for repair. Depending on the scope of services with our customers, we may also provide logistics services to pick up the product for repair and return the product after repair. We will also help monitor the quality of the repair to ensure that the repairs are done within the standards and costs which are acceptable to us and subsequently help file the claims with the insurance partner for their processing.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

After Sales Support and Call Centre Services – Customer Service and Reporting

Depending on the scope of our services and the agreement with our customers, we will provide after sales and call centre support to handle end user enquiries and resolve claims issues on behalf of our customers. Programme reports are also generated on the online administration portal where our customers and insurance partners are given separate access to review the performance of the programme and to ensure that the claims fall within the limits stipulated in the policy coverage. We may also hold periodical meetings with our customers or insurance partners to review the performance of the programme based on the reports that are generated from the online administration portal.

MAJOR CUSTOMERS AND SUPPLIERS

Customers

Our Group's customer base comprises mainly: (i) the brand owners who engage our Group to establish a multi-channel online retail presence to facilitate the distribution of their products and services and utilise the Synagie platform; (ii) online distribution channel partners who purchase inventory from our Group to sell online; as well as (iii) end consumers who purchase our Brand Partner's products via our "beautiful.me" website and brand store or official brand stores operated by us.

Our Group's customers which accounted for 5.0% or more of our total revenue for the Period Under Review are set out below:

Customers		Percentage of total revenue (%)		
		FP2015	FY2016	FY2017
Johnson & Johnson Pte. Ltd.	Brand owners utilising our services as per (i) above	–	10.3	4.7
Kimberly Clark Singapore Pte. Ltd.	Brand owners utilising our services as per (i) above	2.0	6.7	8.5

The material increases and/or decreases in the percentage contribution of the major customer(s) during the Period Under Review is due to higher demand and increase in spending by the Brand Partners on marketing campaigns to drive traffic to their official brand stores, as such, increasing our Group's earned revenues.

The amount of revenue we derive from each customer depends on the business performance of their products or their usage of our services which is influenced by market and consumer demand. As a result, revenue received from our customers may fluctuate.

Our agreements or arrangements with our major customers are typically for one (1) to two (2) years, subject to automatic renewal.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

As at the date of this Offer Document, our Directors are of the view that we are not materially dependent on any one of our major customers listed above.

To the best of our Directors' knowledge, as at the Latest Practicable Date, we are not aware of any information or arrangement which could lead to a cessation or termination of our relationships with any of our current major customers.

None of our Directors, Substantial Shareholders or any of their Associates is related or has any interest, direct or indirect, in any of the above major customers.

Suppliers

Our Group's suppliers comprise primarily the Brand Partners who sell their goods to our Group. Our Group's suppliers which accounted for 5.0% or more of our total purchases during the Period Under Review are set out below:

Suppliers	Percentage of total purchases ⁽¹⁾		
	FP2015	FY2016	FY2017
Ouverture Pte. Ltd.	11.4	0.5	–
RIE Holdings Pte. Ltd.	8.7	–	–
Zuellig Pharma Pte. Ltd.	8.1	6.0	5.0
Alpha Pioneer Enterprises Pte. Ltd.	8.0	3.8	0.1
Kimberly Clark Singapore Pte. Ltd.	7.3	28.3	26.8
DKSH Singapore Pte. Ltd.	5.8	3.6	0.1
Johnson & Johnson Pte. Ltd.	2.1	16.1	20.7
Adeal International Pte. Ltd.	0.8	15.0	2.9
Nestle Singapore (Pte) Ltd.	–	4.4	8.8
J-Direct Pte. Ltd.	–	2.0	11.1

Note:

(1) Total purchases in a financial period is computed as cost of products sold in relation to outright purchases and on-demand purchases, add the closing inventory of the financial period, less the beginning inventory of the financial period.

Save as disclosed above, none of our suppliers accounted for 5.0% or more of our Group's total purchases for each of FP2015, FY2016 and FY2017.

The material increases and/or decreases in the percentage contribution of the major supplier(s) during the Period Under Review is dependent on market demands of their products. Among other things, the factors considered are the pricing from the respective suppliers.

As at the date of this Offer Document, our Directors are of the view that we are not materially dependent on any one of our major suppliers listed above.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

To the best of our Directors' knowledge, as at the Latest Practicable Date, we are not aware of any information or arrangement which would lead to a cessation or termination of our relationships with any of our current major suppliers.

None of our Directors, Substantial Shareholders or any of their Associates is related or has any interest, direct or indirect, in any of the above major suppliers.

CREDIT POLICY

Credit Terms Offered to Our Customers

Our Group's trade receivables are mainly from online distribution channel partners and other customers such as Brand Partners.

(a) Online distribution channel partners

Due to the nature of our business, most of our consumers are individuals who purchase products from us through the various online marketplaces. The payment modes for online transactions are mainly debit cards, credit cards or electronic payments which are made directly to the respective online distribution channel partners. We do not grant any credit terms to our consumers for sales through the online marketplaces. Depending on the terms and conditions entered with the online distribution channel partners, we will receive payments from the various online distribution channel partners upon delivery fulfilment and within their stipulated processing time. The sum which we receive generally excludes online marketplace service fees.

(b) Other customers

We have established a credit control policy and our management evaluates the creditworthiness of our customers regularly. The credit terms and limits granted to each customer differs as we take into consideration several factors such as financial background, creditworthiness, transaction volume, payment history and the relationship we have with our customers. Under our standard terms, we generally grant credit terms of between 30 to 60 days to our customers from the date of invoice.

Our finance team monitors the aging of our Group's trade receivables closely and follows up on any overdue amounts. For customers who have exceeded their credit terms or limits, we increase our collection efforts by escalating the matter to their management or requiring them to settle the outstanding amounts before we release further orders or render further services.

We review and assess the need to make allowance for our overdue debts. We will provide specific provisions when the recoverability of an outstanding debt is in doubt. A write-off of an outstanding debt will be made when we are certain that the customer is unable to meet their financial obligations.

Our trade receivables, including sales generated from E-commerce transactions from the various online distribution channel partners, amounted to approximately S\$50,000, S\$0.4 million and S\$2.3 million as at the end of FP2015, FY2016 and FY2017 respectively.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

Our average trade receivables' turnover days for FP2015, FY2016 and FY2017 are as follows:

	FP2015	FY2016	FY2017
Average trade receivables' turnover days ⁽¹⁾	53	24	61

Note:

- (1) For FP2015, the average trade receivables' turnover days is calculated based on the average of the opening and closing trade receivables balance of the financial period ended 31 December 2015 divided by the corresponding revenue and multiplied by 399 days (from the date of incorporation on 28 November 2014 till 31 December 2015). For FY2016 and FY2017, the trade receivables turnover days is calculated based on the average of the opening and closing trade receivables balances of the relevant financial year divided by the corresponding revenue and multiplied by 365 days.

For E-commerce transactions, the average collections from online distribution channel partners varies and generally ranges from seven (7) day to 65 days upon delivery fulfilment and their stipulated processing time.

The average trade receivables turnover days decreased from 53 days in FP2015 to 24 days in FY2016, as we commenced business towards the end of FP2015. The average trade receivables turnover days increased from 24 days in FY2016 to 61 days in FY2017 due to higher sales volume from the online distribution channel partners which occurred towards the end of FY2017. Majority of these sales transactions were not due for receipt as at the end of FY2017. In addition, certain receivables of S\$0.9 million which were due for collection had been scheduled for offset arrangements against future payments made to our Group's Brand Partners as commercially agreed between our Group and these Brand Partners. Our Group is of the view that these receivables under such offset arrangements are common in our business as there is a continuous flow of business transactions between our Group and these Brand Partners and make up approximately 33.0% of the total trade and other receivables of our Group of S\$2.8 million as at end of FY2017.

Our Group monitors such offset arrangements through constant review of receivables and payables ageing on weekly basis. Offset arrangement will be proposed to Brand Partners and only be done on mutually agreed basis prior to payments made.

The trade receivables ageing profile of our Group as at the end of FY2017 was as follows:

Age of trade receivables	Amount of trade receivables (S\$'000)	Percentage of trade receivables (%)
Current	1,777	78.9
1 – 30 days	166	7.4
31 – 60 days	81	3.6
More than 60 days	227	10.1
Total	2,251	100.0

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As at the Latest Practicable Date, we have collected approximately S\$2.1 million or 93.7% of the said trade receivables as at the end of FY2017. The remaining outstanding balance of S\$0.3 million is due mainly to:

- (a) receivables that our Group and the Brand Partners had mutually agreed for offset against future payments. However, as at the Latest Practicable Date, there are no payables due to the Brand Partners to be offset against; and
- (b) one of our Brand Partners has a settlement plan with us and the overdue outstanding is expected to fully be paid within this year.

For the Period Under Review, we have not experienced any significant impairment for doubtful debts or bad debts written-off arising from trade and other receivables.

Credit Terms Granted by Our Suppliers

Our suppliers comprise mainly Brand Partners. The payment terms granted by our suppliers vary and generally, the credit terms range between 30 to 90 days from either the date or month of the invoice.

Our average trade payables turnover days for FP2015, FY2016 and FY2017 are as follows:

	FP2015	FY2016	FY2017
Average trade payables' turnover days ⁽¹⁾	52	47	81

Note:

- (1) For FP2015, the average trade payables turnover days is calculated based on the average of the opening and closing trade payables balance of the financial period ended 31 December 2015 divided by the corresponding purchases and multiplied by 399 days (from the date of incorporation on 28 November 2014 till 31 December 2015). For FY2016 and FY2017, the average trade payables turnover days is calculated based on the average of the opening and closing trade payables balances of the relevant financial year divided by the corresponding purchases and multiplied by 365 days.

We process payment to our suppliers based on their credit terms. Our Group's average trade payable turnover days decreased from 52 days in FP2015 to 47 days in FY2016 as our Brand Partners were paid on a timelier basis. The average trade payable turnover days increased from 47 days in FY2016 to 81 days in FY2017 due mainly to longer credit terms granted by some of our Brand Partners as well as higher amounts of trade purchases that occurred towards the end of FY2017 and were not due as at the end of the year.

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INVENTORY MANAGEMENT

Our inventory is mainly made up of consumer goods with more than 2,300 SKUs of products in the BBB category as at the Latest Practicable Date. Most of our inventory has a fixed expiration date. We adopt a First In First Out (FIFO) inventory management policy and conduct weekly stock counts and quarterly reviews of our inventory to ensure that products with short expiry dates are sold first. Our merchandising team manages our inventory levels from our Synagie Platform and places orders with our Brand Partners.

Our average inventory turnover days during FP2015, FY2016 and FY2017 were as follows:

	FP2015	FY2016	FY2017
Average inventory turnover days ⁽¹⁾	562	61	55

Note:

(1) For FP2015, the average inventory turnover days are calculated based on the average of the opening and closing inventory balances divided by the cost of sales and multiplied by 399 days (from the date of incorporation on 28 November 2014 till 31 December 2015). For FY2016 and FY2017, the inventory turnover days are calculated based on the average of the opening and closing inventory balances of the relevant financial year divided by the cost of sales and multiplied by 365 days.

We recorded a relatively high number of inventory turnover days of 562 days in FP2015 as we had stocked up inventory for our business which was only in full operations towards the end of FP2015. Our inventory turnover days decreased from 562 days in FP2015 to 61 days in FY2016 as the inventory turnover days was normalised to approximately two (2) months which is typically our optimum number of inventory turnover days so that we can avoid a shortage of supplies and remain competitive. The inventory turnover days further decreased from 61 days in FY2016 to 55 days in FY2017 as we experienced higher sales towards the end of FY2017 which resulted in more outbound inventory as at the end of the year. During the Period Under Review, the amount of inventory write-downs was not material as the products we distribute are fast-moving consumer goods.

RESEARCH AND DEVELOPMENT

Our Group engages in research and development to build new features and modules for our Synagie Platform through our in-house team which works together with external service providers which provide expertise in software development coding on a service fee basis. Some of our research and development efforts include:

- (a) the development of our Business Intelligence Bot, "SYNY" for business information retrieval powered by natural language processing and specific algorithms;
- (b) the development of specific algorithms for our content analytics engine powered by natural language processing, computer vision and optical character recognition using our in-house content grading methodology;
- (c) the development of real-time Big Data analytics engine that converts Big Data into actionable data in the form of embedded interactive charts and downloadable reports;

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- (d) the development of smart E-logistics cloud platform with real-time status tracking and Big Data analytics to track cross border deliveries and fulfilment;
- (e) the development of multi-channel catalogue, inventory and order management platform with real-time pricing, inventory synchronisation and order processing; and
- (f) the development of our “beautiful.me” website and our “beautiful.me” official brand stores with custom promotion pricing modules and loyalty programme.

Our research and development expenditure is not material compared to our net revenue for the Period Under Review.

INSURANCE

We have insurance covering the following:

- (a) public liability insurance;
- (b) all risks, fire and extraneous perils and business interruption insurance; and
- (c) workers injury compensation insurance.









Where applicable, the above insurance policies are reviewed annually to ensure that our Group has sufficient insurance coverage.

As at the Latest Practicable Date, having considered the risk levels and the cost of procuring insurance for certain risks associated with our business, our Directors believe that we have taken up sufficient insurance coverage in line with industry practice and we will conduct annual reviews of such coverage of our Group and will consider taking up additional insurance if necessary.

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INTELLECTUAL PROPERTY

As at the Latest Practicable Date, our Group owns the following trademarks as set out below:













Trademark	Registered owner	Class	Territory	Trademark no.	Validity Period
	BTFL	3 ⁽¹⁾ and 35 ⁽²⁾	Singapore	40201501962W	Ten (10) years commencing from 5 February 2015
BEAUTIFUL.ME	BTFL	3 ⁽¹⁾ and 35 ⁽²⁾	Singapore	40201501964R	Ten (10) years commencing from 5 February 2015
	BTFL	35 ⁽²⁾	Singapore	40201722030U	Ten (10) years commencing from 9 November 2017
	BTFL	39 ⁽³⁾	Singapore	40201722603T	Ten (10) years commencing from 15 November 2017
	TPA Subsidiary	35 ⁽²⁾ , 36 ⁽⁴⁾ , 37 ⁽⁵⁾	Singapore	T1117949D	Ten (10) years commencing from 15 December 2011
	TPA Subsidiary	35 ⁽²⁾ , 36 ⁽⁴⁾ , 37 ⁽⁵⁾	Singapore	T1216339G	Ten (10) years commencing from 31 October 2012
	TPA Subsidiary	35 ⁽²⁾ , 36 ⁽⁴⁾	Singapore	T1216321D-02	Ten (10) years commencing from 31 October 2012
	TPA Subsidiary	35 ⁽²⁾	Malaysia	2011022178	Ten (10) years commencing from 16 December 2011
	TPA Subsidiary	36 ⁽⁴⁾	Malaysia	2011022179	Ten (10) years commencing from 16 December 2011
	TPA Subsidiary	37 ⁽⁵⁾	Malaysia	2011022180	Ten (10) years commencing from 16 December 2011

Notes:

- (1) Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; non-medicated soaps; perfumery, essential oils, non-medicated cosmetics, non-medicated hair lotions; non-medicated dentifrices
- (2) Advertising; business management; business administration; office functions
- (3) Transport; packaging and storage of goods; travel arrangement
- (4) Insurance; financial affairs; monetary affairs; real estate affairs
- (5) Building construction; repair; installation services

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We have filed applications to register the following trademarks in the territories as set out below:

Trademark	Class	Territory	Status
	35 ⁽¹⁾ and 39 ⁽²⁾	Malaysia	Applications filed on 6 February 2018 ⁽⁷⁾
	35 ⁽¹⁾ and 39 ⁽²⁾	Malaysia	Applications filed on 6 February 2018 ⁽⁶⁾
	35 ⁽¹⁾ and 39 ⁽²⁾	Malaysia	Applications filed on 6 February 2018 ⁽⁶⁾
	35 ⁽¹⁾ and 39 ⁽²⁾	Malaysia	Applications filed on 6 February 2018 ⁽⁶⁾
	35 ⁽¹⁾ and 39 ⁽²⁾	Malaysia	Applications filed on 6 February 2018 ⁽⁷⁾
	35 ⁽¹⁾ and 39 ⁽²⁾	Malaysia	Applications filed on 6 February 2018 ⁽⁷⁾
	35 ⁽¹⁾	Malaysia	Application filed on 6 February 2018 ⁽⁷⁾
	35 ⁽¹⁾	Malaysia	Application filed on 6 February 2018 ⁽⁷⁾
	35 ⁽¹⁾	Malaysia	Application filed on 6 February 2018 ⁽⁷⁾
	35 ⁽¹⁾	Malaysia	Application filed on 6 February 2018 ⁽⁷⁾
	35 ⁽¹⁾	Malaysia	Application filed on 6 February 2018 ⁽⁷⁾
	35 ⁽¹⁾	Malaysia	Application filed on 6 February 2018 ⁽⁷⁾

Notes:

- (6) The trademark application in respect of Class 39 has been accepted by the Intellectual Property Corporation of Malaysia and is currently pending registration.
- (7) The trademark application has been accepted by the Intellectual Property Corporation of Malaysia and is currently pending registration.

We own the Internet domain names “www.synagie.com” and “www.beautiful.me”. We also own the Internet domain name “www.synagie.my” and “www.kiasu.me” which are currently not in use.

Save as disclosed above and our copyright in the Synagie Platform, our Group does not own or use any intellectual property which is material to our business or profitability.

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PERMITS, APPROVALS AND GOVERNMENT REGULATIONS

We are subject to all relevant laws and regulations of the countries where our business operations are located. Our Group believes that we are in compliance in all material respects with the relevant regulatory requirements applicable to our Group. Our Group has obtained all necessary permits, approvals and licences required for our Group's business and operations.

Key Government Regulations in Singapore

A summary of the key government regulations in Singapore that are applicable to our business are as follows:

Regulation of Imports and Exports Act

Under the Regulation of Imports and Exports Act (Chapter 272A) of Singapore ("**RIEA**"), the Minister of Trade and Industry may make regulations for the registration, regulation and control of all or any class of goods imported into, exported from, transhipped in or in transit through Singapore. The Regulation of Imports and Exports Regulations ("**RIER**") was prescribed in 1999 to control the import, export or transhipment of certain goods through the requirement of permits. We currently do not have any permits under the RIER as we are not involved in the import, export or transhipment of the classes of controlled goods under the REIR. In addition, the importation and exportation of specific products into and out of Singapore may be subjected to certain registration requirements imposed by the relevant governmental authorities in Singapore.

Under the RIEA, any person who imports, exports or tranships any goods and either applies or causes an incorrect trade description to be applied to the goods, or has in his possession for sale or trade any goods which have an incorrect trade description, may be liable on conviction to a fine and/or imprisonment. Trade descriptions mean any description, statement or indication which, directly or indirectly and by whatever means given, relates to the place of origin, manufacture or production of the goods. Additionally, where there is suspicion of contravention of the regulations under the RIEA or RIER, the RIEA grants designated personnel specific powers to:

- (a) examine, open or search any package, box, chest or article;
- (b) remove any package, box, chest or article or any goods to a police station or examination station; or
- (c) enter upon any islet, landing place, wharf, dock, railway or quay or the premises of a provider of licenced port services or facilities, without a warrant, for the purposes of exercising the powers in (a) and (b).

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Consumer Protection (Fair Trading) Act 2012

The Consumer Protection (Fair Trading) Act (Chapter 52A) of Singapore (“**CPFTA**”) is administered by the Ministry of Trade and Industry and aims to protect consumers against unfair practices and to give consumers additional rights in respect of, amongst others, goods that do not conform to contract.

The CPFTA grants consumers additional rights and remedies against sellers for non-conforming goods. The CPFTA will apply to a contract of sale of goods if the buyer deals as consumer, and the goods do not conform to the applicable contract at any time within the period of six (6) months starting from the date on which the goods were delivered to the buyer, and if the contract was made on or after 1 September 2012. Goods do not conform to a contract of sale of goods if there is, in relation to the goods, a breach of (a) an express term of the contract, (b) the implied condition that the goods will correspond with the description or samples provided by the seller to the buyer, or (c) the implied condition that the goods are of satisfactory quality or fitness for the purpose for which the goods were supplied. Under the CPFTA, buyers will have a statutory right to demand the repair or replacement of nonconforming goods. The seller will have to repair or replace the non-conforming goods at its own costs, within a reasonable period of time and without causing significant inconvenience to the buyer. If the seller fails to do so or if repair or replacement is impossible or disproportionately costly, buyers may instead require the seller to reduce the price paid for the goods or may reject the goods altogether and obtain a refund.

Consumer Protection (Trade Descriptions and Safety Requirements) Act

The Consumer Protection (Trade Descriptions and Safety Requirements) Act (Chapter 53) of Singapore (“**CPTSA**”) prohibits application of a false trade description to any goods and supply of goods which have a false trade description. A false trade description under the CPTSA includes a trade description which is false or likely to mislead, whether from anything contained in or omitted from the description.

Under the CPTSA, the Minister of Trade and Industry may by regulations impose requirements for ensuring that, amongst others:

- (a) certain goods are marked with or accompanied by any information or instruction;
- (b) any description of advertisements of certain goods should contain or refer to any information relating to the goods, or of an indication of how such information may be obtained; and
- (c) certain goods are subject to safety requirements relating to composition, design, construction, finish and packing and marked with or accompanied by any information, warning or instruction.

Under the Consumer Protection (Safety Requirements) Regulations (“**CPSRR**”), no person is allowed to supply specified controlled goods unless these goods are registered with SPRING Singapore, conform to the prescribed safety requirements and have the Safety Mark affixed to them. In the event of non-compliance, SPRING Singapore is empowered under the CPSRR to require any person to effect a recall of the controlled goods which were sold in contravention of the CPSRR and take steps to inform users of the controlled goods of potential dangers associated with such use. A person who breaches these provisions shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$2,000 or to imprisonment for a term not exceeding 12 months or to both.

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Employment of Foreign Manpower Act

The employment of foreign workers in Singapore is governed by the Employment of Foreign Manpower Act, Chapter 91A of Singapore (“**EFMA**”) and regulated by the Ministry of Manpower (“**MOM**”), which is the main governmental body responsible for overseeing and implementing labour policies and issues related to immigration and the issue of work passes to foreigners working in Singapore. Under the EFMA, no person shall employ a foreign employee unless the foreign employee has obtained a valid work pass from the MOM, and any employment of a foreign employee has to be in accordance with the conditions of the foreign employee’s work pass. Any person who contravenes the above law shall be guilty of an offence and shall:

- (a) be liable on conviction to a fine not less than S\$5,000 and not more than S\$30,000 or to imprisonment for a term not exceeding 12 months or to both; and
- (b) on a second or subsequent conviction, (i) in the case of an individual, be punished with a fine of not less than S\$10,000 and not more than S\$30,000 and with imprisonment for a term of not less than one (1) month and not more than 12 months; or (ii) in any other case, be punished with a fine not less than S\$20,000 and not more than S\$60,000.

The availability and the employment cost of skilled and unskilled foreign workers are affected by the government’s policies and regulations on the immigration and employment of foreign workers in Singapore.

The policies and regulations are set out in, *inter alia*, the EFMA and the relevant Government Gazettes.

In relation to the employment of semi-skilled or unskilled foreign workers, employers must ensure that such persons apply for a “Work Permit”. In relation to the employment of foreign mid-level skilled workers, employers must ensure that such persons apply for a “S Pass”. In relation to the employment of foreign professionals, employers must ensure that such persons apply for an “Employment Pass”.

The Employment of Foreign Manpower (Work Passes) Regulations 2012 (“**EFMR**”) requires employers of work permit holders, *inter alia*, to:

- (a) subsidise medical expenses of foreign worker (unless agreed otherwise);
- (b) provide safe working conditions;
- (c) provide acceptable accommodation consistent with any law or governmental regulations; and
- (d) provide and maintain medical insurance for inpatient care and day surgery, with coverage of at least S\$15,000 per every 12-month period.

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The EMFR also requires employers of S Pass holders, *inter alia*, to:

- (a) subsidise medical expenses of foreign worker (unless agreed otherwise); and
- (b) provide and maintain medical insurance for inpatient care and day surgery, with coverage of at least S\$15,000 per every 12-month period.

An employer of foreign workers is also subject to, *inter alia*, the provisions set out in the Employment Act (Chapter 91), the Employment of Foreign Manpower Act (Chapter 91A), the Immigration Act (Chapter 133) and the Immigration Regulations.

Employment Act

The Employment Act (Chapter 91) of Singapore (“**EA**”) is administered by the MOM and sets out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees who are covered under the EA (“**relevant employees**”).

Part IV of the EA provides for other minimum conditions such as rest days, hours of work overtime payments and annual leave entitlements and applies only to a prescribed category of EA Employees: (i) workmen who receive salaries not exceeding S\$4,500 a month, and (ii) employees (other than workmen) who receive salaries not exceeding S\$2,500 a month.

Section 38(8) of the EA provides that a relevant employee is not allowed to work for more than 12 hours in any one day except in specified circumstances, such as where the work is essential to the life of the community, defence or security. In addition, Section 38(5) of the EA limits the extent of overtime work that a relevant employee can perform to 72 hours a month.

Employers must seek the prior approval of the Commissioner for Labour (“**Commissioner**”) for exemption if they require a relevant employee or class of relevant employees to work for more than 12 hours a day or work overtime for more than 72 hours a month. The Commissioner may, after considering the operational needs of the employer and the health and safety of the relevant employee or class of relevant employees, by order in writing exempt such relevant employees from the overtime limits subject to such conditions as the Commissioner thinks fit. Where such exemptions have been granted, the employer shall display the order or a copy thereof conspicuously in the place where such employees are employed.

An employer who breaches the above provisions shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$5,000, and for a second or subsequent offence to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 12 months or to both.

Following the amendments to the EA with effect from 1 April 2016, all employers must issue key employment terms (“**KETs**”) in writing to employees covered under the EA. Such employees include employees who: (i) enter into a contract of service with the company on or after 1 April 2016; (ii) are covered by the EA; and (iii) are employed for 14 days or more in relation to the length of contract (does not apply to number of days of work).

KETs include, *inter alia*, the full name of employer and employee, job title, duties and responsibilities, start date of employment, duration of employment, basic salary, fixed allowances, fixed deductions, rate of overtime pay, type of leave, medical benefits, probation period and notice period. KETs which are not applicable to specific employees may be excluded from their contracts. Itemised payslips must also be given together with on the day salary is paid to an employee, or if unable to give on the salary payment date, within three (3) working days of payment.

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Personal Data Protection Act

The PDPA establishes a data protection law that comprises various rules governing the collection, use, disclosure and care of personal data. It recognises both the rights of individuals to protect their personal data, including rights of access and correction, and the needs of organisations to collect, use or disclose personal data for legitimate and reasonable purposes.

An organisation is required to comply with the following obligations prescribed by the PDPA:

- (a) obtain the consent of the individual before collecting, using, or disclosing his personal data, for purposes that a reasonable person would consider appropriate in the circumstances;
- (b) notify the individual of the purpose of collecting his personal data;
- (c) only use personal data for purposes consented by the individual;
- (d) put in place mechanisms for individuals to withdraw their consent;
- (e) take reasonable efforts to ensure that personal data collected is accurate and complete if the personal data is likely to be used to make a decision that affects the individual, or is likely to be disclosed to another organisation;
- (f) when requested, correct any error or omission in an individual's personal data;
- (g) upon an individual's request, provide the individual with his personal data in the organisation's possession and control, as well as information about the ways in which the personal data has been used or disclosed in the past year;
- (h) protect personal data by making reasonable security arrangements to prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks;
- (i) cease to retain personal data as long as it is reasonable to assume that:
 - (1) the purpose for which it was collected is no longer being served by retaining it; and
 - (2) the retention is no longer necessary for business or legal purpose;
- (j) not to transfer any personal data out of Singapore except in accordance with the requirements set out in the PDPA; and
- (k) implement the necessary policies and practices in order to meet its obligations under the PDPA and make information about its policies and practices available on request.

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If the Personal Data Protection Commission finds that an organisation is not complying with any provision in the PDPA, it may give the organisation all or any of the following directions:

- (a) to stop collecting, using or disclosing personal data in contravention of the PDPA;
- (b) to destroy personal data collected in contravention of the PDPA;
- (c) to comply with any direction of the PDPC to provide access to or correct the personal data; and/or
- (d) to pay a financial penalty of such amount not exceeding S\$1.0 million.

The PDPA also provides for the establishment of a national Do Not Call (DNC) Registry. The DNC Registry allows individuals to register their Singapore telephone numbers to opt out of receiving marketing phone calls, mobile text messages such as SMS or MMS, and faxes from organisations.

Health Products Act

The Health Products Act (Chapter 122D) of Singapore (“**HPA**”) regulates the manufacture, import, supply, presentation and advertisement of health products and of active ingredients used in the manufacture of health products and provide for matters connected therewith.

Sale of Cosmetic products

Under the HPA, a ‘*cosmetic product*’ is defined as any substance or preparation that is intended by its manufacturer to be placed in contact with the various external parts of the human body or with the teeth or the mucous membranes of the oral cavity, with a view exclusively or mainly to: (a) cleaning them; (b) perfuming them; (c) changing their appearance; (d) correcting body odours; (e) protecting them; or (f) keeping them in good condition. A licence is not required for the manufacture, import or wholesale of a cosmetic product. There is also no requirement to register a cosmetic product.

Under the Health Products (Cosmetic Products – ASEAN Cosmetic Directive) Regulations (“**Cosmetics Regulations**”), a person responsible for placing a cosmetic product in the market is required to notify the Health Sciences Authority (“**HSA**”) prior to supplying or causing that cosmetic product to be supplied on his behalf in Singapore of his intention to do so. Any person who fails to notify the HSA (or to re-notify the HSA after expiry of 1 year from the date of most recent notification) prior to supplying or causing a cosmetic product to be supplied on his behalf in Singapore shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$20,000 or to imprisonment for a term not exceeding 12 months or to both.

The Cosmetics Regulations also sets out certain labelling requirements for cosmetic products and requires certain information to appear on the outer packaging or immediate container of cosmetic products. It is an offence under the HPA to supply any cosmetic product which contains any statement, trademark, picture or other sign (a) to the effect, whether directly or indirectly, that the supply or use of the cosmetic product is being promoted or endorsed by the HSA; or (b) that is likely to create an erroneous impression regarding the formulation, composition, quality or safety of the cosmetic product. It is also an offence to advertise any cosmetic product or cause any cosmetic product to be advertised (a) with any claim, whether expressly or by implication, that the cosmetic product has a therapeutic benefit or can be used for a therapeutic purpose; (b) or with any claim which is likely to create an erroneous impression regarding the formulation, composition, quality or safety of the cosmetic product.

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Sale of health supplements

Health supplements do not currently fall within the ambit of health products under the HPA and the sale of health supplements in Singapore is not subject to any premarket approvals or licensing. Nonetheless, according to the “Health Supplements Guidelines” issued by the HSA, dealers (importers, manufacturers, wholesale dealers) and sellers have an obligation to ensure that their products are not harmful or unsafe and that they conform with the applicable safety and quality standards. Dealers (which include manufacturers, importers, wholesalers/distributors, re-packers and retailers) are responsible for the safety and quality of their health supplements. They do not need to apply for a permit from HSA before they advertise their health supplement products but must ensure that (a) such products do not contain prohibited ingredients; (b) their product claims are accurate and truthful and do not purport to treat illnesses or diseases; and (c) their product labels and packaging contain sufficient information for consumers to review when purchasing and consuming the products and the information is printed in a clear and legible manner.

Sale of Food Act

The Sale of Food Act (Chapter 283) of Singapore (“**SFA**”) seeks to regulate food to ensure that food for sale is safe and suitable for human consumption and to promote public health, for ensuring the provision of information relating to food to enable consumers to make informed choices and for preventing misleading conduct in connection with the sale of food. The administration and enforcement of the SFA falls under the purview of the Agri-Food and Veterinary Authority. Under the SFA, it is an offence to, *inter alia*, sell any food which is unsafe or unsuitable.

Under the regulations enacted pursuant to the SFA (“**Food Regulations**”), it is an offence to import, sell, consign or deliver any prepacked food with an expired date mark. Further, no person shall import, advertise, manufacture, sell, consign or deliver any prepacked food if the package of prepacked food does not bear a label containing all the particulars required by the Food Regulations.

Singapore Code of Advertising Practice

The Singapore Code of Advertising Practice are guidelines issued by the Advertising Standards Authority of Singapore to regulate commercial advertising and seeks to promote a high standard of ethics in advertising through industry self-regulation. The basic premise of the SCAP is that all advertisements should be legal, decent, honest and truthful. In respect of cosmetic products, the SCAP provides, *inter alia*, that claims that a product contains ingredients with special properties should be supported by acceptable evidence that the ingredients are beneficial for the purpose referred to. Claims that a cosmetic product has a particular physiological effect should also be backed by evidence specifically directed at establishing this within the context of established scientific knowledge.

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Key Government Regulations in Malaysia

For the purposes of this section, the following definitions shall apply:

“*cosmetic*” means any substance or preparation intended to be placed in contact with the various external parts of the human body (including epidermis, hair system, nails, lips and external genital organs) or with the teeth and the mucous membranes of the oral cavity with a view exclusively or mainly to cleaning them, perfuming them, changing their appearance or correcting body odours, protecting them or keeping them in good condition;

“*product*” means –

- (a) a drug in a dosage unit or otherwise, for use wholly or mainly by being administered to one or more human beings or animals for a medicinal purpose; or
- (b) a drug to be used as an ingredient of a preparation for a medicinal purpose;

“*drug*” has the meaning assigned to it in the Sale of Drugs Act 1952 but does not include a herbal remedy;

“*registered product*” means a product currently registered in accordance with the provisions of the Control of Drugs and Cosmetics Regulations 1984;

“*drug*” includes any substance, product or article intended to be used or capable, or purported or claimed to be capable, of being used on humans or any animal, whether internally or externally, for a medicinal purpose;

“*medicinal purpose*” means any of the following purposes:

- (a) alleviating, treating, curing or preventing a disease or a pathological condition or symptoms of a disease;
- (b) diagnosing a disease or ascertaining the existence, degree or extent of a physiological or pathological condition;
- (c) contraception;
- (d) inducing anaesthesia;
- (e) maintaining, modifying, preventing, restoring, or interfering with, the normal operation of a physiological function;
- (f) controlling body weight;
- (g) general maintenance or promotion of health or well-being;

A summary of the key government regulations in Malaysia that are applicable to the business of our Company are as follows:

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Local Government Act 1976

The Local Government Act 1976 (“**LGA**”) is the act which revises and consolidates the laws relating to Local Government and is applicable to Peninsular Malaysia only. The Licencing of Trades, Businesses and Industries (Petaling Jaya City Council) By-Laws 2007 (“**LTBIB**”), has been issued by the local authority, Petaling Jaya City Council (“**Council**”) in the exercise of powers conferred to it under sections 102 and 102A of the LGA.

Under the LTBIB, no person shall operate any activity of trade, business and industry or use any place or premise in the local area of the Council for any activity of trade, business and industry without a licence issued by the Licensing Authority. The business premises of Synagie Malaysia would require a licence (such as business, trade and advertisement licence) from the Council.

Sale of Drugs Act 1952

The Sale of Drugs Act, 1952 regulates the sale of drugs. It generally prohibits any person from selling:

- (a) any adulterated drug without fully informing the purchaser at the time of the sale of the nature of the adulteration; or
- (b) any drug in any package which bears or has attached thereto any false or misleading statement, word, brand, label or mark purporting to indicate the nature, quality, strength, purity, composition, weight, origin, age or proportion of the article contained in the package or of any ingredient thereof; or
- (c) any drug containing any substance the addition of which is prohibited; or
- (d) any drug containing a greater proportion of any substance than is permitted; or
- (e) any drug for internal use which contains methyl alcohol, isopropyl alcohol or denatured alcohol; or
- (f) to the prejudice of the purchaser any drug which is not of the nature or not of the substance or not of the quality of the drug demanded by the purchaser.

Control of Drugs and Cosmetics Regulations 1984

The Control of Drugs and Cosmetics Regulations 1984 (“**CDCR**”) was issued by the Minister (charged with the responsibility for medical and health services) in exercise of the powers conferred by the Sale of Drugs Act, 1952. Under the CDCR, no person shall manufacture, sell, supply, import, possess or administer any product unless the product is a registered product and the person holds the appropriate licence required and issued under Regulation 12 of the CDCR, as follows:

- (a) a manufacturer’s licence, authorising the licensee to manufacture the registered products in the premises specified in the licence and to sell by wholesale or supply the products;
- (b) a wholesaler’s licence, authorising the licensee to sell by wholesale or supply the registered products from the address of the business premises specified in the licence;

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

- (c) a clinical trial import licence, authorising the licensee to import any product for purposes of clinical trials, notwithstanding that the product is not a registered product;
- (d) an import licence, authorising the licence to import and sell by wholesale or supply the registered products from the address of the premises specified in the licence.

Further under the CDCR, no person shall manufacture, sell, supply, import, process or administer any cosmetic unless amongst others, the cosmetic is a notified cosmetic. Failure to comply with the aforesaid provisions of the CDCR is an offence.

Guidelines on the Online Sale of Pharmaceutical Products containing non-scheduled poisons

The Guidelines on the Online Sale of Pharmaceutical Products containing non-scheduled poisons is aimed at explaining the basic needs and rules which are required to be complied with in the sale of pharmaceutical products containing non-scheduled poisons online to ensure the safety of the public. The Guideline applies to and should be complied with by any individual involved in the business, company or platform operators for the online sale that carries out the sale of pharmaceutical products containing non-scheduled poisons online.

Medicines (Advertisement and Sale) Act 1956

The Medicines (Advertisement and Sale) Act 1956 (“**MASA**”) prohibits certain advertisements relating to medical matters and regulates the sale of substances recommended as medicine. The MASA prohibits any person from taking any part in the publication of any advertisement referring to any article, or articles of any description, in terms which are calculated to lead to the use of that article of that description as a medicine, an appliance or a remedy for the purpose of treatment or prevention of diseases or conditions of human beings other than the diseases and conditions specified in the MASA, unless such advertisement has been approved by the Medicine Advertisements Board. In this regard, a separate guideline titled Guideline on Advertising of Medicines and Medicinal Products to General Public is applicable.

Guidelines on Foreign Participation in the Distributive Trade Services Malaysia

The Guidelines on Foreign Participation in the Distributive Trade Services Malaysia (“**Guidelines**”) requires foreign business operators engaged in the distributive trade services in Malaysia to obtain the Wholesale and Retail Trade approval from the Ministry of Domestic Trade, Cooperatives and Consumerism. Under the Guideline:

- (a) distributive trade is defined so as to comprise of all linkage activities that channel goods and services down the supply chain to intermediaries for resale or to final buyers;
- (b) distributive traders are defined to include wholesalers, retailers, franchise practitioners, direct sellers, supplier, who channel their goods in the domestic market, and commission agents or other representatives includes those of international trading companies.

The Guidelines generally provides for a few types of distributive trade formats and the format of Various Other Distribution Formats may be of relevance to the business of Synagie Malaysia. The category of distributive trade business under this format includes other types of business not specified and will be considered on the merit of each case with particular reference to their contribution to the socio-economic development of Malaysia. All various other distribution trade formats businesses with foreign equity must be incorporated locally and the condition also applies to existing businesses operating under foreign branches and the minimum capital requirement for various other distribution formats would be MYR1.0 million each outlet.

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Customs Act 1967

Under the Customs Act 1967 (“CA”), the Minister may, by order:

- (a) prohibit the importation into, or exportation from, Malaysia or any part thereof, either absolutely or unconditionally, or from or to any specified country, territory or place outside Malaysia, or the removal from one place to another place in Malaysia of any goods or class of goods; and
- (b) prohibit the importation into, or exportation from, Malaysia or any part thereof, or removal from one place to another place in Malaysia of any goods or class of goods, except as specified ports or places.

The Customs (Prohibition of Exports) Order 2017 (“CPEO”) was made by the Minister by virtue of the CA, to amongst others, prohibit absolutely prohibit the exportation of certain goods specified thereunder, prohibit the exportation of certain goods except under an export licence and the exportation of certain goods except in the manner provided thereunder.

Consumer Protection Act 1999

The Consumer Protection Act 1999 (“CPA”) is an Act to provide for the protection of consumers, the establishment of the National Advisory Council and the Tribunal for Consumer Claims, and for matters connected therewith. The CPA prohibits amongst others misleading conduct in relation to goods or services, false or misleading representation, misleading indication as to price etc. There are various regulations issued under the CPA, such as the Consumer Protection (Electronic Trade Transactions) Regulations 2012 etc. which should be complied with by Synagie Malaysia (where applicable).

Trade Description Act 2010

The Trade Descriptions Act 2010 is an Act for the purpose of promoting good trade practices by prohibiting false trade descriptions and false or misleading statements, conduct and practices in relation to the supply of goods and services and to provide for matters connected therewith or incidental thereto. There are various regulations issued under the TDA, which should be complied with by Synagie Malaysia (where applicable).

Personal Data Protection Act 2010

The Personal Data Protection Act 2010 (“PDPA”) is an Act to regulate the processing of personal data in commercial transactions and to provide for matters connected therewith and incidental thereto. There are various regulations issued under the PDPA, which should be complied with by Synagie Malaysia (where applicable).

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STAFF TRAINING

In general, our new employees and junior staff undergo on-the-job training under a senior employee who will train and equip them with the necessary knowledge and practical skills required. The type of training provided varies with the job scope of the employee.

We selectively send our employees to industry conferences, seminars, and trade shows in Singapore, from which they gain industry-specific know-how and insight, and form new business relationships from meeting and interacting with others in our industry. In addition, we may fund part-time courses for some of our employees on a case-by-case basis.

COMPETITION

We operate in a highly competitive industry in relation to E-commerce enablers and are subject to intense competition from existing players, as well as new entrants to the industry. According to the Frost & Sullivan Report, our competitors include:

- aCommerce
- Anchanto
- DKSH
- SCI Ecommerce
- Singpost eCommerce (SP eCommerce)
- Y Ventures
- Shopify
- Shopmatic

In relation to our Group's Insurtech business, our Group believes our competitors include:

- The Warranty Group
- Brightstar Corporation

As an integrated e-Commerce solutions provider encompassing the entire E-commerce, E-logistics and Insurtech value chain, we believe that there are no such direct competitors in the industry.

None of our Directors, Substantial Shareholders or their Associates has any interest, direct or indirect, in any of the competitors set out above.

To the best of our Directors' knowledge, there are no published statistics that can be used to accurately measure the market share of our business in Singapore.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

OUR COMPETITIVE STRENGTHS

Our Directors believe that the following strengths contribute to our success and are factors that differentiate us and set us apart from our peers.

We have the capability to provide end-to-end E-commerce solutions covering all aspects of the E-commerce value chain via our Synagie Platform

Our strong competitive advantage lies in our ability to assist Brand Partners to increase their sales through our Synagie Platform which leverages on technology such as cloud computing, artificial intelligence and Big Data analytics to provide end-to-end E-commerce solutions covering all aspects of the E-commerce value chain, from content management, distribution and fulfilment (which includes warehousing and E-logistics) to after-sales services.

Through our Synagie Platform, our Brand Partners can choose the E-commerce solutions which best suit their needs and are also able to sell their products on multiple online channels and access on-demand warehousing services and delivery services. Our Group also collects sales, order fulfilment and consumer data from both online and offline channels that is securely stored and analysed by the real-time Big Data analytics engine on our Synagie Platform. Our Brand Partners can use our Big Data analytics to better understand their consumers, control costs, identify sales opportunities or to get an in-depth view of their entire business. We believe that our capability to transform Big Data analytics to actionable data in real time allows us and our Brand Partners to make effective business decisions that will have a positive impact on our businesses.

We have a scalable asset-light E-logistics model that is easily transferable across industries and jurisdictions

Our Group works on a scalable asset-light E-logistics model where we outsource our on-demand warehousing services and our delivery services to leading third party logistics partners through utilising our Synagie Platform which is built with an online warehousing and delivery management module. We believe that such a model is easily transferable across industries and jurisdictions as it enables us to leverage on the infrastructure of our third party logistics partners to quickly procure additional warehouse space when required, increase our order fulfilment capacity during new product launches or peak periods, such as Singles Day or Black Friday and minimises the need for the provision of infrastructure and heavy capital investment by our Group. This model also enables us to expand our current presence in online marketplaces in Singapore and Malaysia as we are able to tap on the local expertise of our third party logistics partners within the region to help fast track the growth of our Group as we expand into new territories.

The online warehousing and delivery management module of our Synagie Platform allows our third party logistics partners and Brand Partners to access real time business updates and Big Data analytics from the time an order is confirmed and the relevant product is stocked in the warehouse, up to the time when the relevant product is packaged and picked up by our third party logistics partners for delivery to the end customer. We believe that such capabilities are largely transferable across multiple jurisdictions.

GENERAL INFORMATION ON OUR COMPANY AND OUR GROUP

We enjoy good relationships with our Brand Partners and our online distribution channel partners

As at the Latest Practicable Date, our Group serves more than 250 Brand Partners and has tie-ups with seven (7) online distribution channel partners. We believe that building and maintaining strong relationships with the operators of the online marketplaces on which we market and sell products is crucial to our Group's long-term success and we are committed to building strong relationships with them through assigning specific staff to specific online distribution channel partners to facilitate better rapport.

We also enjoy good relationships with our Brand Partners, many of which are leaders in their own industries. Our Brand Partners are also well recognised by consumers in SE Asia and they have significant or dominant market share in the industry segments they are in. Leveraging on our strong relationships with our Brand Partners, some of which have business operations in countries in SE Asia such as Malaysia, Thailand and Indonesia, we believe that we will be able to build on our existing working relationship with them and expand regionally expeditiously. Further, as the products of our Brand Partners are highly sought after by the online distribution channel partners which we work with, we are able to negotiate for more marketing resources to assist our Brand Partners in selling their products online.

We have a committed and experienced management team with a proven track record

Our Founders have substantial combined regional experience in entrepreneurship, brand development, retail management and sales marketing. Under their leadership, we have been able to establish our Synagie Platform and grow our revenue from S\$0.2 million in FP2015 to S\$8.0 million in FY2017. We have also grown the number of Brand Partners which we serve to over 180 Brand Partners in FY2017. In addition, our Group has also been able to work towards achieving our long term targets and successfully expand our presence on online marketplaces beyond Singapore to those located in Malaysia in our limited operating history.

Our management team has deep domain expertise and industry knowledge in different sectors such as FMCG and in particular, the female consumer segment. This has contributed to our success in being able to on-board more than 250 Brand Partners, including well-known brands in the BBB sector. Brand Partners value the expertise and market insight we are able to offer based on our knowledge of the local consumer experience and industry practices and our ability to anticipate and adapt to changes in the constantly evolving E-commerce market. Our management team also has members who have extensive experience and background in business development, E-logistics, sales and marketing and finance and accounting who lead specialised teams in their respective areas of expertise. We believe that this balance of expertise and experience throughout our management team differentiates us in our industry, as we possess the financial discipline and knowledge in our approach to E-commerce, as well as in our operating and investment activities. This enables us to adopt quickly to market demands and refine our strategies quickly to meet the demands of our Brand Partners.

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PROPERTIES AND FIXED ASSETS

The following table sets out all the properties leased by our Group as at the Latest Practicable Date.

Tenant/Lessee	Location	Approximate Land Area (sq.ft.)	Tenure	Description of Use	Lessor
BTFL	38 Jalan Pemimpin #05-09 M38 Singapore 577178	2,777	Two (2) years commencing on 29 July 2017	Office	Mediagate Industries Pte. Ltd.
TPA Subsidiary	2 Kallang Avenue #05-12 CT Hub, Singapore 339407	1,625	Two (2) years commencing 1 May 2018 to 30 April 2020 Option to renew: further six (6) months at rent to be agreed on written request of tenant not less than three (3) months before the date of expiry	Office	1CG Holdings Pte. Ltd.
TPA Subsidiary	2 Kallang Avenue #05-13 CT Hub, Singapore 339407	1,055	Two (2) years commencing 1 May 2018 to 30 April 2020 Option to renew: further six (6) months at rent to be agreed on written request of tenant not less than three (3) months before the date of expiry	Office	Corporate Innovations (S) Pte Ltd
Synagie Malaysia	Unit A-23A-3 & A-23A-3A, Pinnacle Petaling Jaya, Jalan Utara C, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	N/A	Two (2) years commencing 15 March 2018 to 14 March 2020	Office	Flagship Legacy Sdn Bhd

As at the Latest Practicable Date, the Directors are not aware of any breach of any obligations under the aforementioned lease agreements that would result in termination by the lessor or non-renewal.

To the best of our Directors' knowledge, there are no regulatory requirements or environmental issues that may materially affect our utilisation of the above properties.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

PROSPECTS

Moving forward, barring unforeseen circumstances, our Directors believe that the outlook for our business is expected to remain positive, in view of the following trends and developments affecting the E-commerce industry:

Exponential growth of the E-commerce industry in SE Asia

According to the Frost & Sullivan Report, the expanding middle-class in SE Asia continues to stimulate international trade and the introduction of new banking models that allow people greater access to loans and credit. As a result, consumers in this region have higher purchasing power for more products and services.

Credit card ownership, which is required for most E-commerce transactions, is expected to increase along with the rising personal income, retail banking services, and acceptance of credit cards by merchants. Although credit card penetration in the Philippines, Indonesia, and Vietnam is relatively low, alternative payment options such as cash-on-delivery and direct bank transfers are preferred.

The total GMV of SE Asia's E-commerce industry grew from US\$5.3 billion in 2014 to US\$16.6 billion in 2017 and is forecast to reach US\$45.6 billion by 2022 at a CAGR of 22.3%. E-commerce volume as a percentage of retail volume recorded steady growth in SE Asia from 2014 to 2017, from 1.2% to 3.4%. Frost & Sullivan estimates the E-commerce penetration to reach 7.0% by 2022.

High market penetration and growth potential for the online BBB industry in Singapore and SE Asia

According to the Frost & Sullivan Report, the online BBB industry in Singapore reported a market size of US\$82.1 million in 2017, growing by 28.5% compared to 2016. The market is expected to record a CAGR of 14.7% from 2017 to 2022. The SE Asia online BBB market managed to reach US\$0.8 billion by the end of 2017, growing by 40.8% compared to 2016 and is forecasted to reach US\$2.57 billion by 2022 growing at CAGR of 25.2%. Singapore is estimated to contribute 9.8% out of total online BBB product GMV in SE Asia in 2017. Singapore's online BBB product GMV is forecast to contribute 7.8% of total E-commerce GMV in Singapore by the end of 2022, higher than SE Asia's 5.6%.

In Singapore, consumers' hectic and busy lifestyles are contributing to the rise in E-commerce transaction volume for BBB products. In this market, consumers prioritise convenience when purchasing mass-market BBB products. The future growth of the online BBB industry of Singapore is expected to surpass the growth of overall E-commerce industry with a CAGR of 14.7% and 13.6% respectively from 2017 to 2022.

Growth of the online BBB industry in SE Asia is mainly driven by mass-market brands that offer top-selling BBB products including colour cosmetics, skincare, haircare, and baby care. According to the International Trade Administration and US Commercial Service, the manufacturer's suggested retail price ("MSRP") of mass-market products is usually under US\$100, which is reasonably affordable for consumers in SE Asia. The high turnover rate of mass-market BBB products is another compelling reason behind the rapid growth of online consumers.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Compared to offline channels, online channels' direct-to-consumer digital strategy enable brands to connect with consumers directly. It provides viable solutions for mass market brands to explore new markets without committing to irreversible investments or engaging with complicated product distribution channels.

Singapore holds a strategic market position for brands looking to expand their online presence

As stated in the Frost & Sullivan Report, with the highest E-commerce penetration rate over total retail volume in SE Asia, Singapore holds a strategic market position for brands looking to expand their online presence. Macro-economic conditions including the highest GDP per capita, internet penetration and credit card penetration in SE Asia, level of consumer education, and ease of conducting business globally have provided a conducive environment for the development of the E-commerce industry in Singapore.

Both global and large regional brands are actively implementing E-commerce GTM strategies to bring their products online. They usually start online operation in Singapore and expand into other SE Asia markets through different online sales channels including brand.com stores, online marketplaces, direct market resellers and omnichannel retailers. Moving forward, brands' E-commerce GTM strategies will not only focus on enabling products' presence through different online sales channels, but also emphasise on establishing the well-recognized brand image online among consumers.

E-commerce enablers will play an important and critical role for the future development of the E-commerce industry in Singapore and SE Asia

As stated in the Frost & Sullivan Report, the continuous development of the E-commerce market is a joint effort and synergies are created by different E-commerce market participants within the entire value chain including supply management, demand generation, order fulfilment, delivery, after-sales services and consumer insights. The importance of E-commerce enablers is to connect different value chain activities and provide brands with a holistic view of their product online presence. E-commerce enablers help brands to optimise E-commerce GTM strategies with high level of product control across different online sales channels.

The E-commerce enablement segment is derived from the E-commerce industry, hence the future growth prospects of E-commerce enablers is highly dependent on brands' E-commerce GTM and overall development of E-commerce industry. Similar to brands which operate their online business in China, brands operating online in Singapore and SE Asia will emphasise on consumers' E-commerce experience rather than their products' online appearance. E-commerce value chain activities including product online appearance, content management, order placement and fulfilment, payment collection, last mile delivery and after-sales services will be increasingly handled by E-commerce enablers instead of brands and different online sales channels. Hence E-commerce enablers will play an important and critical role for the future development of E-commerce industry in Singapore and SE Asia.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

BUSINESS STRATEGIES AND FUTURE PLANS

Our Group targets to revolutionise commerce through our ecosystem and our Synagie Platform. To achieve our business and growth objectives, we plan to implement the following strategies:

Further increase the number of our Brand Partners and optimise our product mix

We plan to increase the number of our Brand Partners through regional expansion and by cooperating with our ecosystem partners for Brand Partner referrals. We believe that our strong track record and reputation in Singapore for providing quality end-to-end E-commerce solutions gives us an advantage in new Brand Partner acquisition. Having accumulated a substantial amount of data on female consumers including their purchase habits and buying patterns since 2015, we intend to target more Brand Partners in product categories such as luxury beauty, toys and kids who might benefit from our expertise in marketing to female consumers.

The acquisition of our Insurtech subsidiary, TPA Subsidiary, in April 2018 has increased the number of our Group's new Brand Partners in the 3C sector which use our third party administration services for extended warranty and accidental damage protection services. We believe that providing our Brand Partners in the 3C sector with our E-commerce solutions together with our extended warranty solutions will enable them to better manage their online businesses. By offering our E-commerce solutions to them, our Group will be able to on-board more Brand Partners in the 3C sector and increase our product catalogue mix to include 3C products that we can then distribute via our ecosystem partners. To this end we have on-boarded OPPO, a well-known smartphone brand as our new customer which uses our E-commerce solutions for online distribution and sales of their mobile phone products. We also plan to develop Insurtech products such as online warranty and protection services for consumers who buy 3C products and offer them through our distribution partners' platforms.

Enhance our Synagie Platform and Big Data analytics capabilities

Our Group intends to enhance our Synagie Platform through the launch of a Synagie SaaS Services Platform targeted at small and medium enterprises. The Synagie SaaS Services Platform will offer an on-demand warehousing and fulfilment solution including affordable storage and logistics services without long-term commitments and our self-serve, pay-as-you-use E-commerce solutions that will help small and medium enterprises manage their E-commerce solutions from our Synagie Platform for a low monthly subscription fee.

Our Group also has plans to roll out value-added services such as trade financing by working with financial institutions which will use our Big Data analytics solutions to provide invoice factoring facilities for online sales that will help improve cash flow for our small and business size businesses customers. We intend to continue devoting research and development resources to further enhance our Big Data analytics capabilities so as to improve our consumer profiling and add value to our Brand Partners in their targeted marketing efforts.

In addition, we intend to be more involved in the research and development of new technology that will further enhance our Synagie Platform such as Blockchain and IOT. We believe that Blockchain can be used as an underlying technology to power our E-logistics or Insurtech business segments. We also believe that IOT can be used in the connection of warehousing equipment that will allow us to analyse the efficiency of our out-sourced E-logistics operations.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Further, we are leveraging on our artificial intelligence and Big Data analytics capability to develop a new module on our Synagie Platform that will allow us to offer online Insurtech products via our ecosystem and provide back-end solutions such as dynamic pricing based on consumer risk profiling, fraud detection and claims automation to allow us to scale and manage our Insurtech business.

Expansion of our ecosystem and geographical markets

As at the Latest Practicable Date, our largest market presence is in Singapore. We launched our Malaysian operations towards the end of 2017 and have been exploring opportunities to offer our services in Malaysia with potential Brand Partners which were introduced to us by our ecosystem partners. We believe that the regional markets can provide us with business opportunities and we intend to dedicate substantial resources to penetrate and establish our presence in these markets. Barring unforeseen circumstances, our Group aims to continue our geographical market expansion into new jurisdictions in SE Asia such as Thailand and Indonesia by replicating our business model and customising our Synagie Platform to meet local requirements.

Building on the open architecture of our Synagie Platform, our Group intends to increase connectivity with new ecosystem partners in the region that will help expand our distribution channels so that we may distribute, market and sell products to a larger audience. We intend to strengthen our existing online presence by providing our customers with access to more online marketplaces through forming working relationships with new online distribution channel partners. We also intend to help our customers improve their O2O strategies by on-boarding more offline retail channels and participating in trade events and fairs that will help our Brand Partners reach a wider audience.

Pursuant to agreements with China UnionPay and its subsidiary, our Group is working towards enhancing our Synagie Platform to provide real-time delivery tracking and Big Data analytics for China cross border deliveries to SE Asia and countries in other parts of the world. Separately, our Group also has plans to roll out value-added services such as trade financing by working with financial institutions which will use our Big Data analytics solutions to provide invoice factoring facilities for online sales that will help improve cash flow for our small and business size businesses customers. Our Group confirms that no licence would be required as we will not undertake any licensable activities but will work with duly licensed entities to provide such services, whereby our Group provides the platform and the data analytics capabilities to facilitate the trade financing for customers while the licenced financial institutions provide the actual trade financing lines.

Expansion of our Group's business via acquisitions, joint ventures and/or strategic partnerships

We may expand our business, whether in Singapore or overseas, through acquisitions, joint ventures and/or strategic alliances that we believe will complement our current and future businesses and be aligned with our longer-term interests. We believe that suitable acquisitions, joint ventures and/or strategic alliances will strengthen our competitive advantage by giving us access to new markets, customers and businesses. For instance, the management is particularly interested in exploring opportunities with traditional courier or E-logistics companies to further enhance our Group's E-logistics services.

We will explore acquisitions, joint ventures and/or strategic partnerships with prudence and will consider opportunities which will complement our existing operations and which are also beneficial to our strategic long-term objectives.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Enhance our current Insurtech business model

We plan to further transform our current Insurtech business model, by digitising its core processes using our technology and integrating its business operations into our Synagie Platform with a view to automate TPA services including service activation, verification and claims processing. We also intend to leverage our Synagie Platform's Artificial Intelligence and Big Data analytics capability to implement enhanced fraud detection mechanisms and to provide the infrastructure for our ecosystem distribution channel partners or their merchants to offer warranty and protection services to consumers who purchase 3C products online.

We believe that by integrating our technologies with warranty and protection services we will be able to create Insurtech products with the following characteristics:

- Online Distribution Via Our Ecosystem – allow insurance partners to provide warranty, protection and Insurtech products through our distribution channel partners to reach consumers which will make operations more efficient and improve consumer experience;
- Technology Driven Enhancement – insurance partners and our Insurtech customers can use our technology platform to make existing warranty and protection services more targeted and dynamic through the use of Big Data analytics to analyse consumer behaviour and providing such data to insurance partners to manage risk, optimise operations and reduce fraud; and
- Customised Product Innovation – insurance partners will be able to leverage Big Data and artificial intelligence to better understand consumer needs and develop on-demand lifestyle-oriented insurance products.

ORDER BOOK

Due to the nature of our business, the concept of an order book is not meaningful to us.

TREND INFORMATION

For the current FY2018, our Directors have observed the following trends based on the revenue and operations of our Group as at the Latest Practicable Date:

- (a) our revenue is expected to increase due to the on-boarding of new Brand Partners which will result in an increase in our product range, the addition of new distribution channel partners to widen our consumer reach, our newly acquired subsidiary, TPA Subsidiary, our regional expansion starting with Malaysia where we have launched operations towards the end of FY2017 and the commencement of our cross border E-logistics contracts;
- (b) our margin is expected to fluctuate due to our regional expansion and a change in product mix contributed by our new Brand Partners which might include more transactions with our Brand Partners on a consignment basis with lower gross margins;
- (c) as our revenue and geographical presence grow, our operating expenses are also expected to increase primarily due to higher staff costs incurred from the hiring of new staff both locally and in the region;
- (d) our financial results in FY2018 might be affected by the ongoing compliance costs of a publicly listed company and the listing expenses incurred in connection with our Listing; and

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

- (e) as with other businesses in Singapore, we expect to face inflationary pressures and a general trend of increase in the cost of providing services, labour costs and rental.

Save as disclosed above and in the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “Prospects, Business Strategies and Future Plans” of this Offer Document and barring any unforeseen circumstances, our Directors are not aware of any significant recent trends or other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net sales or revenue, profitability, liquidity or capital resources, or that would cause the financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial conditions.

INTERESTED PERSON TRANSACTIONS

In general, transactions between our Group and any of our Interested Persons (namely, our Directors, Controlling Shareholders of our Company or the Associates of such persons) would constitute Interested Person Transactions for the purposes of Chapter 9 of the Catalist Rules.

This section sets out the Interested Person Transactions entered into by our Group for FP2015, FY2016, FY2017 and up to the Latest Practicable Date (“**Relevant Period**”) on the basis of each member of our Group (namely, our Company and our subsidiaries) being an Entity at Risk and with Interested Persons being construed accordingly.

Save as disclosed in this section, there have been no Interested Person Transactions over the Relevant Period involving our Group which are material in the context of this Invitation.

INTERESTED PERSONS

The following persons or companies are considered “Interested Persons” for the purposes of this section and the section entitled “Potential Conflict of Interests” under this section of this Offer Document.

Interested Person	Nature of Relationship with our Group
Clement Lee	Our Executive Director and CEO and Controlling Shareholder.
Olive Tai	Our Executive Director.
Zanetta Lee	Our Executive Director.
Ng Tiow Khoon	The spouse of our Executive Director, Olive Tai.
Kokopanda Pte. Ltd. (“ Kokopanda ”)	Kokopanda is a company incorporated in Singapore on 8 September 2016. Our Executive Director, Zanetta Lee, owns 45.0% of the issued share capital of Kokopanda. Kokopanda is engaged in the food and beverage business.
Avenza Pte. Ltd. (“ Avenza ”)	Avenza is a company incorporated in Singapore on 22 March 2010. Alegria Group Limited (“ Alegria ”), owns 100.0% of the issued share capital of Avenza. Avenza is engaged in the consumer health and beauty care business.
Alegria	Alegria is a company incorporated in the British Virgin Islands on 16 April 2013. Our Executive Director and CEO and Controlling Shareholder, Clement Lee, owned 55.9% of the issued share capital of Alegria through Metadrome Ltd, an entity which Clement Lee is the sole beneficial owner of, prior to selling his entire shareholding in Alegria to an unrelated third party in June 2016 (“ Alegria Restructuring ”). Prior to the Alegria Restructuring, BTFL was also wholly owned by Alegria. Alegria is an investment holding company.
Alegria Group	Alegria and its wholly owned subsidiary, Avenza

INTERESTED PERSON TRANSACTIONS

PAST INTERESTED PERSON TRANSACTIONS

Loans granted by our Executive Director and CEO and Controlling Shareholder, Clement Lee, and our Executive Directors, Olive Tai and Zanetta Lee to our Group

Our Executive Director and CEO and Controlling Shareholder, Clement Lee, and our Executive Directors, Olive Tai and Zanetta Lee had in the past granted loans to our Group for the purposes of funding our Group's working capital.

The aggregate amounts owed by our Group to Clement Lee, Olive Tai and Zanetta Lee respectively as at the end of each applicable financial period and the largest amounts owed by our Group to Clement Lee, Olive Tai and Zanetta Lee were as follows:

(\$'000)	As at 31 December 2015	As at 31 December 2016	As at 31 December 2017	As at the Latest Practicable Date	Largest amount outstanding during the Relevant Period
Clement Lee	45	–	–	–	140
Olive Tai	–	152	–	–	152
Zanetta Lee	–	28	–	–	70

As at October 2016, June 2017 and October 2017, all the aforesaid amounts owing have been repaid to Clement Lee, Olive Tai and Zanetta Lee respectively. After our admission to Catalist, Clement Lee, Olive Tai and Zanetta Lee have no intention to grant such loans and advances to our Group. Whilst there is currently no intention to enter into similar transactions with our interested persons, our Group will maintain flexibility in any funding it may require in the future and any similar transactions, if any, following our Listing will only be carried out subject to Chapter 9 of the Catalist Rules.

Our Directors are of the view that these loans and advances were not made on an arm's length basis and were not based on normal commercial terms, as they were unsecured, interest-free and had no fixed terms of repayment, but were not prejudicial to our Group and minority Shareholders.

INTERESTED PERSON TRANSACTIONS

Provision of E-logistics and fulfilment services by our Group to Kokopanda

Pursuant to the terms and conditions of a E-logistics and fulfilment services agreement dated 9 September 2016 between BTFL and Kokopanda (“**Kokopanda Services Agreement**”), BTFL had provided to Kokopanda logistics and fulfilment services related to the storage, management, transportation, delivery and all other relevant services as may be agreed by the parties from time to time for a period of 24 months. The Kokopanda Services Agreement may be renewed automatically for a further period of 24 months unless terminated by either party giving to the other party not less than three (3) months’ written notice. The Kokopanda Services Agreement was terminated by mutual agreement of the parties with effect from 1 January 2017.

The values of transactions between our Group and Kokopanda during the Relevant Period are approximately as follows:

(S\$'000)	FP2015	FY2016	FY2017	1 January 2018 to the Latest Practicable Date
Website development services	–	20	–	–
Logistics and warehouse services	–	17	–	–
Total	–	37	–	–

After our admission to Catalist, our Group has no intention to enter into similar transactions with Kokopanda. Whilst there is currently no intention to enter into similar transactions with our interested persons, our Group will maintain flexibility in connection with any similar transactions it may enter into in the future and any similar transactions, if any, following our Listing will only be carried out subject to Chapter 9 of the Catalist Rules.

Our Directors are of the view that the terms of the Kokopanda Services Agreement were made on an arm’s length basis and based on normal commercial terms, as the fees, expenses and charges arising from the services provided by our Group are based on BTFL’s standard pricelist, taking into account the expected storage and delivery requirements of Kokopanda, and were not prejudicial to our Group and minority Shareholders.

INTERESTED PERSON TRANSACTIONS

Transactions between our Group and the Alegria Group

Prior to the Alegria Restructuring, both BTFL and Avenza were wholly owned by Alegria. Our Group had during the Relevant Period entered into several transactions with the Alegria Group. The aggregate values of these transactions are approximately as follows:

(S\$'000)	Parties involved	Nature of transaction	FP2015	FY2016	FY2017	1 January 2018 to the Latest Practicable Date
Transaction A	BTFL and Avenza	Operating costs incurred by Avenza on BTFL's behalf prior to BTFL's incorporation	497	–	–	–
Transaction B	BTFL and Avenza	Purchases of inventory by BTFL from Avenza	3	–	–	–
Transaction C	BTFL and Alegria	Inter-company loans made by BTFL to Alegria	835	–	–	–
Transaction D	BTFL and Avenza	Provision of E-commerce fulfilment logistics services by BTFL to Avenza	–	169	–	–
Transaction E	BTFL, Avenza and Alegria	Settlement of inter-company transactions between BTFL, Avenza and Alegria	–	477	27	–

After our Executive Director and CEO and Controlling Shareholder, Clement Lee, sold his entire shareholding in Alegria to an unrelated third party in June 2016, Alegria, together with its wholly owned subsidiary, Avenza, ceased to be interested persons. After our admission to Catalist, our Group has no intention to enter into similar transactions with Avenza and Alegria.

INTERESTED PERSON TRANSACTIONS

Transaction A – Operating costs incurred by Avenza on BTFL’s behalf prior to BTFL’s incorporation

Pursuant to the Alegria Restructuring, it was mutually agreed between BTFL and Avenza that BTFL would pay certain fees to Avenza to compensate for prior costs incurred by BTFL before the Alegria Restructuring. Such prior costs arose as Avenza staff had commenced work on projects which were to be undertaken by BTFL prior to BTFL’s incorporation in November 2014 (“**BTFL Projects**”). Avenza had paid the salaries and CPF contribution of its employees who worked on the BTFL Projects, incurred costs on renting its office premises to accommodate these employees and incurred miscellaneous expenses on BTFL’s behalf (“**Operating Costs**”). Following the Alegria Restructuring, Avenza recharged the Operating Costs to BTFL which it incurred during that period in a one-off transaction.

Our Directors are of the view that the recharging of the Operating Costs to BTFL by Avenza was not made on arm’s length basis and was not based on normal commercial terms, as they were made on a cost-to-cost basis, and accordingly were not prejudicial to our Group and minority Shareholders.

Transaction B – Purchases of inventory by BTFL from Avenza

Our Group had purchased inventory in the form of BBB products from Avenza during the Relevant Period.

Our Directors are of the view that the purchases of inventory by BTFL from Avenza were not made on arm’s length basis and were not based on normal commercial terms, as they were made on a cost-to-cost basis, and accordingly were not prejudicial to our Group and minority Shareholders.

Transaction C – Inter-company loans made by BTFL to Alegria

Following the Alegria Restructuring, the cash generated by BTFL and utilised by Alegria for its own purposes during the Relevant Period was deemed as interest-free inter-company loans provided by BTFL to Alegria. The deemed inter-company loans are an accounting treatment which arose in the preparation of the audited combined financial statements of our Group, which were prepared on the basis that BTFL was a separate entity from Alegria during the Relevant Period. The largest amount of inter-company loans outstanding during the Relevant Period was S\$911,000.

As at October 2016, all the aforesaid amounts owing have been repaid to our Group in full, and there are no outstanding amounts between our Group and Alegria.

Our Directors are of the view that the above transaction was not made on an arm’s length basis and was not based on normal commercial terms, but was not prejudicial to our Group and minority Shareholders as the deemed inter-company loans provided by BTFL to Alegria were settled in full prior to the Listing and our Group does not intend to enter into transactions of the above nature with Alegria after Listing.

INTERESTED PERSON TRANSACTIONS

Transaction D – Provision of E-commerce fulfilment logistics services by BTFL to Avenza

Pursuant to the terms and conditions of a trading agreement dated 23 January 2015 between BTFL and Avenza (“**Avenza Trading Agreement**”), BTFL agreed to provide to Avenza E-commerce fulfilment services related to products from seven (7) brands as may be agreed by the parties from time to time for a period of two (2) years from the date of the Avenza Trading Agreement. The Avenza Trading Agreement may be automatically extended on the same terms and conditions and for subsequent periods of the same duration as the initial term unless terminated by either party with advance written notice to the other party at least three (3) months prior to the expiration date of the initial term. The Avenza Trading Agreement was terminated by mutual agreement of the parties with effect from December 2016.

Our Directors are of the view that the terms of the Avenza Trading Agreement were on arm’s length basis and based on normal commercial terms, as the fees, expenses and charges arising from the services provided by our Group are based on BTFL’s standard pricelist, taking into account the expected E-commerce fulfilment requirements of Avenza, and were not prejudicial to our Group and minority Shareholders.

Transaction E – Settlement of inter-company transactions between BTFL, Avenza and Alegria

Following the Alegria Restructuring, the inter-company transactions set out in Transactions A, B and C above between BTFL, Avenza and Alegria were settled via a payment of S\$477,000 from Alegria to BTFL in FY2016 and a payment of S\$27,000 from Avenza to BTFL in FY2017.

As at December 2017, all the inter-company transactions between BTFL, Avenza and Alegria have been settled in full, and there are no outstanding amounts between our Group, Alegria and Avenza.

Our Directors are of the view that the above transaction was not made on an arm’s length basis and was not based on normal commercial terms, but was not prejudicial to our Group and minority Shareholders as the inter-company transactions between BTFL, Avenza and Alegria were settled in full prior to the Listing and our Group does not intend to enter into transactions of the above nature with Avenza and Alegria after Listing.

INTERESTED PERSON TRANSACTIONS

Provision of consultancy services by Ng Tiow Khoon to our Group

Pursuant to the terms and conditions of a consultancy agreement dated 29 March 2018 between Synagie PL and Ng Tiow Khoon (“**Consultancy Agreement**”), Mr Ng has from time to time provided to Synagie PL consultancy services relating to the business strategy, sales and channel development for Insurtech and E-commerce. The Consultancy Agreement commenced on 1 April 2018 for a period of six (6) months. The Consultancy Agreement may be terminated by either party giving not less than 30 days’ written notice to the other party. The Consultancy Agreement was terminated by mutual agreement of the parties with effect from 1 May 2018.

The values of transactions between our Group and Mr Ng during the Relevant Period are approximately as follows:

(\$’000)	FP2015	FY2016	FY2017	1 January 2018 to the Latest Practicable Date
Consultancy services	–	–	–	15

Our Directors are of the view that the above transaction was not made on an arm’s length basis and was not based on normal commercial terms, but was not prejudicial to our Group and minority Shareholders as the Consultancy Agreement was terminated prior to the Listing and our Group does not intend to enter into transactions of the above nature with Mr Ng after Listing.

GUIDELINES AND REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS

Our Audit Committee will review and approve Interested Person Transactions either prior to entry or on a quarterly basis, depending on the categorisation of such transactions below, to ensure that they are on normal commercial terms and on an arm’s length basis, that is, the transactions are transacted in terms and prices not more favourable to the Interested Persons than if they were transacted with a third party and are not prejudicial to the interests of our Group or our independent Shareholders.

To ensure that all future Interested Person Transactions are carried out on normal commercial terms and will not be prejudicial to the interests of our Group or our minority Shareholders, the following procedures will be implemented by our Group:

In relation to any purchase of products or procurement of services from interested persons, quotes from at least two (2) unrelated third parties in respect of the same or substantially the same type of transactions will be used as comparison wherever possible. The purchase price, procurement price or fee for services shall not be higher than the most competitive price of the two (2) comparative prices from the two (2) unrelated third parties. The Audit and Risk Management Committee will review the comparables, taking into account, the suitability, quality and cost of the product or service and the experience and expertise of the supplier.

INTERESTED PERSON TRANSACTIONS

In relation to any sale of products or provision of services to interested persons, the price and terms of two (2) other completed transactions of the same or substantially the same type of transactions to unrelated third parties are to be used as comparison wherever possible. The interested persons shall not be charged at rates lower than that charged to unrelated third parties.

All interested person transactions above S\$100,000 are to be approved by a Director who shall not be an interested person in respect of the particular transaction. Any contracts to be made with an interested person shall not be approved unless the pricing is determined in accordance with our usual business practices and policies, consistent with the usual margin given or price received by us for the same or substantially similar type of transactions between us and unrelated third parties and the terms are no more favourable than those extended to or received from unrelated third parties.

For the purposes above, where applicable, contracts for the same or substantially similar type of transactions entered into between us and unrelated third parties will be used as a basis for comparison to determine whether the price and terms offered to or received from the interested person are no more favourable than those extended to unrelated third parties.

In addition, we shall monitor all interested person transactions entered into by us categorising the transactions as follows:

- (i) a Category 1 Interested Person Transaction is one where the value thereof is in excess of 3.0% of the NTA of our Group based on the latest audited accounts; and
- (ii) a Category 2 Interested Person Transaction is one where the value thereof is below or equal to 3.0% of the NTA of our Group based on the latest audited accounts.

All Category 1 Interested Person Transactions must be approved by our Audit Committee prior to entry whereas Category 2 Interested Person Transactions need not be approved by our Audit Committee prior to entry but shall be reviewed on a quarterly basis by our Audit Committee.

Our Audit Committee will review all Interested Person Transactions, if any, on a quarterly basis to ensure that they are carried out on an arm's length basis and in accordance with the procedures outlined above. It will take into account all relevant non-quantitative factors. In the event that a member of our Audit Committee is interested in any such transaction, he will abstain from participating in the review and approval process in relation to that particular transaction.

Our Company shall prepare all the relevant information to assist the Audit Committee in its review and will keep a register to record all Interested Persons Transactions. The register shall also record the basis for entry into the transactions, including the quotations and other evidence obtained to support such basis.

Disclosure will be made in our Company's annual report of the aggregate value of Interested Person Transactions during the relevant financial year under review and in the subsequent annual reports for the subsequent financial years of our Company.

INTERESTED PERSON TRANSACTIONS

Internal auditors will be appointed and their internal audit plan will incorporate a review of all the Interested Person Transactions at least on an annual basis. The internal audit report will be reviewed by the Audit Committee to ascertain whether the guidelines and procedures established to monitor Interested Person Transactions have been complied with.

The Audit Committee shall also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that Interested Person Transactions are conducted on normal commercial terms, on an arm's length basis and do not prejudice our interests or the interests of our minority Shareholders. Further, if during these periodic reviews by the Audit Committee, the Audit Committee is of the opinion that the guidelines and procedures as stated above are not sufficient to ensure that Interested Person Transactions will be on normal commercial terms, on an arm's length basis and not prejudicial to our interests and/or the interests of our minority Shareholders, the Audit Committee will adopt such new guidelines and review procedures for future Interested Person Transactions, as may be appropriate.

In addition, our Audit Committee will include the review of Interested Person Transactions as part of the standard procedures while examining the adequacy of our internal controls. Our Board will also ensure that all disclosure, approval and other requirements on Interested Person Transactions, including those required by prevailing legislation, the Catalist Rules and accounting standards, are complied with. In addition, such transactions will also be subject to Shareholders' approval, if required by the Catalist Rules.

POTENTIAL CONFLICT OF INTERESTS

Save as disclosed above and in the sections entitled "Interested Person Transactions" and "Restructuring Exercise" of this Offer Document, none of our Directors, Executive Officers, Controlling Shareholders or any of their Associates has an interest, direct or indirect:

- (a) in any transaction to which our Group was or is to be a party;
- (b) in any entity carrying on the same business or dealing in similar services which competes materially and directly with the existing business of our Group; and
- (c) in any enterprise or company that is our Group's customer or supplier of goods and services.

Save as disclosed in the sections entitled "Interested Person Transactions" and "Service Agreements", of this Offer Document, none of our Directors has any interest in any existing contract or arrangement which is significant in relation to the business of our Company or our subsidiaries.

INTERESTED PERSON TRANSACTIONS

INTERESTS OF EXPERTS

No expert is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two (2) years preceding the date of this Offer Document, been acquired or disposed of by or leased to our Company or its subsidiaries or are proposed to be acquired or disposed of by or leased to our Company or its subsidiaries.

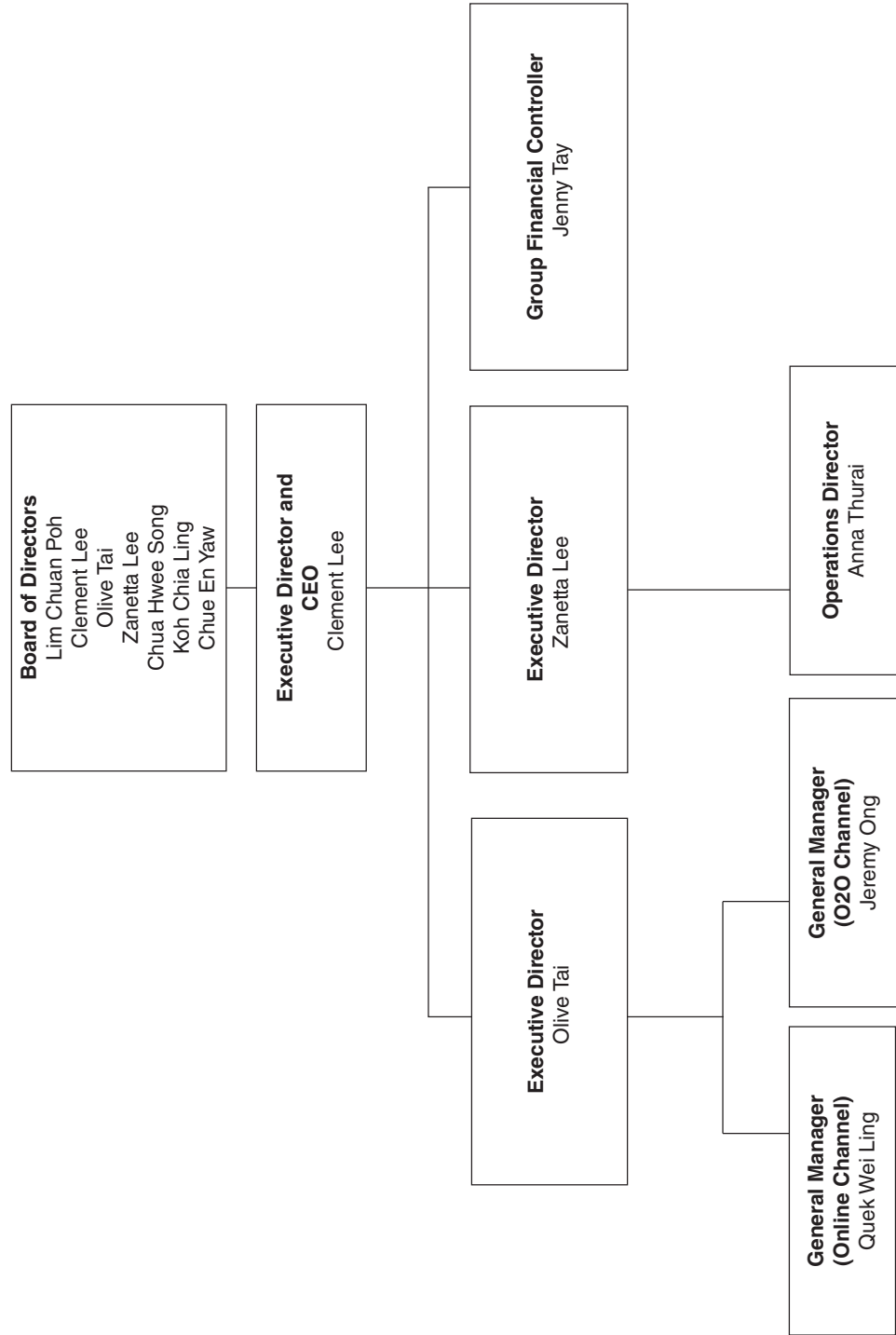
None of the experts named in this Offer Document:

- (i) is employed on a contingent basis by our Company or our subsidiaries;
- (ii) has a material interest, whether direct or indirect, in our Shares or in the shares of our subsidiaries; or
- (iii) has a material economic interest, whether direct or indirect, in our Company, including having an interest in the success of the Invitation.

DIRECTORS AND MANAGEMENT

MANAGEMENT REPORTING STRUCTURE

Our management reporting structure as at the Latest Practicable Date is set out as follows:



DIRECTORS AND MANAGEMENT

DIRECTORS

Our Board of Directors is entrusted with the responsibility for the overall management of our Group. The particulars of each of our Directors are set out below:

Name	Age	Address	Country of Principal Residence	Designation
Lim Chuan Poh	63	c/o 38 Jalan Pemimpin #05-09 M38 Singapore 577178	Singapore	Non-Executive Chairman and Independent Director
Clement Lee ⁽¹⁾	48	c/o 38 Jalan Pemimpin #05-09 M38 Singapore 577178	Singapore	Executive Director and CEO
Olive Tai	42	c/o 38 Jalan Pemimpin #05-09 M38 Singapore 577178	Singapore	Executive Director
Zanetta Lee ⁽¹⁾	42	c/o 38 Jalan Pemimpin #05-09 M38 Singapore 577178	Singapore	Executive Director
Chua Hwee Song	50	c/o 38 Jalan Pemimpin #05-09 M38 Singapore 577178	Singapore	Independent Director
Koh Chia Ling	47	c/o 38 Jalan Pemimpin #05-09 M38 Singapore 577178	Singapore	Independent Director
Chue En Yaw	45	c/o 38 Jalan Pemimpin #05-09 M38 Singapore 577178	Singapore	Independent Director

Note:

(1) Clement Lee and Zanetta Lee are siblings.

DIRECTORS AND MANAGEMENT

The business and working experience and areas of responsibility of our Directors are set out below:

Lim Chuan Poh

Lim Chuan Poh is our Non-Executive Chairman and Independent Director. Mr Lim has spent more than 20 years in the civil service. Mr Lim began his career in 1980 when he joined the Ministry of the Environment as an Engineer and thereafter served in a variety of roles and functions. Mr Lim left the Ministry in 1993 when he was the Deputy Commissioner of Public Health and Press Secretary to the Minister. Mr Lim was posted to the then Telecommunications Authority of Singapore in 1993 and was appointed its Director-General in 1994. He was concurrently appointed Deputy Secretary of the Ministry of Communications in 1996, a position he held until he left the civil service in 1998. Mr Lim then joined Singapore Telecommunications Ltd. ("**SingTel**") in 1998 as Chief Executive (Fixed Lines & Internet Business). Thereafter, he held several key management positions including CEO, SingTel Mobile and CEO, International Business. He retired from SingTel in 2010.

Since 2012, Mr Lim has served in a non-executive advisory role as Chairman of Asurion Asia Pacific Pte. Ltd ("**Asurion**"). Mr Lim is not a director of Asurion or its entities in the United States or SE Asia. Between 2012 and 2016, he also served in a non-executive advisory role as Chairman of Alcatel Lucent (Singapore) Pte. Ltd. Since 2017, Mr Lim has served on the board of SP Telecommunications Pte. Ltd. as a Non-Executive Director and he was appointed as an Independent Director and Non-Executive Director of Yinda Infocomm Ltd in 2017 and 2018 respectively. Mr Lim graduated in 1978 with a Bachelor of Arts (Hons) in Engineering Science from Balliol College, Oxford University on an Overseas Merit Scholarship conferred by the Singapore Public Service Commission ("**PSC**"). He graduated in 1988 from Imperial College of Science & Technology with a Master of Science in Public Health and Engineering on a Commonwealth scholarship conferred by the PSC. He was conferred the Public Administration Medal (Silver) at the 1996 National Day Awards by the Singapore government.

Clement Lee

Clement Lee is our Executive Director and CEO. Mr Lee is one of the Founders and has been CEO since our Group's inception in 2014. He is responsible for the general management and business development of our Group. Clement Lee has more than 20 years of experience in brand development and management in the entertainment and lifestyle industry.

Mr Lee began his career in 1990 as a marketing executive at Inside Design Pte. Ltd. The next year, he started Foloca Design and was its sole proprietor up to 1992 when it was converted into a private limited company, Foloca Design Pte. Ltd. ("**Foloca Design**") where he served as its Creative Director until 1994. From 1993 to 1996, he was appointed as Executive Director of the Kingfisher Group of Companies. In 1996, he was employed by Aslindo Holdings Pte. Ltd. and Club Beverly Pte. Ltd. as their respective General Managers. From 1998 to 2001, he was employed by APN Technologies Sdn. Bhd. as a Marketing Director. Mr Lee also served as Consultant of XA Alliance Pte. Ltd. in 2002 for a few months. In 2003, he was employed by O2Labs as a Marketing Director and later joined LifePharm Pte. Ltd. ("**LifePharm**") as Senior Vice President of Brand Development in the same year.

DIRECTORS AND MANAGEMENT

In 2004, LifePharm was listed as on the SGX-ST as Lifebrandz Ltd and he was appointed as a Director in 2005 and subsequently served as its CEO from 2007 up to 2009, and as its Executive Chairman from 2009 up to 2013. Mr Lee subsequently served as the CEO and Executive Director of Avenza Pte. Ltd. ("**Avenza**"), from 2013 to 2015, where he was responsible for the company's overall corporate strategies, brand and product development and management.

Mr Lee obtained his GCE A Levels from Anglo-Chinese Junior College.

Olive Tai

Olive Tai is our Executive Director. Olive Tai is one of the Founders of our Group and is responsible for the operations of our Group's E-commerce and E-logistics segments. She has 20 years of experience in the FMCG industry.

Ms Tai began her career at Johnson & Johnson Pacific Pty. Limited as a management trainee in 1998. She rose through the ranks, first being promoted in 2000 to National Sales Analyst, then subsequently in 2002 to Regional Sales Analyst of Johnson & Johnson Pte. Ltd. From 2005 up to 2007, she was employed by Johnson & Johnson Pte. Ltd ("**J&J Consumer**") as a Trade Marketing and Key Account Manager. In 2008, she was promoted to the position of Customer Marketing Manager of J&J Consumer. In 2009, she left J&J Consumer to join Bausch & Lomb (S) Pte. Ltd. as its Regional Customer Development Director. From 2011 up to 2014, she was employed by Watsons Singapore Pte. Ltd. as a Trading Director and led the Merchandising Department, Pharmacist Group and Space Management Team.

Prior to joining our Group in 2014, she was the Managing Director of Avenza. At Avenza, she was responsible for developing strategy for health and beauty brands and was instrumental in the development of a sales and marketing plan for a new healthcare brand.

Ms Tai graduated from the University of Wollongong with a Bachelor of Commerce in 1997.

Zanetta Lee

Zanetta Lee is our Executive Director. Ms Lee is in charge of our Group's growth, business development and corporate affairs as well as our Group's acquisitions, which includes the Insurtech segment.

Ms Lee started her career at DaimlerChrysler South East Asia Pte. Ltd. as an Assistant Manager, Strategy and Business Development in 2002, and was thereafter promoted to Manager in 2005. From 2006 up to 2015, she was the Regional Manager, General Distributor Markets, South and SE Asia of Daimler South East Asia Pte. Ltd. ("**Daimler**"), where she was responsible for managing Mercedes Benz general distributors in emerging markets in SE Asia and South Asia, overseeing sales, marketing, competitor analysis and developing regional growth strategies for vehicle sales. After leaving Daimler in 2015, she joined our Group as Executive Vice-President, Growth.

Ms Lee graduated from the London School of Economics with a Bachelor of Science in Economics & Management in 2002.

Ms Lee was a member of the National Badminton ladies' team and represented Singapore at the SE Asian Games ("**SEA Games**") in 1993, 1995 and 1997. She is a three-time SEA Games Bronze-medallist, and was the Singapore National Ladies Badminton champion for both Singles and Doubles in 1995.

DIRECTORS AND MANAGEMENT

Chua Hwee Song

Chua Hwee Song is our Independent Director. Mr Chua is currently the Group Chief Financial Officer of Singapore Press Holdings, a position he has held since April 2018. Mr Chua was also a director and Group Chief Financial Officer of CWG International Ltd from 2015 to 2018.

Mr Chua has many years of experience in capital markets and corporate finance. He was the founder and Managing Director of Tembusu Ventures Pte Ltd (“**Tembusu**”), where he manages a private equity fund that invests in growth companies throughout Asia since 2005.

Prior to Tembusu, Mr Chua was with the Singapore Economic Development Board, where he led the promotion of technology entrepreneurship and development of the enterprise financing infrastructure in Singapore, with a specific focus on the industry development of the venture capital and private equity industry.

Mr Chua graduated in 1989 with a Bachelor of Engineering (1st Class Honours) in Electrical and Electronic Engineering from King’s College London, University of London and holds a Master of Business Administration from the National University of Singapore. Mr Chua is also a Chartered Financial Analyst and a Chartered Accountant.

Koh Chia Ling

Koh Chia Ling is our Independent Director. Mr Koh is currently the managing director of OC Queen Street LLC.

Mr Koh began his legal career as a civil and commercial litigation associate in Bih Li & Lee LLP in 1998. He left Bih Li & Lee LLP in 2000 and joined Bird & Bird ATMD LLP (“**Bird & Bird**”) in 2001 as an associate, eventually rising to the position of equity partner. While at Bird & Bird, he handled a diverse range of portfolios, including intellectual property, telecommunications, media and technology, cybersecurity, privacy, risk and compliance. He left Bird & Bird in 2016 to join OC Queen Street LLC as managing director, the position he currently holds, responsible for controlling and overseeing all business operations of the law firm.

In addition, Mr Koh has been an honorary expert panel member of the Centre for Cross-Border Commercial Law in Asia, School of Law, Singapore Management University since 2018. He is currently an executive director of OC Queen Street LLC, where he was appointed in 2016, as well as Osborne Clarke International, where he was appointed in 2018.

Mr Koh was admitted as an advocate and solicitor of the Supreme Court of Singapore in 1998. He has been an (ISC)² Certified Information Systems Security Professional since 2005, a member of the Asian Patent Attorneys Association since 2017, and a member of the Association of Information Security Professionals since 2017.

Mr Koh graduated in 1996 with a Bachelor of Laws (Hons) degree from the University of London in 1996, and earned a Master of Laws, Media, Communications and Information Technology Law from the University of New South Wales in Australia in 2000. He also earned a Master of Technology, Knowledge Engineering from the National University of Singapore in 2004.

DIRECTORS AND MANAGEMENT

Chue En Yaw

Chue En Yaw is our Independent Director. Mr Chue is currently the Managing Director, Head of Private Equity Funds, of Azalea Investment Management Pte. Ltd.

Mr Chue started his career at Arthur Andersen LLP as Staff Accountant in 1997 and was thereafter promoted to Senior in 1999. Between 2000 and 2008, he was the Director, Head of Fund Operations of JAFCO Investment (Asia Pacific) Ltd. From 2008 to 2010, he served as an Associate Director, Private Equity in the Principal Finance Department of Standard Chartered Bank. Mr Chue subsequently joined Temasek International Pte. Ltd. in 2010 where he was a Director, Private Equity Fund Investments until 2017. In 2018, he joined Azalea Investment Management Pte. Ltd., as its Managing Director, Head of Private Equity Funds.

Mr Chue graduated from Nanyang Technological University with a Bachelor of Accountancy in 1997. He is a Chartered Accountant and a CFA Charterholder.

Rule 406(3)(a) of the Catalist Rules states that as a pre-quotation disclosure requirement, a listing applicant must release a statement (via SGXNET or in the offer document) identifying for each director, whether the person has prior experience (and what) or, if the director has no prior experience as a director of a listed company, whether the person has undertaken training in the roles and responsibilities of a director of a listed company. With regard to Rule 406(3)(a) of the Catalist Rules, Chua Hwee Song, Lim Chuan Poh and Clement Lee have prior and current experience as a director of other public listed companies in Singapore, and are familiar with the roles and responsibilities of a director of a public listed company in Singapore.

Our other Directors have attended or have undertaken to attend, the relevant training at the Singapore Institute of Directors to familiarise themselves with the roles and responsibilities of a director of a public listed company in Singapore. The Legal Adviser to our Company on Singapore Law has conducted a briefing for our Directors on the responsibilities and liabilities in connection with the Listing of our Group.

Save as disclosed in this section and in the section entitled “Shareholders – Shareholding and Ownership Structure” of this Offer Document, none of our Directors are related to each other, our Executive Officers or our Substantial Shareholders.

Save as disclosed above, our Independent Directors do not have any existing business or professional relationship of a material nature with our Group, our Directors or Substantial Shareholders.

DIRECTORS AND MANAGEMENT

The list of present and past directorships of each Director over the last five (5) years preceding the date of this Offer Document, excluding those held in our Company, is set out below:

Name	Present Directorships	Past Directorships
Lim Chuan Poh	<u>Group Companies</u> –	<u>Group Companies</u> –
	<u>Other Companies</u> SP Telecommunications Pte Ltd L & G Inc Services Pte. Ltd.	<u>Other Companies</u> Alcatel-Lucent Singapore Pte. Ltd. (amalgamated) Yinda Infocomm Limited
Clement Lee	<u>Group Companies</u> BTFL Synagie Malaysia	<u>Group Companies</u> –
	<u>Other Companies</u> –	<u>Other Companies</u> Avenza Pte. Ltd. Avenza Hong Kong Limited Avenza International Inc. Alegria Group Limited Cheerful China International Limited
Olive Tai	<u>Group Companies</u> Synagie Malaysia	<u>Group Companies</u> –
	<u>Other Companies</u> –	<u>Other Companies</u> Neugen Private Limited
Zanetta Lee	<u>Group Companies</u> Synagie Malaysia Synagie PL Synagie Insurtech TPA Subsidiary TPA Shanghai TPA Vietnam	<u>Group Companies</u> –
	<u>Other Companies</u> Kokopanda Pte. Ltd. KKP One Pte. Ltd. KKP Bay Pte. Ltd.	<u>Other Companies</u> –

DIRECTORS AND MANAGEMENT

Name	Present Directorships	Past Directorships
Chua Hwee Song	<u>Group Companies</u> –	<u>Group Companies</u> –
	<u>Other Companies</u> Tembusu Builders Pte. Ltd. Singapore Newspaper Services Private Limited Orchard 290 Ltd SPH Data Services Pte Ltd CT Point Investments Pte. Ltd. SPH Multimedia Private Limited Times Properties Private Limited Moon Holdings Pte. Ltd. The Seletar Mall Pte. Ltd. Lianhe Investments Pte. Ltd. SPH Interactive Pte Ltd PE One Pte. Ltd. Invest Learning Pte. Ltd. Tembusu Ventures Pte. Ltd. Tembusu Properties Pte. Ltd. Cressida 8 Pte. Ltd. (formerly known as Times Property Management Pte. Ltd.)	<u>Other Companies</u> Sports Toto Malaysia Management Pte. Ltd. Thomson Medical Group Limited (formerly known as Rowsley Ltd) CWG International Pte. Ltd. Half The Comm Pte. Ltd. Renoeasy Pte. Ltd. Tembusu Global Pte. Ltd.
Koh Chia Ling	<u>Group Companies</u> –	<u>Group Companies</u> –
	<u>Other Companies</u> OC Queen Street LLC Osborne Clarke International	<u>Other Companies</u> –
Chue En Yaw	<u>Group Companies</u> –	<u>Group Companies</u> –
	<u>Other Companies</u> –	<u>Other Companies</u> –

None of our Independent Directors sits on the board of our subsidiaries.

DIRECTORS AND MANAGEMENT

EXECUTIVE OFFICERS

The day-to-day operations are entrusted to our Executive Directors, who are assisted by an experienced and qualified team of Executive Officers. The particulars of our Executive Officers are set out below:

Name	Age	Address	Country of Principal Residence	Designation
Quek Wei Ling	38	c/o 38 Jalan Pemimpin #05-09 M38 Singapore 577178	Singapore	General Manager (Online Channel)
Jeremy Ong	56	c/o 38 Jalan Pemimpin #05-09 M38 Singapore 577178	Singapore	General Manager (O2O Channel)
Jenny Tay	35	c/o 38 Jalan Pemimpin #05-09 M38 Singapore 577178	Singapore	Group Financial Controller
Anna Thurai	44	c/o 38 Jalan Pemimpin #05-09 M38 Singapore 577178	Singapore	Operations Director

The business and working experience and areas of responsibility of our Executive Officers are set out below:

Quek Wei Ling

Quek Wei Ling is our Group's General Manager (Online Channel) and is responsible for overall creating and developing E-commerce strategies in conjunction with brand principals, online marketplaces, and teams. She began her career as a pre-registration pharmacist at NTUC Healthcare Cooperative Ltd ("**NTUC Healthcare**") in 2003, before qualifying as a registered pharmacist in 2004 with NTUC Healthcare. In 2007, she was promoted to buying manager of NTUC Healthcare. In 2011, she left NTUC Healthcare to join Watsons Personal Care Stores Pte. Ltd. as a Merchandising Manager. She was promoted to Senior Merchandising Manager in 2014. From 2014, she was employed by Avenza as its Head of Commercial, responsible for managing brands and products. In 2015, she left Avenza to join our Group as Head of Enterprise Content Management. Ms Quek was subsequently promoted to become General Manager (Online Channel) in 2017.

Ms Quek graduated from the National University of Singapore with a Bachelor's of Science in Pharmacy in 2003. She is a pharmacist by training and was admitted to the Singapore Pharmacy Board in 2004.

DIRECTORS AND MANAGEMENT

Jeremy Ong

Jeremy Ong is our Group's General Manager (O2O Channel). He has more than 25 years of experience in the pharmaceutical and nutritional industry. He began his career at Bristol Myer (S) Pte. Ltd. in 1988 as a professional services representative. From 1989 up to 2016, he was employed under the pharmaceutical division of Abbott Laboratories (S) Pte. Ltd. ("**Abbott**"), as a medical representative pharmaceutical. He was eventually promoted to hospital products specialist under the same division.

From 1992 up to 1998, Mr Ong was employed under the pharmaceutical and nutritional division of Abbott, as Senior Hospital Product Specialist and eventually as the Division Manager. From 1998 to 2016, he was employed under the nutritional division of Abbott, starting off as the Division Manager for Medical Nutrition. He subsequently rose through the ranks within the division and his last position held at Abbott was Business Operation Director (Singapore). In his last role he was responsible for managing trade operations and customer relationships for Abbott in Singapore.

Mr Ong joined our Group in 2017. He is primarily responsible for managing the offline business for brands, with the aim to increase brand awareness among retailers.

Mr Ong graduated with a Bachelor's Degree in Business Studies with Human Resource Management from Loughborough University in 2009.

Jenny Tay

Jenny Tay is our Group Financial Controller, who is in charge of overseeing all aspects of finance and accounting functions within our Group. She has more than ten (10) years of financial, audit and accounting experience. She started her career at Crowe Horwath KL ("**CHKL**") as an Audit Associate in 2003. She was employed by CHKL up to 2007, when she left as an Audit Senior. From 2007 up to 2008, she was employed by KPMG LLP as an Assistant Audit Manager, where she was responsible for leading audits carried out on multi-national corporations. From 2008 up to 2013, she was employed by Newcruz Offshore Marine Pte. Ltd., a subsidiary of Swiber Holdings Limited, as its Accounting Manager. Thereafter, she joined Vallianz Corporate Services Pte. Ltd. (a subsidiary of Vallianz Holdings Limited) in 2013 and subsequently promoted to Senior Manager, Treasury and Corporate Finance, where she oversaw all aspects of finance and accounting functions within the Vallianz group of companies. In 2017, she left the Vallianz group of companies to join our Group as its Group Financial Controller.

Ms Tay qualified as an Affiliate of the Association of Chartered Certified Accountants (ACCA) in 2003. She has been a member of the Institute of Singapore Chartered Accountants since 2012.

Anna Thurai

Anna Thurai is the Operations Director of our Group and is in charge of overseeing the operations of TPA Subsidiary. He has more than seven (7) years of experience in operations management.

Mr Thurai started his career in Hewlett Packard (Singapore) Pte. Ltd. as a customer service representative and supervisor in 1997. Between 1999 and 2010, he served in Teledirect Pte. Ltd., a regional call centre, as a Client Services Manager. In 2011, he joined TPA Subsidiary as its Operations Director. He manages and leads backend service engagement and customer experience for TPA Subsidiary's various programmes.

DIRECTORS AND MANAGEMENT

Mr Thurai holds a Diploma in Business Administration and Marketing from TMC Academy Singapore, and a Professional Diploma in Training and Development from Singapore Training & Development Association.

Clement Lee and Zanetta Lee are siblings. Save as disclosed in this section and in the section entitled “Shareholders – Shareholding and Ownership Structure” of this Offer Document, there is no family relationship between any of our Directors and/or Executive Officers, or between any of our Directors, Executive Officers and Substantial Shareholders.

To the best of our knowledge, there is no arrangement or understanding with any of our Substantial Shareholders, customers, suppliers or any other person, pursuant to which any of our Directors or Executive Officers was selected as our Director or Executive Officer.

The list of present and past directorships of each Executive Officer over the last five (5) years preceding the date of this Offer Document, excluding those held in our Company, is set out below:

Name	Present Directorships	Past Directorships
Quek Wei Ling	<u>Group Companies</u> –	<u>Group Companies</u> –
	<u>Other Companies</u> –	<u>Other Companies</u> –
Jeremy Ong	<u>Group Companies</u> –	<u>Group Companies</u> –
	<u>Other Companies</u> –	<u>Other Companies</u> –
Jenny Tay	<u>Group Companies</u> Synagie PL	<u>Group Companies</u> –
	<u>Other Companies</u> –	<u>Other Companies</u> –
Anna Thurai	<u>Group Companies</u> TPA Subsidiary	<u>Group Companies</u> –
	<u>Other Companies</u> –	<u>Other Companies</u> 1CARE Global (India) Pvt Ltd 1CARE Global Services Pte Ltd

DIRECTORS AND MANAGEMENT

EMPLOYEES

As at the Latest Practicable Date, we have 67 employees. The management of our Group is of the opinion that our dedicated and efficient employees are instrumental to our success. Employees of our Group do not belong to any organised union. Our Group maintains a cordial relationship with our employees, and there have not been any industrial disputes in the past.

The functional distribution of our Group's full-time employees as at the end of FP2015, FY2016 and FY2017 and the Latest Practicable Date is as follows:

Function	As at 31 December 2015	As at 31 December 2016	As at 31 December 2017	As at the Latest Practicable Date
Management	4	4	6	7
Operations/Commercial	9	9	19	33
Finance and Administration	1	2	4	8
Information Technology	–	1	1	2
Logistics	8	10	5	17
Total	22	26	35	67

The number of full-time staff that we employ is not subject to any significant seasonal fluctuation and we do not employ a significant number of temporary employees.

There have not been any incidents of work stoppages or labour disputes which affected our operations.

Other than amounts set aside or accrued in respect of mandatory employee funds, we have not set aside or accrued any amount of money to provide for pension, retirement or similar benefits to our employees.

DIRECTORS AND MANAGEMENT

REMUNERATION OF DIRECTORS AND EXECUTIVE OFFICERS

Directors and Executive Officers

The compensation (which includes benefits-in-kind, contributions to CPF and Directors' fees and bonuses) paid to our Directors and our Executive Officers for FY2016 and FY2017, and the estimated compensation (which includes benefits-in-kind, contributions to CPF and Directors' fees and bonuses) to be paid to our Directors and Executive Officers for FY2018 (on an aggregate basis and in remuneration bands⁽¹⁾) by our Group are as follows:

Directors	FY2016	FY2017	FY2018 (Estimated)
Lim Chuan Poh	N.A. ⁽²⁾	N.A. ⁽²⁾	Band A
Clement Lee	Band B	Band B	Band B
Olive Tai	Band B	Band B	Band B
Zanetta Lee	Band A	Band A	Band A
Chua Hwee Song	N.A. ⁽²⁾	N.A. ⁽²⁾	Band A
Koh Chia Ling	N.A. ⁽²⁾	N.A. ⁽²⁾	Band A
Chue En Yaw	N.A. ⁽²⁾	N.A. ⁽²⁾	Band A

Executive Officers	FY2016	FY2017	FY2018 (Estimated)
Quek Wei Ling	Band A	Band A	Band A
Jeremy Ong	N.A. ⁽²⁾	Band A	Band A
Jenny Tay	N.A. ⁽²⁾	Band A	Band A
Anna Thurai	N.A. ⁽²⁾	N.A. ⁽²⁾	Band A

Notes:

(1) Band A: Compensation from S\$0 to S\$250,000 per annum.
Band B: Compensation from S\$250,001 to S\$500,000 per annum.

(2) "N.A." denotes not applicable. Not appointed under the relevant period.

As at the Latest Practicable Date, save for the Performance Share Plan and Employee Share Option Scheme, no compensation has been paid or will be paid in the form of stock options or new Shares to any of our Directors, Executive Officers or employees.

None of our Directors or Executive Officers has any arrangement or understanding with any of our Substantial Shareholders, customers or suppliers or any other person pursuant to which such Director or Executive Officer was appointed as a Director or as an Executive Officer.

DIRECTORS AND MANAGEMENT

Related Employees

As at the Latest Practicable Date, other than our Directors and Substantial Shareholders whose relationships with one another are disclosed in the sections entitled “Shareholders” of this Offer Document, none of our full-time employees are related to our Directors, Executive Officers and/or Substantial Shareholders.

SERVICE AGREEMENTS

We have entered into separate service agreements (“**Service Agreements**”) with our Executive Directors, namely Clement Lee, Olive Tai and Zanetta Lee (“**Executives**”). The Service Agreements provide for, *inter alia*, the salary payable to the Executives, annual leave, medical benefits, grounds of termination, and certain restrictive covenants (industry non-compete obligations as set out below). All travelling, hotel, entertainment and other out-of-pocket expenses reasonably incurred by our Executives in the process of discharging their duties on behalf of our Group will be borne by us. Under each Service Agreement, the remuneration of the Executives shall be subject to annual review by the Remuneration Committee.

The Service Agreements are for a period of three (3) years with effect from the date of admission of our Company on Catalist (“**Initial Term**”) (unless otherwise terminated by either party giving not less than six (6) months’ notice (or such shorter period as may be mutually agreed between the parties) to the other). The Initial Term of the Service Agreements is to align the interests of the Executives with our Company and to evidence their commitment to our Group for a substantial period of time post-Listing. We may also at any time forthwith terminate the Service Agreements of the Executives if he, *inter alia*, shall be guilty of any gross default or grave misconduct, any serious or repeated breach or non-observance of the Service Agreement, becomes bankrupt, becomes of unsound mind or is otherwise medically unfit to perform his duties, commits any act of criminal breach of trust or dishonesty or is convicted of any criminal offence and sentenced to any immediate or suspended imprisonment.

Pursuant to their respective Service Agreements, Clement Lee, Olive Tai and Zanetta Lee are entitled to a monthly salary of S\$28,000, S\$25,000 and S\$15,000 respectively. In addition, the Executives are also each entitled to receive an annual wage supplement of one (1) month’s salary per annum. They are also entitled to an annual performance bonus in respect of each financial year commencing from FY2018, should the audited consolidated profit before tax of our Group (“**PBT**”) be greater than S\$2.0 million as follows:

Executive	Entitlement as a percentage of PBT
Clement Lee	3.5%
Olive Tai	2.5%
Zanetta Lee	1.5%

For the determination of the annual performance bonus, the aforementioned PBT will generally exclude exceptional or non-recurrent income.

However, in certain instances, non-recurrent income such as: (i) gains from investments and/or joint venture projects; and (ii) divestment or acquisition by third parties of our Group’s technology or business solutions; may be included in the determination of the annual performance bonus because our Group would have realised a quantifiable return and such events are common in the industry that our Group operates in. The inclusion or otherwise, will be at the sole discretion of the Remuneration Committee for the computation of the annual performance bonus.

DIRECTORS AND MANAGEMENT

Had the Service Agreements been in existence in FY2017, the aggregate remuneration paid to our Executive Directors would have been approximately S\$0.9 million instead of S\$0.6 million and our loss for the year would have been S\$3.7 million (instead of S\$3.4 million) respectively.

Under the Service Agreements, the salary and annual performance bonus shall be subject to annual review by the Remuneration Committee to be approved by the Board, and may be amended after such review by the Board and/or the Remuneration Committee.

Each of the Executives has agreed, *inter alia*, in his Service Agreement that he will not during his employment with our Company and for a period of 12 months from the date of cessation of his employment with our Company interfere with or endeavour to entice away from our Group a client, customer or employee of, or in the habit of dealing with our Group; as a manager, agent for or employee of any person carry on or be engaged in business with any person who is now or has been a client or customer of our Group; as a manager, agent for or employee of any person, directly or indirectly carry on or be engaged or concerned or interested in any business which shall be in direct competition with the business carried on by our Group Company at the date of the Service Agreement or as at the time of cessation of employment (as the case may be) (“**Relevant Business**”); and act as a director or otherwise of any other person, firm or company engaging directly or indirectly in the Relevant Business which is in competition with the business of our Group.

Save as disclosed above, there are no existing or proposed service agreements between our Company, our subsidiaries and any of our Directors. There are no existing or proposed service agreements entered or to be entered into by our Directors with our Company or any of our subsidiaries which provide for benefits upon termination of employment.

Save as disclosed above, there are no bonus or profit-sharing plans or any other profit-linked agreements or arrangements between our Company and our Directors, key Executive Officers or employees.

SYNAGIE PERFORMANCE SHARE PLAN

In conjunction with the Listing, we have adopted a performance share plan known as the “Synagie Performance Share Plan” (“**Performance Share Plan**”), which was approved by our Shareholders by way of written resolutions passed on 28 June 2018. The rules of our Performance Share Plan are set out in Appendix D entitled “Rules of the Synagie Performance Share Plan” of this Offer Document.

The Performance Share Plan will provide eligible participants (each a “**Participant**” and collectively, the “**Participants**”) with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The Performance Share Plan forms an integral and important component of our compensation plan and is designed primarily to reward and retain directors and employees whose services are vital to the growth and performance of our Company and/or our Group.

The Performance Share Plan allows our Group to provide an incentive for Participants to achieve certain specific performance targets by awarding fully paid Shares to Participants after these targets have been met. The assessment criteria for granting of Awards (as described below) under the Performance Share Plan will be based on specific performance targets or to impose time-based service conditions, or a combination of both.

As at the Latest Practicable Date, no Awards have been granted under the Performance Share Plan.

Objectives of the Performance Share Plan

The main objectives of the Performance Share Plan are as follows:

- (a) to attract potential employees with relevant skills to contribute to our Group and to create value for Shareholders;
- (b) to instil loyalty to, and a stronger identification by the Participants with the long-term prosperity of, our Group;
- (c) to motivate the Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group;
- (d) to align the interests of the Participants with the interests of the Shareholders;
- (e) to give recognition to the contributions made by the Participants to the success of our Group;
and
- (f) to retain key employees of our Group whose contributions are essential to the long-term prosperity of our Group.

Summary of the Performance Share Plan

The following is a summary of the rules of the Performance Share Plan. Any capitalised term as used throughout this section, unless otherwise defined, shall bear the meanings as defined in Appendix D entitled “Rules of the Synagie Performance Share Plan” of this Offer Document.

SYNAGIE PERFORMANCE SHARE PLAN

(i) Eligibility

The Performance Share Plan allows for participation by confirmed full-time employees of our Group (including Executive Directors) and Non-Executive Directors (including Independent Directors) who have attained the age of 21 years on or before the relevant date of Award provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors at the relevant time, and who, in the absolute discretion of the Remuneration Committee will be eligible to participate in the Performance Share Plan.

Controlling Shareholders or their Associates who meet the above eligibility criteria are eligible to participate in the Performance Share Plan provided that (a) the participation of, and (b) the terms of each grant and the actual number of Awards granted under the Performance Share Plan to, a Participant who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by our independent Shareholders in a general meeting in separate resolutions for each such person, and the basis for seeking such Shareholders' approval will be included in the circular to Shareholders.

There shall be no restriction on the eligibility of any Participant to participate in any other share incentive schemes or share plans implemented or to be implemented by our Company or any other company within our Group.

Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Performance Share Plan may be amended from time to time at the absolute discretion of the Remuneration Committee.

(ii) Awards

Awards represent the right of a Participant to receive fully-paid Shares free of charge, upon the Participant achieving the Performance Targets.

The selection of the Participants and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Performance Share Plan shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account criteria such as, *inter alia*, the rank, scope of responsibilities, performance, years of service and potential for future development and contribution to the success of our Group.

In the case of a performance-related Award, the Performance Targets will be set by the Remuneration Committee depending on each individual Participant's job scope and responsibilities. The Performance Targets to be set shall take into account both the medium and long-term corporate objectives of our Group and the individual performance of the Participant and will be aimed at sustaining long-term growth. The corporate objectives shall cover market competitiveness, business growth and productivity growth. The Performance Targets could be based on criteria such as sales growth, growth in earnings and returns on investment. In addition, the Participant's length of service with our Group, achievements of past performance targets, ability to value-add to our Group's performance and development and overall enhancement to Shareholder value, amongst others, will be taken into account.

Awards may be granted at any time in the course of a financial year, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Awards may only be vested and hence any Shares comprised in such Awards may only be delivered on or after the second Market Day from the date on which the aforesaid announcement is made.

SYNAGIE PERFORMANCE SHARE PLAN

An Award letter confirming the Award will be sent to each Participant as soon as reasonably practicable after the Award is finalised, specifying, *inter alia*, in relation to the Award:

- (a) (in relation to a performance-related Award), the Performance Targets and the performance period during which the prescribed Performance Targets are to be met;
- (b) the number of Shares to be vested on the Participant; and
- (c) the date by which the Award shall be vested.

The Remuneration Committee will take into account various factors when determining the method to arrive at the exact number of Shares comprised in an Award. Such factors include, but are not limited to, the current price of the Shares, the total issued share capital of our Company and the pre-determined Singapore Dollar amount which the Remuneration Committee decides that a Participant deserves for meeting his Performance Targets. For example, Shares may be awarded based on predetermined Singapore Dollar amounts such that the quantum of Shares comprised in the Award is dependent on the closing price of the Shares transacted on the Market Day that such Award is vested. Alternatively, the Remuneration Committee may decide for absolute numbers of Shares to be awarded to Participants irrespective of the price of the Shares. The Remuneration Committee shall monitor the grant of Awards carefully to ensure that the size of the Performance Share Plan will comply with the relevant Catalist Rules.

(iii) **Size and duration of the Performance Share Plan**

The total number of Shares which may be delivered pursuant to the vesting of Awards on any date, when added to the aggregate number of Shares issued and/or issuable in respect of (i) all Awards granted under the Performance Share Plan; and (ii) all other Shares issued and/or issuable under any other share-based incentive schemes or share plans of our Company, shall not exceed 15.0% of the total number of issued Shares (including treasury shares) of our Company from time to time.

Our Directors believe that the size of the Performance Share Plan will give our Company sufficient flexibility to decide the number of Shares to be offered under the Performance Share Plan. However, it does not indicate that the Remuneration Committee will definitely issue Shares up to the prescribed limit. The Remuneration Committee will exercise its discretion in deciding the number of Shares to be granted to each Participant under the Performance Share Plan. This, in turn, will depend on, and be commensurate with, the performance and value of the Participant to our Group.

The aggregate number of Shares that are available to the Controlling Shareholders and their associates under the Performance Share Plan shall not exceed 25.0% of the total number of Shares available under the Performance Share Plan. The number of Shares that are available to each Controlling Shareholder or each of their Associates under the Performance Share Plan shall not exceed 10.0% of the Shares available under the Performance Share Plan.

The Performance Share Plan shall continue in force at the discretion of the Remuneration Committee, subject to a maximum period of ten (10) years commencing on the date on which the Performance Share Plan is adopted by our Company in general meeting, provided always that the Performance Share Plan may continue beyond the above stipulated period with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

SYNAGIE PERFORMANCE SHARE PLAN

Notwithstanding the expiry or termination of the Performance Share Plan, any Awards made to Participants prior to such expiry or termination will continue to remain valid.

(iv) Operation of the Performance Share Plan

The Remuneration Committee shall have the discretion to determine whether Performance Targets have been met (whether fully or partially) or exceeded and/or whether the Participant's performance and/or contribution to our Company and/or any of our subsidiary justifies the vesting of an Award. In making any such determination, the Remuneration Committee shall have the right to make reference to the audited results of our Company or our Group, as the case may be, to take into account such factors as the Remuneration Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the Performance Targets if the Remuneration Committee decides that it would be a fairer measure of performance.

Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the Remuneration Committee being satisfied that the Participant has achieved the Performance Targets.

Subject to the prevailing legislation and the provisions of the Catalist Rules, our Company will be delivering Shares to Participants upon vesting of their Awards by way of an issue of new Shares or the transfer of existing Shares held as treasury shares to the Participants. In determining whether to issue new Shares or to purchase existing Shares for delivery to Participants upon the vesting of their Awards, our Company will take into account factors such as the number of Shares to be delivered, the prevailing market price of the Shares and the financial effect on our Company of either issuing new Shares or purchasing existing Shares.

New Shares allotted and issued on the release of an Award shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the date of issue of the new Shares or the date of transfer of treasury shares pursuant to the vesting of the Award, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

(v) Adjustments and alterations under the Performance Share Plan

(a) Variation of Capital

If a variation in the issued ordinary share capital of our Company (whether by way of a capitalisation of profits or reserves or rights issue, capital reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:

1. the class and/or number of Shares which are the subject of an Award to the extent not yet vested; and/or
2. the class and/or number of Shares over which future Awards may be granted under the Performance Share Plan,

shall be adjusted by the Remuneration Committee to give each Participant the same proportion of the equity capital of our Company as that to which he was previously entitled and, in doing so, the Remuneration Committee shall determine, at its own discretion, the manner in which such adjustment shall be made.

SYNAGIE PERFORMANCE SHARE PLAN

Unless the Remuneration Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment:

1. the issue of securities as consideration for an acquisition or a private placement of securities;
2. the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
3. the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the Performance Share Plan; and
4. any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by our Company.

Notwithstanding the provisions of the rules of the Performance Share Plan:

1. the adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive; and
2. any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

(b) Modifications to the Performance Share Plan

Any or all the provisions of the Performance Share Plan may be modified and/or altered at any time and from time to time by resolution of the Remuneration Committee, provided that:

1. any modification or alteration which would be to the advantage of the Participants under the Performance Share Plan shall be subject to the prior approval of Shareholders in a general meeting; and
2. no modification or alteration shall be made without due compliance with the Catalist Rules and approval from such other regulatory authorities as may be necessary.

SYNAGIE PERFORMANCE SHARE PLAN

(vi) Reporting requirements

Under the Catalist Rules, an immediate announcement must be made on the date of the grant of an Award and provide details of the grant, including the following:

- (a) date of grant;
- (b) market price of the Shares on the date of grant of the Award;
- (c) number of Shares granted under the Award;
- (d) number of Shares granted to each Director and Controlling Shareholder (and each of their Associates) under the Award, if any; and
- (e) the vesting period in relation to the Award.

The following disclosures (as applicable) will be made by our Company in our annual report for so long as the Performance Share Plan continues in operation:

- (a) the names of the members of the Remuneration Committee administering the Performance Share Plan;
- (b) in respect of the following Participants:
 - 1. Directors of our Company;
 - 2. Participants who are Controlling Shareholders and their Associates; and
 - 3. Participants (other than those in paragraph (B)(1) and (2) above) who have received Shares pursuant to the vesting of Awards granted under the Performance Share Plan which, in aggregate, represent 5.0% or more of the total number of Shares available under the Performance Share Plan,

the following information will be required:

- (AA) the name of the Participant;
 - (BB) the aggregate number of Shares comprised in Awards which have been granted to such Participant during the financial year under review;
 - (CC) the aggregate number of Shares comprised in Awards which have been granted to such Participant since the commencement of the Performance Share Plan to the end of the financial year under review;
 - (DD) the aggregate number of Shares comprised in Awards which have been issued and/or transferred to such Participants pursuant to the vesting of Awards under the Performance Share Plan since the commencement of the Performance Share Plan to the end of the financial year under review; and
 - (EE) the aggregate number of Shares comprised in Awards which have not been vested as at the end of the financial year under review; and
- (c) such other information as may be required by the Catalist Rules or the Companies Act.

SYNAGIE PERFORMANCE SHARE PLAN

(vii) Role and composition of the Remuneration Committee

The Remuneration Committee shall be responsible for the administration of the Performance Share Plan and shall consist of the Directors. As at the date of this Offer Document, the Remuneration Committee comprises Lim Chuan Poh, Chue En Yaw and Koh Chia Ling.

The Remuneration Committee shall have the power, from time to time, to make and vary such rules (not being inconsistent with the Performance Share Plan) for the implementation and administration of the Performance Share Plan as they think fit including, but not limited to:

- (a) imposing restrictions on the number of Awards that may be vested within each financial year; and
- (b) amending Performance Targets, if by so doing it would be a fairer measure of performance for a Participant or for the Performance Share Plan as a whole.

In compliance with the requirements of the Catalist Rules, any Participant of the Performance Share Plan who is a member of the Remuneration Committee shall not be involved in the deliberation or decision in respect of Awards granted to or to be granted to him.

Rationale for participation by our Controlling Shareholders and their Associates in the Performance Share Plan

Our Company acknowledges that the services and contributions of employees who are Controlling Shareholders or Associates of our Controlling Shareholders are important to the development and success of our Group. The extension of the Performance Share Plan to confirmed full-time employees who are Controlling Shareholders and Associates of our Controlling Shareholders allows our Group to have a fair and equitable system to reward employees who have actively contributed to the progress and success of our Group. The participation of the Controlling Shareholders and their Associates in the Performance Share Plan will serve both as a reward to them for their dedicated services to our Group and a motivation for them to take a long-term view of our Group.

Although Participants who are Controlling Shareholders or Associates of our Controlling Shareholders may already have shareholding interests in our Company, the extension of the Performance Share Plan to include them ensures that they are equally entitled, with the other employees of our Group, who are not Controlling Shareholders or Associates of our Controlling Shareholders, to take part and benefit from this system of remuneration. We are of the view that a person who would otherwise be eligible should not be excluded from participating in the Performance Share Plan solely by reason that he is a Controlling Shareholder or an Associate of our Controlling Shareholders.

The specific approval of our independent Shareholders is required for the participation of such persons as well as the actual number of and terms of such Awards. A separate resolution must be passed for each of such Participant. In seeking such approval from our independent Shareholders, clear justification as to the participation of our Controlling Shareholders and their Associates, the number of and terms of the Awards to be granted to the Controlling Shareholders and their Associates shall be provided.

Accordingly, we are of the view that there are sufficient safeguards against any abuse of the Performance Share Plan resulting from the participation of employees who are Associates of our Controlling Shareholders.

SYNAGIE PERFORMANCE SHARE PLAN

Rationale for participation by Non-Executive Directors (including Independent Directors) in the Performance Share Plan

While the Performance Share Plan caters principally to Group Employees, it is recognised that there are other persons who make significant contributions to our Group through their close working relationships with our Group, even though they are not employed within our Group. Such persons include the Non-Executive Directors.

The Non-Executive Directors are persons from different professions and working backgrounds, bringing to our Group their wealth of knowledge, experience, business expertise and contacts in the business community. They play an important role in helping our Group shape our business strategy by allowing our Group to draw on their diverse backgrounds and working experience. It is crucial for our Group to attract, retain and incentivise the Non-Executive Directors. By aligning the interests of the Non-Executive Directors with the interests of our Shareholders, our Company aims to instil a sense of commitment on the part of the Non-Executive Directors towards serving the short and long-term objectives of our Group.

Our Directors are of the view that including the Non-Executive Directors in the Performance Share Plan will show our Company's appreciation for them and further motivate them in their contribution towards the success of our Group. However, as their services and contributions cannot be measured in the same way as the full-time employees of our Group, while it is desired that participation in the Performance Share Plan be made open to the Non-Executive Directors, any Awards that may be granted to any such Non-Executive Director would be intended only as a token of our Company's appreciation.

For the purpose of assessing the contributions of the Non-Executive Directors, the Remuneration Committee will propose a performance framework comprising mainly non-financial performance measurement criteria, such as the extent of involvement and responsibilities shouldered by the Non-Executive Directors. In addition, the Remuneration Committee will also consider the scope of advice given, the number of contacts and size of deals which our Group is able to procure from those contacts and recommendations made by the Non-Executive Directors. The Remuneration Committee may also decide that no Awards shall be made in any financial year or no grant and/or Award may be made at all.

It is envisaged that the vesting of Awards, and hence the number of Shares to be delivered to the Non-Executive Directors based on the criteria set out above will be relatively small, in terms of the frequency and numbers. Based on this, the Directors are of the view that the participation by the Non-Executive Directors in the Performance Share Plan will not compromise the independent status of those who are Independent Directors.

SYNAGIE PERFORMANCE SHARE PLAN

Financial effects of the Performance Share Plan

Cost of Awards

The Synagie PSP is considered as a share-based payment that falls under FRS 102 Share Based Payment (“**FRS 102**”) where participants will receive Shares and the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards will be recognised as a charge to the income statement over the period between the grant date and the vesting date of an Award. The fair value per share of the Awards granted will be determined using an option pricing model. The significant inputs into the option pricing model will include, *inter alia*, the share price as at the date of grant of the Award, the risk free interest rate, the vesting period, volatility of the share and dividend yield. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the grant date and the number of Shares vested at the vesting date, with a corresponding credit to reserve account. Before the end of the vesting period, at each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is subject to revision, and the impact of the revised estimate will be recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the income statement is made.

The amount charged to the income statement also depends on whether the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the grant date, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met. However, if the performance target is not a market condition, the fair value per Share of the Awards granted at the grant date is used to compute the amount to be charged to the income statement at each accounting date, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no cumulative charge to the income statement if the Awards do not ultimately vest.

Share capital

The Performance Share Plan will result in an increase in our Company’s issued share capital where new Shares are issued to Participants. The number of new Shares issued will depend on, *inter alia*, the size of the Awards granted under the Performance Share Plan. In any case, the Performance Share Plan provides that the number of shares to be issued under the Performance Share Plan will be subject to a maximum limit of 15.0% of our total issued Shares. The aggregate number of Shares available under the Performance Share Plan shall not exceed 15.0% of the total issued share capital of our (excluding Shares held by our Company as treasury shares) from time to time. If instead of issuing new Shares to the Participants, existing shares are purchased for delivery to participants or cash payment of an equivalent amount is made, the Performance Share Plan will have no impact on our Company’s total number of issued Shares.

SYNAGIE PERFORMANCE SHARE PLAN

NTA

The Performance Share Plan is likely to result in a charge to our Company's profit or loss over the period from the grant date to the vesting date of the Awards. The amount of the charge will be computed in accordance with FRS 102. When new Shares are issued under the Performance Share Plan, there will be no effect on the NTA due to the offsetting effect of expenses recognised and the increase in share capital. However, if instead of issuing new Shares to Participants, existing Shares are purchased for delivery to Participants or cash payment of an equivalent amount is made, the NTA will be impacted by the cost of the Shares purchased or the cash payment, respectively. It should be noted that the delivery of Shares to participants under the Performance Share Plan will generally be contingent upon the eligible participants meeting prescribed performance targets and conditions.

EPS

The Performance Share Plan is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with FRS 102.

It should again be noted that the delivery of Shares to Participants of the Performance Share Plan will generally be contingent upon the Participants meeting the prescribed performance targets and conditions.

Dilutive impact

The issuance of new Shares under the Performance Share Plan will have a dilutive impact on our consolidated EPS.

We have made an application to the SGX-ST for permission to deal in and for quotation of the new Shares which may be issued upon the release of the new Shares to be granted under the Performance Share Plan. The approval of the SGX-ST is not to be taken as an indication of the merits of our Company, our subsidiaries, our Shares or the new Shares, the Option Shares or the Award Shares.

SYNAGIE EMPLOYEE SHARE OPTION SCHEME

On 28 June 2018, our Shareholders approved a share option scheme known as the Synagie Employee Share Option Scheme (the “**Synagie ESOS**”), the rules of which are set out in Appendix E entitled “Rules of the Synagie Employee Share Option Scheme” of this Offer Document. The Synagie ESOS complies with the relevant rules as set out in Chapter 8 of the Catalist Rules. The Synagie ESOS will provide eligible participants with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The Synagie ESOS, which forms an integral and important component of a compensation plan, is designed to primarily reward and retain executive directors, non-executive directors and employees whose services are vital to our well-being and success. As at the Latest Practicable Date, no options have been granted under the Synagie ESOS.

Objectives of the Synagie ESOS

The objectives of the Synagie ESOS are as follows:

- (a) to motivate participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group;
- (b) to retain key employees and directors whose contributions are essential to the long-term growth and profitability of our Group;
- (c) to instil loyalty to, and a stronger identification by participants with the long-term prosperity of, our Group;
- (d) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders; and
- (e) to align the interests of participants with the interests of our Shareholders.

Summary of the Synagie ESOS

A summary of the rules of the Synagie ESOS is set out as follows:

1. Participants

Under the rules of the Synagie ESOS, executive directors and employees of our Group and our associated companies (“**Group Employees**”) and non-executive directors (including our Independent Directors) of our Group, are eligible to participate in the Synagie ESOS. For this purpose, a company is our “associated company” if we and/or our subsidiaries hold at least 20.0% but not more than 50.0% of the issued shares in that company and provided our Company has control (as defined in the Listing Manual) over the associated company.

Controlling Shareholders of our Company or Associates of such Controlling Shareholders are eligible to participate in the Synagie ESOS if their participation and grants of options are approved by independent Shareholders in separate resolutions for each such person and for each such grant of options.

SYNAGIE EMPLOYEE SHARE OPTION SCHEME

2. Scheme administration

The Synagie ESOS shall be administered by our Remuneration Committee with powers to determine, *inter alia*, the following:

- (a) persons to be granted options;
- (b) number of options to be granted; and
- (c) recommendations for modifications to the Synagie ESOS.

Our Remuneration Committee may consist of Directors (including Directors or persons who may be participants of the Synagie ESOS). A member of our Remuneration Committee who is also a participant of the Synagie ESOS must not be involved in its deliberation in respect of options granted or to be granted to him.

3. Size of the Synagie ESOS

The aggregate number of shares over which our Remuneration Committee may grant options on any date, when added to the number of Shares issued and issuable or transferred and to be transferred in respect of all options granted under the Synagie ESOS and the number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of our Company, shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by our Company as treasury shares) on the day immediately preceding the date on which an offer to grant an option is made.

Our Company believes that this 15.0% limit gives our Company sufficient flexibility to decide the number of Option Shares to offer to our existing and new employees. The number of eligible participants is expected to grow over the years. Our Company, in line with its goals of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of our talent pool which may involve employing new employees. The employee base, and thus the number of eligible participants, will increase as a result. If the number of options available under the Synagie ESOS is limited, our Company may only be able to grant a small number of options to each eligible participant which may not be a sufficiently attractive incentive. Our Company is of the opinion that it should have sufficient number of options to offer to new employees as well as to existing ones. The number of options offered must also be significant enough to serve as a meaningful reward for contributions to our Group. However, it does not necessarily mean that our Remuneration Committee will definitely issue Option Shares up to the prescribed limit. Our Remuneration Committee shall exercise its discretion in deciding the number of Option Shares to be granted to each employee, which will depend on the performance and value of the employee to our Group.

SYNAGIE EMPLOYEE SHARE OPTION SCHEME

4. Maximum entitlements

The aggregate number of Shares comprised in any options to be offered to a grantee shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account (where applicable) criteria such as rank, past performance, years of service and potential for future development of that grantee.

5. Options, exercise period and exercise price

The options that are granted under the Synagie ESOS may have exercise prices that are, at our Remuneration Committee's discretion, set at a price (the "**Market Price**") equal to the average of the last dealt prices for a Share on the Catalist for the five (5) consecutive market days immediately preceding the date on which an offer to grant an option is made or at a discount to the Market Price (subject to a maximum discount of 20.0%). Options which are fixed at the Market Price ("**Market Price Option**") may be exercised after the first anniversary of the date on which an offer to grant that option is made while options exercisable at a discount to the Market Price may be exercised after the second anniversary from the date on which an offer to grant that option is made ("**Incentive Option**"). Options granted under the Synagie ESOS to any Group Employee (other than non-executive directors and/or employees of associated companies) will have a life span of up to ten (10) years from the date on which they were granted, and all Options granted to non-executive directors and/or employees of associated companies shall have a life span of five (5) years from the date on which they were granted.

6. Grant of options

Under the rules of the Synagie ESOS, there are no fixed periods for the grant of options. As such, offers of the grant of options may be made at any time from time to time at the discretion of our Remuneration Committee. However, no option shall be granted during the period of 30 days immediately preceding the date of announcement of our Company's interim or final results (as the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made on or after the third market day from the date on which the aforesaid announcement is made.

7. Termination of options

Special provisions in the rules of the Synagie ESOS deal with the lapse or earlier exercise of options in circumstances which include the termination of the participant's employment in our Group, the bankruptcy of the participant, the death of the participant, a take-over of our Company, and the winding-up of our Company.

SYNAGIE EMPLOYEE SHARE OPTION SCHEME

8. Acceptance of options

The grant of options shall be accepted within 30 days from the date of the offer. Offers of options made to grantees, if not accepted before the closing date, will lapse. Upon acceptance of the offer, the grantee must pay our Company a consideration of S\$1.00 or such amount as the Remuneration Committee may decide.

9. Rights of shares arising

Subject to the prevailing legislation, our Company will deliver Shares to participants upon exercise of their options by way of either (i) an issue of new Shares; or (ii) a transfer of Shares then held by our Company in treasury.

In determining whether to issue new Shares to participants upon exercise of their options, our Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to our Company of issuing new Shares or delivering existing Shares.

The financial effects of the above methods are discussed below.

Shares arising from the exercise of options are subject to the provisions of the Constitution of our Company. Shares allotted and issued, and existing Shares procured by our Company for transfer, upon the exercise of an option shall rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or distributions, the record date (“**Record Date**”) for which is prior to the relevant exercise date of the option.

“**Record Date**” means the date as at the close of business on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions (as the case may be).

10. Duration of the Synagie ESOS

The Synagie ESOS shall continue in operation for a maximum duration of ten (10) years commencing from the date of Listing and may be continued for any further period thereafter with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

11. Abstention from voting

Shareholders who are eligible to participate in the Synagie ESOS are to abstain from voting on any shareholders’ resolution relating to the Synagie ESOS and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, all Shareholders who are eligible to participate in the Synagie ESOS shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Synagie ESOS; (b) the maximum discount which may be given in respect of any Option; and (c) participation by and grant of Options to Controlling Shareholders and their Associates.

SYNAGIE EMPLOYEE SHARE OPTION SCHEME

12. Reporting requirements

Under the Catalist Rules, an immediate announcement must be made on the date of grant of an Option and the announcement must provide details of the grant, including the following:

- (a) date of grant;
- (b) exercise price of the Options granted;
- (c) number of Options granted;
- (d) market price of the Shares on the date of grant;
- (e) number of Options granted to each Director and Controlling Shareholder (and each of their associates), if any; and
- (f) the validity period of the Options.

The following disclosures (as applicable) will be made by our Company in our annual report for so long as the Synagie ESOS continues in operation:

- (a) the names of the members of the committee administering the Synagie ESOS;
- (b) the information required in the table below for the following participants of the Synagie ESOS:
 - (i) Directors of our Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those in paragraphs (b)(i) and (ii) above) who have received 5.0% or more of the total number of Shares available under the Synagie ESOS:

Name of participant	Options granted under the Synagie ESOS during the financial year under review (including terms)	Aggregate options granted since commencement of the Synagie ESOS to end of financial year under review	Aggregate Options exercised since commencement of the Synagie ESOS to the end of the financial year under review	Aggregate Options outstanding as at the end of the financial year under review

- (c) the number and proportion of Options granted at a discount during the financial year under review in respect of every 10.0% discount range, up to the maximum quantum of discount granted; and
- (d) such other information as may be required by the Catalist Rules or the Companies Act, provided that if any of the above requirements are not applicable, an appropriate negative statement should be included herein.

SYNAGIE EMPLOYEE SHARE OPTION SCHEME

Grant of options with a discounted exercise price

The ability to offer options to participants of the Synagie ESOS with exercise prices set at a discount to the prevailing market prices of the Shares will operate as a means to recognise the performance of participants as well as to motivate them to continue to excel while encouraging them to focus more on improving the profitability and return of our Group above a certain level which will benefit all Shareholders when these are eventually reflected through share price appreciation. The Synagie ESOS will also serve to recruit new group employees whose contributions are important to the long-term growth and profitability of our Group. Discounted options would be perceived in a more positive light by the participants, inspiring them to work hard and produce results in order to be offered options at a discount as only employees who have made outstanding contributions to the success and development of our Group would be granted options at a discount.

At present, our Company foresees that options may be granted with a discount principally in the following circumstances:

- (a) Firstly, where it is considered more effective to reward and retain talented employees by way of a discounted price option rather than a market price option. This is to reward the outstanding performers who have contributed significantly to our Group's performance and the discounted price option serves as additional incentives to such group employees. Options granted by our Company on the basis of market price may not be attractive and realistic in the event of an overly buoyant market and inflated share prices. Hence, during such period, the ability to offer such options at a discount would allow our Company to grant options on a more realistic and economically feasible basis. Furthermore, options granted at a discount will give an opportunity to employees to realise some tangible benefits even if external events cause the share price to remain largely static.
- (b) Secondly, where it is more meaningful and attractive to acknowledge a participant's achievements through a discounted price option rather than paying him a cash bonus. For example, options granted at a discount may be used to compensate employees and to motivate them during economic downturns when wages (including cash bonuses and annual wage supplements) are frozen or cut, or they could be used to supplement cash rewards in lieu of larger cash bonuses or annual wage supplements. Accordingly, it is possible that merit-based cash bonuses or rewards may be combined with grants of market price options or discounted price options, as part of eligible employees' compensation packages. The Synagie ESOS will provide employees with an incentive to focus more on improving the profitability of our Group thereby enhancing shareholder value when these are eventually reflected through the price appreciation of the Shares after the vesting period.
- (c) Thirdly, where due to speculative forces and having regard to the historical performance of the Share price, the market price of the Shares at the time of the grant of the options may not be reflective of financial performance indicators such as return on equity and/or earnings growth.

Our Remuneration Committee will have the absolute discretion to grant options where the exercise price is discounted, to determine the level of discount (subject to a maximum discount of 20.0% of the Market Price) and the grantees to whom, and the options to which, such discount in the exercise price will apply provided that our Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of options under the Synagie ESOS at a discount not exceeding the maximum discount as aforesaid.

SYNAGIE EMPLOYEE SHARE OPTION SCHEME

In deciding whether to give a discount and the quantum of such discount (subject to the aforesaid limit), our Remuneration Committee will have regard to the financial and other performance of our Company and our Group, the years of service and individual performance of the grantee, the contribution of the grantee to the success and development of our Group and the prevailing market conditions.

Our Company may also grant options without any discount to the market price. Additionally, our Company may, if it deems fit, impose conditions on the exercise of the options (whether such options are granted at the market price or at a discount to the market price), such as restricting the number of Shares for which the option may be exercised during the initial years following its vesting.

Alterations and amendments to the Synagie ESOS

Any or all of the provisions of the Synagie ESOS may be modified and/or altered at any time and from time to time by resolution of the Remuneration Committee, provided that:

- (a) any modification or alteration which would alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Remuneration Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all the Shares which would fall to be issued and allotted or transferred upon exercise in full of all outstanding Options;
- (b) any modification or alteration which would be to the advantage of participants under the Scheme shall be subject to the prior approval of Shareholders at a general meeting; and
- (c) no modification or alteration shall be made without due compliance with the Catalyst Rules and prior approval from such other regulatory authorities as may be necessary.

Rationale for participation of executive directors and employees of our associated companies and non-executive directors (including our Independent Directors) of our Group in the Synagie ESOS

The extension of the Synagie ESOS to executive directors and employees of our associated companies and non-executive directors (including our Independent Directors) of our Group allows our Group to have a fair and equitable system to reward directors and employees who have made and who continue to make significant contributions to the long-term growth of our Group.

We believe that the Synagie ESOS will also enable us to attract, retain and provide incentives to its participants to achieve higher standards of performance as well as encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services as well as motivating participants generally to contribute towards the long-term growth of our Group.

SYNAGIE EMPLOYEE SHARE OPTION SCHEME

Although the non-executive directors are not involved in the day-to-day running of our Group's business, they nonetheless play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. The participation by the non-executive directors in the Synagie ESOS will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment.

In order to minimise any potential conflict of interests and not to compromise the independence of the non-executive directors, our Company intends to grant only a nominal number of options under the Synagie ESOS to such non-executive directors.

Rationale for participation of Controlling Shareholders and their associates in the Synagie ESOS

Our Company acknowledges that the services and contributions of employees who are Controlling Shareholders and their associates are important to the development and success of our Group. The extension of the Synagie ESOS to confirmed full-time employees who are Controlling Shareholders and their associates allows our Group to have a fair and equitable system to reward employees who have actively contributed to the progress and success of our Group. The participation of Controlling Shareholders and their associates in the Synagie ESOS will serve both as a reward to them for their dedicated services to our Group and a motivation for them to take a long-term view of our Group.

Although participants who are Controlling Shareholders and their associates may already have shareholding interests in our Company, the extension of the Synagie ESOS to include them ensures that they are equally entitled as the other employees of our Group who are not Controlling Shareholders or their associates, to take part and benefit from this system of remuneration. We are of the view that a person who would otherwise be eligible should not be excluded from participating in the Synagie ESOS solely by reason that he/she is a Controlling Shareholder or an associate of our Controlling Shareholders.

The specific approval of our independent Shareholders is required for the participation of such persons as well as the actual number of and terms of such Options. A separate resolution must be passed for each of such participant. In seeking such approval from our independent Shareholders, clear justification as to the participation of our Controlling Shareholders and/or their associates, the number of and terms (including the exercise price) of the Options to be granted to the Controlling Shareholder and/or their Associates shall be provided. Accordingly, we are of the view that there are sufficient safeguards against any abuse of the Synagie ESOS resulting from the participation of employees who are Controlling Shareholders and their associates.

Financial effects of the Synagie ESOS

The Synagie ESOS will increase our issued share capital to the extent of the new Shares that will be issued and allotted pursuant to the exercise of Options. Under the FRS 102, the fair value of employee services received in exchange for the grant of the Options will be recognised as an expense. For equity-settled share-based payment transactions, the total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of each options granted at the grant date and the number of options vested by vesting date, with a corresponding increase in equity.

SYNAGIE EMPLOYEE SHARE OPTION SCHEME

Before the end of the vesting period, at each balance sheet date, the entity revises its estimates of the number of options that are expected to vest by the vesting date and recognises the impact of this revision in the income statement with a corresponding adjustment to equity. After the vesting date, no adjustment to the income statement would be made. The proceeds net of any directly attributable transaction costs are credited to the share capital when the Options are exercised.

During the vesting period, the consolidated EPS will be reduced by both the expenses recognised and the potential ordinary shares to be issued under the Synagie ESOS. When the Options are exercised, the consolidated NTA will be increased by the amount of cash received for exercise of the Options. On a per Share basis, the effect is accretive if the exercise price is above the net tangible assets per Share but dilutive otherwise.

There will be no cash outlay expended by us at the time of grant of such Options as compared to the payment of cash bonuses. However, as Shareholders may be aware, any Options granted to subscribe for new Shares (whether the exercise price is set at the market price of the shares at the date of grant or otherwise) have a fair value at the time of grant. The fair value of an Option is an estimate of the amount that a willing buyer would pay a willing seller for the Option on the grant date. Options are granted to participants at a nominal consideration of S\$1.00. Insofar as such options are granted at a consideration that is less than their fair value at the time of grant, there will be a cost to our Company in that we will receive from the participant upon the grant of the Option a consideration that is less than the fair value of the Option.

The following sets out the financial effects of the Synagie ESOS.

(a) **Share capital**

The Synagie ESOS will result in an increase in our Company's issued share capital when Invitation Shares are issued to participants. The number of new Shares issued will depend on, *inter alia*, the size of the Options granted under the Synagie ESOS. Whether and when the options granted under the Synagie ESOS will be exercised will depend on the exercise price of the Options, when the options will vest as well as the prevailing trading price of the Shares. In any case, the Synagie ESOS provides that the number of Shares to be issued or transferred under the Synagie ESOS, when aggregated with the aggregate number of Shares over which Options or Awards are granted under any other share option schemes or share schemes of our Company, will be subject to the maximum limit of 15.0% of our Company's total number of issued Shares (excluding Shares held by our Company as treasury shares) from time to time. If instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the Synagie ESOS will have no impact on our Company's issued share capital.

(b) **NTA**

As described in paragraph (c) below on EPS, the grant of options will be recognised as an expense, the amount of which will be computed in accordance with FRS 102. When new Shares are issued pursuant to the exercise of options, there would be no effect on the NTA due to the offsetting effect of expenses recognised and the increase in share capital. However, if instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the NTA would be impacted by the cost of the Shares purchased.

SYNAGIE EMPLOYEE SHARE OPTION SCHEME

(c) **EPS**

Without taking into account earnings that may be derived by our Company from the use of the proceeds from the issuance of Shares pursuant to the exercise of Options granted under the Synagie ESOS, any new Shares issued pursuant to any exercise of the Options will have a dilutive impact on our Company's EPS.

(d) **Dilutive impact**

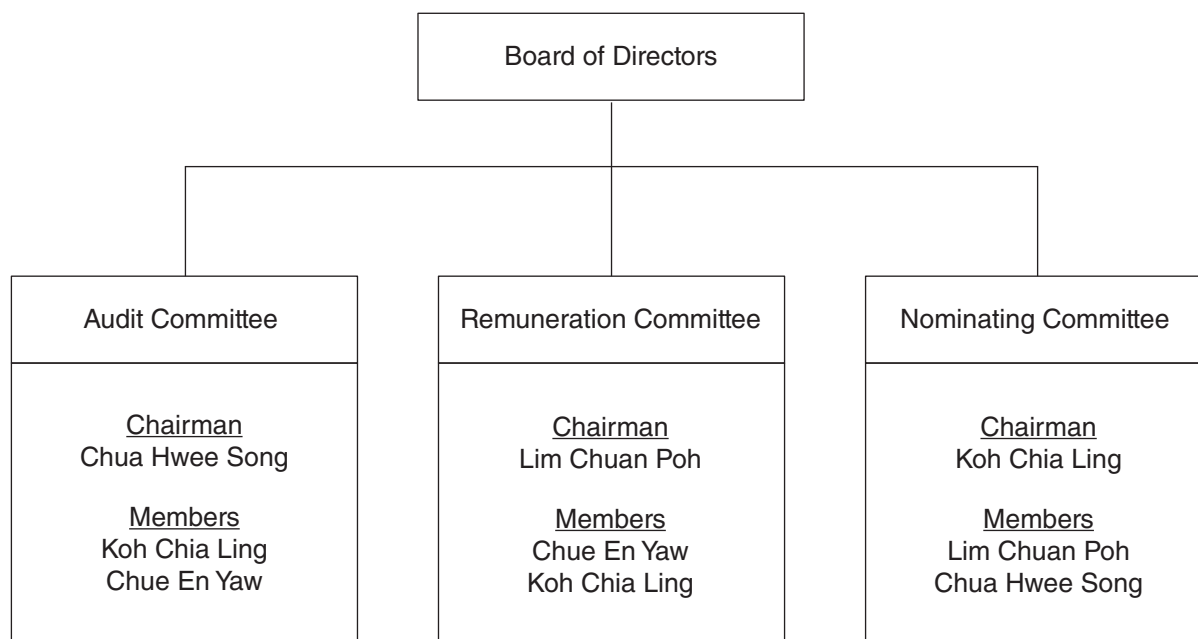
The issuance of new Shares under the Synagie ESOS will have a dilutive impact on our consolidated EPS.

We have made an application to the SGX-ST for permission to deal in and for quotation of the Option Shares which may be issued upon the exercise of the Options to be granted under the Synagie ESOS. The approval of the SGX-ST is not to be taken as an indication of the merits of our Company, our subsidiaries, our Shares, the new Shares, the Option Shares or the Award Shares.

CORPORATE GOVERNANCE

Corporate governance refers to the processes and structure by which the business and affairs of a company are directed and managed, in order to enhance long-term shareholder value through enhancing corporate performance and accountability. Good corporate governance therefore embodies both enterprise (performance) and accountability (conformance).

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders, and will endeavour to comply with the recommendations set out in the Code of Corporate Governance 2012. As a result, our Company has implemented the corporate governance model as set out below:



Based on the above, our Directors are of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by our Board is independent and based on collective decision-making without our Executive Director and CEO being able to exercise considerable power or influence.

Board of Directors

We currently have seven (7) Directors on our Board, comprising three (3) Executive Directors and four (4) Independent Directors.

Our Independent Directors do not have any existing or prior business or professional relationship of a material nature with our Group, our other Directors, CEO and/or Substantial Shareholders. Our Independent Directors are also not related to our other Directors, CEO and/or Substantial Shareholders.

None of our Directors are appointed for any fixed term. Each Director shall retire from office at least once every three (3) years. Directors who retire are eligible to stand for re-election. Our Directors will meet, at a minimum, on a quarterly-yearly basis.

CORPORATE GOVERNANCE

Audit Committee

Our Audit Committee, represented in the chart above, comprises Chua Hwee Song, Koh Chia Ling and Chue En Yaw. The Chairman of our Audit Committee is Chua Hwee Song.

Our business and operations are presently under the management and close supervision of our Executive Directors who are assisted by our Executive Officers.

After our listing on Catalist, our Executive Directors and Executive Officers will manage the business and operations of our Group. The Audit Committee will assist our Board of Directors with regards to discharging its responsibility to safeguard our Company's assets, maintain adequate accounting records, and develop and maintain effective systems of internal controls with an overall objective to ensure that our management has created and maintained an effective control environment in our Company, and that our management demonstrates and stimulates the necessary aspects of our Group's internal control structure among all parties.

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to the Shareholders of our Company. Our Audit Committee will meet periodically to discuss and review the following (non-exhaustive) functions where applicable:

- (a) review with the external auditors the audit plan, their audit report, their management letter and our management's response;
- (b) review with the internal auditors the internal audit plan and their evaluation of the adequacy of our internal control and accounting system before submission of the results of such review to our Board for approval prior to the incorporation of such results in our annual report;
- (c) review the financial statements before submission to our Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
- (d) review the internal control and procedures and ensure co-ordination between the external auditors and our management, reviewing the assistance given by our management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);
- (e) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response;
- (f) review, where applicable, the scope and results of the internal audit procedures;
- (g) review and approve Interested Person Transactions and review procedures thereof;
- (h) review arrangements by which our staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;

CORPORATE GOVERNANCE

- (i) review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;
- (j) conduct periodic review of foreign exchange transactions and hedging policies (if any) undertaken by our Group;
- (k) consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;
- (l) review our Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;
- (m) undertake such other reviews and projects as may be requested by our Board of Directors and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;
- (n) review at least annually our Group's key financial risk areas, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports of our Company or, where the findings are material, to announce such material findings immediately via SGXNET; and
- (o) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time. The Audit Committee shall also commission an annual internal control audit until such time as the Audit Committee is satisfied that our Group's internal controls are robust and effective enough to mitigate our Group's internal control weaknesses (if any). Prior to the decommissioning of such an annual audit, our Board shall report to the SGX-ST and the Sponsor on how the key internal control weaknesses have been rectified, and the basis, for the decision to decommission the annual internal control audit. Thereafter, such audits may be initiated by the Audit Committee as and when it deems fit to satisfy itself that our Group's internal controls remain robust and effective. Upon completion of the internal control audit, appropriate disclosure shall be made via SGXNET on any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by our Board.

Apart from the duties listed above, our Audit Committee will ensure that arrangements are in place for employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Audit Committee will commission and review the findings of internal investigations into such matters or matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on our Group's operating results and financial position. Our Audit Committee will also ensure that the appropriate follow-up actions are taken.

In preparation for our Listing, our Audit Committee has held discussions with the Internal Auditors, PricewaterhouseCoopers Risk Services Pte. Ltd., in relation to our internal controls. During the course of discussions, our Audit Committee was given a broad overview of our Group's current internal control procedures.

Our Board of Directors has also noted that no material internal accounting control weaknesses have been raised by the Independent Auditor and Reporting Accountant, Deloitte, in the ordinary course of their audit of the combined financial statements of our Group for FP2015, FY2016 and FY2017.

CORPORATE GOVERNANCE

Following our Group's listing on Catalist, our Audit Committee will continually review the effectiveness of our internal control procedures and, if necessary, outsource our internal audit function to ensure the adequacy and sufficiency of internal control procedures within our Group.

Based on the foregoing, our Board, after its review of the adequacy and effectiveness of our Company's risk management and internal control systems, including financial, operational, compliance and information technology controls, and after making all reasonable enquiries and to the best of its knowledge and belief, with the concurrence of our Audit Committee, is of the opinion that our internal controls are adequate to address the financial, operational and compliance risks of our Group in accordance with Guideline 11.2 of the Code of Corporate Governance 2012.

Our Audit Committee will be commissioning an annual internal audit until such time as our Audit Committee is satisfied that our internal controls are both adequate and effective to address the financial, operational and compliance risks of our Group. Prior to the decommissioning of such internal audit, our Group will report to our Issue Manager and Full Sponsor on how any key internal control weaknesses have been rectified, and the basis for the decision to decommission the annual internal control audit. Appropriate disclosures will be made via SGXNET or in our annual report of any such decision. Thereafter, such audits may be re-initiated by our Audit Committee as and when it deems fit to satisfy itself that our Group's internal controls remain robust and effective.

Our Audit Committee and Nominating Committee, having (i) conducted an interview with our Group Financial Controller, Jenny Tay; (ii) considered her qualifications and past working experience (as described in the section entitled "Directors and Management – Executive Officers" of this Offer Document); and (iii) observed her abilities, familiarity and diligence in relation to the financial matters and information of our Group, is of the view that she is suitable for the position of Group Financial Controller. Further, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of our Audit Committee and Nominating Committee members to cause them to believe that Jenny Tay does not have the competence, character and integrity expected of a Group Financial Controller of a listed company.

Apart from the duties listed above, our Audit Committee will also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our Company's operating results or financial position. In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing that particular transaction or voting on that particular transaction.

In addition, all future transactions with related parties shall comply with the requirements of the Catalist Rules. As required by paragraph (9)(e) of Appendix 4C of the Catalist Rules, our Directors shall also abstain from voting in any contract or arrangement or proposed contract/arrangement in which he has directly or indirectly a personal material interest.

CORPORATE GOVERNANCE

Remuneration Committee

Our Remuneration Committee represented above comprises Lim Chuan Poh, Chue En Yaw and Koh Chia Ling. The Chairman of our Remuneration Committee is Lim Chuan Poh. Our Remuneration Committee is responsible for the following:

- (a) to recommend to our Board a framework of remuneration for our Directors and Executive Officers, and to determine specific remuneration packages for each Executive Director and any CEO (or executive of equivalent rank), if a CEO is not an Executive Director, such recommendations to be submitted for endorsement by our entire Board and should cover all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, the Awards to be granted under the Synagie Performance Share Plan, the Options to be issued under the Synagie Employee Share Option Scheme and benefits in kind;
- (b) in the case of service contracts (if any) for any Director or Executive Officer, to consider what compensation commitments the Directors' or Executive Officers' contracts of service, if any, would entail in the event of early termination with a view to be fair and avoid rewarding poor performance; and
- (c) in respect of any long-term incentive schemes including share schemes as may be implemented, to consider whether any Director should be eligible for benefits under such long-term incentive schemes.

Each member of our Remuneration Committee shall abstain from voting on any resolution and making any recommendations and/or participating in any deliberations of our Remuneration Committee in respect of matters in which he is interested.

The recommendations of our Remuneration Committee on remuneration of Directors and our Executive Director and CEO should be submitted for endorsement by our entire Board. All aspects of remuneration, including but not limited to Directors' Fees, salaries, allowances, bonuses, and benefits in kind shall be covered by our Remuneration Committee.

Nominating Committee

Our Nominating Committee represented above comprises Koh Chia Ling, Lim Chuan Poh and Chua Hwee Song. The Chairman of our Nominating Committee is Koh Chia Ling. Our Nominating Committee is responsible for the following:

- (a) to make recommendations to our Board on all board appointments, including re-nominations, having regard, to the Director's contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, as an Independent Director; all Directors should be required to submit themselves for re-nomination and re-election at regular intervals and at least every three (3) years;
- (b) to determine annually whether or not a Director is independent;
- (c) in respect of a Director who has multiple board representations in various companies, to decide whether or not such Director is able to and has been adequately carrying out his/her duties as Director, having regard to the competing time commitments that are faced when serving on multiple boards;

CORPORATE GOVERNANCE

- (d) reviewing and approving any new employment of related persons and the proposed terms of their employment;
- (e) reviewing our Directors' mix of skills, experience, core competencies and knowledge of our Group that our Board requires to function competently and efficiently;
- (f) reviewing succession plans for our Executive Directors;
- (g) reviewing the training and professional development programmes for the Board;
- (h) determining and recommending to the Board the maximum number of listed company board representations which any Director may hold and disclosing this in our Company's annual report; and
- (i) to decide how our Board's performance is to be evaluated and propose objective performance criteria, subject to the approval by our Board, which address how our Board has enhanced long term Shareholders' value. Our Board will also implement a process to be proposed by our Nominating Committee for assessing the effectiveness of our Board as a whole and for assessing the contribution of each individual Director to the effectiveness of our Board (if applicable).

Each member of our Nominating Committee shall abstain from voting on any resolution and making any recommendations and/or participating in any deliberations of our Nominating Committee in respect of the assessment of his performance or re-nomination as Director. In the event that any member of our Nominating Committee has an interest in a matter being deliberated upon by our Nominating Committee, he will abstain from participating in the review and approval process relating to that matter.

Our Nominating Committee, after having considered the following:

- (a) the principal occupation and commitments of our Independent Directors, including the number of listed company board representations that each of them has;
- (b) the attendance to-date at board meetings of listed companies that each of our Independent Directors serves as independent directors;
- (c) the confirmations by our Independent Directors that they are able to devote sufficient time and attention to the matters of our Group;
- (d) the professional experience and expertise of our Independent Directors; and
- (e) the composition of our Board,

is of the view that Lim Chuan Poh, Chua Hwee Song, Koh Chia Ling and Chue En Yaw are able to commit sufficient time and resources to discharge their respective duties, and are suitable and possess the relevant experience as Independent Directors of our Company. Each of the Independent Directors had also informed the respective nominating committees of the listed companies whom they serve as directors with regard to their appointment as our Independent Directors.

CORPORATE GOVERNANCE

Chue En Yaw, our Independent Director, is also a holder of Series A Convertible Notes with a face value of S\$200,000 which was converted into Shares upon the Listing. Following the conversion of his Series A Convertible Notes, Chue En Yaw became a shareholder of our Company.

Our Nominating Committee considers Chue En Yaw to be an Independent Director despite him being a Shareholder with the conversion of his Series A Convertible Notes into Shares for the following reasons:

- (i) Chue En Yaw is an experienced fund manager with more than 20 years of experience in the private equity and fund management industry, holding senior positions such as Director, Private Equity Fund Investments of Temasek International Pte. Ltd. from 2010 to 2017. Our Nominating Committee believes that Chue En Yaw will be able to exercise his independent judgement in relation to our Company; and
- (ii) Chue En Yaw holds 1,481,481 Shares representing 0.6% of the total Shares of our Company immediately after the Invitation, and is considered to be an independent director under Guideline 2.3 of the Code of Corporate Governance 2012 which provides that an “independent” director is one who has no relationship with our Company, its related corporations, its 10.0% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgement with a view to the best interests of our Company.

Our Nominating Committee is of the view that Chue En Yaw’s appointment as our Independent Director would not be affected by his investment in the Series A Convertible Notes and the Shares owned by Chue En Yaw in our Company.

Board Practices

Our Directors are appointed by our Shareholders at a general meeting, and an election of Directors takes place annually. None of our Directors are appointed for any fixed terms. Each Director shall retire from office once every three (3) years and for this purpose, at each annual general meeting, at least one-third of our Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. A retiring Director shall be eligible for re-election at the meeting at which he retires. Further details on the appointment and retirement of Directors can be found in the section entitled “Selected Extracts of Our Constitution” in Appendix C of this Offer Document.

DESCRIPTION OF ORDINARY SHARES

The following statements are brief summaries of the rights and privileges of our Shareholders conferred by the laws of Singapore and the Constitution of our Company.

The following description summarises the material provisions of our Constitution but is qualified by reference to our Constitution, a copy of which is available for inspection at our registered office during normal business hours for a period of six (6) months from the date of this Offer Document.

Ordinary Shares

There are no founders, management, deferred or unissued shares reserved for issue for any purpose. We have only one (1) class of shares, namely, our ordinary shares which have identical rights in all respects and rank equally with one another. All of the ordinary shares are in registered form. Our Company may, subject to the provisions of the Companies Act and the rules of the SGX-ST, purchase our Shares. However, it may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of its own Shares.

Invitation Shares

New Shares may only be issued with the prior approval in a general meeting of our Shareholders. The aggregate number of Shares to be issued pursuant to such approval may not exceed 100.0% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital for the time being, of which the aggregate number of shares to be issued other than on a pro-rata basis to our Shareholders shall not exceed 50.0% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital for the time being (the percentage of issued share capital being based on our issued Shares (excluding treasury shares) at the time such authority is given after adjusting for new Shares arising from the conversion of convertible securities or employee share options on issue at the time such authority is given and any subsequent bonus issue, consolidation or sub-division of Shares). The approval, if granted, will lapse at the conclusion of the annual general meeting following the date on which the approval was granted or the date by which the annual general meeting is required by law to be held, whichever is the earlier but any approval may be previously revoked or varied by our Company in general meeting. Subject to the foregoing, the provisions of the Companies Act and any special rights attached to any class of shares currently issued, all new Shares are under the control of our Board who may allot and issue the same with such rights and restrictions as it may think fit.

Shareholders

Only persons who are registered in the register of Shareholders of our Company and, in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for the Shares, are recognised as our Shareholders. Our Company will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share or of the person whose name is entered in the Depository Register for that Share. Our Company may close the register of Shareholders for any time or times if it provides the SGX-ST at least ten (10) clear market days' notice. However, the register of Shareholders may not be closed for more than 30 days in aggregate in any calendar year. Our Company typically closes the register of Shareholders to determine Shareholders' entitlement to receive dividends and other distributions.

DESCRIPTION OF ORDINARY SHARES

Transfer of Shares

There is no restriction on the transfer of fully paid Shares except where required by law or the Catalist Rules or the rules or by-laws of any stock exchange on which our Company is listed. Our Board may decline to register any transfer of Shares which are not fully paid Shares, or Shares on which our Company has a lien. Our Shares may be transferred by a duly signed instrument of transfer in a form approved by the SGX-ST or any stock exchange on which our Company is listed.

Our Board may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as it may require. Our Company will replace lost or destroyed certificates for Shares if it is properly notified and if the applicant pays a fee which will not exceed S\$2.00 and furnishes any evidence and indemnity that our Board may require.

General Meetings of Shareholders

Our Company is required to hold an annual general meeting every year. Our Board may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than 10.0% of the total voting rights of all Shareholders request in writing that such a meeting be held. In addition, two (2) or more Shareholders holding not less than 10.0% of the issued share capital of our Company (excluding treasury shares) may call a meeting. Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to our Constitution, a change of the corporate name and a reduction in the share capital. Our Company must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to every Shareholder who has supplied our Company with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be a Shareholder. A person who holds ordinary shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register maintained by CDP 72 hours before the general meeting. Except as otherwise provided in our Constitution, two (2) or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution, on a show of hands, every Shareholder present in person and by proxy shall have one (1) vote (provided that in the case of a Shareholder who is represented by two (2) proxies, only one (1) of the two (2) proxies as determined by that Shareholder or, failing such determination, by the Chairman of the meeting in his sole discretion, shall be entitled to vote on a show of hands), and on a poll, every Shareholder present in person or by proxy shall have one (1) vote for each Share which he holds or represents. A poll may be required by the listing rules of any stock exchange upon which our Shares are listed, or if not, be demanded in certain circumstances, including by the chairman of the meeting or by any Shareholder or Shareholders present in person or by proxy and representing not less than 5.0% of the total voting rights of all Shareholders having the right to attend and vote at the meeting or by not less than two (2) Shareholders present in person or by proxy and entitled to vote. In the case of an equality of vote, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

DESCRIPTION OF ORDINARY SHARES

Dividends

Our Company may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but it may not pay dividends in excess of the amount recommended by our Board. Our Company must pay all dividends out of our profits. Our Board may also declare an interim dividend without the approval of our Shareholders. All dividends are paid pro-rata among our Shareholders in proportion to the amount paid up on each Share, unless the rights attaching to an issue of any Share provide otherwise. Unless otherwise directed, dividends are paid by cheque, draft, post office order, or warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that Shareholder in respect of that payment.

Bonus and Rights Issues

Our Board may, with approval by our Shareholders at a general meeting, capitalise any reserves or profits and distribute the same as bonus Shares credited as paid-up to our Shareholders in proportion to their shareholdings. Our Board may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which our Company is listed.

Take-overs

Under the Singapore Code on Take-overs and Mergers ("**Singapore Take-over Code**"), issued by the Authority pursuant to Section 321 of the SFA, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting Shares must extend a takeover offer for the remaining voting Shares in accordance with the provisions of the Singapore Take-over Code. In addition, a mandatory takeover offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% of the voting rights acquires additional voting shares representing more than 1.0% of the voting shares in any six (6) month period. Under the Singapore Take-over Code, the following individuals and companies will be presumed to be persons acting in concert with each other unless the contrary is established:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;

DESCRIPTION OF ORDINARY SHARES

- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its customer in respect of the shareholdings of:
 - (i) the adviser and persons controlling, controlled by or under the same control as the adviser; and
 - (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the customer total 10.0% or more of the customer's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act in accordance with the instructions of (i);
 - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
 - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Under the Singapore Take-over Code, a mandatory offer made with consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert within the preceding six (6) months.

Liquidation or Other Return of Capital

If our Company is liquidated or in the event of any other return of capital, holders of Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

DESCRIPTION OF ORDINARY SHARES

Indemnity

As permitted by Singapore law, our Constitution provides that, subject to the Companies Act, our Board and officers shall be entitled to be indemnified by our Company against any liability incurred in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to have been done as an officer, director or employee and in which judgment is given in their favour or in which they are acquitted or in connection with any application under any statute for relief from liability in respect thereof in which relief is granted by the court. Our Company may not indemnify our Directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to our Company.

Limitations on Rights to Hold or Vote Shares

Except as described in “Voting Rights” and “Take-overs” above, there are no limitations imposed by Singapore law or by our Constitution on the rights of non-resident Shareholders to hold or vote in respect of our Shares.

Minority Rights

The rights of minority Shareholders of Singapore-incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any Shareholder of our Company, as they think fit to remedy any of the following situations:

- (a) our affairs are being conducted or the powers of our Board are being exercised in a manner oppressive to, or in disregard of the interests of, one (1) or more of our Shareholders; or
- (b) we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one (1) or more of our Shareholders, including the applicant.

Singapore courts have wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, Singapore courts may:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of our affairs in the future;
- (c) authorise civil proceedings to be brought in the name of, or on behalf of, our Company by a person or persons and on such terms as the court may direct;
- (d) provide for the purchase of a minority Shareholder’s shares by our other Shareholders or by us and, in the case of a purchase of Shares by us, a corresponding reduction of our share capital;
- (e) provide that our Constitution be amended; or
- (f) provide that we be wound up.

EXCHANGE CONTROLS

SINGAPORE

There are no Singapore governmental laws, decrees, regulations or other legislation in force that may affect:

- (a) the import or export of capital, including the availability of cash and cash equivalents for use by our Group; and
- (b) the remittance of dividends, interest or other payments to non-resident holders of our Company's securities.

MALAYSIA

The Financial Services Act 2013 is an Act to provide for the regulation and supervisions of financial institutions, payment systems and other relevant entities and the oversight of the money market and foreign exchange market to promote financial stability and for related, consequential or incidental matters. The Central Bank of Malaysia has issued the foreign exchange administration notices in exercise of the powers conferred by amongst others, subsection 214(2), (5),(6) and section 261 of the Financial Services Act 2013. The foreign exchange administration rules are mainly prudential measures to support the overall macroeconomic objective of maintaining monetary and financial stability in Malaysia. The foreign exchange administration rules are administered by the Foreign Exchange Administration department of the Central Bank of Malaysia. The foreign exchange policies monitor and regulate both residents and non-residents. Under the Foreign Exchange Administration Rules issued by the Central Bank of Malaysia, specifically, Notice 4 on Payments, non-residents are allowed to repatriate funds from Malaysia, including any income earned or proceeds from divestment of ringgit asset, provided that the repatriation is made in foreign currency, subject to the applicable reporting requirements and any withholding tax. In the event the Central Bank of Malaysia introduces any restrictions in the future, we may be affected in our ability to repatriate dividends or distributions from our Malaysian subsidiary and our Company.

TAXATION

SINGAPORE

The following is a general discussion of certain tax matters relating to Singapore income tax, dividend distributions, capital gains tax, bonus shares, stamp duty, GST and estate duty consequences in relation to the purchase, ownership and disposal of the Shares. The discussion is based on current tax laws in Singapore and administrative guidelines issued by the relevant authorities in force. It is not intended to be and does not constitute legal or tax advice.

While this discussion is considered to be a correct interpretation of existing laws and administrative guidelines in force as at the date of this Offer Document, no assurance can be given that the courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such law, which may be retrospective, will not occur. The discussion is limited to a general description of certain tax consequences in Singapore with respect to ownership of the Shares by Shareholders, and does not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a Shareholder's decision with regard to the Invitation.

Shareholders should consult their own tax advisors regarding Singapore income tax and other consequences of owning and disposing of the Shares. It is emphasised that neither our Company, our Directors nor any other persons involved in this Invitation accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of our Shares.

Singapore Income Tax

Corporate Income Tax

Singapore taxes income on a quasi-territorial basis i.e. tax is imposed on income that is accrued in or derived from Singapore (i.e., Singapore sourced income), as well as foreign sourced income if it is received or deemed received in Singapore unless otherwise exempt. This applies to both resident and non-resident companies.

Foreign sourced income in the form of branch profits, dividends and service fee income ("**specified foreign income**") received or deemed received in Singapore by a Singapore tax resident are exempt from tax in Singapore, subject to meeting certain qualifying conditions.

A company is regarded as a tax resident in Singapore if the control and management of the company's business is exercised in Singapore. Generally, the control and management of the company is vested in its board of directors. To the extent that the board of directors hold board meetings to make strategic decisions and key policies of the company in Singapore, the company may be regarded as a Singapore tax resident for corporate income tax purposes.

The prevailing corporate tax rate is 17.0% of chargeable income after tax exemption scheme for new start-up companies or partial tax exemption (where applicable).

TAXATION

The tax exemption scheme for new start-up companies provides a tax exemption on the first S\$100,000 and a further 50.0% exemption on the next S\$200,000 of the normal chargeable income of companies that are incorporated in and tax resident of Singapore for each of the first three (3) consecutive Years of Assessment upon incorporation, subject to meeting certain conditions. It has been announced in the 2018 Budget that with effect from the Year of Assessment (“YA”) YA 2020, the tax exemption scheme for new start-up companies will be limited to the first S\$200,000 (instead of S\$300,000) of the normal chargeable income. The tax exemption on the first S\$100,000 will also be reduced from 100.0% to 75.0%.

Partial tax exemption is available for companies that do not qualify for the above tax exemption scheme for new start-up companies on their first S\$300,000 of normal chargeable income – 75.0% of the first S\$10,000 and 50.0% of the next S\$290,000 (i.e. maximum partial tax exemption claimable = S\$152,500). Unlike the tax exemption scheme for new start-up companies, there are no conditions attached for partial tax exemption. It is announced in the 2018 Budget that with effect from YA 2020, the partial tax exemption scheme will be limited to the first S\$200,000 (instead of S\$300,000) of the normal chargeable income – 75.0% of the first S\$10,000 and 50.0% of the next S\$190,000.

It is announced in the Budget 2018 that the corporate income tax rebate will be raised to 40.0% of the corporate income tax payable for the YA 2018, subject to a cap of S\$15,000. The corporate income tax rebate will be extended to YA 2019 at 20.0% of the corporate income tax payable, subject to a cap of S\$10,000.

Individual Income Tax

All individuals (both residents and non-residents) are subject to Singapore income tax on income accruing in or derived from Singapore (i.e. Singapore sourced income), subject to certain exceptions.

Foreign-sourced income received or deemed received by individual taxpayers, regardless of whether they are residents or non-residents of Singapore, are generally exempt from income tax in Singapore except for such income received through a partnership in Singapore. Certain Singapore-sourced investment income received or deemed received by individuals are also exempt from tax.

Currently, a Singapore tax resident individual is subject to tax at progressive rates ranging from 0.00% to 22.0%, after deductions of relevant qualifying reliefs.

A non-Singapore tax resident individual is taxed at 22.0% on their income derived in Singapore (e.g. director’s fees) except for employment income derived in Singapore. The said employment income will be taxed at the higher of a flat rate of 15.0% or resident tax rate.

An individual is regarded as a tax resident in Singapore if in the calendar year preceding the year of assessment, he was physically present in Singapore or exercised an employment in Singapore for 183 days or more, or if he ordinarily resides in Singapore except for temporary absences. As an administrative concession, a foreigner whose stay in Singapore, including work, is for a continuous period of three (3) consecutive years or at least 183 days straddling two (2) calendar years will be treated as a Singapore tax resident for each of the three (3) years or two (2) years respectively.

TAXATION

Dividend Distributions

Singapore currently adopts a one-tier corporate tax system whereby the tax paid by a resident company is a final tax. As a result, all dividends paid by a Singapore tax resident company are exempt from tax in the hands of its shareholders, regardless of the tax residency status or the legal form of the Shareholders. Singapore does not impose withholding tax on dividends paid to non-resident shareholders.

Capital Gains Tax

Singapore currently does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains and one would have to rely on its ordinary meaning or principles derived from case laws. In general, gains or profits derived from the disposal of our Shares acquired for long-term investment purposes are considered as capital gains and not subject to Singapore tax.

On the other hand, where such gains or profits arise from activities which the Comptroller of Income Tax regards as the carrying on of a trade or business of dealing in shares in Singapore, gains or profits will ordinarily be taxed as income.

Subject to certain conditions, in the case of companies disposing of ordinary shares during the period from 1 June 2012 to 31 May 2022 (both dates inclusive), will not be taxed on the gains derived from the disposal of such shares if:

- (a) The divesting company holds a minimum shareholding of 20.0% in the company whose shares are being disposed; and
- (b) The divesting company maintains the minimum 20.0% shareholding for a minimum period of 24 months just prior to the disposal.

For share disposals in other scenarios, the tax treatment of the resulting gains/losses will continue to be determined based on a consideration of the specific facts and circumstances.

FRS 39 Financial Instruments: Recognition and Measurement (“FRS 39”) Tax Treatment

With effect from 1 January 2005, the income tax treatment of financial instruments on revenue account has been aligned with the accounting treatment under FRS 39. Gains or losses recognised in the profit or loss account arising from the disposal of our Shares that are held on revenue account will be taxed or allowed as a deduction notwithstanding that such gains or losses are not realised. Gains or losses arising from our Shares that are held on capital account will not be taxed or allowed as a deduction.

TAXATION

FRS 109 Financial Instruments (“FRS 109”) Tax Treatment

The FRS 109 replaces the existing FRS 39 and it applies to companies for financial years beginning on or after 1 January 2018.

Generally, the tax treatment of financial assets and liabilities on revenue account that are recognised and measured under FRS 109 will generally be aligned with the accounting treatment. There is no option for companies to opt out of the FRS 109 tax treatment. Any gains or losses arising from our Shares that are held on revenue account recognised in the profit and loss account will be taxed or allowed as a deduction, regardless of whether the gains or losses are realised or not. Gains or losses arising from our Shares held on capital account will not be taxed or allowed as a deduction.

For equity instruments on revenue account measured at fair value through other comprehensive income (“OCI”), the gain or loss recognised in OCI will not be taxed or allowed as a deduction until they are realised. Therefore, at the time of de-recognition, the cumulative gains or losses recognised and remaining in OCI will be taxed or allowed as a deduction.

Shareholders who are impacted by FRS 109 are advised to consult their own tax advisers accordingly.

Bonus Shares

Any bonus Shares received by our Shareholders are not taxable.

Stamp Duty

There is no stamp duty payable on the subscription, allotment or holding of our Shares.

Stamp duty is payable on the instrument of transfer of our Shares at the rate of 0.2%, computed on the consideration paid or market value of our Shares registered in Singapore, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no transfer instrument is executed (such as in the case of scripless shares, the transfer of which does not require instruments of transfer to be executed) or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

Given that our Shares will be listed on Catalist and there is no document executed for the transfer of “scripless” shares via the CDP, stamp duty is not payable.

TAXATION

GST

The sale of our Shares by an investor belonging in Singapore to another person belonging in Singapore is an exempt supply for GST purposes.

Where our Shares are sold by a GST-registered investor in the course of a business to a person belonging outside Singapore, and that person is outside Singapore when the sale is executed, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at zero-rate. Any input GST incurred by a GST-registered investor in the making of this supply in the course of or furtherance of a business carried on by him is recoverable from the Comptroller of GST.

Services such as brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of our Shares will be subject to GST at the current rate of 7.0%. Similar services rendered to an investor belonging outside Singapore is generally subject to GST at zero-rate, provided that the investor is outside Singapore when the services are performed and the services provided do not benefit any Singapore persons.

Estate duty

With effect from 15 February 2008, Singapore estate duty has been abolished.

TAXATION

MALAYSIA

The following discussion describes the material Malaysian tax on dividend and tax on gains from the sale of shares in a Malaysian company.

Dividend Distributions

Under the Malaysian tax legislation, in general, income accruing in or derived from Malaysia is subject to income tax in Malaysia. Income of any person derived from sources outside Malaysia and received in Malaysia (other than a resident company carrying on the business of banking, insurance, shipping and air transportation) is exempted from income tax.

The Malaysian taxation of dividend distribution is under the single tier system whereby corporate income is taxed at corporate level and this is a final tax. Single tier dividends paid or credited by a company which is tax resident in Malaysia ("**Malaysian resident company**") is deemed derived from Malaysia but exempted from income tax in the hands of the shareholders.

A company is tax resident in Malaysia if the control and management of its business are exercised in Malaysia.

Dividends paid by a Malaysian resident company from its tax exempt income account are also tax exempt in the hands of its shareholders.

There is no dividend withholding tax in Malaysia currently. Resident companies are currently taxed at the rate of 24.0% while resident companies incorporated in Malaysia which have paid-up capital in respect of ordinary shares of MYR2.5 million and less⁽¹⁾ are taxed at the following scale rates:

Chargeable income	Year of Assessment 2017 onwards
The first MYR500,000	18.0%
In excess of MYR500,000	24.0%

Note:

(1) The companies must not be part of a group of companies where any of their related companies have a paid-up capital of more than MYR2.5 million.

For the years of assessment 2017 and 2018, subject to fulfilment of conditions, resident companies incorporated in Malaysia which achieve an incremental chargeable income (from business source) as compared to the immediate preceding year of assessment may enjoy a reduction of income tax rate of up to 4.0% on the incremental chargeable income.

TAXATION

Gains on Disposal of the Shares in a Malaysian company

There is no capital gains tax in Malaysia except for real property gains tax (“**RPGT**”) which is charged upon gains arising from the disposal of real property in Malaysia or shares in a real property company.

A real property company is defined as:

- (a) a controlled company which, as at 21 October 1988, owns real property or shares or both, the defined value of which is not less than 75.0% of the value of its total tangible assets; or
- (b) a controlled company to which subparagraph (a) is not applicable, but which, at any date after 21 October 1988, acquires real property or shares or both whereby the defined value of real property or shares or both owned at that date is not less than 75.0% of the value of its total tangible assets,

Provided that where at any date the company disposes of real property or shares or both whereby the defined value of real property or shares or both owned at that date and thereafter is less than 75.0% of the value of its total tangible assets, that company shall not be regarded as real property company as from that date.

“Real property” means any land situated in Malaysia and any interest, option or other right in or over such land.

Any gains from the sale of the shares in a Malaysian company not being a real property company would not be subject to RPGT in Malaysia. Any gains from the sale of shares in a Malaysian company by a person who deals in shares made pursuant to a profit-making scheme may be regarded as income and is subject to income tax under the Malaysia Income Tax Act, 1967.

Stamp duty

Stamp duty is chargeable on the instrument of transfer of shares in a non-listed Malaysian company and is payable by the transferee. Stamp duty on transfer of unlisted shares in a Malaysian company is chargeable at a rate of 0.3% on the consideration or the value of the shares transferred, whichever is higher. Relief from stamp duty may be available for transfer between associated limited liabilities companies upon fulfilling certain conditions.

Instruments executed in Malaysia which are chargeable with duty must be stamped within 30 days from the date of execution. When the instruments are executed outside Malaysia, they must be stamped within 30 days after they have first been received in Malaysia.

GST

The current Malaysian Government has announced the abolishment of GST and reintroduction of the sales tax and service tax recently. Pending the legislations for the formal removal of GST and reintroduction of sales tax and service tax, all goods and services that were subject to GST at 6.0% will be reduced to 0.0% with effect from 1 June 2018. The sale of shares in a Malaysian company is not subject to GST.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of CDP, and all dealings in and transactions of the Shares through Catalist will be effected in accordance with the terms and conditions for the operation of securities accounts with CDP, as amended, modified or supplemented from time to time.

CDP, a wholly-owned subsidiary of the Singapore Exchange Limited, was incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the securities accounts maintained by such account holders with CDP.

Our Shares will be registered in the name of CDP or its nominees and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP. Persons named as direct securities account holders and depository agents in the depository register maintained by CDP, will be treated, under our Constitution and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective securities accounts.

Persons holding our Shares in securities accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be *prima facie* evidence of title and may be transferred in accordance with our Constitution. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing the Shares from the book entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2.00 or such other amount as our Directors may decide, is payable to the Share Registrar for each share certificate issued and stamp duty of S\$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S\$0.20 per S\$100.00 or part thereof of the last transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on Catalist must deposit with CDP their share certificates together with the duly executed and (where necessary) stamped instruments of transfer in favour of CDP, and have their respective securities accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10.00, subject to GST at the prevailing rate (currently 7.0%) is payable upon the deposit of each instrument of transfer with CDP. The above fee may be subject to such changes as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time. Transfers and settlements pursuant to on-exchange trades will be charged a fee of S\$30.00 and transfers and settlements pursuant to off-exchange trades will be charged a fee of 0.015% of the value of the transaction, subject to a minimum of S\$75.00.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Shares sold and the buyer's securities account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.0325% of the transaction value subject to a maximum of S\$600.00 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST at the prevailing rate of 7.0% (or such other rate prevailing from time to time).

CLEARANCE AND SETTLEMENT

Dealing in our Shares will be carried out in Singapore Dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal “ready” basis on Catalist generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct account with CDP or a sub-account with a depository agent. The CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

GENERAL AND STATUTORY INFORMATION

INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

1. Save as disclosed below, none of our Directors, Executive Officers and Controlling Shareholder:
 - (a) has, at any time during the last ten (10) years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time or at any time within two (2) years from the date he ceased to be a partner;
 - (b) has, at any time during the last ten (10) years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or key executive at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two (2) years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
 - (c) has any unsatisfied judgement against him;
 - (d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
 - (e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;
 - (f) has, at any time during the last ten (10) years, had judgment entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, nor has he been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
 - (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
 - (h) has ever been disqualified from acting as a director or equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
 - (i) has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;

GENERAL AND STATUTORY INFORMATION

- (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,
- in connection with any matter occurring or arising during the period when he was so concerned with the corporation or partnership entity or business trust; and
- (k) has ever been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Clement Lee

Clement Lee started a design consultancy Foloca Design as a sole proprietorship and Foloca Public Relations as a partnership at the age of 21 in the year 1990. At the age of 25 years, Mr Lee formed Kingfisher Holdings Pte Ltd with a few partners and acted as the company's director from 7 July 1994. He was also a director of Trigram International Pte Ltd, Kingfisher Films Pte Ltd, Kingfisher Music Pte Ltd, Illum Design Associates Pte Ltd, Foloca Design (Singapore) Pte Ltd, Kingfisher Investments Pte Ltd and Wallace Jonason & Associates Pte Ltd. After the middle of the 1990's the said group of companies ran into financial difficulties. As one other local director had resigned and due to the inability to locate the remaining directors, the Annual Returns of the various companies could not be filed. As a result, various Registry of Companies and Businesses ("**RCB**") summonses were therefore issued against Mr Lee. Fines payable pursuant to the summonses have been fully satisfied by Mr Lee personally.

A further effect of the financial difficulties of the group was that the company was unable to continue paying Mr Lee a salary or making CPF contributions for him and other employees. As a result, CPF summonses were issued against Mr Lee, as a director of the said companies in respect of Kingfisher Investments Pte Ltd and Kingfisher Holding Pte Ltd. Outstanding CPF contributions and fines payable pursuant to these summonses have been fully satisfied by Mr Lee personally. Mr Lee resigned as a director of the abovementioned companies as of 1 September 1999.

GENERAL AND STATUTORY INFORMATION

Mr Lee was also the only local director of the following companies: Fischer Entertainment Pte Ltd, Maestro Holdings Pte Ltd and Opus Entertainment Pte Ltd. Owing to the inability of locating the remaining foreign directors, the Annual Returns of these various companies could not be filed and RCB summonses were therefore issued against Mr Lee. Fines payable in respect of the summonses have been fully satisfied by Mr Lee personally. Mr Lee resigned as director of Fischer Entertainment Pte Ltd on 11 July 2000, and resigned from the remaining two (2) companies as director on 19 August 1999.

Mr Lee was appointed a director of Fischer Entertainment Pte Ltd on 12 September 1996, which ceased operations in 1999 and became dormant. The directors of the company decided to strike it off the register on 18 July 2002. Mr Lee was also a director of Club Beverly Pte Ltd from 12 December 1996, which underwent a members voluntary winding up on 5 October 1999. Mr Lee was appointed as director of Kingfisher Holdings Pte Ltd on 7 July 1994. Although a winding up petition was filed by a creditor against the company on 12 September 1996, the same was subsequently withdrawn on 11 October 1996. Mr Lee was also the director of Kingfisher Productions Pte Ltd from 17 February 1993, which was compulsorily wound up effective 18 July 1996. This winding up severely affected the group's operations and its ability to operate.

As a result of the financial difficulty of the group of companies, Mr Lee personally secured loans from various banking institutions and individuals to finance the activities of various companies in the group by way of a loan to the group. Various judgments were subsequently obtained against him when the group of companies were not able to repay the loans to him which in turn affected his ability to repay the loans or service the various facilities. All judgments obtained against Mr Lee have been fully resolved.

Flowing from the judgments obtained and various other loans from banking institutions and individuals incurred by Mr Lee, various bankruptcy petitions were lodged against Mr Lee in the years 1996 to 1998. All bankruptcy petitions (lodged from 1996 to 1998) were withdrawn against Mr Lee, with the exception of one petition, which was dismissed.

Between 1998 to 2003, Mr Lee took up employment abroad. During the time Mr Lee was abroad, and without his knowledge: (a) Mr Lee was adjudged a bankrupt (in respect of a petition, lodged against him in June 1999) on 20 August 1999 for which he satisfied all debts owing by him fully and a Certificate of Annulment was issued by the court on 29 December 2003; (b) several Warrants of Arrest were issued against Mr Lee for failure to attend in court in respect of various RCB and CPF summonses issued as mentioned above; and (c) two (2) Inland Revenue Authority of Singapore summonses were issued against Mr Lee for failing to file his personal Income Tax Return for the years 1997 and 1998. Fines for the same have been fully satisfied by Mr Lee.

In 1990, Mr Lee was remanded by the police to assist in an investigation into an alleged offence under the Penal Code but he was subsequently unconditionally released.

In 2007, Mr Lee was fined S\$2,000 and had his license suspended for twelve months in relation to a drink driving offence.

In February 2018, Mr Lee wrote in to the Crime Registry of the Singapore State Courts and the Crime Registry, which keeps full records only from year 2000 onwards, confirmed that there were no records for Mr Lee, save for a record in relation to the drink driving offence which he committed in 2007.

GENERAL AND STATUTORY INFORMATION

2. There is no shareholding qualification for Directors under the Constitution of our Company.
3. No sum or benefit has been paid or is agreed to be paid to any Director or expert, or to any firm in which such Director or expert is a partner or any corporation in which such Director or expert holds shares or debentures, in cash or shares or otherwise, by any person to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by such firm or corporation in connection with the promotion or formation of our Company.
4. Save as disclosed above and in the sections entitled “Interested Person Transactions – Potential Conflict of Interests” and “Restructuring Exercise” of this Offer Document:
 - (a) none of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has had any interest, direct or indirect, in any transactions to which our Company was or is to be a party;
 - (b) none of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has any interest, direct or indirect, in any company carrying on the same business or a similar trade which competes materially and directly with the existing business of our Group;
 - (c) none of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has any interest, direct or indirect, in any company that is our customer or supplier of goods and services; and
 - (d) none of our Directors has any interest in any existing contract or arrangement which is significant in relation to the business of our Company and our subsidiaries, taken as a whole.

SHARE CAPITAL

1. As at the Latest Practicable Date, there is only one (1) class of shares in the capital of our Company. There are no founder, management or deferred shares. The rights and privileges attached to our Shares are stated in the Constitution of our Company.
2. Save as disclosed below and in the sections entitled “Share Capital” and “Restructuring Exercise” of this Offer Document, there are no changes in the issued and paid-up share capital of our Company and our subsidiaries within the last three (3) years preceding the Latest Practicable Date.

GENERAL AND STATUTORY INFORMATION

BTFL

Date of shares issued	Number of shares issued and/ registered share capital contributed	Consideration Price per share	Purpose of change in capital	Resultant paid-up share capital/ registered share capital
1 September 2015	1,000,000	S\$1.00	Working capital	S\$2,000,000 ⁽¹⁾
28 December 2015	1,500,000	S\$1.00	Working capital	S\$3,500,000
24 October 2016	140,777	S\$4.12	Working capital	S\$4,080,000
17 May 2017 ⁽²⁾	1,820,389	S\$0.55	Working capital	S\$5,080,000
8 November 2017	470,976	S\$5.56	Working capital	S\$7,400,000

Notes:

- (1) BTFL had a resultant paid-up share capital of S\$1,000,000 prior to 1 September 2015.
(2) Pursuant to a rights issue made available to the then Shareholders of BTFL.

Synagie Malaysia

Date of shares issued	Number of shares issued and/ registered share capital contributed	Consideration Price per share	Purpose of change in capital	Resultant paid-up share capital/ registered share capital
24 November 2017	249,999	MYR1.00	Working capital	MYR250,000 ⁽¹⁾
26 February 2018	1,000,000	MYR1.00	Working capital	MYR1,250,000

Note:

- (1) Synagie Malaysia had a resultant paid-up share capital of MYR1.00 prior to 24 November 2017.

Synagie Insurtech

Date of shares issued	Number of shares issued and/ registered share capital contributed	Consideration Price per share	Purpose of change in capital	Resultant paid-up share capital/ registered share capital
1 June 2018	99,999	S\$1.00	Working capital	S\$100,000 ⁽¹⁾

Note:

- (1) Synagie Insurtech had a resultant paid-up share capital of S\$1.00 prior to 1 June 2018.

GENERAL AND STATUTORY INFORMATION

Synagie PL

Date of shares issued	Number of shares issued and/ registered share capital contributed	Consideration Price per share	Purpose of change in capital	Resultant paid-up share capital/ registered share capital
14 June 2018	1,299,999	S\$1.00	Working capital	S\$1,300,000 ⁽¹⁾

Note:

(1) Synagie PL had a resultant paid-up share capital of S\$1.00 prior to 14 June 2018.

3. Save as disclosed in the sections entitled “Share Capital” and “Restructuring Exercise” of this Offer Document, no shares in, or debentures of, our Company or any of our subsidiaries has been issued, or are proposed to be issued, as fully or partially paid for cash or for a consideration other than cash, during the last three (3) years preceding the date of lodgement of this Offer Document.
4. No person (including a Director or Executive Officer) has been, or is entitled to be, given an option to subscribe for or purchase any shares in or debentures of our Company and its subsidiaries.
5. Apart from the Synagie Performance Share Plan and the Synagie Employee Share Option Scheme, our Company does not have any arrangement that involves the issue or grant of shares to the employees of our Group.
6. The interests of our Directors and Substantial Shareholders in our Shares as at the Latest Practicable Date and as recorded in the Register of Directors’ Shareholdings and the Register of Substantial Shareholders maintained under the provisions of the Companies Act are set out in the section entitled “Shareholders” of this Offer Document.

MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by our Company and our subsidiaries within the two (2) years preceding the date of lodgement of this Offer Document and are or may be material:

- (a) the Management and Full Sponsorship Agreement and the Underwriting and Placement Agreement which are referred to in the section entitled “Plan of Distribution – Management, Underwriting and Placement Arrangements” of this Offer Document;
- (b) the Pre-IPO Investment Agreements which are referred to in the section entitled “Restructuring Exercise” of this Offer Document;
- (c) the TPA Agreement which is referred to in the section entitled “Restructuring Exercise” of this Offer Document; and
- (d) the Share Swap Agreement which is referred to in the section entitled “Restructuring Exercise” of this Offer Document.

Save as disclosed above, our Group has not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two (2) years preceding the date of this Offer Document.

GENERAL AND STATUTORY INFORMATION

LITIGATION

Save as disclosed below, to the best of our knowledge and belief, having made all reasonable enquiries, neither our Company nor any of our subsidiaries is engaged in any legal or arbitration proceedings as plaintiff or defendant, including those which are pending or known to be contemplated, which may have or which have had in the 12 months immediately preceding the date of lodgement of the Offer Document, a material effect on our Group's financial position or profitability of our Company or our subsidiaries or associated companies.

Super D Express Pte. Ltd. ("Super D") vs BTFL

On 28 October 2016, Super D commenced an action (DC/DC 3496/2016) against BTFL in respect of their unpaid invoices issued to BTFL for services rendered amounting to S\$76,312 ("**Suit**").

On 3 January 2017, the solicitors for Super D, M/s Pacific Law Corporation ("**Pacific Law**") filed an application for Summary Judgment under Order 14 of the Rules of Court. An application for Summary Judgment may be applied by the plaintiff in a suit if the defendant has entered appearance and filed a defence but the plaintiff is of the view that the defendant has no real defence to the claim.

The hearing was before the learned Deputy Registrar ("**DR**") on 28 March 2017 wherein the application was dismissed with costs of S\$4,800 awarded to BTFL. As the application was dismissed, Super D would only be able to obtain judgement against BTFL if it maintained the Suit by proceeding to trial.

On 6 April 2017, Pacific Law filed a Notice of Appeal to a District Judge in Chambers in respect of the DR's decision. This appeal was heard before the learned District Judge on 21 July 2017 wherein he dismissed the appeal and awarded costs of S\$4,800 to BTFL. Directions were also given as to the further conduct of the matter.

On 8 August 2017, Pacific Law filed an application to be discharged as Super D's solicitors. The same was granted and on 8 September 2017, Pacific Law filed and served on BTFL their Notice of Ceasing to Act as Solicitors.

In the event that Super D did not take further action in respect of the Suit, the matter would be deemed to be discontinued by the Court on 8 September 2018, being one (1) year from the date of the last action taken when Pacific Law filed the abovementioned Notice of Ceasing to Act as Solicitors on 7 September 2017.

On 27 November 2017, BTFL served a letter of demand and statutory demand to Super D's registered office to demand the payment by 4 December 2017 of an aggregate sum of S\$10,500 which consisted of the amounts awarded to BTFL by the courts and costs, reasonable disbursement, GST and interests in connection with these amounts. Failing which, BTFL would commence proceedings against Super D for recovery of the same.

The statutory demand was made with a view to commence winding up proceedings against Super D and to inform Super D that they would be deemed insolvent and unable to pay the said debt under Section 254(2)(a) of the Companies Act if Super D neglected to pay the sum or to secure or compound for it to the reasonable satisfaction of BTFL within three (3) weeks from 27 November 2017.

GENERAL AND STATUTORY INFORMATION

As at the Latest Practicable Date, Super D had not appointed solicitors to represent them and since the date of the hearing of the abovementioned appeal, Super D had no representation in Court. As at the Latest Practicable Date, BTFL had not commenced any winding up proceedings against Super D.

In order to resolve the matter, BTFL had negotiated with Super D and reached a settlement to fully resolve the legal proceedings. On 4 June 2018, a settlement agreement was entered into between Super D and BTFL wherein BTFL and Super D had agreed on a payment of S\$15,000 by BTFL to Super D in full and final settlement of Super D's claim against BTFL which was paid on 4 June 2018. As a result of the settlement, the suit will be discontinued or deemed to have been discontinued on the earlier of Super D appointing a lawyer and filing a notice of discontinuance, or 8 September 2018, being the one (1) year from the date of the last action taken in the courts.

MISCELLANEOUS

1. Save as disclosed in the section entitled "Restructuring Exercise" of this Offer Document, there has been no previous issue of Shares by our Company or offer for sale of our Shares to the public within the two (2) years preceding the date of this Offer Document.
2. There has not been any public takeover offer by a third party in respect of our Shares or by our Company in respect of shares of another corporation or units of a business trust which has occurred between 1 January 2017 and the Latest Practicable Date.
3. No expert is employed on a contingent basis by our Company or our subsidiaries, or has an interest, whether direct or indirect, in the shares of our Company or our subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Invitation.
4. No amount of cash or securities or benefit has been paid or given to any promoter within the two (2) years preceding the Latest Practicable Date or is proposed or intended to be paid or given to any promoter at any time.
5. Save as disclosed in the section entitled "Plan of Distribution – Management, Underwriting and Placement Arrangements" of this Offer Document, no commission, discount or brokerage has been paid or other special terms granted within the two (2) years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company or our subsidiaries.
6. Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Banker. In the ordinary course of business, the Receiving Banker will deploy these monies in the inter-bank money market. All profits derived from the deployment of such monies will accrue to the Receiving Banker. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.
7. Save as disclosed in this Offer Document, our Directors are not aware of any relevant material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Company and our subsidiaries.

GENERAL AND STATUTORY INFORMATION

8. Save as disclosed in this Offer Document, the financial condition and operations of our Group are not likely to be affected by any of the following:
 - (a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure;
 - (c) unusual or infrequent events or transactions or any significant economic changes that may materially affect the amount of reported income from operations; and
 - (d) the business and financial prospects and any significant recent trends in production, sales and inventory, and in the costs and selling prices of products and services and known trends or uncertainties that have had or that we reasonably expect will have a material favourable or unfavourable impact on revenues, profitability, liquidity, capital resources or operating income or that would cause financial information disclosed to be not necessarily indicative of the future operating results or financial condition of our Company.
9. Save as disclosed in the sections entitled "Risk Factors", "Management's Discussion and Analysis of Financial Position and Results of Operations" and "Trend Information" of this Offer Document, our Directors are not aware of any event which has occurred between the end of FY2017 and the Latest Practicable Date, which may have a material effect on the financial position and results of operations of our Group or the financial information provided in this Offer Document.

CONSENTS

1. The Independent Auditor and Reporting Accountant, Deloitte, has given and has not withdrawn their written consent to the issue of this Offer Document with the inclusion herein of their name and all references thereto and the Independent Auditor's Report on the Audited Combined Financial Statements for the Financial Period/Years Ended 31 December 2015, 2016 and 2017 and Independent Auditor's Assurance Report on the Compilation of Unaudited Pro Forma Financial Information for the Financial Year Ended 31 December 2017 as set out in Appendix A and Appendix B respectively of this Offer Document, in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.
2. The Issue Manager and Full Sponsor, Underwriter and Placement Agent, the Solicitors to the Invitation and Legal Adviser to our Company on Singapore Law, the Legal Adviser to our Company on Malaysian Law, the Share Registrar and Share Transfer Office, the Principal and Receiving Banker and Frost & Sullivan have each given and have not withdrawn their written consents to the issue of this Offer Document with the inclusion herein of their names and all references thereto in the form and context which they respectively appear in this Offer Document and to act in such respective capacities in relation to this Offer Document.
3. Each of the Solicitors to the Invitation and Legal Adviser to our Company on Singapore Law, Underwriter and Placement Agent, the Legal Adviser to our Company on Malaysian Law, the Share Registrar and Share Transfer Office, the Principal and Receiving Banker do not make or purport to make any statement in this Offer Document and are not aware of any statement in this Offer Document which purports to be based on a statement made by it and each of them makes no representation regarding any statement in this Offer Document and, to the extent permitted by law, takes no responsibility for any statement in or omission from this Offer Document.

GENERAL AND STATUTORY INFORMATION

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

This Offer Document has been seen and approved by our Directors and they individually and collectively accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Invitation and our Group, and our Directors are not aware of any facts the omission of which would make any statement herein misleading.

Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof may be inspected at our registered office at 38 Jalan Pemimpin #05-09, M38, Singapore 577178, during normal business hours for a period of six (6) months from the date of registration of this Offer Document with the SGX-ST (acting as agent on behalf of the Authority):

- (a) the Constitution of our Company;
- (b) the Independent Auditor's Report and the Audited Combined Financial Statements for the Financial Period/Years Ended 31 December 2015, 2016 and 2017 as set out in Appendix A of this Offer Document;
- (c) the Independent Auditor's Assurance Report and the Compilation of Unaudited Pro Forma Financial Information for the Financial Year Ended 31 December 2017 as set out in Appendix B of this Offer Document;
- (d) the material contracts referred to in the subsection entitled "Material Contracts" under this section of this Offer Document;
- (e) the Service Agreements; and
- (f) the letters of consent referred to in the subsection entitled "Consents" under this section of this Offer Document.

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**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND
THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL
PERIOD/YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017**

**INDEPENDENT AUDITOR’S REPORT ON THE AUDITED COMBINED FINANCIAL
STATEMENTS FOR THE PERIOD/YEARS ENDED 31 DECEMBER 2015, 2016, 2017**

30 July 2018

The Board of Directors
Synagie Corporation Ltd.
38 Jalan Pemimpin
#05-09, M38
Singapore 577178

Dear Sirs

Report on the Combined Financial Statements

Opinion

We have audited the accompanying combined financial statements of Synagie Corporation Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the combined statements of financial position of the Group as at 31 December 2015, 2016 and 2017, and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the respective period/years ended 31 December 2015, 2016 and 2017 (the “Relevant Periods”), and a summary of significant accounting policies and other explanatory information, as set out on pages A-4 to A-48. Accordingly, the financial information for 31 December 2015 covered a 13-month period from 28 November 2014 to 31 December 2015, and the financial information for 31 December 2016 and 31 December 2017 covered a 12-month period from 1 January 2016 to 31 December 2016 and 1 January 2017 to 31 December 2017 respectively.

In our opinion, the combined financial statements of the Group are properly drawn up in accordance with the Financial Reporting Standards in Singapore (“FRSs”) so as to give a true and fair view of the combined financial position of the Group as at 31 December 2015, 2016 and 2017 and the combined financial performance, changes in equity and cash flows of the Group for the Relevant Periods.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the *Accounting and Corporate Regulatory Authority (“ACRA”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”)* together with the ethical requirements that are relevant to our audit of the combined financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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**INDEPENDENT AUDITOR’S REPORT ON THE AUDITED COMBINED FINANCIAL
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Responsibilities of Management and Directors for the Combined Financial Statements

Management is responsible for the preparation of these combined financial statements that give a true and fair view in accordance with the FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair combined financial statements and to maintain accountability of assets.

In preparing the combined financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors’ responsibilities include overseeing the Group’s financial reporting process.

Auditor’s Responsibility for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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**INDEPENDENT AUDITOR’S REPORT ON THE AUDITED COMBINED FINANCIAL
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- (d) Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Distribution and Use

This report has been prepared solely to you for inclusion in the offer document in connection with the proposed listing of Synagie Corporation Ltd. on Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited and for no other purpose.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Ng Meng Chuan
Partner

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND
THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL
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SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF FINANCIAL POSITION

As at 31 December 2015, 2016 and 2017

	Note	31 December 2017	31 December 2016	31 December 2015
		\$	\$	\$
ASSETS				
Current assets				
Cash and cash equivalents	7	1,826,486	45,253	38,310
Trade and other receivables	8	2,779,019	541,610	1,015,687
Inventories	9	1,462,312	440,752	431,099
Total current assets		6,067,817	1,027,615	1,485,096
Non-current assets				
Plant and equipment	10	116,331	121,386	177,802
Intangible assets	11	345,264	253,254	213,117
Total non-current assets		461,595	374,640	390,919
Total assets		6,529,412	1,402,255	1,876,015
LIABILITIES AND EQUITY				
Current liability				
Trade and other payables	12	3,482,646	1,266,589	1,052,901
Non-current liability				
Convertible Notes	13	2,881,012	–	–
Capital and accumulated losses				
Share capital	14	7,392,451	4,080,000	3,500,000
Capital contribution pending allotment	15	–	1,000,000	–
Convertible Notes reserve	16	1,111,016	–	–
Translation reserve		(10,090)	–	–
Accumulated losses		(8,327,623)	(4,944,334)	(2,676,886)
Total equity		165,754	135,666	823,114
Total liabilities and equity		6,529,412	1,402,255	1,876,015

See accompanying notes to combined financial statements.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND
THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL
PERIOD/YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017**

SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Period/Years ended 31 December 2015, 2016 and 2017

	Note	1 January 2017 to 31 December 2017	1 January 2016 to 31 December 2016	Period from 28 November 2014 (date of incorporation) to 31 December 2015
		\$	\$	\$
Revenue	17	8,028,604	3,678,614	189,279
Cost of sales		(6,267,797)	(2,730,135)	(158,493)
Gross profit		1,760,807	948,479	30,786
Other income	18	16,092	76,415	2,371
Distribution costs		(669,145)	(229,714)	(8,989)
Administrative expenses		(4,179,001)	(3,057,362)	(2,701,054)
Other operating expenses		(108,514)	(5,266)	–
Finance costs	19	(203,528)	–	–
Loss before income tax	20	(3,383,289)	(2,267,448)	(2,676,886)
Income tax expense	21	–	–	–
Loss for the years/period		(3,383,289)	(2,267,448)	(2,676,886)
<i>Item that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations		(10,090)	–	–
Total comprehensive loss for the years/period		(3,393,379)	(2,267,448)	(2,676,886)
Basic and diluted earnings per share (cents)	22	(1.55)	(1.04)	(1.22)

See accompanying notes to combined financial statements.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND
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SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES

**COMBINED STATEMENTS OF CHANGES IN EQUITY
Period/Years ended 31 December 2015, 2016 and 2017**

	Share capital	Capital contribution pending allotment	Convertible Notes reserve	Translation reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$	\$
Balance at 28 November 2014 (date of incorporation)	2	–	–	–	–	2
Loss for the year, representing total comprehensive loss for the period	–	–	–	–	(2,676,886)	(2,676,886)
Transactions with owners, recognised directly in equity						
Issue of share capital (Note 14)	3,499,998	–	–	–	–	3,499,998
Balance at 31 December 2015	3,500,000	–	–	–	(2,676,886)	823,114
Loss for the year, representing total comprehensive loss for the year	–	–	–	–	(2,267,448)	(2,267,448)
Transactions with owners, recognised directly in equity						
Issue of share capital (Note 14)	580,000	–	–	–	–	580,000
Rights issue (Note 15)	–	1,000,000	–	–	–	1,000,000
Balance at 31 December 2016	4,080,000	1,000,000	–	–	(4,944,334)	135,666
Total comprehensive loss for the year						
Loss for the year	–	–	–	–	(3,383,289)	(3,383,289)
Other comprehensive loss for the year	–	–	–	(10,090)	–	(10,090)
Transactions with owners, recognised directly in equity						
Capital allotment issued relating to transaction with owner recognised directly in equity (Note 15)	1,000,000	(1,000,000)	–	–	–	–
Issue of share capital (Note 14)	2,312,451	–	–	–	–	2,312,451
Equity option for Convertible Notes	–	–	1,111,016	–	–	1,111,016
Balance at 31 December 2017	7,392,451	–	1,111,016	(10,090)	(8,327,623)	165,754

See accompanying notes to combined financial statements.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND
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SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF CASH FLOWS

Period/Years ended 31 December 2015, 2016 and 2017

	1 January 2017 to 31 December 2017	1 January 2016 to 31 December 2016	Period from 28 November 2014 (date of incorporation) to 31 December 2015
	\$	\$	\$
Operating activities			
Loss before income tax	(3,383,289)	(2,267,448)	(2,676,886)
Adjustments for:			
Depreciation of plant and equipment	48,885	75,775	36,841
Amortisation of intangible assets	95,404	93,362	11,919
Write-off of inventories	–	34,253	–
Write-off of plant and equipment	108,513	5,202	–
Write-off of bad debt	–	64	–
Interest expense	11,500	–	–
Net unrealised exchange adjustment	(10,090)	–	–
Amortisation of Convertible Notes	192,028	–	–
Operating cash flows before movements in working capital	(2,937,049)	(2,058,792)	(2,628,126)
Trade and other receivables	(2,237,409)	(360,987)	(180,687)
Inventories	(1,021,560)	(43,906)	(431,099)
Trade and other payables	2,457,403	514,265	510,978
Net cash used in operating activities	(3,738,615)	(1,949,420)	(2,728,934)
Investing activities			
Purchase of plant and equipment	(152,343)	(24,561)	(214,643)
Expenditure on software development	(187,414)	(133,499)	(225,036)
Net cash used in investing activities	(339,757)	(158,060)	(439,679)

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND
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SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF CASH FLOWS

Period/Years ended 31 December 2015, 2016 and 2017

	1 January 2017 to 31 December 2017	1 January 2016 to 31 December 2016	Period from 28 November 2014 (date of incorporation) to 31 December 2015
	\$	\$	\$
Financing activities			
Proceeds on issue of shares (Note A)	2,312,451	580,000	3,500,000
Proceeds on rights issue (Note A)	–	1,000,000	–
(Repayment to) Advances from a related party	(57,845)	57,845	–
(Repayment to) Advances from a director	–	(45,000)	45,000
Repayment from (Advances to) shareholders	–	338,077	(338,077)
(Repayment to) Advances from shareholders	(183,501)	183,501	–
Proceeds from Convertible Notes	3,800,000	–	–
Interest paid	(11,500)	–	–
Restricted funds	(150,000)	–	–
Net cash from financing activities	5,709,605	2,114,423	3,206,923
Net increase in cash and cash equivalents	1,631,233	6,943	38,310
Cash and cash equivalents at beginning of the financial year/date of incorporation	45,253	38,310	–
Cash and cash equivalents at end of the financial years/period (Note 7)	1,676,486	45,253	38,310

Note A

During the financial year ended 31 December 2017, the Group issued additional share capital amounting to \$3,312,451 for which \$1,000,000 pertains to rights issue fully subscribed and paid in 2016. The allotment of shares was completed on 12 May 2017 (Note 15).

See accompanying notes to combined financial statements.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND
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PERIOD/YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017**

SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

31 December 2015, 2016 and 2017

1 GENERAL

The Company (Registration No. 201717972D) is incorporated in Singapore with its principal place of business and registered office at 38 Jalan Pemimpin, #05-09, M38, Singapore 577178. The combined financial statements are expressed in Singapore dollars.

The combined financial statements have been prepared solely in connection with the proposed listing of the Company on Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed below.

Restructuring Exercise

Pursuant to the restructuring exercise (“Restructuring Exercise”) to rationalise the structures of the Company and its subsidiaries (“Group”) in preparation for the proposed listing of the Company on the SGX-ST, the Company underwent the following:

(a) Incorporation of the Company

The Company was incorporated in Singapore on 28 June 2017, in accordance with the Companies Act as an exempt private company limited by shares with an issued and paid-up share capital of \$1.00 comprising one share held by a director.

(b) Incorporation of Synagie Sdn. Bhd.

Synagie Sdn. Bhd. was incorporated in Malaysia in accordance with the Companies Act 2016 on 17 July 2017 as a company limited by shares with an issued and paid-up share capital of comprising one share held by the Company. On 24 November 2017, 249,999 shares in Synagie Sdn. Bhd. were allotted to the Company. A further 1,000,000 shares in Synagie Sdn. Bhd. were allotted to the Company on 26 February 2018.

(c) Conversion of Convertible Notes

Pursuant to the Investment Agreements entered between May 2017 to December 17, the Group agreed to issue Convertible Notes with an aggregate of \$3,800,000, on terms which, *inter alia*, provide for an election by the Pre-IPO Investors to convert the entire principal amount owed to them into a specified number of ordinary shares in the Group.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND
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SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

31 December 2015, 2016 and 2017

The Convertible Notes are unsecured, bear interest at 6% per annum and are due to mature 24 months after the drawdown date or such other date as the Group and Pre-IPO Investors may agree in writing. The Convertible Notes are intended for use as working capital and for the purpose of expansion by the Group prior to the listing of the Company.

Upon successful listing on the Catalist of the Singapore Exchange Securities Trading Limited, the respective Convertible Notes will be automatically converted into fully paid new ordinary shares in the Company. As the conversion option will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company’s equity instruments, the conversion option embedded in the Convertible Notes is classified as Convertible Notes reserve. At inception, the embedded conversion option is bifurcated from the host instrument and recorded as Convertible Notes reserve. The liability component of the Convertible Notes is initially measured at fair value net of related transaction costs, and are subsequently measured at amortised cost.

As at 31 December 2017, the liability component of the Convertible Notes is recognised as non-current liability as it is not due for settlement within the next 12 months.

Subsequent to 31 December 2017, the Group had entered into additional Investment Agreements with various parties to raise Convertible Notes of \$1,700,000. The Convertible Notes bear interest of 6% per annum and are due to mature 24 months subsequent to the drawdown date. In accordance with the Investment Agreements, the Convertible Notes will be automatically converted into fully paid new ordinary shares in the Company. Pursuant to the Supplemental Agreements dated 25 April 2018, the Company substituted its subsidiary – BTFL Pte. Ltd. as the named borrower in the Investment Agreements entered into as at 31 December 2017.

(d) Acquisition of BTFL Pte. Ltd.

Pursuant to the Share Swap Agreement, the Company acquired the issued share capital of BTFL Pte. Ltd. from the Transferees⁽ⁱ⁾ who, collectively held 5,932,142 shares in BTFL Pte. Ltd., representing 100% of the issued share capital.

In consideration of the transfer of their shareholdings in BTFL Pte. Ltd., the Company allotted and issued an aggregate of 5,932,141 new shares to the Transferees on 29 March 2018.

- (i) Transferees: Metadrome Ltd; Agate Investments Limited; Harmony Treasure Holdings Ltd; Spectra Investment Limited; Zanetta Lee; Cai Songhan; Chua Song Ru@Cai Songru; Carol Sim Siew Tin; Avax Holdings Pte. Limited; Teak Capital Co., Ltd.; Ong Eng Yaw; Lim Sze Hua and Foong Leong Lum Natasha

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND
THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL
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- (e) Incorporation of Synagie Pte. Ltd.

Synagie Pte. Ltd. was incorporated in Singapore on 22 March 2018, in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital comprising 1 share held the Company.

- (f) Incorporation of Synagie Insurtech Pte. Ltd.

Synagie Insurtech Pte. Ltd. was incorporated in Singapore on 12 April 2018, in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital comprising 1 share held by Synagie Pte. Ltd., a wholly-owned subsidiary of the Company.

- (g) Acquisition of the Third Party Administration (“TPA”) Subsidiary

On 20 April 2018, the Group acquired 100% of the issued share capital of the TPA Subsidiary for a cash consideration of \$1,293,808; net of related party loans of \$2,006,192. As part of the acquisition deal, an earn-out incentive will be awarded based on the financial performance of the TPA Subsidiary in 2018 and 2019.

The TPA Subsidiary is an entity incorporated in Singapore with its principal activity being the provision of information technology and computer services. The Group acquired the TPA Subsidiary primarily for the addition of a complementary capability of the Group, allowing for potential opportunities to expand its customer base and service offerings.

At completion of the acquisition, the TPA Subsidiary’s net cash balance (determined as current assets minus current liabilities, excluding deferred costs, prepayments and inventories as at 31 December 2017) exceeded the agreed amount of \$3,300,000 by more than \$250,000. On 2 May 2018, pursuant to the terms of the TPA Agreement, the excess capped at \$250,000 was refunded to the Insurtech Vendor, Andrew Chua Chye Joo.

Upon the completion of the Restructuring Exercise and up to the date of this report, details of the Company’s subsidiaries are as follows:

Name of subsidiary	Principal activities	Date and country of incorporation	Effective equity interest of the Group
BTFL Pte. Ltd. ^(a)	Retail sales through mail order houses or internet and value-added logistics provider	28 November 2014 Singapore	100%

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Name of subsidiary	Principal activities	Date and country of incorporation	Effective equity interest of the Group
Synagie Sdn. Bhd. ^(b)	Warehousing and storage services, retail sale of any kind of product over the internet and wholesale of other household goods	17 July 2017 Malaysia	100%
Synagie Pte. Ltd. ^(a)	Investment holding	22 March 2018 Singapore	100%
Synagie Insurtech Pte. Ltd. ^(a)	Other information technology and computer service activities	12 April 2018 Singapore	100%
TPA Subsidiary ^(a)	Other information technology and computer service activities and general wholesale trade (including general importers and exporters)	17 August 2010 Singapore	100%
<u>Held by TPA Subsidiary</u>			
TPA Shanghai	Dormant (in process of deregistration)	14 December 2011 China	100%
TPA Vietnam	Dormant	31 October 2014 Vietnam	100%

Notes:

(a) Audited by Deloitte & Touche LLP, Singapore.

(b) Audited by Deloitte & Touche PLT, Malaysia.

Basis of preparation of the combined financial statements

For the purpose of preparing this set of combined financial statements, the combined statements of financial position, the combined statements of profit or loss and other comprehensive income, combined statements of cash flows and combined statements of changes in equity for the period/years ended 31 December 2015, 2016 and 2017 (the “Relevant Periods”) have been prepared on a combined basis and include the financial information of the Company, Synagie Sdn. Bhd. and BTFL Pte. Ltd., as if the current group structure had been in existence throughout the Relevant Periods or from the date the entities are under common control, if later.

This set of combined financial statements for the Relevant Periods ended were authorised for issue by the Board of Directors on 29 June 2018.

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The combined financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore (“FRSs”).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these combined financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS – The Group adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are effective for the Relevant Periods and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the Relevant Periods except for certain presentation improvements arising from Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative* effective for annual periods beginning on or after 1 January 2017.

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Amendments to FRS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group’s liabilities arising from financing activities and a reconciliation between the opening and closing balances of these liabilities are set out in Note 13. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior periods. Apart from the additional disclosure in Note 13, the application of these amendments has had no impact on the Group’s combined financial statements.

Convergence to the International Financial Reporting Standards (“IFRS”) in 2018

Singapore-incorporated companies listed on the Singapore Exchange (“SGX”) will be required to apply a new Singapore financial reporting framework, the Singapore Financial Reporting Standards (International) (“SFRS(I)”), that is identical to the International Financial Reporting Standards (“IFRS”) for annual periods beginning on or after 1 January 2018. The Group and the Company will be adopting SFRS(I) for the first time for the financial year ending 31 December 2018 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* will be applied in the first set of SFRS(I) financial statements.

Management has completed their assessment of the potential impact arising from SFRS(I) 1 *First-time adoption of SFRS(I)*, and has concluded that there are no changes to the Group’s and the Company’s current accounting policies or material adjustments required on transition to the new framework.

New SFRS(I) and SFRS(I) INT yet to be adopted

At the date of authorisation of these financial statements, the following SFRS(I) that are relevant to the Group were issued but not effective:

- SFRS(I) 9 *Financial Instruments*¹
- SFRS(I) 15 *Revenue from Contracts with Customers*¹
- SFRS(I) 16 *Leases*²
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*¹

1 Applies to annual periods beginning on or after 1 January 2018.

2 Applies to annual periods beginning on or after 1 January 2019.

Consequential amendments were also made to various standards as a result of these new/ revised standards.

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Management anticipates that the adoption of the above SFRS(I)s in future periods will not have a material impact on the combined financial statements of the Group in the period of their initial adoption as follows:

SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 was issued in December 2017, and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

Key requirements of SFRS(I) 9:

- All recognised financial assets that are within the scope of FRS 39 *Financial Instruments: Recognition and Measurement* (“FRS 39”) are now required to be subsequently measured at amortised cost or fair value through profit or loss (“FVTPL”). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (“FVTOCI”). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under SFRS(I) 9, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.
- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, SFRS(I) 9 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability’s credit risk are not subsequently reclassified to profit or loss.
- In relation to the impairment of financial assets, SFRS(I) 9 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

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Management has performed an analysis of the requirements of the initial application of the new SFRS(I) 9 which will result in changes to the accounting policies relating to the impairment provisions of financial assets. Management anticipates that the adoption of SFRS(I) 9 will not have a material impact on the financial statements of the Group in the period of their initial adoption.

SFRS(I) 15 Revenue from Contracts with Customers

In December 2017, SFRS(I) 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. SFRS(I) 15 will supersede the current revenue recognition guidance including FRS 18 Revenue, FRS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of SFRS(I) 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in SFRS(I) 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by SFRS(I) 15.

Management has performed an analysis of the requirements of the initial application of SFRS(I) 15. Management anticipates that the adoption of SFRS(I) 15 will not have a material impact on the financial statements of the Group in the period of their initial adoption.

SFRS(I) 16 Leases

SFRS(I) 16 was issued in December 2017.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

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Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17 Leases (“FRS 17”).

FRS 17 does not require the recognition of any right-of-use asset or liability for future payments for these lease; instead certain information is disclosed as operating lease commitments in Note 23. A preliminary assessment indicates that these arrangements will meet the definition of a lease under SFRS(I) 16 and hence the Group will recognise a right-of-use asset and a corresponding liability of all these leases. Management anticipates that the application of SFRS(I) 16 in the future may have a material impact on amounts reported in respect of the Group’s financial statements. However, it is not practicable to provide a reasonable estimate of the effect of SFRS(I) 16 until the Group undertakes a detailed review.

BASIS OF COMBINATION – For the purpose of preparing the combined financial statements, the Group comprising the Company, Synagie Sdn. Bhd. and BTFL Pte. Ltd. is one involving entities under common control. Common control is demonstrated through an individual with the power over the Group; exposure, or rights, to variable returns from its involvement with the Group; and the ability to direct all relevant activities of the Group, thereby affecting the returns. Accordingly, the combined financial statements have been accounted for using the principles of merger accounting where financial statement items of the merged entities for the Relevant Periods in which the common control combination occurs are included in the combined financial statements of the Group as if the combination had occurred from the date when the merged entities first came under the control of the group of shareholders acting in concert.

The results of subsidiaries acquired or disposed of during the financial year are included in the combined statements of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the Group’s statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

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Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the Relevant Periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as “loans and receivables”. Loans and receivables (including cash and cash equivalents) are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group’s past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade or other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

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Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Convertible Notes

Convertible Notes are regarded as compound instruments, consisting of a liability component and an equity component. The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company’s own equity instruments is classified as an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis until extinguished upon conversion or at the instrument’s maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

Where conversion option will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company’s own equity instruments

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-Convertible Notes. The difference between the gross proceeds of the issue of the Convertible Notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the Convertible Notes into equity, is included in equity (Convertible Notes reserve).

In subsequent period, the liability component of the Convertible Notes is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in Convertible Notes reserve until the conversion option is exercised, in which case the balance stated in Convertible Notes reserve will be transferred to share capital. Where the option remains unexercised at the expiry date, the balance stated in the Convertible Notes reserve will be released to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

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Transactions costs that relate to the issue of the Convertible Notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transactions costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability and amortised over the period of the Convertible Notes using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the group’s obligations are discharged, cancelled or they expire.

LEASES – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

INVENTORIES – Inventories are stated at the lower of cost and net realisable value. Cost comprises finished goods and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

PLANT AND EQUIPMENT – Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Computers	–	3 years
Furniture and fittings	–	3 years
Office equipment	–	3 years
Renovation	–	3 years

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The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the combined financial statements.

INTANGIBLE ASSETS – Intangible assets comprise computer software development costs which are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Computer software developments costs are reported at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives of 3 to 5 years. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS – At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

PROVISIONS – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

GOVERNMENT GRANTS – Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION – Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

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- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group sells products through various online distribution channels.

Rendering of services

Revenue from rendering of services is recognised during the period in which the services are rendered, by reference to completion of the specific transactions assessed on the basis of the actual services provided.

The Group provides marketing support services and logistics services.

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans when the Company’s obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group’s liability for current tax is calculated using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

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The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION – The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The combined financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the combined financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

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For the purpose of presenting combined financial statements, the assets and liabilities of the Group’s foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

CASH AND CASH EQUIVALENT IN THE STATEMENT OF CASH FLOWS – Cash and cash equivalents in the statement of cash flows comprise cash on hand and cash at bank less pledged cash, and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying the Group’s accounting policies

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the combined financial statements, apart from those involving estimations (see below).

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Allowance for inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less all estimated costs to be incurred in selling and distribution.

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Operational procedures are in place to monitor the risk over inventories. Management reviews the inventory listing on a periodical basis to identify aged inventories. This involves comparison of carrying value of the aged inventory items with their respective net realisable values. The purpose is to ascertain whether allowance or write-off is required to be made in the combined financial statements for any obsolete and slow-moving items. During the Relevant Periods, write-off of inventories amounted to \$Nil (2016: \$34,253 and 2015: \$Nil).

Management estimates the net realisable value for goods for resale based primarily on the selling prices at which the inventories could be realised. The carrying amount of the inventories is disclosed in Note 9 to the combined financial statements.

(ii) Useful lives of intangible assets

The Group amortises its intangible assets with finite useful lives over their estimated useful lives using the straight-line method. The estimated useful lives reflect the management’s estimate of the periods that the Group expects to derive future economic benefits from the use of the intangible assets. Changes in the expected level of usage and technological development could impact the economic useful lives of these assets. Therefore, future revision to amortisation charges may arise. The carrying amount of the Group’s intangible assets is disclosed in Note 11 to the combined financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the Relevant Periods.

	2017	2016	2015
	\$	\$	\$
Financial assets			
Loans and receivables (including cash and cash equivalents)	4,448,221	584,228	1,034,714
Financial liabilities			
Amortised cost:			
Trade and other payables	3,482,646	1,236,729	1,052,901
Convertible Notes	2,881,012	–	–

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(b) Financial risk management policies and objectives

Management monitors and manages the financial risks relating to the operations of the Group to ensure appropriate measures are implemented in a timely and effective manner. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

(i) Market risk management

The Group’s activities are exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Management monitors risks associated with changes in foreign currency exchanges rates and interest rates and will consider appropriate measures should the need arises.

There has been no significant change to the Group’s exposure to market risk or the manner in which it manages and measures the risk.

(ii) Foreign exchange risk management

Foreign currency risk arises from the change in foreign exchange rates that may have adverse effects on the results of the Group in the current year and future years.

At the reporting date, the carrying amounts of monetary assets and monetary liabilities denominated in currency other than the respective Group entities’ functional currency are as follows:

	Assets		
	2017	2016	2015
	\$	\$	\$
United States dollars	1,369	1,446	1,430
	Liabilities		
	2017	2016	2015
	\$	\$	\$
United States dollars	20,187	23,357	42,414

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The sensitivity rate used when reporting foreign currency risk to key management personnel is 10%, which is the change in foreign exchange rate that management deems reasonably possible which will affect outstanding foreign currency denominated monetary items at period end.

If the United States dollars were to change by 10% against the Singapore dollar, loss will increase/decrease by \$1,882 (2016 and 2015: increase/decrease by \$2,191 and \$4,098 respectively).

(iii) Interest rate risk management

Interest rate risk refers to the risk faced by the Group as a result of fluctuation in interest rates. No interest rate sensitivity was performed since the Group does not expect any material effect on the Group’s profit or loss as majority of its interest bearing instrument are subject to fixed interest rates.

(iv) Credit risk management

Credit risk refers to the risk that debtors will default on their obligations to repay the amounts owing to the Group, resulting in a loss to the Group. The Group has adopted procedures in extending credit terms to customers and in monitoring its credit risk.

The credit policy sets out the guidelines on extending credit terms to customers, including assessment and valuation of customers’ credit reliability and periodic review of their financial status to determine credit limits to be granted.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

The Group has no significant concentration of credit risk with exposure spread over a large number of counterparties and customers except for exposure from related party as disclosed in Note 8. Cash and cash equivalents are held with creditworthy financial institutions.

(v) Liquidity risk management

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance its operating activities. The Group finances their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

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Liquidity and interest risk analyses

Non-derivative financial liabilities

The following table details the Group’s contracted maturities for non-derivative financial liabilities. The table below has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount at the financial liability at the end of the reporting period.

	Weighted average effective interest rate	Repayable on demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	%	\$	\$	\$	\$
<u>At 31 December 2017</u>					
Non-interest bearing	–	3,482,646	–	–	3,482,646
Convertible Notes	6.00	–	3,225,141	(344,129)	2,881,012
		<u>3,482,646</u>	<u>3,225,141</u>	<u>(344,129)</u>	<u>6,363,658</u>
<u>At 31 December 2016</u>					
Non-interest bearing	–	1,236,729	–	–	1,236,729
<u>At 31 December 2015</u>					
Non-interest bearing	–	1,052,901	–	–	1,052,901

Non-derivative financial assets

All the non-derivative financial assets are repayable on demand and non-interest bearing (Note 8), except for short-term interests on cash balances (Note 7) which is relatively insignificant to the Group.

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair value of other classes of financial assets and liabilities are disclosed in the respective notes to the combined financial statements.

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(c) Capital management policies and objectives

The Group reviews its capital structure at least annually to ensure that it will be able to continue as a going concern. The capital structure of the Group comprises only of issued capital, reserves and retained earnings. The Group’s overall strategy remains unchanged during the Relevant Periods.

5 RELATED COMPANY TRANSACTIONS

Related companies in these financial statements refer to members of the Company’s group of companies.

Some of the Company’s transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Transactions between the Company and its subsidiaries, which are related companies of the Group, have been eliminated on consolidation and are not disclosed in this note.

6 RELATED PARTY TRANSACTIONS

Some of the Group’s transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these combined financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

There are no significant related party transactions during the Relevant Periods other than as disclosed below:

	2017	2016	2015
	\$	\$	\$
<u>Company which a director has control</u>			
Operating costs recharged by a related party	–	–	(496,924)
Service income from a related party	–	169,491	–
<u>Company which a member of key management has significant influence</u>			
Service income from a related party	–	37,000	–

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Compensation of director and key management personnel

The remuneration of director and other members of key management during the Relevant Periods were as follows:

	1 January 2017 to 31 December 2017	1 January 2016 to 31 December 2016	Period from 28 November 2014 (date of incorporation) to 31 December 2015
	\$	\$	\$
Short-term benefits	565,500	720,000	852,995
Post-employment benefits	36,720	36,720	32,850
	602,220	756,720	885,845

7 CASH AND CASH EQUIVALENTS

	2017	2016	2015
	\$	\$	\$
Cash at bank	1,821,986	42,253	36,810
Cash on hand	4,500	3,000	1,500
	1,826,486	45,253	38,310
Less: monies pledged with bank	(150,000)	–	–
Cash and cash equivalents in the statement of cash flows	1,676,486	45,253	38,310

The monies have been pledged to a financial institution for providing a guarantee for operating activities of the Group. The pledged amount can only be withdrawn upon the expiry of the guarantee on 17 July 2018.

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8 TRADE AND OTHER RECEIVABLES

	2017	2016	2015
	\$	\$	\$
Trade			
Outside parties	2,251,308	312,557	50,017
Related parties ⁽ⁱ⁾ (Note 6)	–	121,355	–
	<u>2,251,308</u>	<u>433,912</u>	<u>50,017</u>
Non-trade			
Deposits	357,008	105,063	111,387
Prepayments	78,157	2,635	–
GST receivables	79,127	–	19,283
Amount due from a shareholder (Note 6)	–	–	835,000
Other receivables	13,419	–	–
	<u>527,711</u>	<u>107,698</u>	<u>965,670</u>
	<u><u>2,779,019</u></u>	<u><u>541,610</u></u>	<u><u>1,015,687</u></u>

⁽ⁱ⁾ Related parties pertain to a company which a director has control and another company which a member of key management has significant influence

The credit period on sales of services ranges from 14 to 30 days (2016 and 2015 : 14 to 30 days). No interest is charged on the outstanding balance.

The table below is an analysis of trade receivables at the end of the Relevant Periods:

	2017	2016	2015
	\$	\$	\$
Not past due and not impaired	1,776,929	238,193	50,017
Past due but not impaired			
1 to 30 days	165,915	69,379	–
31 to 60 days	80,956	120,599	–
More than 60 days	227,508	5,741	–
Total	<u><u>2,251,308</u></u>	<u><u>433,912</u></u>	<u><u>50,017</u></u>

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Included in the Group’s trade receivable balances are debtors with a carrying amount of \$474,379 (2016 and 2015: \$195,719 and \$Nil respectively) which are past due at the end of the Relevant Periods for which the Group has not recognised an allowance for doubtful receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. During the year, trade receivable from a debtor amounting to \$Nil (2016 and 2015: \$64 and \$Nil) was written off as bad debt.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. Accordingly, the management believe that there is no further credit allowance required.

The advances given to a shareholder are unsecured, interest-free and repayable on demand.

9 INVENTORIES

	2017	2016	2015
	\$	\$	\$
Trading stocks, at cost	1,462,312	440,752	431,099

The cost of inventories recognised as an expense in cost of sales amounted to \$5,926,660 (2016 and 2015: \$2,605,869 and \$153,493 respectively).

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10 PLANT AND EQUIPMENT

	Computers	Furniture and fittings	Office equipment	Renovation	Total
	\$	\$	\$	\$	\$
Cost:					
At 28 November 2014 (date of incorporation)	–	–	–	–	–
Additions	30,896	59,180	16,132	108,435	214,643
At 31 December 2015	30,896	59,180	16,132	108,435	214,643
Additions	–	23,125	1,436	–	24,561
Written-off	(9,500)	–	–	–	(9,500)
At 31 December 2016	21,396	82,305	17,568	108,435	229,704
Additions	20,592	10,240	23,407	98,104	152,343
Written off	(2,892)	(82,305)	(4,181)	(131,467)	(220,845)
At 31 December 2017	39,096	10,240	36,794	75,072	161,202
Accumulated depreciation:					
At 28 November 2014 (date of incorporation)	–	–	–	–	–
Depreciation for the period	7,299	9,809	3,365	16,368	36,841
At 31 December 2015	7,299	9,809	3,365	16,368	36,841
Depreciation for the year	9,771	24,223	5,636	36,145	75,775
Written off	(4,298)	–	–	–	(4,298)
At 31 December 2016	12,772	34,032	9,001	52,513	108,318
Depreciation for the year	9,567	10,710	5,472	23,136	48,885
Written off	(2,273)	(43,177)	(2,320)	(64,562)	(112,332)
At 31 December 2017	20,066	1,565	12,153	11,087	44,871
Carrying amount:					
At 31 December 2017	19,030	8,675	24,641	63,985	116,331
At 31 December 2016	8,624	48,273	8,567	55,922	121,386
At 31 December 2015	23,597	49,371	12,767	92,067	177,802

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11 INTANGIBLE ASSETS

	Software construction- in-progress	Software	Total
	\$	\$	\$
Cost:			
At 28 November 2014 (date of incorporation)	–	–	–
Additions	–	225,036	225,036
At 31 December 2015	–	225,036	225,036
Additions	72,350	61,149	133,499
At 31 December 2016	72,350	286,185	358,535
Additions	187,250	164	187,414
At 31 December 2017	259,600	286,349	545,949
Accumulated amortisation:			
At 28 November 2014 (date of incorporation)	–	–	–
Amortisation	–	11,919	11,919
At 31 December 2015	–	11,919	11,919
Amortisation	–	93,362	93,362
At 31 December 2016	–	105,281	105,281
Amortisation	–	95,404	95,404
At 31 December 2017	–	200,685	200,685
Carrying amount:			
At 31 December 2017	259,600	85,664	345,264
At 31 December 2016	72,350	180,904	253,254
At 31 December 2015	–	213,117	213,117

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12 TRADE AND OTHER PAYABLES

	2017	2016	2015
	\$	\$	\$
Trade			
Outside parties	2,592,616	502,614	148,733
Related parties ⁽ⁱ⁾ (Note 6)	–	–	2,639
	<u>2,592,616</u>	<u>502,614</u>	<u>151,372</u>
Non-trade			
Other payables	592,480	280,040	130,680
Accruals	297,550	242,589	228,926
Amount owing to a director (Note 6)	–	–	45,000
Amount owing to shareholders (Note 6)	–	183,501	496,923
Amount owing to a related party ⁽ⁱ⁾ (Note 6)	–	57,845	–
	<u>890,030</u>	<u>763,975</u>	<u>901,529</u>
	<u><u>3,482,646</u></u>	<u><u>1,266,589</u></u>	<u><u>1,052,901</u></u>

⁽ⁱ⁾ Related parties pertain to companies which a director has control

The credit period on purchases of goods and services from outside parties is 30-60 days (2016 and 2015: 30-60 days). No interest is charged on trade and other payables.

The advances given by a director, shareholders and a related party are unsecured, interest-free and repayable on demand.

13 CONVERTIBLE NOTES

Pursuant to the Investment Agreements entered between May 2017 to December 17, the Group agreed to issue Convertible Notes with an aggregate of \$3,800,000, on terms which, *inter alia*, provide for an election by the Pre-IPO Investors to convert the entire principal amount owed to them into a specified number of ordinary shares in the Group.

The Convertible Notes are unsecured, bear interest at 6% per annum and are due to mature 24 months after the drawdown date or such other date as the Group and Pre-IPO Investors may agree in writing. The Convertible Notes are intended for use as working capital and for the purpose of expansion by the Group prior to the listing of the Company.

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Upon successful listing on the Catalist of the Singapore Exchange Securities Trading Limited, the respective Convertible Notes will be automatically converted into fully paid new ordinary shares in the Company. As the conversion option will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company’s equity instruments, the conversion option embedded in the Convertible Notes is classified as Convertible Notes reserve. At inception, the embedded conversion option is bifurcated from the host instrument and recorded as Convertible Notes reserve. The liability component of the Convertible Notes is initially measured at fair value net of related transaction costs, and are subsequently measured at amortised cost.

At inception, the fair value of the Convertible Notes approximates to S\$2,688,984. As at 31 December 2017, the liability component of the Convertible Notes is recognised as non-current liability as it is not due for settlement within the next 12 months.

Reconciliation of liabilities arising from financing activities

The table below detail changes in the Group’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group’s combined statement of cash flows as cash flows from financing activities.

	1 January 2017	Financing cash flow	Non-cash changes		31 December 2017
			Equity component of Convertible Notes	Others ⁽ⁱ⁾	
	\$	\$	\$	\$	\$
Convertible Notes (Note 13)	–	3,800,000	(1,111,016)	192,028	2,881,012

⁽ⁱ⁾ Others consist of the amortisation of the Convertible Notes.

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14 SHARE CAPITAL

The Company was incorporated on 28 June 2017. Accordingly, the share capital in the combined statements of financial position as at 31 December 2016 and 2015 represent the share of the paid-up capital of BTFL Pte. Ltd.

	2017	2016	2015
	Number of ordinary shares		
Issued and paid up:			
At beginning of the year/ date of incorporation	3,640,777	3,500,000	2
Capital contribution allotted (Note 15)	1,820,389	–	–
Issue of shares	470,977	140,777	3,499,998
At end of the year	5,932,143	3,640,777	3,500,000

	2017	2016	2015
	\$	\$	\$
Issued and paid up:			
At beginning of the year/ date of incorporation	4,080,000	3,500,000	2
Capital contribution allotted (Note 15)	1,000,000	–	–
Issue of shares ⁽ⁱ⁾	2,312,451	580,000	3,499,998
At end of the year	7,392,451	4,080,000	3,500,000

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

⁽ⁱ⁾ In 2017, the Group issued share capital of \$2,312,451; net of stamp duties of \$7,550.

15 CAPITAL CONTRIBUTION PENDING ALLOTMENT

The capital contribution pending allotment represents rights issue of 1,820,389 subscription shares in the share capital of the Group at a total aggregate consideration of \$1,000,000 or at \$0.55 per new ordinary share to the existing shareholders pursuant to the rights issue. The issuance of rights was on 25 August 2016 and was fully subscribed and paid in 2016. The allotment of shares was completed on 12 May 2017 (Note 14).

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16 CONVERTIBLE NOTES RESERVE

This represents the fair value of the conversion option to convert the equity component of the Convertible Notes into ordinary shares of the Group, determined at the inception.

17 REVENUE

	1 January 2017 to 31 December 2017	1 January 2016 to 31 December 2016	Period from 28 November 2014 (date of incorporation) to 31 December 2015
	\$	\$	\$
Sales of goods	5,521,089	2,431,635	171,490
Services rendered	2,507,515	1,246,979	17,789
	8,028,604	3,678,614	189,279

18 OTHER INCOME

	1 January 2017 to 31 December 2017	1 January 2016 to 31 December 2016	Period from 28 November 2014 (date of incorporation) to 31 December 2015
	\$	\$	\$
Net foreign exchange gain	–	–	59
Government grant	–	62,186	2,312
Others	16,092	14,229	–
	16,092	76,415	2,371

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19 FINANCE COSTS

	1 January 2017 to 31 December 2017	1 January 2016 to 31 December 2016	Period from 28 November 2014 (date of incorporation) to 31 December 2015
	\$	\$	\$
Interest expense	11,500	–	–
Amortisation of Convertible Notes	192,028	–	–
	<u>203,528</u>	<u>–</u>	<u>–</u>

20 LOSS FOR THE RELEVANT PERIODS

This is determined after charging (crediting) the following:

	1 January 2017 to 31 December 2017	1 January 2016 to 31 December 2016	Period from 28 November 2014 (date of incorporation) to 31 December 2015
	\$	\$	\$
Staff costs (including director’s remuneration)	2,023,011	1,824,570	1,783,577
Costs of defined contribution plans included in staff costs	381,502	331,549	216,692
Net foreign exchange (gain) loss	(8,724)	349	–

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21 INCOME TAX

Domestic income tax in Singapore is calculated at 17% (2016 and 2015: 17%) of the estimated assessable income for the Relevant Periods.

The total charge for the Relevant Periods can be reconciled to the accounting loss as follows:

	1 January 2017 to 31 December 2017	1 January 2016 to 31 December 2016	Period from 28 November 2014 (date of incorporation) to 31 December 2015
	\$	\$	\$
Loss before income tax	(3,383,289)	(2,267,448)	(2,676,886)
Income tax credit calculated at 17% (2016 and 2015: 17%)	(575,159)	(385,466)	(455,071)
Non-deductible expenses	52,588	728	3,952
Effect of tax concessions	–	–	(14,408)
Effect of unutilised tax losses and other temporary differences not recognised as deferred tax assets	546,534	384,738	465,527
Effect of different tax rates of overseas subsidiaries	(22,814)	–	–
Others	(1,149)	–	–
	–	–	–

No deferred tax asset has been recognised due to the unpredictability of future profit streams.

22 EARNINGS PER SHARE

For illustrative purposes, the basic earnings per share for the Relevant Periods have been calculated based on the earnings for each of the Relevant Periods and pre-invitation shares of 218,704,993 shares.

The fully dilutive earnings per share and basic earnings per share are the same because there is no dilutive share. The issuance of rights and Convertible Notes are not included in the calculation of the diluted earnings per share as they are antidilutive for the Relevant Periods.

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23 OPERATING LEASE ARRANGEMENTS

	2017	2016	2015
	\$	\$	\$
Minimum lease payments under operating leases recognised as an expense during the Relevant Periods	398,317	401,609	354,578

Operating lease commitments – where the Group is the lessee

At the end of the Relevant Periods, the Group has outstanding commitments under non-cancellable operating leases which fall due as follows:

	2017	2016	2015
	\$	\$	\$
Within one year	468,335	178,840	392,878
Within two to five years	574,800	2,550	159,159
	1,043,135	181,390	552,037

Operating lease payments represent rentals payable by the Group for its office premises, warehouse, equipment and motor vehicles. Leases are negotiated for an average term of 2 to 3 years.

24 SEGMENT INFORMATION

For purposes of resource allocation and assessment of segment performance, the Group’s chief operating decision makers have focused on the business operating units which in turn are segregated based on the type of goods and services supplied. This forms the basis of identifying the segments of the Group under FRS 108 *Operating segments* as follows:

Operating segments are aggregated into a single reportable operating segment if they have similar economic characteristics, such as long-term average gross margins, and are similar in respect of nature of services and process, type of customers, and if applicable, the nature of the regulatory environment.

For management purposes, the Group is currently organised into two operating segments:

- E-commerce – providing brand partners in transforming the traditional business models into an online model. E-commerce relates to sale of goods online and provision of marketing support services.
- E-Logistics – providing brand partners with E-commerce fulfilment solutions and online to offline (“O2O”) fulfilment solutions. E-logistics relates to provision of warehousing and delivery services.

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Segment revenues and results

The following is an analysis of the Group’s revenue and results by reportable segment:

	E-Commerce	E-Logistics	Total
	\$	\$	\$
2017			
Revenue			
Segment revenue	7,211,354	817,250	8,028,604
Results			
Segment results	(3,280,911)	193,572	(3,087,339)
Other income	–	–	16,092
Other operating expenses	–	–	(108,514)
Finance costs	–	–	(203,528)
Loss before income tax			(3,383,289)
Income tax expense			–
Loss for the year			(3,383,289)
	E-Commerce	E-Logistics	Total
	\$	\$	\$
2016			
Revenue			
Segment revenue	3,216,221	462,393	3,678,614
Results			
Segment results	(2,294,951)	(43,646)	(2,338,597)
Other income	–	–	76,415
Other operating expenses	–	–	(5,266)
Loss before income tax			(2,267,448)
Income tax expense			–
Loss for the year			(2,267,448)

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	E-Commerce	E-Logistics	Total
	\$	\$	\$
<u>2015</u>			
Revenue			
Segment revenue	171,490	17,789	189,279
Results			
Segment results	(2,452,518)	(226,739)	(2,679,257)
Other income	–	–	2,371
Loss before income tax			(2,676,886)
Income tax expense			–
Loss for the period			(2,676,886)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the Relevant Periods.

	E-Commerce	E-Logistics	Total
	\$	\$	\$
<u>2017</u>			
Assets and Liabilities			
Segment assets	4,201,267	501,659	4,702,926
Unallocated segment assets			1,826,486
Total assets			6,529,412
Segment liabilities	3,376,576	106,070	3,482,646
Unallocated segment liabilities			2,881,012
Total liabilities			6,363,658

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	E-Commerce	E-Logistics	Total
	\$	\$	\$
2016			
Assets and Liabilities			
Segment assets, representing total assets	1,168,338	233,917	<u>1,402,255</u>
Segment liabilities, representing total liabilities	1,189,101	77,488	<u>1,266,589</u>
	E-Commerce	E-Logistics	Total
	\$	\$	\$
2015			
Assets and Liabilities			
Segment assets, representing total assets	1,840,208	35,807	<u>1,876,015</u>
Segment liabilities, representing total liabilities	974,908	77,993	<u>1,052,901</u>

The accounting policies of the reportable segments are the same as the Group’s accounting policies described in Note 2. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

Geographical information

The Group’s activities are located primarily in Singapore. The geographical locations of the Group’s customers and non-current assets are primarily in Singapore.

Major customer information

The Group’s revenue derived from customers who individually accounted for 10% or more of the Group’s revenue is detailed below:

	2017	2016	2015
	\$	\$	\$
Customer A	–	379,426	–

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25 EVENTS AFTER THE REPORTING PERIOD

(a) Conversion of Convertible Notes

Subsequent to 31 December 2017, the Group had entered into additional Investment Agreements with various parties to raise Convertible Notes of \$1,700,000. The Convertible Notes bear interest of 6% per annum and are due to mature 24 months subsequent to the drawdown date. In accordance with the Investment Agreements, the Convertible Notes will be automatically converted into fully paid new ordinary shares in the Company. Pursuant to the Supplemental Agreements dated 25 April 2018, the Company substituted its subsidiary – BTFL Pte. Ltd. as the named borrower in the Investment Agreements entered into as at 31 December 2017.

(b) Incorporation of Synagie Pte. Ltd.

Synagie Pte. Ltd. was incorporated in Singapore in 22 March 2018, in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital comprising 1 share held the Company.

(c) Incorporation of Synagie Insurtech Pte. Ltd.

Synagie Insurtech Pte. Ltd. was incorporated in Singapore on 12 April 2018, in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital comprising 1 share held by Synagie Pte. Ltd., a wholly-owned subsidiary of the Company.

(d) Acquisition of the TPA Subsidiary

On 20 April 2018, the Group acquired 100% of the issued share capital of the TPA Subsidiary for a cash consideration of \$1,293,808; net of related party loans of \$2,006,192. As part of the acquisition deal, an earn-out incentive will be awarded based on the financial performance of the TPA Subsidiary in 2018 and 2019.

The TPA Subsidiary is an entity incorporated in Singapore with its principal activity being the provision of information technology and computer services. The Group acquired the TPA Subsidiary primarily for the addition of a complementary capability of the Group, allowing for potential opportunities to expand its customer base and service offerings.

At completion of the acquisition, the TPA Subsidiary’s net cash balance (determined as current assets minus current liabilities, excluding deferred costs, prepayments and inventories as at 31 December 2017) exceeded the agreed amount of \$3,300,000 by more than \$250,000. On 2 May 2018, pursuant to the terms of the TPA Agreement, the excess capped at \$250,000 was refunded to the Insurtech Vendor, Andrew Chua Chye Joo.

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26 COMPARATIVE INFORMATION

The financial information for 31 December 2017 and 31 December 2016 covered a 12-month period from 1 January 2017 to 31 December 2017 and 1 January 2016 to 31 December 2016 respectively.

The financial information for 31 December 2015 covered a 13-month period from 28 November 2014 to 31 December 2015.

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STATEMENT OF DIRECTORS

In the opinion of the directors, the combined financial statements of the Group as set out on pages A-4 to A-48 are drawn up so as to give a true and fair view of the financial position of the Group as at 31 December 2015, 2016 and 2017 and of the financial performance, changes in equity and cash flows of the Group for the years ended 31 December 2015, 2016 and 2017 and at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

ON BEHALF OF THE DIRECTORS

.....
Lee Shieh-Peen Clement

.....
Zanetta Lee Yue (Zanetta Li Yu)

30 July 2018

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APPENDIX B – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION OF SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

30 July 2018

The Board of Directors
Synagie Corporation Ltd.
38 Jalan Pemimpin
#05-09, M38
Singapore 577178

Report on the Compilation of Pro Forma Financial Information

We have completed our assurance engagement to report on the compilation of Pro Forma financial information of Synagie Corporation Ltd. (the “Company”) and its subsidiaries (the “Group”) by management. The Pro Forma financial information consists of the Pro Forma combined statement of financial position as at 31 December 2017, the Pro Forma combined statement of profit or loss and other comprehensive income for the year ended 31 December 2017, the Pro Forma combined statement of cash flows for the year ended 31 December 2017, and related notes as set out on pages B-4 to B-12 of the Offer Document issued by the Company. The applicable criteria on the basis of which management has compiled the Pro Forma financial information are described in Note 3.

The Pro Forma financial information has been compiled by management to illustrate the impact of the Significant Events set out in Note 2 on:

- (i) the unaudited Pro Forma combined financial position of the Group as at 31 December 2017 as if the Significant Events had occurred on 31 December 2017;
- (ii) the unaudited Pro Forma combined financial performance of the Group for the year ended 31 December 2017 as if the Significant Events as described in Note 2(a) and Note 2(b) had occurred on 1 January 2017 and 31 December 2017 respectively; and
- (iii) the unaudited Pro Forma combined cash flows of the Group for the year ended 31 December 2017 as if the Significant Events as described in Note 2(a) and Note 2(b) had occurred on 1 January 2017 and 31 December 2017 respectively.

As part of this process, information about the Group’s financial position, financial performance and cash flows has been extracted by management from the Group’s combined financial statements for the year ended 31 December 2017, on which an audit report has been published.

Management’s Responsibility for the Pro Forma Financial Information

Management is responsible for compiling the Pro Forma financial information on the basis as described in Note 3.

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INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION OF SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Singapore Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor’s Responsibilities

Our responsibility is to express an opinion about whether the Pro Forma financial information has been compiled, in all material respects, by management on the basis as described in Note 3.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (“SSAE”) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Institute of Singapore Chartered Accountants. This standard requires that the auditor plan and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the Pro Forma financial information on the basis of the applicable criteria as described in Note 3.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma financial information.

The purpose of Pro Forma financial information included in the Offer Document is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at the respective dates would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by management in the compilation of the Pro Forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- (i) The related Pro Forma adjustments give appropriate effect to those criteria; and
- (ii) The Pro Forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

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The procedures selected depend on the practitioner’s judgment, having regard to the auditor’s understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) The Pro Forma financial information has been compiled:
 - (i) in a manner consistent with the accounting policies adopted by the Group in its latest audited financial statements, which are in accordance with Singapore Financial Reporting Standards;
 - (ii) on the basis of the applicable criteria stated in Note 3 of the Pro Forma financial information; and
- (b) each material adjustment made to the information used in the preparation of the Pro Forma financial information is appropriate for the purpose of preparing such unaudited financial information.

Restriction of Use and Distribution

This report has been prepared solely to you for inclusion in the Offer Document in connection with the proposed listing of Synagie Corporation Ltd. on Catalist, the sponsor supervised board of the Singapore Exchange Securities Trading Limited and for no other purpose.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Ng Meng Chuan
Partner

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SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES

**UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
As at 31 December 2017**

	Audited combined statement of financial position	Unaudited Pro Forma adjustments ⁽¹⁾	Unaudited Pro Forma combined statement of financial position
	\$	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	1,826,486	1,050,515	2,877,001
Trade and other receivables	2,779,019	4,192,370	6,971,389
Inventories	1,462,312	5,781	1,468,093
Total current assets	6,067,817	5,248,666	11,316,483
Non-current assets			
Plant and equipment	116,331	7,281	123,612
Intangible assets	345,264	–	345,264
Goodwill	–	4,186,089	4,186,089
Total non-current assets	461,595	4,193,370	4,654,965
Total assets	6,529,412	9,442,036	15,971,448
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	3,482,646	4,506,077	7,988,723
Income tax payables	–	209,959	209,959
Total current liabilities	3,482,646	4,716,036	8,198,682
Non-current liabilities			
Convertible Notes	2,881,012	(2,881,012)	–
Other payables	–	3,026,000	3,026,000
Total non-current liabilities	2,881,012	144,988	3,026,000
Capital and accumulated losses			
Share capital	7,392,451	5,692,028	13,084,479
Convertible Notes reserve	1,111,016	(1,111,016)	–
Translation reserve	(10,090)	–	(10,090)
Accumulated losses	(8,327,623)	–	(8,327,623)
Total equity	165,754	4,581,012	4,746,766
Total liabilities and equity	6,529,412	9,442,036	15,971,448

(1) Being unaudited Pro Forma adjustments to reflect as if the acquisition of the Third Party Administration (“TPA”) Subsidiary and conversion of Convertible Notes had occurred on 31 December 2017 as described in Note 2(a) and Note 2(b) respectively.

**APPENDIX B – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
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SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES

**UNAUDITED PRO FORMA COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
Year ended 31 December 2017**

	Audited combined statement of profit or loss and other comprehensive income	Unaudited Pro Forma adjustments⁽¹⁾	Unaudited Pro Forma combined statement of profit or loss and other comprehensive income
	\$	\$	\$
Revenue	8,028,604	4,258,705	12,287,309
Cost of sales	(6,267,797)	(2,239,169)	(8,506,966)
Gross profit	1,760,807	2,019,536	3,780,343
Other income	16,092	474,739	490,831
Distribution costs	(669,145)	–	(669,145)
Administrative expenses	(4,179,001)	(1,081,874)	(5,260,875)
Other operating expenses	(108,514)	(50,926)	(159,440)
Finance costs	(203,528)	–	(203,528)
Loss before income tax	(3,383,289)	1,361,475	(2,021,814)
Income tax expense	–	(230,920)	(230,920)
Loss for the year	(3,383,289)	1,130,555	(2,252,734)
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	(10,090)	(1,947)	(12,037)
Total comprehensive income for the year	(3,393,379)	1,128,608	(2,264,771)
Basic and diluted earnings per share (cents)⁽²⁾	(1.55)	0.52	(1.03)

(1) Being unaudited Pro Forma adjustments to reflect as if the acquisition of the TPA Subsidiary and conversion of Convertible Notes had occurred on 1 January 2017 and 31 December 2017 respectively, as described in Note 2(a) and Note 2(b).

(2) Earnings per share is calculated based on the (loss) profit and pre-invitation shares of 218,704,993. The fully diluted earnings per share and basic earnings per share are the same because there is no dilutive share. The Convertible Notes are not included in the calculation of the diluted earnings per share as they are antidilutive.

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SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF CASH FLOWS
Year ended 31 December 2017

	Audited combined statement of cash flows	Unaudited Pro Forma adjustments ⁽¹⁾	Unaudited Pro Forma combined statement of cash flows
	\$	\$	\$
Operating activities			
(Loss) Profit before income tax	(3,383,289)	1,361,475	(2,021,814)
Adjustments for:			
Depreciation of plant and equipment	48,885	36,546	85,431
Amortisation of intangible assets	95,404	–	95,404
Write-off of inventories	–	849	849
Write-off of plant and equipment	108,513	–	108,513
Interest expense	11,500	–	11,500
Impairment loss on short-term investment	–	6,550	6,550
Dividend income	–	(1,700)	(1,700)
Interest income	–	(27,945)	(27,945)
Net unrealised exchange adjustment	(10,090)	–	(10,090)
Amortisation of Convertible Notes	192,028	–	192,028
Operating cash flows before movements in working capital	(2,937,049)	1,375,775	(1,561,274)
Trade and other receivables	(2,237,409)	(1,239,772)	(3,477,181)
Inventories	(1,021,560)	5,217	(1,016,343)
Trade and other payables	2,457,403	1,169,050	3,626,453
Cash (used in) from operating activities	(3,738,615)	1,310,270	(2,428,345)
Income tax paid	–	(38,994)	(38,994)
Net cash (used in) from operating activities	(3,738,615)	1,271,276	(2,467,339)
Investing activities			
Purchase of plant and equipment	(152,343)	(14,847)	(167,190)
Expenditure on software development	(187,414)	–	(187,414)
Proceeds from disposal of short-term investment	–	32,005	32,005
Dividend received	–	1,700	1,700
Interest received	–	27,945	27,945
Net advances to third parties	–	(910,429)	(910,429)
Acquisition of subsidiary	–	(1,057,135)	(1,057,135)
Net cash used in investing activities	(339,757)	(1,920,761)	(2,260,518)

**APPENDIX B – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF CASH FLOWS
Year ended 31 December 2017

	Audited combined statement of cash flows	Unaudited Pro Forma adjustments ⁽¹⁾	Unaudited Pro Forma combined statement of cash flows
	\$	\$	\$
Financing activities			
Proceeds on issue of shares	2,312,451	–	2,312,451
Repayment to a related party	(57,845)	–	(57,845)
Repayment to shareholders	(183,501)	–	(183,501)
Proceeds from Convertible Notes	3,800,000	1,700,000	5,500,000
Interest paid	(11,500)	–	(11,500)
Restricted funds	(150,000)	–	(150,000)
Net cash from financing activities	5,709,605	1,700,000	7,409,605
Net increase in cash and cash equivalents	1,631,233	1,050,515	2,681,748
Cash and cash equivalents at beginning of the financial year	45,253	–	45,253
Cash and cash equivalents at end of the financial year (Note)	1,676,486	1,050,515	2,727,001
Note:			
<u>Reconciliation</u>			
Cash and cash equivalents at end of the financial year	1,676,486	1,050,515	2,727,001
Add: Restricted cash	150,000	–	150,000
Cash and cash equivalents	1,826,486	1,050,515	2,877,001

(1) Being unaudited Pro Forma adjustments to reflect as if the acquisition of the TPA Subsidiary and conversion of Convertible Notes had occurred on 1 January 2017 and 31 December 2017 respectively, as described in Note 2(a) and Note 2(b).

APPENDIX B – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION For the year ended 31 December 2017

1 GENERAL

The Company (Registration No. 201717972D) is incorporated in Singapore with its principal place of business and registered office at 38 Jalan Pemimpin, #05-09, M38, Singapore 577178.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 1 to the audited combined financial statements for the financial period/years ended 31 December 2015, 2016 and 2017 as set out in Appendix A of the offer document.

2 SIGNIFICANT EVENTS

(a) Acquisition of the TPA Subsidiary

On 20 April 2018, the Group acquired 100% of the issued share capital of the TPA Subsidiary for a cash consideration of \$1,293,808; net of related party loans of \$2,006,192. As part of the acquisition deal, an earn-out incentive will be awarded based on the financial performance of the TPA Subsidiary in 2018 and 2019.

The TPA Subsidiary is an entity incorporated in Singapore with its principal activity being the provision of information technology and computer services. The Group acquired the TPA Subsidiary primarily for the addition of a complementary capability of the Group, allowing for potential opportunities to expand its customer base and service offerings.

At completion of the acquisition, the TPA Subsidiary’s net cash balance (determined as current assets minus current liabilities, excluding deferred costs, prepayments and inventories as at 31 December 2017) exceeded the agreed amount of \$3,300,000 by more than \$250,000. On 2 May 2018, pursuant to the terms of the TPA Agreement, the excess capped at \$250,000 was refunded to the Insurtech Vendor, Andrew Chua Chye Joo.

As of the Latest Practicable Date, the Board of Directors is of the opinion that the earn-out incentive will be achieved. As a result, the associated payments have been duly accrued for in the Pro Forma financial information.

For the purpose of Pro Forma adjustments, it is assumed that the TPA subsidiary has disposed of its shareholdings in two of its wholly owned subsidiaries namely, 1Care Global (HK) Limited and Innovation Alliance (M) Sdn. Bhd.

**APPENDIX B – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
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SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES

**NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION
For the year ended 31 December 2017**

(b) Conversion of Convertible Notes

Subsequent to 31 December 2017, the Group had entered into additional Investment Agreements with various parties to raise Convertible Notes of \$1,700,000. The Convertible Notes bear interest of 6% per annum and are due to mature 24 months subsequent to the drawdown date. In accordance with the Investment Agreements, the Convertible Notes will be automatically converted into fully paid new ordinary shares in the Company. For the purpose of Pro Forma adjustments, the Convertible Notes is assumed to convert to Shares on 31 December 2017, thereby extinguishing the liability to the Convertible Notes investors of \$5.5 million and increasing the share capital of the Company by \$5.5 million. Pursuant to the Supplemental Agreements dated 25 April 2018, the Company substituted its subsidiary – BTFL Pte. Ltd. as the named borrower in the Investment Agreements entered into as at 31 December 2017.

3 BASIS OF PREPARATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

3.1 The unaudited Pro Forma combined financial information of the Group for the year ended 31 December 2017 have been compiled based on:

(a) The audited combined financial information of Synagie Corporation Ltd and its subsidiaries for the year ended 31 December 2017 which were prepared by management in accordance with the Financial Reporting Standards in Singapore (“FRSs”), and audited by Deloitte & Touche LLP, Singapore in accordance with Singapore Standards on Auditing (“SSAs”). The auditor’s report on these combined financial statements were not modified; and

(b) The unaudited management accounts of the TPA Subsidiary for the year ended 31 December 2017 which were prepared by management.

3.2 The unaudited Pro Forma financial information of the Group has been prepared using the same accounting policies and methods of computation in the preparation of the audited combined financial statements for the financial period/years ended 31 December 2015, 2016 and 2017.

The unaudited Pro Forma financial information of the Group for the year ended 31 December 2017 are prepared for illustrative purposes only. These are prepared based on certain assumptions and after making certain adjustments to show what:

(a) the unaudited Pro Forma combined financial position of the Group as at 31 December 2017 would have been if the Significant Events had occurred on 31 December 2017;

**APPENDIX B – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
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SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES

**NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION
For the year ended 31 December 2017**

- (b) the unaudited Pro Forma combined financial performance of the Group for the year ended 31 December 2017 would have been if the Significant Events as described in Note 2(a) and Note 2(b) had occurred on 1 January 2017 and 31 December 2017 respectively; and
- (c) the unaudited Pro Forma combined cash flows of the Group for the year ended 31 December 2017 would have been if the Significant Events as described in Note 2(a) and Note 2(b) had occurred on 1 January 2017 and 31 December 2017 respectively.

Based on the assumption described above, the following material adjustments have been made to the audited combined financial statements for the year ended 31 December 2017, in arriving at the unaudited Pro Forma financial information:

- (i) Acquisition of the TPA Subsidiary

Assets acquired and liabilities assumed as at 31 December 2017

	31 December 2017⁽¹⁾
	\$
<u>Current assets</u>	
Cash and cash equivalents	894,323
Trade receivables	860,318
Other receivables	5,338,244
Inventories	5,781
<u>Non-current asset</u>	
Plant and equipment	7,281
<u>Current liabilities</u>	
Other payables	(4,506,077)
Income tax payables	(209,959)
Net assets acquired and liabilities assumed	2,389,911

- (1) Being unaudited Pro Forma adjustments to reflect the acquisition of the TPA Subsidiary as if it has occurred on 31 December 2017. The carrying amounts of the assets acquired and liabilities assumed on 31 December 2017 are assumed to approximate their fair values.

**APPENDIX B – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
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SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES

**NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION
For the year ended 31 December 2017**

Net cash outflow on acquisition of the TPA Subsidiary

	31 December 2017
	\$
Consideration paid in cash	1,543,808
Less: Cash and cash equivalent balances acquired	(894,323)
Less: Effects on unaudited Pro Forma adjustments arising from the different basis of preparation of unaudited Pro Forma statement of financial position and income statement	407,650
	1,057,135

Total consideration

	31 December 2017
	\$
Cash	1,543,808
Contingent consideration arrangement ⁽¹⁾	3,026,000
Effect of settlement of related party balances ⁽²⁾	2,006,192
	6,576,000

(1) The contingent consideration requires the Group to pay an earn-out incentive of \$2,000,000 in 2019 and \$1,300,000 in 2020, if the TPA Subsidiary’s revenue and profit after tax in each of the years 2018 and 2019 achieve \$5,500,000 and \$1,300,000 respectively. As of the Latest Practicable Date, the Board of Directors is of the opinion that the earn-out incentive will be achieved based on its assessment and knowledge of the market conditions of the industry. \$3,026,000 represents the estimated fair value of this obligation estimated based on an income approach and discounted at 6.3% per annum.

(2) The amount of the tranche payment has been revised to offset the sum of \$2,006,192, comprising the aggregate outstanding loans owing from related parties A, B and C of the TPA Subsidiary.

Related party A: 1Care Global Holdings Pte. Ltd.
 Related party B: 1Care Global (India) Pvt. Ltd.
 Related party C and Insurtech Vendor: Andrew Chua Chye Joo.

**APPENDIX B – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
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SYNAGIE CORPORATION LTD. AND ITS SUBSIDIARIES

**NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION
For the year ended 31 December 2017**

Goodwill arising on acquisition of the TPA Subsidiary

	31 December 2017
	\$
Total consideration	6,576,000
Less: Fair value of identifiable net assets acquired	(2,389,911)
	4,186,089

(ii) Conversion of Convertible Notes

Effect of the additional Convertible Notes of \$1,700,000, as well as, full conversion of the existing Convertible Notes of \$3,800,000 are adjusted as follows:

	31 December 2017
	\$
Cash consideration received	5,500,000
Conversion of Convertible Notes to share capital	(5,692,028)
Finance costs ⁽¹⁾	(192,028)

(1) Finance costs associated with the Convertible Notes comprise of the amortisation of Convertible Notes of \$192,028.

3.3 The unaudited Pro Forma financial information of the Group, because of its nature, is not necessarily indicative of the results of the operations, cash flows and financial position that would have been attained had the Significant Events actually occurred earlier. Save as disclosed in Note 2, the management, for the purpose of preparing this set of unaudited Pro Forma financial information of the Group, has not considered the effects of other events.

APPENDIX C – SELECTED EXTRACTS OF OUR CONSTITUTION

The discussion below provides a summary of our Constitution, which is the instrument that constitutes our Company. This description is only a summary and is qualified by reference to our Constitution, a copy of which will be displayed at our registered office at 38 Jalan Pemimpin #05-09, M38, Singapore 577178.

Directors

(a) Ability of interested directors to vote

A Director shall not vote in respect of any contract, proposed contract, transaction or arrangement in which he has, directly or indirectly, a personal material interest nor, subject to the Constitution, shall he be taken into account in ascertaining whether a quorum is present at the meeting.

(b) Remuneration

Fees payable to a non-executive Director shall be by a fixed sum (and not by a commission on or percentage of profits or turnover of the Company) as shall from time to time be determined by the Company in general meeting. Fees payable to our Directors shall not be increased except at a general meeting convened by a notice specifying the intention to propose such increase.

Any Director who holds any executive office, or who serves on any committee of the Directors, or who performs services outside the ordinary duties of a Director, may be paid extra remuneration in addition to or in substitution for his ordinary remuneration as a Director, as our Directors may determine.

The remuneration of a Managing Director (or such person(s) holding equivalent position(s)) shall be fixed by our Directors and may be by way of salary or commission or participation in profits or by any or all of these modes.

Our Directors shall have power to pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company, or to his dependents, and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

(c) Borrowing

Our Directors may exercise all the powers of our Company to raise or borrow money, and to secure the repayment of such sums in such manner and upon such terms and conditions as they think fit, including by way of mortgage or charge of its undertaking, property and uncalled capital.

(d) Retirement Age Limit

There is no retirement age limit for Directors under our Constitution.

(e) Shareholding Qualification

There is no shareholding qualification for Directors under our Constitution.

APPENDIX C – SELECTED EXTRACTS OF OUR CONSTITUTION

Share rights and restrictions

Our Company currently has one (1) class of shares, namely, ordinary shares. Only persons who are registered on our register of shareholders and in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for the ordinary shares, are recognised as our shareholders.

(a) Dividends and distribution

We may, by ordinary resolution of our shareholders, declare dividends at a general meeting, but we shall not pay dividends in excess of the amount recommended by our Board. We must pay all dividends out of our profits; however, we may capitalise any sum standing to the credit of any of our Company's reserve accounts or to the credit of the financial statements or otherwise available for distribution, provided that such sum is not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend. All dividends are paid pro-rata amongst our shareholders in proportion to the amount paid up on each shareholder's ordinary shares, unless the rights attaching to an issue of any ordinary share provide otherwise. Unless otherwise directed, dividends are paid by cheque, draft, post office order or warrant sent through the post to each shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a shareholder whose name is entered in the depository register shall, to the extent of payment made to CDP, discharge us from any liability to that shareholder in respect of that payment.

The payment by our Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute our Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by our Directors for the benefit of our Company. Any dividend unclaimed after a period of six (6) years after having been declared may be forfeited and shall revert to our Company but our Directors may thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled prior to the forfeiture.

Our Directors may retain any dividends or other moneys payable on or in respect of a share on which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(b) Voting rights

A holder of our ordinary Shares is entitled to attend and vote at any general meeting, in person or by proxy. Proxies need not be a Shareholder. A person who holds ordinary Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register maintained by CDP at least 72 hours before the general meeting.

Except as otherwise provided in our Constitution, two (2) or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution, on a show of hands, every Shareholder present in person and by proxy shall have one (1) vote, and on a poll, every Shareholder present in person or by proxy shall have one (1) vote for each ordinary Share which he holds or represents.

APPENDIX C – SELECTED EXTRACTS OF OUR CONSTITUTION

A poll may be required by the listing rules of any stock exchange upon which our Shares are listed, or if not, be demanded in certain circumstances, including by the Chairman of the meeting or by any Shareholder present in person or by proxy and representing not less than 5.0% of the total voting rights of all Shareholders having the right to attend and vote at the meeting or by any two (2) Shareholders present in person or by proxy and entitled to vote. In the case of a tie vote, whether on a show of hands or a poll, the Chairman of the meeting shall be entitled to a casting vote.

Change in capital

Changes in the capital structure of our Company (for example, a consolidation, cancellation, sub-division or conversion of our share capital) require Shareholders to pass an ordinary resolution. General meetings at which ordinary resolutions are proposed to be passed shall be called by at least 14 days' notice in writing. The notice must be given to each of our Shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting. However, we are required to obtain our shareholders' approval by way of a special resolution for any reduction of our share capital, subject to the conditions prescribed by law.

Variation of rights of existing shares or classes of shares

Subject to the Companies Act, whenever the share capital of our Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of our Constitution relating to general meetings of our Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two (2) persons at least holding or representing by proxy at least one-third of the total voting rights of the issued shares of the class, and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one (1) vote for every share of the class held by him, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters of the total voting rights of the issued shares of the class concerned within two (2) months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting.

Limitations on foreign or non-resident shareholders

There are no limitations imposed by Singapore law or by our Constitution on the rights of our Shareholders who are regarded as non-residents of Singapore, to hold or vote their Shares.

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APPENDIX D – RULES OF THE SYNAGIE PERFORMANCE SHARE PLAN

RULES OF THE SYNAGIE PERFORMANCE SHARE PLAN

1. NAME OF THE PERFORMANCE SHARE PLAN

The Performance Share Plan shall be called the “Synagie Performance Share Plan”.

2. DEFINITIONS

2.1 In this Performance Share Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Adoption Date”	:	The date on which the Performance Share Plan is adopted by our Company in a general meeting
“Auditors”	:	The auditors of our Company for the time being
“Award”	:	An award of Shares granted under the Performance Share Plan
“Board”	:	Our board of Directors of our Company for the time being
“Catalist”	:	The Catalist Board of the SGX-ST
“Catalist Rules”	:	Section B of the Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Commencement Date”	:	The date for the commencement of the Performance Share Plan
“Committee”	:	The remuneration committee of our Company, or such other committee comprising directors of our Company duly authorised and appointed by our Board to administer this Performance Share Plan
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
“Company”	:	Synagie Corporation Ltd.
“Controlling Shareholder”	:	A Shareholder who, in relation to our Company, has control, as further defined in Rule 2.2
“CPF”	:	The Central Provident Fund
“Director”	:	A person holding office as a director of our Company for the time being

APPENDIX D – RULES OF THE SYNAGIE PERFORMANCE SHARE PLAN

“Group”	:	Our Company and our subsidiary
“Group Employee”	:	Any confirmed employee of our Group (including any Group Executive Director) selected by the Committee to participate in the Performance Share Plan in accordance with the provisions thereof
“Group Executive Director”	:	A director of our Company and/or any of our subsidiary, as the case may be, who performs an executive function
“Invitation Shares”	:	The Invitation Shares which may be allotted and issued from time to time pursuant to the vesting of Awards granted under the Performance Share Plan
“Listing Manual”	:	Section B of the listing manual of the SGX-ST: Rules of Catalist as amended, supplemented or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“Non-Executive Director”	:	A director of our Company and/or any of our subsidiary, as the case may be, other than a Group Executive Director
“Participant”	:	A person who is selected by the Committee to participate in the Performance Share Plan in accordance with the provisions of the Performance Share Plan
“Performance Share Plan”	:	The performance share plan of our Company known as the “Synagie Performance Share Plan”, as amended, modified or supplemented from time to time
“Performance Targets”	:	The performance targets prescribed by the Committee to be fulfilled by a Participant for any particular period under the Performance Share Plan
“Record Date”	:	The date fixed by our Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares
“Rules”	:	The rules of the Performance Share Plan, as the same may be amended or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

APPENDIX D – RULES OF THE SYNAGIE PERFORMANCE SHARE PLAN

“Shareholders”	:	Registered holder(s) of Shares except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose securities accounts maintained with CDP are credited with the Shares
“Share(s)”	:	Ordinary share(s) in the capital of our Company
“Treasury Shares”	:	Issued Shares of our Company which were (or are treated as having been) purchased by our Company in circumstances which Section 76H of the Companies Act applies and have since purchase been continuously held by our Company
“Vesting Date”	:	In relation to Shares which are the subject of an Award which has been released in accordance with Rule 10, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares will vest pursuant to Rule 10
“S\$” and “cents”	:	Singapore Dollars and Cents respectively
“%” or “per cent.”	:	Per centum

2.2 For the purposes of the Performance Share Plan:

- (a) in relation to a Shareholder (including, where the context requires, our Company), “control” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company;
- (b) unless rebutted, a person who holds directly or indirectly, a shareholding of 15.0% or more of our Company’s issued share capital shall be presumed to be a Controlling Shareholder; and
- (c) in relation to a Controlling Shareholder, his “associate” shall have the meaning ascribed to it by the Catalist Rules or any other publication prescribing rules or regulations for corporations admitted to Catalist (as modified, supplemented or amended from time to time).

2.3 The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively under the Securities and Futures Act (Chapter 289) of Singapore.

2.4 Any reference in the Performance Share Plan or the Rules to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in the Performance Share Plan and the Rules shall have the meaning assigned to it under the Companies Act.

2.5 Words importing the singular number shall include the plural number where the context admits and vice versa. Words importing the masculine gender shall include the feminine gender where the context admits.

2.6 Any reference to a time of day shall be a reference to Singapore time.

APPENDIX D – RULES OF THE SYNAGIE PERFORMANCE SHARE PLAN

3. OBJECTIVES

The main objectives of the Performance Share Plan are as follows:

- (a) to attract potential employees with relevant skills to contribute to our Group and to create value for Shareholders;
- (b) to instil loyalty to, and a stronger identification by the Participants with the long-term prosperity of our Group;
- (c) to motivate the Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group;
- (d) to align the interests of the Participants with the interests of the Shareholders;
- (e) to give recognition to the contributions made by the Participants to the success of our Group; and
- (f) to retain key employees of our Company whose contributions are essential to the long-term prosperity of our Group.

4. ELIGIBILITY

- 4.1 The following persons (provided that such persons are not undischarged bankrupts at the relevant time) shall be eligible to participate in the Performance Share Plan at the absolute discretion of the Committee:
 - (a) Group Employees (including Group Executive Directors) who have attained the age of 21 years on or before the date of grant of the Award; and
 - (b) Non-Executive Directors (including independent Directors) who have attained the age of 21 years on or before the date of grant of the Award.
- 4.2 Controlling Shareholders and the associates of the Controlling Shareholders who meet the eligibility criteria in Rule 4.1 shall be eligible to participate in the Performance Share Plan provided that (a) the participation of, and (b) the terms of each grant and the actual number of Awards granted under the Performance Share Plan, to a Participant who is a Controlling Shareholder or an associate of a Controlling Shareholder shall be approved by the independent Shareholders in a general meeting in separate resolutions for each such person, and the basis for seeking such Shareholders' approval will be included in the circular to Shareholders.
- 4.3 Participants who are also Shareholders and are eligible to participate in the Performance Share Plan must abstain from voting on any resolution relating to the Performance Share Plan, including the participation in the Performance Share Plan and grant of Awards to the Participants, and should not accept nominations as proxies or otherwise for voting in respect of such resolution unless specific instructions have been given in the proxy instrument on how the votes are to be casted.

APPENDIX D – RULES OF THE SYNAGIE PERFORMANCE SHARE PLAN

- 4.4 Controlling Shareholders and their associates shall abstain from voting on the resolution in relation to their participation in the Performance Share Plan and grant of Awards to them.
- 4.5 For the purposes of determining eligibility to participate in the Performance Share Plan, the secondment of a Group Employee to another company within our Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of our Group.
- 4.6 There shall be no restriction on the eligibility of any Participant to participate in any other share incentive schemes or share plans implemented or to be implemented by our Company or any other company within our Group.
- 4.7 Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Performance Share Plan may be amended from time to time at the absolute discretion of the Committee.

5. LIMITATIONS UNDER THE PERFORMANCE SHARE PLAN

- 5.1 The total number of Shares which may be delivered pursuant to the vesting of Awards on any date, when added to the aggregate number of Shares issued and/or issuable in respect of (a) all Awards granted under the Performance Share Plan; and (b) all other Shares issued and/or issuable under any other share-based incentive schemes or share plans of our Company, shall not exceed 15.0% of the total number of issued Shares (excluding Treasury Shares) of our Company from time to time.
- 5.2 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Performance Share Plan.
- 5.3 The aggregate number of Shares available to the Controlling Shareholders and the associates of the Controlling Shareholders (including adjustments made in accordance with Rule 11) shall not exceed 25.0% of the Shares available under the Performance Share Plan.
- 5.4 The number of Shares available to each Controlling Shareholder or associate of the Controlling Shareholder (including adjustments made in accordance with Rule 11) shall also not exceed 10.0% of the Shares available under the Performance Share Plan.

6. DATE OF GRANT

The Committee may grant Awards at any time in the course of a financial year, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Awards may only be vested and hence any Shares comprised in such Awards may only be delivered on or after the second Market Day from the date on which the aforesaid announcement is made.

APPENDIX D – RULES OF THE SYNAGIE PERFORMANCE SHARE PLAN

7. AWARDS

- 7.1 The selection of the Participants and number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Performance Share Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as, *inter alia*, the rank, scope of responsibilities, performance, years of service and potential for future development and contribution to the success of our Group.
- 7.2 In the case of a performance-related Award, the Performance Targets will be set by the Committee depending on each individual Participant's job scope and responsibilities. The Performance Targets to be set shall take into account both the medium and long-term corporate objectives of the Group and the individual performance of the Participant and will be aimed at sustaining long-term growth. The corporate objectives shall cover market competitiveness, business growth and productivity growth. The Performance Targets could be based on criteria such as sales growth, growth in earnings and return on investment. In addition, the Participant's length of service with our Group, achievement of past Performance Targets, value-add to our Group's performance and development and overall enhancement to shareholder value, amongst others, will be taken into account.
- 7.3 As soon as reasonably practicable after an Award is finalised by the Committee, the Committee shall send an Award letter to the Participant confirming the said Award. The said Award letter shall specify, *inter alia*, the following:
- (a) in relation to a performance-related Award, the Performance Targets for the Participant and the period during which the Performance Targets shall be met;
 - (b) the number of Shares to be vested on the Participant; and
 - (c) the date by which the Award shall be vested.
- 7.4 The Committee shall take into account various factors when determining the method to arrive at the exact number of Shares comprised in an Award. Such factors include, but are not limited to, the current price of the Shares, the total issued share capital of our Company and the predetermined dollar amount which the Committee decides that a Participant deserves for meeting his Performance Targets. For example, Shares may be awarded based on predetermined dollar amounts such that the quantum of Shares comprised in Awards is dependent on the closing price of Shares transacted on the Market Day the Award is vested. Alternatively, the Committee may decide absolute numbers of Shares to be awarded to Participants irrespective of the price of the Shares. The Committee shall monitor the grant of Awards carefully to ensure that the size of the Performance Share Plan will comply with the relevant rules of the Catalist Rules.
- 7.5 Awards are personal to the Participant to whom it is given and shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of the Committee.

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8. VESTING OF THE AWARDS

8.1 Notwithstanding that a Participant may have met his Performance Targets, no Awards shall be vested:

- (a) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Award;
- (b) in the event of any misconduct on the part of the Participant as determined by the Committee in its discretion;
- (c) subject to Rule 8.2, upon the Participant ceasing to be in the employment of our Group for any reason whatsoever; or
- (d) in the event that the Committee shall, at its discretion, deem it appropriate that such Award to be given to a Participant shall so lapse on the grounds that any of the objectives of the Performance Share Plan (as set out in Rule 3) have not been met.

8.2 A Participant shall be entitled to an Award so long as he has met the Performance Targets notwithstanding that he may have ceased to be employed by the Group after the fulfilment of such Performance Targets. For the purpose of this Rule 8.2, the Participant may cease to be so employed in any of the following events, namely:

- (a) through ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
- (b) redundancy;
- (c) death;
- (d) retirement at or after the legal retirement age;
- (e) retirement before the legal retirement age with the consent of the Committee; or
- (f) any other event approved by the Committee.

9. TAKE-OVER AND WINDING UP OF OUR COMPANY

Notwithstanding Rule 8 but subject to Rule 9.5, in the event of a take-over being made for the Shares, a Participant shall (notwithstanding that the vesting period for the Award has not expired) be entitled to the Shares under the Awards if he has met the Performance Targets which fall within the period commencing on the date on which such offer for a take-over of our Company is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6)-month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the last date on which the Performance Targets are to be met); or

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(b) the date of expiry of the period for which the Performance Targets are to be met,

provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Companies Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Participant shall be obliged to fulfil such Performance Targets until the expiry of such specified date or the expiry date of the Performance Targets relating thereto, whichever is earlier, before an Award can be vested.

- 9.1 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of our Company or its amalgamation with another company or companies, each Participant who has fulfilled his Performance Target shall be entitled, notwithstanding the provisions herein and the fact that the vesting period for such Award has not expired but subject to Rule 9.5, to any Shares under the Awards so determined by the Committee to be released to him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later.
- 9.2 If an order or an effective resolution is made for the winding-up of our Company on the basis of its insolvency, all Awards, notwithstanding that they may have been so vested shall be deemed or become null and void.
- 9.3 In the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the Awards shall so vest in the Participant for so long as, in the absolute determination by the Committee, the Participant has met the Performance Targets prior to the date that the members' voluntary winding-up shall be deemed to have been commenced or effective in law.
- 9.4 If in connection with the making of a general offer referred to in Rule 9.1 or the scheme referred to in Rule 9.2 or the winding-up referred to in Rule 9.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or by any other form of benefit, no release of Shares under the Award shall be made in such circumstances.

10. RELEASE OF AWARDS

- 10.1 As soon as reasonably practicable after the end of each performance period, the Committee shall review the Performance Targets specified in respect of that Award and determine whether they have been satisfied and, if so, the extent to which they have been satisfied (whether fully or partially) and the number of Shares to be released.
- 10.2 The Committee shall have the discretion to determine whether Performance Targets have been met (whether fully or partially) or exceeded and/or whether the Participant's performance and/or contribution to our Company and/or any of our subsidiary justifies the vesting of an Award. In making any such determination, the Committee shall have the right to make reference to the audited results of our Company or our Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the Performance Targets if the Committee decides that a changed Performance Targets would be a fairer measure of performance.

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- 10.3 Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the Committee being satisfied that the Participant has achieved the Performance Targets.
- 10.4 Subject to the prevailing legislation and the provisions of the Catalist Rules, our Company will deliver Shares to Participants upon vesting of their Awards by way of an issue of new Shares or the transfer of existing Shares held as Treasury Shares to the Participants.
- 10.5 In determining whether to issue new Shares or to purchase existing Shares for delivery to Participants upon the vesting of their Awards, our Company will take into account factors such as the number of Shares to be delivered, the prevailing market price of the Shares and the financial effect on our Company of either issuing new Shares or purchasing existing Shares.
- 10.6 The Committee will procure, upon approval of the Board, the allotment or transfer to each Participant of the number of Shares which are to be released to that Participant pursuant to an Award under Rule 7. Any proposed issue of new Shares will be subject to there being in force at the relevant time the requisite Shareholders approval under the Companies Act for the issue of Shares. Any allotment of new Shares pursuant to an Award will take into account the rounding of odd lots.
- 10.7 Where new Shares are to be allotted or any Shares are to be transferred to a Participant pursuant to the release of any Award, the Vesting Date will be a trading day falling as soon as practicable after the review of the Committee referred to in Rule 10.1. On the Vesting Date, the Committee will procure the allotment or transfer of each Participant of the number of Shares so determined.
- 10.8 Where new Shares are to be allotted upon the vesting of any Award, our Company shall, as soon as practicable after allotment, where necessary, apply to the SGX-ST for the permission to deal in and for quotation of such Shares on the SGX-ST.
- 10.9 Shares which are allotted or transferred on the release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of either:
- (a) the securities account of that Participant maintained with CDP;
 - (b) the securities sub-account of that Participant maintained with a Depository Agent; or
 - (c) the CPF investment account maintained with a CPF agent bank,
- in each case, as designated by that Participant. Until such issue or transfer of such Shares has been effected, that Participant shall have no voting rights nor any entitlements to dividends or other distributions declared or recommended in respect of any Shares which are the subject of the Award granted to him.
- 10.10 New Shares allotted and issued, and existing Shares held in treasury procured by our Company for transfer, on the release of an Award, shall be subject to all the provisions of our Constitution and the Companies Act, and shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the date of issue of the new Shares or the date of transfer of Treasury Shares pursuant to the vesting of the Award, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

APPENDIX D – RULES OF THE SYNAGIE PERFORMANCE SHARE PLAN

10.11 Shares which are allotted, and/or Treasury Shares which are transferred, on the vesting of an Award to a Participant, may be subject to such moratorium as may be imposed by the Committee.

11. VARIATION OF CAPITAL

11.1 If a variation in the issued ordinary share capital of our Company (whether by way of a capitalisation of profits or reserves or rights issue, capital reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet vested; and/or
- (b) the class and/or number of Shares over which future Awards may be granted under the Performance Share Plan,

shall be adjusted by the Committee to give each Participant the same proportion of the equity capital of our Company as that to which he was previously entitled and, in doing so, the Committee shall determine at its own discretion the manner in which such adjustment shall be made.

11.2 Unless the Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
- (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the Performance Share Plan; and
- (d) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by our Company.

11.3 Notwithstanding the provisions of Rule 11.1:

- (a) the adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive; and
- (b) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

APPENDIX D – RULES OF THE SYNAGIE PERFORMANCE SHARE PLAN

- 11.4 Upon any adjustment required to be made pursuant to this Rule 11, our Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the vesting of an Award. Any adjustment shall take effect upon such written notification being given.

12. ADMINISTRATION OF THE PERFORMANCE SHARE PLAN

- 12.1 The Performance Share Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.
- 12.2 The Committee shall have the power, from time to time, to make and vary such rules (not being inconsistent with the Performance Share Plan) for the implementation and administration of the Performance Share Plan as they think fit including, but not limited to:
- (a) imposing restrictions on the number of Awards that may be vested within each financial year; and
 - (b) amending Performance Targets if by so doing, it would be a fairer measure of performance for a Participant or for the Performance Share Plan as a whole.
- 12.3 Any decision of the Committee made pursuant to any provision of the Performance Share Plan (other than a matter to be certified by the Auditors) shall be final and binding (including any decisions pertaining to the number of Shares to be vested) or to disputes as to the interpretation of the Performance Share Plan or any rule, regulation, procedure thereunder or as to any rights under the Performance Share Plan.

13. NOTICES AND ANNUAL REPORT

- 13.1 Any notice required to be given by a Participant to our Company shall be sent or made to the registered office of our Company or such other addresses as may be notified by our Company to him in writing.
- 13.2 Any notices or documents required to be given to a Participant or any correspondence to be made between our Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of our Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address, or facsimile number according to the records of our Company or at the last known address, electronic mail address, or facsimile number of the Participant and if sent by post, shall be deemed to have been given on the day following the date of posting or if sent by electronic mail or facsimile transmission, on the day of the dispatch.

APPENDIX D – RULES OF THE SYNAGIE PERFORMANCE SHARE PLAN

13.3 The following disclosures (as applicable) will be made by our Company in its annual report for so long as the Performance Share Plan continues in operation:

- (a) the names of the members of the Committee administering the Performance Share Plan;
- (b) in respect of the following Participants:
 - (i) Directors of our Company;
 - (ii) Participants who are Controlling Shareholders and their associates; and
 - (iii) Participants (other than those in paragraph (b)(i) and (ii) above) who have received Shares pursuant to the vesting of the Awards granted under the Performance Share Plan which, in aggregate, represent 5.0% or more of the total number of Shares available under the Performance Share Plan,

the following information:

- (aa) the name of the Participant;
 - (bb) the aggregate number of Shares comprised in Awards which have been granted to such Participant during the financial year under review (including terms);
 - (cc) the aggregate number of Shares comprised in Awards which have been granted to such Participant since the commencement of the Performance Share Plan to the end of the financial year under review;
 - (dd) the aggregate number of Shares comprised in Awards which have been issued and/or transferred to such Participant pursuant to the vesting of Awards under the Performance Share Plan since the commencement of the Performance Share Plan to the end of the financial year under review; and
 - (ee) the aggregate number of Shares comprised in Awards which have not been vested as at the end of the financial year under review; and
- (c) such other information as may be required by the Catalist Rules or the Companies Act.

If any of the above is not applicable, an appropriate negative statement shall be included.

14. MODIFICATIONS TO THE PERFORMANCE SHARE PLAN

14.1 Any or all the provisions of the Performance Share Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, provided that:

- (a) any modification or alteration which would be to the advantage of Participants under the Performance Share Plan shall be subject to the prior approval of Shareholders in a general meeting; and
- (b) no modification or alteration shall be made without due compliance with the Catalist Rules and approval from such other regulatory authorities as may be necessary.

APPENDIX D – RULES OF THE SYNAGIE PERFORMANCE SHARE PLAN

14.2 Notwithstanding anything to the contrary contained in Rule 14.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST if necessary) amend or alter the Performance Share Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Performance Share Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Companies Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

14.3 Written notice of any modification or alteration made in accordance with this Rule 14 shall be given to all Participants.

15. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant (who is a Group Employee) shall not be affected by his participation in the Performance Share Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

16. DURATION OF THE PERFORMANCE SHARE PLAN

16.1 The Performance Share Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the Adoption Date, provided always that the Performance Share Plan may continue beyond the above stipulated period with the approval of our Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

16.2 The Performance Share Plan may be terminated at any time at the discretion of the Committee or by an ordinary resolution of our Company in general meeting subject to all other relevant approvals which may be required and if the Performance Share Plan is so terminated, no further Awards shall be offered by our Company thereunder.

16.3 Notwithstanding the expiry or termination of the Performance Share Plan, any Awards made to Participants prior to such expiry or termination will continue to remain valid.

17. TAXES

All taxes (including income tax) arising from the grant and/or disposal of Shares pursuant to the Awards granted to any Participant under the Performance Share Plan shall be borne by that Participant.

APPENDIX D – RULES OF THE SYNAGIE PERFORMANCE SHARE PLAN

18. COSTS AND EXPENSES

- 18.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Awards in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a CDP Depository Agent.
- 18.2 Save for the taxes referred to in Rule 17 and such other costs and expenses expressly provided in the Performance Share Plan to be payable by the Participants, all fees, costs and expenses incurred by our Company in relation to the Performance Share Plan including but not limited to the fees, costs and expenses relating to the allotment, issue and/or delivery of Shares pursuant to the Awards shall be borne by our Company.

19. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Board, the Committee and our Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to our Company's delay in issuing or transferring the Shares or applying for or procuring the listing of the Shares on the SGX-ST.

20. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

21. CONDITION OF AWARDS

Every Award shall be subject to the condition that no Shares would be issued or transferred pursuant to the vesting of any Award if such issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue or transfer of Shares hereto.

22. GOVERNING LAW

The Performance Share Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Awards in accordance with the Performance Share Plan, and our Company irrevocably submits to the exclusive jurisdiction of the courts of the Republic of Singapore.

23. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53B

No person other than the Company or a Participant shall have any right to enforce any provision of the Performance Share Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

The Scheme shall be called the “Synagie Employee Share Option Scheme”.

2. DEFINITIONS

In this Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Associate”	:	Shall have the meaning assigned to it in the Catalist Rules
“Associated Company”	:	A company in which at least 20.0% but not more than 50.0% of its issued shares are held by the company or the Group and over which the Company has Control
“Associated Company Employee”	:	Any confirmed employee (including directors) of an Associated Company selected by the Committee to participate in the Scheme
“Auditors”	:	The auditors of the Company for the time being
“Board”	:	The board of Directors of the Company for the time being
“Catalist Rules”	:	The rules constituted in Section B of the Listing Manual of the SGX-ST
“CDP”	:	The Central Depository (Pte) Limited
“Committee”	:	The Remuneration Committee of the Company
“Company”	:	Synagie Corporation Ltd.
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

<i>“Controlling Shareholder”</i>	:	A shareholder who: (a) holds directly or indirectly 15.0% or more of the total number of issued Shares (excluding Shares held by the Company as treasury shares) (unless otherwise determined by the SGX-ST that a person who satisfies this subparagraph is not a controlling shareholder); or (b) in fact exercises Control over the Company
<i>“Date of Grant”</i>	:	The date on which an Option is granted to a Participant pursuant to Rule 7
<i>“Director”</i>	:	A person holding office as a director for the time being of the Company
<i>“EGM”</i>	:	Extraordinary General Meeting
<i>“Executive Director”</i>	:	A director who is an employee of the Group and who performs an executive function
<i>“Exercise Price”</i>	:	The price at which a Participant shall acquire each Share upon the exercise of an Option, as determined in accordance with Rule 9, or such adjusted price as may be applicable pursuant to Rule 10
<i>“Financial Year”</i>	:	Each period of 12 months or more or less than 12 months, at the end of which the balance of accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company
<i>“Grantee”</i>	:	The person to whom an offer of an Option is made
<i>“Group”</i>	:	The Company, its Subsidiaries and Associated Companies (as they may exist from time to time)
<i>“Group Employee”</i>	:	Any confirmed employee of the Group (including an Executive Director) selected by the Committee to participate in the Scheme in accordance with Rule 4
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading of securities

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

- “Market Price”* : The average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offer Date Provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
- “Non-executive Director”* : A director of the Company and/or its subsidiaries, other than one who performs an executive function
- “Offer Date”* : The date on which an offer to grant an Option is made pursuant to the Scheme
- “Option”* : The right to acquire Shares granted or to be granted to a Group Employee or a Non-executive Director pursuant to the Scheme and for the time being subsisting
- “Option Period”* : Subject as provided in Rules 11 and 15, the period for the exercise of an Option being:
- (a) in the case of an Option granted with the Exercise Price set at Market Price, a period beginning one (1) year from the Offer Date of that Option and expiring on the (i) tenth year in the case of an Option granted to Group Employees; and (ii) fifth year in the case of an Option granted to Non-executive Directors and Associated Company Employees, from the relevant Offer Date or such earlier date as may be determined by the Committee, subject as provided in Rules 11 and 15, and any other conditions as may be determined by the Committee from time to time; and

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

- (b) in the case of an Option granted with the Exercise Price set at a discount to the Market Price, a period beginning two (2) years from the Offer Date of that Option and expiring on the (i) tenth year in the case of an Option granted to Group Employees; and (ii) fifth year in the case of an Option granted to Non-executive Directors and Associated Company Employees, from the relevant Offer Date or such earlier date as may be determined by the Committee, subject as provided in Rules 11 and 15, and any other conditions as may be determined by the Committee from time to time

<i>“Participant”</i>	:	The holder of an Option
<i>“Record Date”</i>	:	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions.
<i>“Scheme”</i>	:	The Synagie Employee Share Option Scheme
<i>“S\$”</i>	:	Singapore Dollars
<i>“SGX-ST”</i>	:	The Singapore Exchange Securities Trading Limited
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company
<i>“Shareholders”</i>	:	The registered holders for the time being of the Shares (other than CDP) or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register
<i>“Subsidiary”</i>	:	A company which is for the time being a subsidiary of the Company as defined by Section 5 of the Act

The terms “Depositor”, “Depository Register” and “Depository Agent” shall have the meanings ascribed to them respectively by Section 130A of the Act.

Words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, where applicable, include the feminine and neuter gender. References to persons shall include corporations.

Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in this Scheme shall, where applicable, have the same meaning assigned to it under the Act. Any reference in this Scheme to a time of day shall be a reference to Singapore time unless otherwise stated.

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

3. OBJECTIVES OF THE SCHEME

The Scheme will provide an opportunity for Group Employees who have contributed significantly to the growth and performance of the Group and Non-executive Directors and who satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company.

The Scheme is primarily a share incentive scheme. It recognises the fact that the services of Group Employees and Non-executive Directors are important to the success and continued well-being of the Group. Implementation of the Scheme will enable the Company to give recognition to the contributions made by such Group Employees and Non-executive Directors. At the same time, it will give such Group Employees and Non-executive Directors an opportunity to have a direct interest in the Company at no direct cost to its profitability and will also help to achieve the following positive objectives:

- (a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees and directors whose contributions are essential to the long-term growth and prosperity of the Group;
- (c) to instil loyalty to, and a stronger identification by Participants with the long-term prosperity of, the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and
- (e) to align the interests of Participants with the interests of the Shareholders.

4. ELIGIBILITY

4.1 The following persons shall be eligible to participate in the Scheme at the absolute discretion of the Committee:

- (a) Group Employees (including Executive Directors) who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors, and who have, as of the Date of Grant, been in the employment of the Group for a period of at least twelve (12) months, or such shorter period as the Committee may determine; and
- (b) Non-executive Directors who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors.

Directors and employees of the Company's parent company and its Subsidiaries (other than the Company and the Company's Subsidiaries) are not entitled to participate in the Scheme.

There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within the Group.

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

4.2 Controlling Shareholders and their Associates who satisfy the criteria set out in Paragraph 4.1 above shall be eligible to participate in the Scheme provided that:

- (a) their participation; and
- (b) the actual or maximum number of Shares and terms of any Options to be granted to them,

have been approved by independent shareholders of the Company at a general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the actual or maximum number of Shares and terms of any Options to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent shareholders of the Company for the participation in the Scheme of a Controlling Shareholder or his Associate who is, at the relevant time, already a Participant.

5. MAXIMUM ENTITLEMENT

Subject to Rule 4 and Rule 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for acquisition in accordance with the Scheme shall be determined at the discretion of the Committee who shall take into account criteria such as rank, past performance, years of service and potential development of the Grantee.

6. LIMITATION ON THE SIZE OF THE SCHEME

- 6.1 The aggregate number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable or transferred and to be transferred in respect of all Options granted under the Scheme and the number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the day immediately preceding the Offer Date of the Option.
- 6.2 The aggregate number of Shares which may be issued or transferred pursuant to Options under the Scheme to Participants who are Controlling Shareholders and their Associates shall not exceed 25.0% of the Shares available under the Scheme.
- 6.3 The number of Shares which may be issued or transferred pursuant to Options under the Scheme to each Participant who is a Controlling Shareholder or his Associate shall not exceed 10.0% of the Shares available under the Scheme.

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

7. OFFER DATE

- 7.1 The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that no Options shall be granted during the period of thirty (30) days immediately preceding the date of announcement of the Company's interim and/or final results (whichever the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers to grant Options may only be made on or after the third Market Day on which such announcement is released.
- 7.2 An offer to grant the Option to a Grantee shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in Annex 1, subject to such amendments as the Committee may determine from time to time.

8. ACCEPTANCE OF OFFER

- 8.1 An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within thirty (30) days after the relevant Offer Date and not later than 5.00 p.m. on the thirtieth (30th) day from such Offer Date (a) by completing, signing and returning to the Company the Acceptance Form in or substantially in the form set out in Annex 2, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration or such other amount and such other documentation as the Committee may require and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with these Rules.
- 8.2 If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the thirty (30) day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.
- 8.3 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or Exercise Notice (as defined in Rule 12) given pursuant to Rule 12 which does not strictly comply with the terms of the Scheme.
- 8.4 Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Grantee's duly appointed personal representative as provided in Rule 11.6 in the event of the death of such Grantee.
- 8.5 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 100 Shares. The Committee shall, within fifteen (15) Market Days of receipt of the Acceptance Form and consideration, acknowledge receipt of the same.
- 8.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

- 8.7 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 8.1 within the thirty (30) day period; or
 - (b) the Participant dies prior to his acceptance of the Option; or
 - (c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
 - (d) the Grantee, being a Group Employee, ceases to be in the employment of the Group or (being an Executive Director) ceases to be a director of the Company, in each case, for any reason whatsoever prior to his acceptance of the Option; or
 - (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

9. EXERCISE PRICE

- 9.1 Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and shall be fixed by the Committee at:
- (a) the Market Price; or
 - (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20.0% of the Market Price in respect of that Option.
- 9.2 In making any determination under Rule 9.1(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:
- (a) the performance of the Company, its Subsidiaries and Associated Companies, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
 - (b) the years of service and individual performance of the eligible Group Employee;
 - (c) the contribution of the eligible Group Employee to the success and development of the Company and/or the Group; and
 - (d) the prevailing market conditions.

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

10. ALTERATION OF CAPITAL

- 10.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:
- (a) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised; and/or
 - (b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
 - (c) the maximum entitlement in any one (1) Financial Year; and/or
 - (d) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate, including retrospective adjustments, where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

- 10.2 Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made (a) if as a result, the Participant receives a benefit that a Shareholder does not receive; and (b) unless the Committee after considering all relevant circumstances considers it equitable to do so.
- 10.3 The issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Catalist Rules, undertaken by the Company on the SGX-ST during the period when a share repurchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment under the provisions of this Rule 10.
- 10.4 The restriction on the number of Shares to be offered to any Grantee under Rule 5 above, shall not apply to the number of additional Shares or Options over additional Shares issued or transferred by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.
- 10.5 Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised and the maximum entitlement in any one (1) Financial Year.

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

11. OPTION PERIOD

- 11.1 Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by a Participant after the first anniversary of the Offer Date of that Option, provided always that the Options granted to Group Employees (other than Non-executive Directors and/or Associated Company Employees) shall be exercised before the tenth anniversary of the relevant Offer Date, and Options granted to Non-executive Directors and/or Associated Company Employees shall be exercised before the fifth anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.2 Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by a Participant after the second anniversary from the Offer Date of that Option, provided always that the Options granted to Group Employees (other than Non-executive Directors and/or Associated Company Employees) shall be exercised before the tenth anniversary of the relevant Offer Date, and Options granted to Non-executive Directors and/or Associated Company Employees shall be exercised before the fifth anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.3 An Option shall, to the extent unexercised, immediately lapse and become null and void and a Participant shall have no claim against the Company:
- (a) subject to Rules 11.4, 11.5 and 11.6, upon the Participant ceasing to be in the employment of the Company or any of the companies within the Group for any reason whatsoever; or
 - (b) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or
 - (c) in the event of misconduct on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11.3(a), a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

11.4 If a Participant ceases to be employed by the Group by reason of his:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) redundancy;
- (c) retirement at or after a normal retirement age; or
- (d) retirement before that age with the consent of the Committee,

or for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.5 If a Participant ceases to be employed by a Subsidiary:

- (a) by reason of the Subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary, being transferred otherwise than to another company within the Group; or
- (b) for any other reason, provided the Committee gives its consent in writing,

he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.6 If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representatives of the Participant within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.7 If a Participant, who is also an Executive Director or a Non-executive Director (as the case may be), ceases to be a director for any reason whatsoever, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

12. EXERCISE OF OPTIONS, ALLOTMENT OR TRANSFER AND LISTING OF SHARES

12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Annex 3 (“**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

12.2 Subject to:

(a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and

(b) compliance with the Rules of the Scheme and the Constitution of the Company,

the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days after the date of the exercise of the Option in accordance with Rule 12.1, allot the Shares or, as the case may be, procure the transfer of existing Shares (which may include, where desired, any Shares held by the Company as treasury shares), in respect of which such Option has been exercised by the Participant and where required, or as the case may be, within five (5) Market Days from the date of such allotment, despatch the relevant share certificates to CDP for the credit of the securities account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

12.3 The Company shall as soon as practicable after the exercise of an Option, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.

12.4 Shares which are all allotted or transferred on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in the name of, or transferred to, CDP to the credit of the securities account of the Participant maintained with CDP or the Participant’s securities sub-account with a Depository Agent.

12.5 Shares allotted and issued, and existing Shares procured by the Company for transfer, upon the exercise of an Option shall be subject to all provisions of the Constitution of the Company and shall rank *pari passu* in all respects with the then existing issued Shares except for any dividends, rights, allotments or other distributions, the Record Date for which is prior to the date such Option is exercised.

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

12.6 Except as set out in Rule 12 and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.

13. ALTERATIONS AND AMENDMENTS TO THE SCHEME

13.1 Any or all of the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee except that:

- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration, may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all the Shares which would fall to be issued and allotted or transferred upon exercise in full of all outstanding Options;
- (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of Shareholders at a general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST or (if required) any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 13.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without any other formality save for the prior approval of the SGX-ST) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provisions or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

13.3 Written notice of any modification or alteration made in accordance with this Rule shall be given to all Participants.

14. DURATION OF THE SCHEME

14.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date on which the Scheme is adopted by Shareholders in the EGM. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

14.2 The Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

14.3 The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

15. TAKE-OVER AND WINDING-UP OF THE COMPANY

15.1 In the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and 11.2) holding Options as yet unexercised shall, notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise such Options in full or in part in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

(a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or

(b) the date of the expiry of the Option Period relating thereto;

whereupon any Option then remaining unexercised shall immediately lapse and become null and void.

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11, remain exercisable until the expiry of the Option Period.

15.2 If, under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and Rule 11.2) shall notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option shall lapse and become null and void, Provided always that the date of exercise of any Option shall be before the tenth anniversary of the Offer Date.

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

- 15.3 If an order or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- 15.4 In the event of a members' solvent voluntary winding-up (other than for amalgamation or reconstruction), Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and Rule 11.2) shall, subject to Rule 15.5, be entitled within thirty (30) days of the passing of the resolution of such winding-up (but not after the expiry of the Option Period relating thereto) to exercise in full any unexercised Option, after which such unexercised Option shall lapse and become null and void.
- 15.5 If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding-up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.
- 15.6 To the extent that an Option is not exercised within the periods referred to in this Rule 15, it shall lapse and become null and void.

16. ADMINISTRATION OF THE SCHEME

- 16.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board.
- 16.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.
- 16.3 Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Scheme).
- 16.4 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Options to be granted to him.

17. NOTICES

- 17.1 Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

17.2 Any notice or documents given by the Company to a Participant shall be sent to the Participant by hand or sent to him at his home address stated in the records of the Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

18. TERMS OF EMPLOYMENT UNAFFECTED

18.1 The Scheme or any Option shall not form part of any contract of employment between the Company, any Subsidiary or Associated Company (as the case may be) and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Scheme or any right which he may have to participate in it or any Option which he may hold and the Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

18.2 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company, any Subsidiary and/or Associated Company directly or indirectly or give rise to any cause of action at law or in equity against the Company, any Subsidiary or Associated Company.

19. TAXES

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Scheme shall be borne by the Participant.

20. COSTS AND EXPENSES OF THE SCHEME

20.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's security account with CDP or the Participant's securities sub-account with his Depository Agent and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.

20.2 Save for such costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs, and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment or transfer of the Shares pursuant to the exercise of any Option shall be borne by the Company.

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

21. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained and subject to the Act, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the Scheme including but not limited to the Company's delay or failure in issuing and allotting, or procuring the transfer of, the Shares or in applying for or procuring the listing of and quotation for the Shares on the SGX-ST or any other stock exchanges on which the Shares are quoted or listed.

22. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Scheme are to abstain from voting on any shareholders' resolution relating to the Scheme and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, Shareholders who are eligible to participate in the Scheme shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Scheme; (b) the maximum discount which may be given in respect of any Option; and (c) participation by and grant of Options to Controlling Shareholders and their Associates.

23. DISPUTES

Any disputes or differences of any nature in connection with the Scheme shall be referred to the Committee and its decision shall be final and binding in all respects.

24. CONDITION OF OPTION

Every Option shall be subject to the condition that no Shares shall be issued or transferred pursuant to the exercise of an Option if such issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country.

25. GOVERNING LAW

The Scheme shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Company and the Participants, by accepting the offer of the grant of Options in accordance with the Scheme, shall submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

26. DISCLOSURE IN ANNUAL REPORT

The Company shall make the following disclosure in its annual report:

- (a) The names of the members of the Committee;
- (b) The information required in the table below for the following Participants (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular Financial Year):
 - (i) Participants who are Directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their Associates; and
 - (iii) Participants, other than those in (i) and (ii) above, who receive 5.0% or more of the total number of Options available under the Scheme; and

Name of Participant	Options granted during financial year under review (including terms)	Aggregate Options granted since commencement of the Scheme to end of financial year under review	Aggregate Options exercised since commencement of the Scheme to end of financial year under review	Aggregate Options outstanding as at end of financial year under review
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- (c) The number and proportion of Options granted at the following discounts to the Market Price in the financial year under review:
 - (i) options granted at up to 10.0% discount; and
 - (ii) options granted at between 10.0% but not more than 20.0% discount.
- (d) such other information as may be required by the Catalist Rules or the Companies Act, provided that if any of the above requirements are not applicable, an appropriate negative statement should be included herein.

**APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE
SHARE OPTION SCHEME**

ANNEX 1

SYNAGIE EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial No.: _____

PRIVATE AND CONFIDENTIAL

Date:

To: [Name]
[Designation]
[Address]

Dear Sir/Madam

We are pleased to inform you that you have been nominated by the Remuneration Committee of the Board of Directors of Synagie Corporation Ltd. (the “**Company**”) to participate in the Synagie Employee Share Option Scheme (the “**Scheme**”). Terms as defined in the Scheme shall have the same meaning when used in this letter.

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S\$1.00, to acquire _____ ordinary shares in the capital of the Company at the price of S\$ _____ per ordinary share. The Option shall be subject to the terms of this Letter of Offer and the Scheme (as the same may be amended from time to time pursuant to the terms and conditions of the Scheme), a copy of which is enclosed herewith.

The Option is personal to you and may not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than _____ a.m./p.m. on the _____ day of _____ failing which this offer will forthwith lapse.

Yours faithfully
For and on behalf of
SYNAGIE CORPORATION LTD.

Name:
Designation:

**APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE
SHARE OPTION SCHEME**

ANNEX 2

SYNAGIE EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial No.: _____

To: The Remuneration Committee
Synagie Employee Share Option Scheme
c/o The Company Secretary
Synagie Corporation Ltd.
38 Jalan Pemimpin
#05-09
M38
Singapore 577178

Closing Time and Date for Acceptance of Option : _____
No. of Shares in respect of which Option is offered : _____
Exercise Price per Share : S\$ _____
Total Amount Payable on Acceptance of Option : S\$ _____
(exclusive of the relevant CDP charges)

I have read your Letter of Offer dated _____ (“**Offer Date**”) and agree to be bound by the terms thereof and of the Synagie Employee Share Option Scheme stated therein. I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to acquire such shares.

I hereby accept the Option to acquire _____ ordinary shares in the capital of Synagie Corporation Ltd. (“**Shares**”) at S\$ _____ per Share and enclose cash/banker’s draft/cashier’s order/postal order no. _____ for S\$1.00 being payment for the purchase of the Option. I understand that I am not obliged to exercise the Option.

I also understand that I shall be responsible for all the fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares in CDP’s name, the deposit of share certificates with CDP, my securities account with CDP or my securities sub-account with a Depository Agent (as the case may be) (collectively, “**CDP charges**”).

I confirm that as at the date hereof:

- (a) I am not less than 21 years old, nor an undischarged bankrupt, nor have I entered into a composition with any of my creditors;
- (b) I satisfy the eligibility requirements to participate in the Scheme as defined in Rule 4 of the Scheme; and
- (c) I satisfy the other requirements to participate in the Scheme as set out in the Rules of the Scheme.

APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE SHARE OPTION SCHEME

I hereby acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

I agree to keep all information pertaining to the grant of the Option to me confidential.

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

* Delete as appropriate

Notes:

- (1) Option must be accepted in full or in multiples of 100 Shares.
- (2) The Acceptance Form must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".
- (3) The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

**APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE
SHARE OPTION SCHEME**

ANNEX 3

SYNAGIE EMPLOYEE SHARE OPTION SCHEME

EXERCISE NOTICE

To: The Remuneration Committee
Synagie Employee Share Option Scheme
c/o The Company Secretary
Synagie Corporation Ltd.
38 Jalan Pemimpin
#05-09
M38
Singapore 577178

Total Number of ordinary shares ("**Shares**") at : _____
S\$ _____ per Share under an option granted
on _____ ("**Offer Date**")

Number of Shares previously allotted and issued or : _____
transferred thereunder

Outstanding balance of Shares which may be allotted : _____
and issued or transferred thereunder

Number of Shares now to be acquired : _____
(in multiples of 100)

1. Pursuant to your Letter of Offer dated ("**Offer Date**") and my acceptance thereof, I hereby exercise the Option to acquire Shares in Synagie Corporation Ltd. ("**Company**") at S\$ _____ per Share.
2. I hereby request the Company to allot and issue or transfer to me the number of Shares specified in paragraph 1 in the name of The Central Depository (Pte) Limited ("**CDP**") to the credit of my Securities Account with the CDP/Securities Sub-Account with a Depository Agent specified below and to deliver the share certificates relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP ("**CDP charges**") and any stamp duties in respect thereof:

*(a) Direct Securities Account Number : _____

*(b) Securities Sub-Account Number : _____

Name of Depository Agent : _____

3. I enclose a cheque/cashier's order/bank draft/postal order no. _____ for S\$ _____ in payment for the Exercise Price of S\$ _____ for the total number of the said Shares and the CDP charges of S\$ _____.

**APPENDIX E – RULES OF THE SYNAGIE EMPLOYEE
SHARE OPTION SCHEME**

4. I agree to acquire the Shares subject to the terms of the Letter of Offer, the Synagie Employee Share Option Scheme (as the same may be amended pursuant to the terms thereof from time to time) and the Constitution of the Company.
5. I declare that I am acquiring the Shares for myself and not as a nominee for any other person.

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

* Delete as appropriate

Notes:

1. An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof.
2. The form entitled "Exercise Notice" must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".

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F R O S T  S U L L I V A N

Independent Market Research on the eCommerce Industry in Singapore and Southeast Asia

APAC Digital Transformation Research Team at Frost & Sullivan

June 2018

APPENDIX F – FROST & SULLIVAN REPORT

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The market research process for this study has been undertaken through secondary/desktop research as well as primary research, which involves discussing the status of the industry with leading participants and experts. The research methodology used is the Expert Opinion Consensus Methodology.

Quantitative market information is subject to fluctuations due to possible changes in the business and industry climate. Frost & Sullivan's estimates and assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

This study has been prepared for inclusion in the Offer Document of Synagie ("the Company") in relation to an initial public offering in connection with its listing on the catalyst of the Singapore Exchange Securities Trading Limited ("the Listing").

Save the inclusion of this study in the Offer Document issued by the Company and in such presentation materials prepared by or on behalf of the Company (reviewed by Frost & Sullivan) in relation to the Listing, no part of it may be otherwise given, lent, resold, or disclosed to non-customers without our written permission. Furthermore, no part may be reproduced, stored in a retrieval system, or transmitted in any form or by any means—electronic, mechanical, photocopying, recording, or otherwise—without our permission.

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken adequate care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the eCommerce industry in Singapore and Southeast Asia within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. Our research has been conducted with an overall industry perspective, and it may not necessarily reflect the performance of individual companies in the industry. Frost & Sullivan shall not be liable for any loss suffered because of reliance on the information contained in this study. This study should also not be considered as a recommendation to buy or not to buy the shares of any company or companies mentioned in it or otherwise.

Authorized Signatory

Richard Wong
Vice President
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Singapore 189702

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GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS

The following abbreviations are used:

B2C	Business-to-Consumer
eCommerce	Electronic commerce
SEA	Southeast Asia
GDP	Gross Domestic Product
PPP	Purchasing Power Parity
CAGR	Compound Annual Growth Rate
GMV	Gross Merchandise Value
4G LTE	Fourth Generation Long-term Evolution
COD	Cash on Delivery
mCommerce	Mobile commerce
DVD	Digital Versatile Disc
PCs	Personal Computers
FMCG	Fast-Moving Consumer Goods
GTM	Go-to-Market
BBB	Beauty, Body and Baby Care
MNC	Multinational Corporation
ERP	Enterprise Resource Planning
SMB	Small- and Medium-sized Businesses
SOHO	Small Office Home Office
ACRA	Accounting and Corporate Regulatory Authority, Singapore

Southeast Asia refers to Indonesia, Vietnam, Thailand, the Philippines, Malaysia and Singapore.

GDP (PPP) per capita refers to gross domestic product converted to international dollars using purchasing power parity rates and divided by total population.

Credit Card Penetration refers to the percentage of population that owns at least a credit card.

Internet Users refers to people who access fixed or mobile Internet services at least once a month.

Internet Penetration refers to the percentage of population that accesses fixed or mobile Internet services at least once a month.

Smartphone Users refers to any users with access to a smartphone; any individual with more than one smartphone will be counted as more than one user.

Smartphone Penetration refers to the percentage of population that owns smart devices like smartphone or tablet.

Marketplace refers to a type of eCommerce site where product or service information is provided by multiple third parties, whereas transactions are processed by the marketplace operator.

Gross Merchandise Value refers to the total transaction volume in dollar sales for merchandise sold through a particular marketplace.

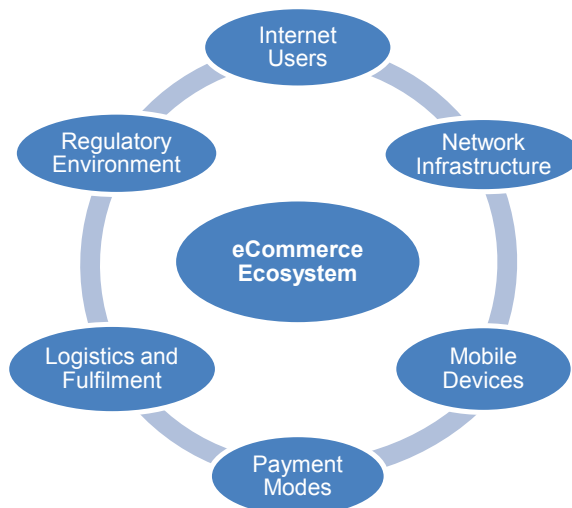
1. B2C eCOMMERCE INDUSTRY OVERVIEW IN SOUTHEAST ASIA

1.1 Understanding the Ecosystem, Drivers, and Restraints

In this report, Frost & Sullivan defines the region of Southeast Asia, or SEA, as the combined markets of Indonesia, Vietnam, Thailand, the Philippines, Malaysia, and Singapore, totalling 572.6 million inhabitants in 2017¹.

SEA is a disparate and fragmented market with various infrastructure and regulatory structures. There are thousands of eCommerce participants of all sizes operating across the region. Despite the diversity of each country, several significant events of 2017, such as the launch of Amazon Prime Now in Singapore, the rise of Shopee's mobile-first platform, and capital injection by eCommerce giants Alibaba and Tencent, continue to shape the market dynamics of the region.

The key factors indicated below compose the eCommerce ecosystem in SEA. While macroeconomic factors are favourable drivers for the development of SEA's eCommerce market, low awareness of electronic payment methods, poor logistics infrastructure, and a shortage of industry experts are restraints to market growth.



Source: Frost & Sullivan

Market Drivers

The growing middle-class population which will spur eCommerce growth

The expanding middle-class in SEA continues to stimulate international trade and the introduction of new banking models that allow people greater access to loans and credit. As a result, consumers in this region have higher purchasing power for more products and services.

Credit card ownership, which is required for most eCommerce transactions, is expected to increase, in addition to rising personal income, retail banking services, and acceptance of credit cards by merchants. Although credit card penetration in the Philippines, Indonesia, and Vietnam is relatively low, alternative payment options, such as cash-on-delivery and direct bank transfers, are preferred.

According to the World Bank and Frost & Sullivan, Singapore has the highest percentage GDP per capita and credit card penetration in SEA.

¹ Central Intelligence Agency (CIA), The World Factbook, <https://www.cia.gov/library/publications/the-world-factbook/>

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Macroeconomic and IT Infrastructure Indicators by Country, SEA, 2017

	Total Population (Million)	GDP (PPP) per capita (\$)	Credit Card Penetration (%)	Internet Users (Million)	Internet Penetration (%)	Smartphone Users (Million)	Smartphone Penetration (%)
Thailand	69.1	17,800	35.5%	32.4	46.9%	45.4	65.7%
Singapore	5.7	90,500	154.7%	4.8	84.0%	4.8	84.7%
Philippines	106.0	8,200	8.5%	57.0	53.7%	53.2	50.2%
Indonesia	264.0	12,400	7.0%	103.0	39.0%	125.7	47.6%
Malaysia	31.6	28,900	29.6%	24.4	77.1%	22.9	72.4%
Vietnam	96.2	6,900	9.1%	49.7	51.7%	36.1	37.5%

Source: Frost & Sullivan, primary interviews, desktop research and analysis

Note: All figures are rounded. Base year is 2017. Sources include a combination of (i) interviews with industry and in-house experts; (ii) company reports and other presentation materials including but not limited to news articles, press releases, paid subscriptions to industry data, such as Statista and Bloomberg; (iii) Frost & Sullivan desktop research on sources including but not limited to database of industry associations, trade bodies, and government agencies, such as The World Factbook, United Nations Population Division, International Monetary Fund World Economic Outlook.

Social media and millennials redefining the shopping experience

The future of SEA will be wealthier and tech-savvy due to a growing young urban population and the steady increase in disposable income. Millennials, those aged 30 and below in 2017, have stepped into an era of globalisation, technological change, and economic disruption. Millennials can adapt quickly to change and are therefore quick to take to brand-new concepts and ideas, for example, the evolution of retail patterns. Millennials hold considerable influence over purchasing decisions of both their peers and parents.

As a result, SEA is now a highly attractive market for telecommunication services. According to World Bank data and Frost & Sullivan research, about 98% of millennials aged 18 to 30 own smartphones. On average, they spend nearly 10 hours a day on entertainment content, with about 80% of their time on the Internet. Social networking platforms, such as Facebook, Instagram, Google+, and Twitter, are the most popular in the region.

The dramatic expansion of social networking sites is challenging the way companies manage their brands and engage with consumers. As consumers are now increasingly sharing their opinions and seeking reviews of products, services, and business practices, what they say online could significantly affect a brand's reputation, and eventually, business growth. Businesses, especially eCommerce market participants, recognise the power of social media for customer engagement and interaction. As a result, a growing number of brands are investing significantly in social media to build brand awareness through advertising, improve their online presence, and offer high-quality customer services.

Proliferation of Internet-savvy, Internet and mobile users

The Internet and smartphones are changing the way consumers, primarily millennials, consume and share information. According to the World Factbook, 47.4% of SEA's population comprises active Internet users, a good majority of which engages in online entertainment, games, and eCommerce.

Internet penetration has brought about a dramatic change in the retail landscape. It now offers traditional retailers the opportunity to expand their domestic reach and international presence. In addition, widespread acceptance of online banking services has further buoyed the confidence of customers engaging in online shopping.

Influence of US and Chinese eCommerce markets over SEA

China, the largest eCommerce market in the world, has been hosting various online shopping festivals created by Alibaba since 2009. The Double 11 (November 11) Shopping Festival, is now the largest online shopping campaign in the world, surpassing its sales records in 2017 with a total GMV of more than \$25 billion sales in 24 hours. Alibaba also introduced the Double 12 (December 12) Shopping Festival in 2013 to promote its Taobao marketplace

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which comprises primarily small- and mid-sized retailers. In the future, online campaigns will have a stronger impact on consumer spending than offline roadshows and fairs.

US and Chinese eCommerce participants lead in terms of technology infrastructure and operational efficiency, serving as benchmarks for SEA players. For instance, Alipay's credit-based refund-and-return system is dramatically enhancing customer satisfaction in after-sales services and reducing the risk perception of online stores.

Explosive growth of eCommerce sites increasing the choice of goods and driving brands' eCommerce strategies

Digital Commerce 360's 2017 Online Marketplaces Report² states that \$1.47 trillion was spent globally on the top 75 eCommerce sites in 2017. The GMV growth of the world's 75 largest eCommerce sites recorded a 27% increase compared to 2016, with 7 achieving more than 100% GMV growth. Some eCommerce sites selling products in particular product categories are flourishing while Alibaba and Amazon dominate the industry.

According to the Internet Retailer Online Marketplaces Database³, 35 of the 75 top eCommerce sites were launched between 2010 and 2015. Localisations in operations and flexibility in payment and delivery options are vital elements that will harness the full potential of the eCommerce market.

Market Restraints

Lack of flexible and secure electronic payment gateways

The eCommerce ecosystem continues to evolve with advancements in electronic payment technologies. Online payments require customers to have a bank account. However, general awareness about online financial services remains low in SEA. Apart from Singapore, more than one-third of the populations in Malaysia and Thailand do not own a bank account. While in the Philippines, Vietnam, and Indonesia, nearly two-thirds of the population neither owns a bank account nor a credit card.

Concerns about data and information security are a crucial barrier to online shopping and primary obstacle to gaining customer trust. Consumers in SEA prefer to use the Internet mainly for research—to compare prices. The fear of fraud restricts uptake of electronic payment technologies in the region. Though many Southeast Asian countries grapple with online payment issues, Singapore has one of the most advanced and mature payment infrastructures in the region.

Poor logistics infrastructure

While eCommerce is thriving, it is a relatively small segment lesser than 3.5%—of the total retail volume in SEA. The challenging geography, underdeveloped air and sea transport infrastructure, inefficient last-mile delivery platform, and time-consuming and inconsistent customs regulations are major pain points. Marketplaces find it difficult to expand their coverage to semi-rural and rural areas, as logistics services in SEA are yet to meet consumer expectations.

Moreover, consumers in this region prefer tactile, face-to-face interaction of the in-store experience, posing challenges to online retailers in recreating a similar experience online. The issue relates more to the buying habits of consumers in the region than the eCommerce system itself. Brick-and-mortar stores provide physical presence and product visibility. Opportunities to see, touch, and feel products are helpful if the product requires complex explanations via a digital medium. Moreover, shoppers can enjoy the instant gratification that comes with buying an item and bringing it home immediately.

Lack of IT infrastructure and skilled workforce

A well-developed IT infrastructure is essential to the success of an eCommerce ecosystem. Findings by the United Nations in 2016 revealed that more than 75% of Internet broadband access in Asia-Pacific is based in East and Northeast Asia, while less than 25% Internet broadband access is based in South, North, Central, and Southeast Asia. Excluding Singapore, SEA had only 31.6% mobile broadband penetration rate and 36.4% 4G LTE network

² Digital Commerce 360, Infographic: The largest online marketplaces in the world, <https://www.digitalcommerce360.com/2018/01/11/infographic-largest-online-marketplaces-world/>

³ Digital Commerce 360, Infographic: The largest online marketplaces in the world, <https://www.digitalcommerce360.com/2018/01/11/infographic-largest-online-marketplaces-world/>

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penetration rate in 2017, according to OpenSignal. All markets in the region, except Singapore, have Internet speeds lower than the global average (23.3mbps). Poor IT infrastructure is a barrier to the growth of eCommerce in SEA.

The SEA marketplace faces several challenges with forming a team with eCommerce expertise and planning a localised online strategy, as the lack of know-how forces companies to rely on staff with little eCommerce exposure to run critical operations, such as warehouse operations, delivery, fulfillment, and logistics. The alternative would be to hire expatriate talent with competent technical and eCommerce skills from China and the US, a measure that could prove costly. Shortage of skilled labor cripples development of eCommerce in Southeast Asia.

1.2 Market Sizing and Forecast for Southeast Asia and Singapore

Frost & Sullivan defines B2C eCommerce as the sale of consumer goods to the public through the Internet. It includes sales generated through pure eCommerce websites and sites operated by brick-and-mortar retailers. Payment may be made using any mode: postal cheque, direct debit, credit card, standing order, and COD. eCommerce also includes mCommerce where consumers use smartphones or tablets to connect to the Internet and purchase goods online. However, B2C eCommerce excludes:

- Products sold on consumer-to-consumer (C2C) eCommerce sites
- Motor vehicles, motorcycles, and vehicle parts
- Tickets for events (e.g., sports, music, concert) and air tickets
- Sales of travel and holiday packages
- Online gambling sites
- Car hailing, quick delivery of food products, magazines, household goods, and DVD rentals
- Returned products/unpaid invoices
- Click-and-collect orders in stores where the payment is made in the store

Market Size and Forecast of the eCommerce Industry, Singapore, SEA, China and US, 2014–2022F

GMV (\$ Billion)	2014	2015	2016	2017E	2018F	2019F	2020F	2021F	2022F	CAGR (2017–2022F)
Singapore	0.7	0.8	1.0	1.1	1.2	1.4	1.7	1.9	2.1	13.6%
SEA	5.3	7.5	11.3	16.6	22.5	29.8	36.1	41.0	45.6	22.3%
China	507.6	646.2	829.1	1,013.7	1,250	1,553	1,945	2,457	3,120	25.2%
US	403.7	423.4	442.5	458.9	477.0	497.0	519.0	543.7	571.0	4.5%

Source: Frost & Sullivan, primary interviews, desktop research and analysis

eCommerce Penetration Rate Forecast of Total Retail Sales, Singapore and SEA, 2014–2022F

eCommerce/Retail Volume	2014	2015	2016	2017E	2018F	2019F	2020F	2021F	2022F
Singapore	2.9%	3.4%	4.2%	4.8%	5.3%	6.0%	6.9%	7.8%	8.2%
SEA	1.2%	1.6%	2.4%	3.4%	4.3%	5.4%	6.2%	6.6%	7.0%
China	26.8%	32.5%	38.8%	43.1%	47.9%	53.1%	58.9%	63.8%	68.7%
USA	14.3%	14.6%	14.8%	14.7%	14.6%	14.5%	14.3%	14.2%	14.2%

Source: Frost & Sullivan, primary interviews, desktop research and analysis

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Total GMV of SEA's eCommerce industry grew from \$5.3 billion in 2014 to \$16.6 billion in 2017; it is forecast to reach \$45.6 billion by 2022 at a CAGR of 22.3%. eCommerce volume as a percentage of retail volume recorded steady growth in SEA between 2014 and 2017; it grew from 1.2% to 3.4%. Frost & Sullivan estimates that eCommerce penetration will reach 7.0% by 2022.

Singapore's eCommerce market will see the highest penetration of total retail volume over the forecast period. Singapore has one of the highest GDP per capita, level of education, and ease of conducting business globally; this offers a conducive environment for the development of the eCommerce industry. The Chinese and US markets will continually drive the eCommerce industry in Singapore and Southeast Asia.

1.3 Regulatory Environment

Activation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership

The Comprehensive and Progressive Agreement for the Trans-Pacific Partnership (CPTPP) is the first main trade regulation addressing eCommerce. The agreement provides guidance and rules to ensure that innovation supports digital growth but lowers trade barriers and censorship.

The CPTPP also plans to address procedures and standards protecting digital freedom which includes the free flow of data and information across borders. This could enable Internet users to access and transfer data freely, subject to government regulations. Singapore, Malaysia, and Vietnam are original signatories, while Indonesia, Thailand, the Philippines, and Laos have announced their interest in the agreement.

Regulatory policies in each country

Though the presence of multi-ethnic, multi-religious, and multiracial factors affect local eCommerce legislations, Southeast Asian governments are implementing legal frameworks to govern eCommerce, electronic payments, and marketing.

The Indonesian Ministry of Communications and Information Technology requires eCommerce providers to register with the agency to protect the public from fraud committed by eCommerce retailers. Websites must be registered in accordance with the government regulations pertaining to the implementation of the system and electronic transactions.

Malaysia has a comprehensive set of eCommerce laws in place, with the Electronic Commerce Act 2006 and the Electronic Government Activities Act 2007 being noteworthy. Malaysia was the first country in the ASEAN bloc to introduce personal privacy legislation through the Personal Data Protection Act of 2010, a measure that plays a critical role in safeguarding customers' personal data during online transactions.

The Philippine Government also provides guidance and legislation for the eCommerce sector. The Electronic Commerce Act of 2000 and Cybercrime Prevention Act of 2012 are two regulations implemented to improve the eCommerce environment and to attract opportunities and investments.

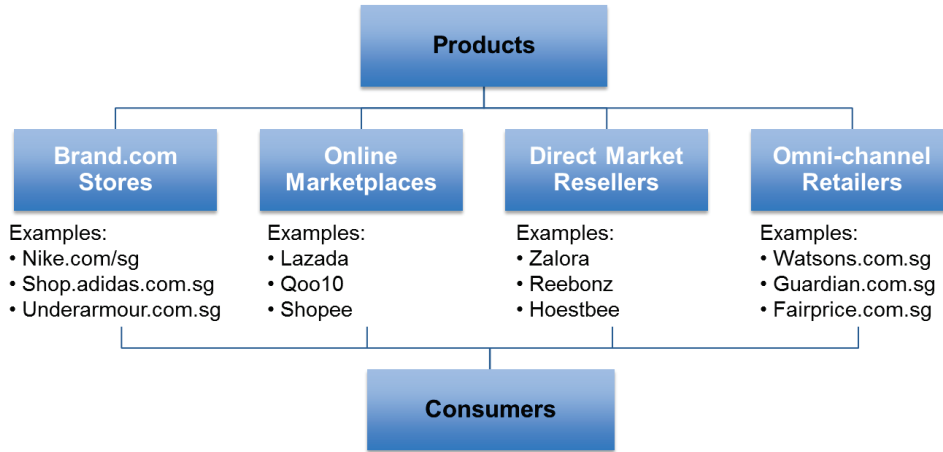
Infocomm Media Development Authority (IMDA) and the Monetary Authority of Singapore (MAS) are the regulatory bodies that manage and supervise eCommerce in Singapore. IMDA's eCommerce and Operations Management programme serves to establish a Retail Services Framework (RSF) that incorporates best practices of online retailing. This will ensure an open, scalable, and interoperable ecosystem, and encourage the adoption and use of ICT in retail by demonstrating the business value of eCommerce with integrated fulfillment and in-store operations management technology.

In Thailand, the government has introduced a trust mark which sets standards for electronic websites and boosts the confidence of customers shopping online. The Thai Government has also set up an eCommerce Complaint Center to handle complaints and inquiries pertaining to online transactions.

The Vietnamese Government has created several legal frameworks to ensure transparent and fair competition in eCommerce transactions, such as Civil Code 2005, Commercial Law 2005, Law on eTransaction 2005, Law on Technology Information 2006, Competition Law 2004, and Law on Rights Protection of Consumers 2010.

2. B2C eCOMMERCE BUSINESS MODEL OVERVIEW

2.1 B2C eCommerce Sales Channels



Source: Frost & Sullivan

In SEA, products are offered online through four major channels: brand.com stores, online marketplaces, direct market resellers (DMRs), and omnichannel retailers using websites and mobile apps.

Brand.com Stores

Brand.com stores, also called straight first-party sales, are online stores directly operated/managed by brands/brand owners to list and sell their products. Examples include Nike.com/sg and shop.addidas.com.sg. Brands develop and maintain their online store websites, catalogue products, highlight regular sales and marketing campaigns, manage inventories, fulfil orders, and provide after-sales services. The tasks are either handled by their in-house teams or through partners (e.g., website developers and logistics providers).

Though brands can retain the highest level of product control in the entire operations process, brand.com stores require substantial investments and resources to operate. As a result, many online stores in the region are run by larger global and local Southeast Asian brands. Weak customer awareness and unproven return on investment make brand.com stores less attractive than other eCommerce sales channels.

Online Marketplaces

On an online marketplace platform, third-party vendors own the products, provide product information, and stipulate pricing, and a marketplace operator processes the transactions. It offers consumers the access to various product categories and goods in large volumes offered by suppliers. The online marketplace has become one of the most successful eCommerce go-to-market strategies for established brands in SEA, such as Lazada, Qoo10, Shopee, and Rakuten.

About 60% of eCommerce GMV in FMCG was generated by online marketplaces in 2017, ranking it No.1 of four channels.

Compared to other online channels, online marketplaces offer a good mix of brands and choice of products. For example, Lazada currently partners with 3,000 unique brands, including partnerships with Apple, Xiaomi, and Unilever. According to SimilarWeb and Frost & Sullivan, the average number of visits per month for Lazada Singapore grew 63.5% in February 2018 when compared to February 2017. Owing to growing economies of scale, online marketplaces will remain the top B2C eCommerce sales channel in SEA.

Direct Market Resellers (DMRs)

DMRs refer to online resellers specialising in vertical product categories, such as clothing, groceries, personal care, and beauty. Examples include Zalora, Reebonz, and Honestbee. DMRs work with multiple distributors to acquire products from various suppliers.

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Unlike brand.com stores and online marketplaces, brands have limited control over products sold through DMRs, especially if they are mass-market goods. By leveraging in-depth knowledge of products and consumer demand, DMRs specialise in offering variety and in developing content and marketing campaigns for the product categories they carry. DMRs with primary business in fashion, beauty, and FMCG products have reported growing GMV in recent years. Sales contributions by DMRs are expected to trend upward due to increasing consumer awareness and new market entrants during the forecast period.

Omnichannel Retailers

Omnichannel retailers are resellers that have both brick-and-mortar and online retail presence, such as watsons.com.sg and guardian.com.sg. Among the four eCommerce online channels, omnichannel retailers offer the least visibility to brands. Online orders can be fulfilled through the warehouse or physical stores. In Singapore, consumers have the option to collect their online orders from a physical retail store.

Omnichannel retailers are typically not start-ups, as they often originate from pure physical retailers. However, the eCommerce model is relatively new to these retailers. Most lack in-house expertise, resources, and substantial technology investment to thrive in an eCommerce environment. Hence, only a few retailers today are successful in executing omnichannel initiatives. As a result, physical retail stores remain the primary GMV contributor for omnichannel retailers.

B2C eCommerce Sales Channel Assessment, SEA, 2017

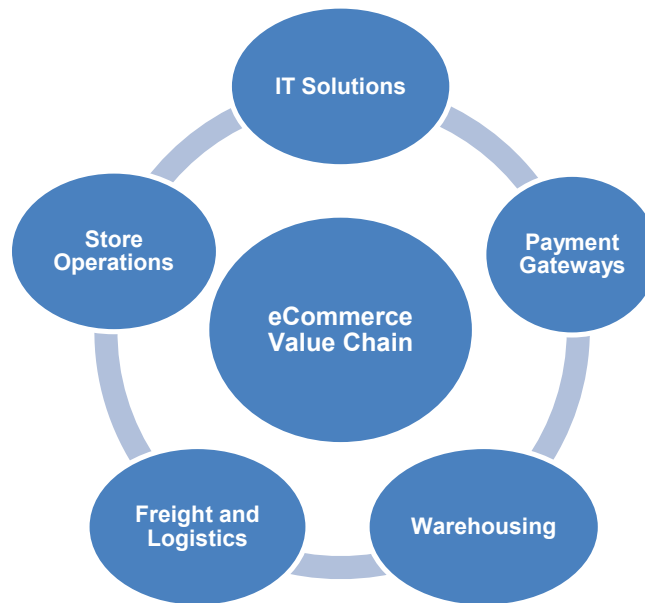
Channel	GTM Strategy	Product Strategy	Brand Power	GMV
Brand.com stores	Brands with strong brand equity	Brands' own products	High	Low
Online marketplace	A one-stop shop with large varieties	Broad product categories and brand selection	Medium	High
DMR	<ul style="list-style-type: none"> • Mass-market products • Specialisation in certain product categories 	Vertical product segments	Low	Medium
Omnichannel retailer		Mass-market products	Low	Medium

Source: Frost & Sullivan

Over the forecast period, the online marketplace is expected to become the dominant sales channel as brands build their eCommerce go-to-market strategies. Omnichannel retailers are also making their online presence felt; however, this may not be a priority for the short term.

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2.2 eCommerce Value Chain



Source: Frost & Sullivan

The emerging development of eCommerce market in SEA is a joint effort of market participants within every value chain activity illustrated above. IT solutions form the foundation for eCommerce site development and operation, data storage and hosting, payment processing and collection, warehousing and logistics system development. Online sales channels' operations require expertise in product content management, order processing, electronic payment integration, and eCommerce site maintenance. Payment gateway services authorize secured payment information between consumers and online sales channels. Warehousing and logistics services ensure inventory storage, order fulfillment and last-mile delivery to consumers.

Each of the value chain activities' development stage varies with the market. In Singapore, IT solutions, payment gateway and warehousing services are more developed than sales channel operation and logistics services. In other developing SEA markets such as Indonesia, Thailand and the Philippines, all the value chain activities are at the early stage of development; hence, the synergies created to empower the growth of overall eCommerce market by different participants are limited.

A new type of eCommerce service partner will emerge to connect most of the value chain activities either by themselves or by partnering with other market participants. This will help brands to optimize resources spent on eCommerce GTM strategies and ensure higher product control across sales channels.

3 B2C eCOMMERCE INDUSTRY IN THE BEAUTY, BODY, AND BABY CARE INDUSTRY IN SOUTHEAST ASIA AND SINGAPORE

3.1 Market Trends of the Beauty, Body, and Baby Care Industry in Southeast Asia and Singapore

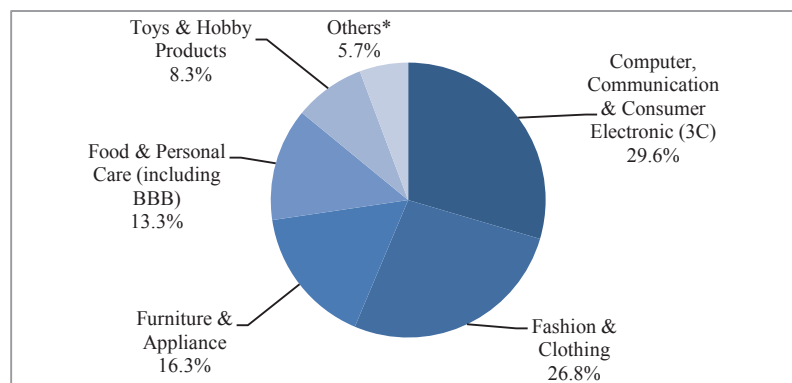
According to the International Trade Administration and US Commercial Service, consumer purchasing channels are shifting from traditional trade (e.g., privately run shops) to modern business models (e.g., chain stores and online marketplaces). This is spurring competition between global and local retailers, both offline and online.

Retailers are leveraging digital technologies to redefine the shopping experience and to be more relevant to consumers' lifestyles and shopping occasions. According to Nielsen, beauty in-store retail grew just 0.6% while personal care in-store sales rose 1.3% between 2015 and 2016. Meanwhile, online retail contributed more than 10% of 2016 sales. eCommerce is creating a new retail environment, presenting lucrative growth opportunities for the retail sector.

According to Statista, computer, communication, and consumer electronic (3C) products was the largest online product segment in 2017, at 29.6%, followed by fashion and clothing (26.8%), furniture and appliances (16.3%), food and personal care (13.3%), toys and hobby products (8.3%) and others (5.7%). The BBB industry is a sub-segment of the food and personal care category.

In Singapore, the 3C product segment is the leading eCommerce vertical. The GMV share of the food and personal care market (including BBB) in Singapore reached 16.7% in 2017, the highest among SEA countries.

Market Share by Product Segment and Top Products Purchased on Online Retail Marketplaces, SEA, 2017



* Others include books, stationeries, sports equipment, utensils and other miscellaneous products.

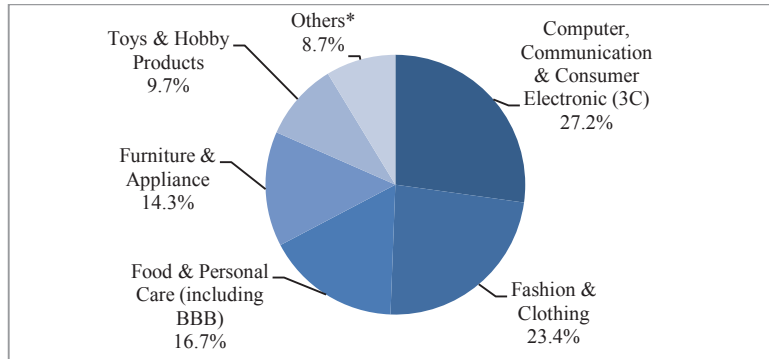
Source: Frost & Sullivan, primary interviews, desktop research and analysis

Note: Sources include a combination of (i) interviews with industry and in-house experts; (ii) company reports and other presentation materials including but not limited to news articles, press releases, paid subscriptions to industry data, such as Statista and Bloomberg; (iii) Frost & Sullivan desktop research on sources including but not limited to database of industry associations, trade bodies, and government agencies.

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Market Share by Product Segment and Top Products Purchased on Online Retail Marketplaces,

Singapore, 2017



* Others include books, stationeries, sports equipment, utensils and other miscellaneous products.

Source: Frost & Sullivan, primary interviews, desktop research and analysis

Note: Sources include a combination of (i) interviews with industry and in-house experts; (ii) company reports and other presentation materials including but not limited to news articles, press releases, paid subscriptions to industry data, such as Statista and Bloomberg; (iii) Frost & Sullivan desktop research on sources including but not limited to database of industry associations, trade bodies, and government agencies.

Brand Varieties of BBB Products in Southeast Asia

Consumers in SEA emphasise brand authenticity and exhibit a high level of brand loyalty when purchasing BBB products. Major MNC brands dominating the SEA BBB industry include Procter and Gamble (owner of brands such as Olay, SK-II, Safeguard, Head & Shoulders, Pampers), Unilever (owner of brands such as Dove, Lux, Sunsilk, Clear), L’Oreal (owner of brands such as Lancome, Biotherm, Kiehl’s), Johnson and Johnson (owner of brands such as Johnson’s Baby, Clean & Clear, Neutrogena), and Colgate-Palmolive (owner of brands such as Colgate, Protex, Sanex, Softsoap). Many small- and mid-sized niche BBB brands are also gaining market presence among upper middle-class consumers who are willing to spend more on premium products.

SEA also shows rising demand for halal cosmetics. According to SimplyHalal, the region accounts for more than 60% of the total halal cosmetics market in the Asia-Pacific region. The presence of a large Muslim population in both Indonesia and Malaysia creates a huge demand for halal-certified BBB products. 60% to 70% of halal beauty product sales in SEA is from local brands, such as Wardah and Sari Ayu from Indonesia and IVY Beauty from Malaysia.

Singapore’s Affluent Market Position Ideal for New Product Launches in Southeast Asia

According to the World Bank, Singapore is the second easiest country in the world to do business, after New Zealand. Strategic location, stable financial and transport infrastructure, and tax concessions for companies looking to expand both offline and online in SEA positions Singapore as a market-friendly, robust business environment. For example, Amazon launched its brand.com store (Amazon Prime Now) in Singapore in July 2017 to mark its official entry into the SEA market.

Singapore’s proximity to major consumer markets is a strategic advantage for the BBB industry. BBB brands often choose to debut key launches in Singapore before introduction to the rest of Asia. As an affluent market with the highest per capita spend and highly informed consumers, Singapore is an ideal showcase market for the rest of SEA.

Impact of Social Media Channels

Social media plays an important role in eCommerce in SEA, as the region has one of the highest social media uptake and usage rates in the world. According to We Are Social, Filipinos spent the most number of hours on social media worldwide in 2016, at four hours per day, followed by Brazilians and Indonesians. As such, brand.com stores, online marketplaces, DMRs, and omnichannel retailers can leverage social media platforms, such as Facebook, Instagram,

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LINE, and WeChat, to enable direct interaction between sellers and consumers. Deeper integration between social media and eCommerce focusing on services, such as payments and logistics, is expected.

3.2 Market Landscape of the Offline BBB Industry in Singapore and Southeast Asia

The offline BBB industry in Singapore is estimated to reach \$1.0 billion by the end of 2017, at a CAGR of 1.8% from 2017 to 2022. The SEA recorded a total GMV of \$23.2 billion for the offline BBB industry by the end of 2017, at a 5-year CAGR of 6.8% from 2017–2022. Singapore accounted for 4.4% of the total SEA market GMV in 2017; however, the contribution rate is projected to decline to 3.4% by the end of 2022 due to the growth of other SEA developing countries.

Market Size and Forecast by GMV, Offline BBB Industry, Singapore and SEA, 2014–2022F

GMV (\$ Billion)	2014	2015	2016	2017E	2018F	2019F	2020F	2021F	2022F	CAGR(2017–2022F)
Singapore	0.97	0.98	1.00	1.01	1.03	1.05	1.07	1.09	1.11	1.8%
SEA	18.5	20.5	22.0	23.2	24.8	26.5	28.2	30.1	32.3	6.8%

Source: Frost & Sullivan, primary interviews, desktop research and analysis

Note: Sources include a combination of (i) interviews with industry and in-house experts; (ii) company reports and other presentation materials including but not limited to news articles, press releases, paid subscriptions to industry data, such as Statista and Bloomberg; (iii) Frost & Sullivan desktop research on sources including but not limited to database of industry associations, trade bodies, and government agencies.

Similar to FMCGs, offline BBB retail channels are highly fragmented in both Singapore and overall SEA due to the complexities of retail trade. Major offline BBB retail channels in Singapore include personal care stores (e.g., Watsons, Guardian), beauty concept stores (e.g., Sephora, Sasa), department stores (e.g., Robinson's, OG, BHG), supermarkets (e.g., NTUC Fairprice, Giant) and other general trade channels (e.g., convenience stores, wholesalers, minimarts). Despite Singapore's relatively smaller market size, brands still find it challenging to track consumer product sales and to understand consumer buying behaviours.

Offline channels dominate the distribution of BBB products in SEA. Specialty stores, minimarts, hypermarkets, pharmacies, convenience stores, skincare clinics, and beauty salons are the major offline channels offering BBB products in some Southeast Asian countries.

3.3 Market Landscape of the Online BBB Industry in Singapore and Southeast Asia

The online BBB industry in Singapore reported \$82.1 million in 2017, growing by 28.5% compared to 2016. The market is expected to record a CAGR of 14.7% from 2017 to 2022. The SEA managed to reach \$0.84 billion by the end of 2017, growing by 40.8% compared to 2016. Singapore is estimated to contribute 9.8% out of total online BBB product GMV in SEA in 2017. Singapore's online BBB product GMV is forecast to contribute 7.8% of total eCommerce GMV in Singapore by the end of 2022, higher than SEA's 5.6%.

Market Size and Forecast by GMV, Online BBB and eCommerce Industry, Singapore, 2014–2022F

GMV (\$ Million)	2014	2015	2016	2017E	2018F	2019F	2020F	2021F	2022F	CAGR (2017–2022F)
Online BBB	33.1	49.6	63.9	82.1	99.4	115.1	130.5	145.6	162.7	14.7%
Total eCommerce	658.8	795.6	966.0	1,104.0	1,234.9	1,422.0	1,669.8	1,926.6	2,086.2	13.6%
Online BBB/Total eCommerce (%)	5.0%	6.2%	6.6%	7.4%	8.0%	8.1%	7.8%	7.6%	7.8%	

Source: Frost & Sullivan, primary interviews, desktop research and analysis

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Note: Sources include a combination of (i) interviews with industry and in-house experts; (ii) company reports and other presentation materials including but not limited to news articles, press releases, paid subscriptions to industry data, such as Statista and Bloomberg; (iii) Frost & Sullivan desktop research on sources including but not limited to database of industry associations, trade bodies, and government agencies.

Market Size and Forecast by GMV, Online BBB and eCommerce Industry, SEA, 2014–2022F

GMV (\$ Billion)	2014	2015	2016	2017E	2018F	2019F	2020F	2021F	2022F	CAGR (2017–2022F)
Online BBB	0.25	0.37	0.59	0.84	1.14	1.45	1.81	2.23	2.57	25.2%
Total eCommerce	5.3	7.5	11.3	16.6	22.5	29.8	36.1	41.0	45.6	22.3%
Online BBB/Total eCommerce (%)	4.7%	4.9%	5.2%	5.1%	5.1%	4.9%	5.0%	5.4%	5.6%	

Source: Frost & Sullivan, primary interviews, desktop research and analysis

Note: Sources include a combination of (i) interviews with industry and in-house experts; (ii) company reports and other presentation materials including but not limited to news articles, press releases, paid subscriptions to industry data, such as Statista and Bloomberg; (iii) Frost & Sullivan desktop research on sources including but not limited to database of industry associations, trade bodies, and government agencies.

Busy lifestyles contribute to the eCommerce transaction volume for BBB products. In this market, consumers prioritise convenience when purchasing mass-market BBB products. Between 2017 and 2022, the growth of the Singaporean online BBB industry is expected to surpass the growth of the overall eCommerce industry at CAGRs of 14.7% and 13.6%, respectively.

Growth of the online BBB industry in SEA is mainly driven by mass-market brands that offer top-selling BBB products, including colour cosmetics, skincare, haircare, and baby care. According to the International Trade Administration and US Commercial Service, the manufacturer's suggested retail price (MSRP) of mass-market products is usually under \$100, which is reasonably affordable for consumers in SEA. The high turnover rate of mass-market BBB products is another compelling reason behind the rapid proliferation of online consumers.

Unlike offline channels, online channels' direct-to-consumer digital strategy enables brands to connect with consumers directly. It provides viable solutions for mass market brands to explore new markets without either committing to irreversible investment or engaging with complicated product distribution channels.

Market Penetration of the Online BBB Industry, Singapore, SEA, China and US, 2014–2022F

Online BBB/Total BBB	2014	2015	2016	2017E	2018F	2019F	2020F	2021F	2022F
Singapore	3.3%	4.8%	6.0%	7.5%	8.8%	9.9%	10.9%	11.8%	12.8%
SEA	1.3%	1.8%	2.6%	3.5%	4.4%	5.2%	6.0%	6.9%	7.4%
China	9.5%	12.8%	15.7%	18.6%	22.9%	24.5%	26.7%	28.2%	29.4%
US	4.1%	6.2%	7.3%	8.2%	9.4%	10.2%	11.0%	11.8%	12.4%

Source: Frost & Sullivan, primary interviews, desktop research and analysis

Note: Sources include a combination of (i) interviews with industry and in-house experts; (ii) company reports and other presentation materials including but not limited to news articles, press releases, paid subscriptions to industry data, such as Statista and Bloomberg; (iii) Frost & Sullivan desktop research on sources including but not limited to database of industry associations, trade bodies, and government agencies.

Singapore saw the highest online BBB penetration in SEA, at 7.5% in 2017, against the 3.5% in SEA. The online BBB market penetration rate is forecast to reach 12.8% by the end of 2022, continuing to lead the total SEA online BBB market penetration.

4. COMPETITIVE LANDSCAPE IN THE ONLINE B2C BEAUTY, BODY, AND BABY CARE MARKET IN SINGAPORE

4.1 Key Challenges BBB Brands Face in Online Initiatives

Frost & Sullivan defines brands in the BBB segment as established labels offered by both single-brand and multi-brand companies, with worldwide annual sales of more than \$100 million in the last three years.

As stated in Chapter 3, the online BBB industry is at an early stage of development in both SEA and Singapore. In Singapore, it is forecast to register a CAGR of 22.5% from 2018 to 2022. Owing to wider access to skilled labor and technologies, Frost & Sullivan expects all BBB brands to accelerate eCommerce efforts. Despite high potential, brands in Singapore face the following challenges in implementing an effective eCommerce strategy both locally and in SEA.

Gaps in eCommerce Ecosystem and Customer Expectations that Limit the Growth of Singapore's Online BBB Industry

Although the online BBB industry accounted for 7.5% of the total BBB market in Singapore in 2017, the gap between eCommerce ecosystem and customer expectations still exists. For example, demand for mass-market BBB products highly depends on the development of the overall eCommerce market. Shortage of scalable ePayment mechanisms and logistics infrastructure, lack of confidence due to cybercrime threats, and poor awareness of omnichannel distribution model are veritable challenges. When consumers purchase premium BBB products, the tactile in-store experience of testing the item is crucial to their decision making.

Cost of eCommerce set up and operations

eCommerce penetration in Singapore was 4.8% of the total retail volume in 2017, relatively lower than China (43.1%), the US (14.8%), and the UK (17.9%) in 2017. To ensure positive results, brands need to make significant investment in eCommerce set-up and operations. Mergers and acquisitions may be a simpler and faster way; however, not all brands are able to justify returns on investment and make decisions for the short term.

Lack of expertise in Managing eCommerce Business Models

In the offline retail world, distribution and reselling models offer limited visibility of consumer behaviour. In the eCommerce world, many brands, especially large labels, prefer to go direct to consumers through online marketplaces to aggregate data on their consumers. This data becomes a valuable digital asset for brands to develop future growth strategies. Frost & Sullivan observed that most brand owners do not have the in-house expertise or technology platforms to connect with marketplaces to automate processes, develop content development strategy, and integrate warehousing, distribution, and logistics. It is highly necessary for brands to work closely with third-party partners that manage online product sales on multiple channels via a single automated platform.

Insufficient Support for Brands Across the eCommerce Value Chain

Compared to brand.com stores, marketplaces report growing demand due to their fast and convenient services and delivery of all types of goods. Online marketplaces excel in several areas—digital marketing, online events/promotions, and analytics—and provide basic service packages to help brands go online. However, due to the nature of the marketplace, they are not able to fully control the various functions across the entire eCommerce value chain. Areas that brands lack support from online marketplaces are: content development, customised order fulfillment, personalised delivery, after-sales services, and consumer insights.

As stated in Chapter 2, market participants within the eCommerce value chain remain within the silo. The synergies created by Southeast Asian eCommerce participants to empower GTM strategies remain largely insufficient. Therefore, it is imperative that third-party eCommerce service partners integrate value chain activities and offer brands visibility on product sales and consumer behaviors. It helps if brands optimize their eCommerce GTM strategies and maintain a high level of product control over online sales channels. Most importantly, brands will be able to establish a strong and solid online presence with end-to-end eCommerce enablement solutions and services provided by third-party eCommerce service partners.

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4.2 Emergence of eCommerce Enablers

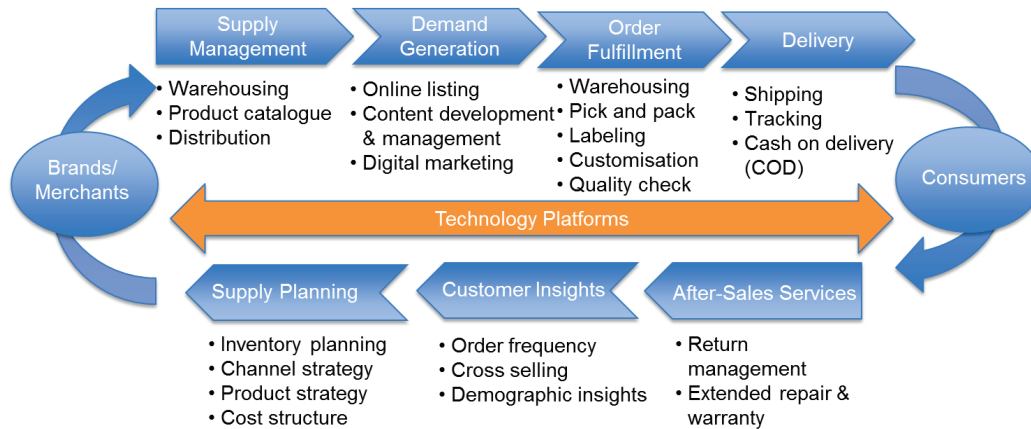
The aforementioned challenges indicate the growing need for third-party eCommerce service partners (eCommerce enablers) to facilitate online business operations. Frost & Sullivan defines eCommerce enablers as companies specialising in providing technology and operational support and streamlining eCommerce processes between brands and consumers.

Core In-house Capabilities of eCommerce Enablers, Singapore, 2018

Current	Future
Technology development to connect all or part of the functions in the entire value chain	Consumer insights
Content development across various online sales channels	Supply planning
After-sales services	Brand equity management

Source: Frost & Sullivan

eCommerce Enabler Value Chain, Singapore, 2018



Source: Frost & Sullivan

eCommerce enablers provide solutions and services to brands including but not limited to online store management, product content management, warehousing, order fulfilment, delivery, after-sales services, and consumer insights.

In China, where B2C eCommerce is well developed, brands actively work with eCommerce enablers, leveraging their local knowledge and industry expertise to execute and integrate eCommerce strategies across different online marketplaces. In China, Baozun is a leading eCommerce enabler, primarily assisting international brands in entering and expanding in China through various online sales channels; Baozun was listed on the NASDAQ Stock Exchange in May 2015. Other eCommerce enablers in China include Lily & Beauty (focusing on beauty products) and Leqee (focusing on food, baby care, and beauty products).

Value Proposition of eCommerce Enablers

While the majority of eCommerce solution providers focus on one or few of the B2C eCommerce sales functions mentioned above, eCommerce enablers are unique, as they offer end-to-end solutions for brands looking to execute their eCommerce strategy. Compelling value propositions of eCommerce enablers include:

- In-depth understanding of products, brand value, and local customer demand
- High level of engagement between brands and multiple online sales channels

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- Technology infrastructure for back-end systems integration (e.g., ERP, warehousing, delivery)
- Ability to collect, centralise, and analyse consumer data of the eCommerce sales cycle from consumer awareness, order placement, order fulfilment, delivery, and after-sales services
- Economies of scale by vertical and horizontal brands expansion
- Quick entry into the eCommerce market without the need for upfront capital investment or infrastructure setup

4.3 Business Model

Distribution Model

eCommerce enablers serve as eDistributors; they purchase the products and sell them through official stores across various marketplaces and enablers' own online stores. Per this model, eCommerce enablers manage the entire sales process including warehousing, demand generation, order fulfillment, delivery, and after-sales services. This is the primary enabler model, especially when working with mass-market brands in the FMCG segment.

Consignment Model

Unlike the distribution model, with the consignment model, eCommerce enablers do not need to purchase the products ahead of time but simply lease the warehouse space to brand owners. Consignment sales are a trading arrangement where a seller sends the goods to a buyer or a reseller who pays the seller only when the goods are sold. In addition to warehousing, enablers also offer options to manage order fulfillment, delivery, and after-sales services for products sold across various platforms, including brand.com, online marketplaces, and DMRs. Enablers charge brands on the basis of warehousing capacity and commission fees for functions, such as fulfillment and delivery. eCommerce enablers play a greater back-end support role in this model.

Subscription Model

eCommerce enablers charge brand owners for usage of online listing platforms only, without other services, such as warehousing, fulfillment, and delivery. The subscription is generally on a per user per month/year basis. This is not a mainstream revenue source for most eCommerce enablers in light of brands requiring support for end-to-end services or critical functions of eCommerce, not just subscription of the listing platforms. However, it could be a key revenue source for pure-play listing platforms that mainly target SMB or SOHO products in B2C and C2C marketplaces.

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4.4 Competitive Landscape

Capability Assessment of Major eCommerce Enablers, Singapore, 2018

Enabler	Business Model	Year of Establishment	Technology Development	Content Development and Management	Fulfillment Services
aCommerce	End-to-end eCommerce enabler	2013	Specializes in brand.com store development and operation; mobile application development	Strong	Medium
Anchanto	End-to-end eCommerce enabler	2011	Offers an eCommerce warehouse management system; online sales channel management services	Medium to Low	Weak
DKSH	Traditional distributor	2000	Leverages the offline distribution platform	Medium	Strong
SCI Ecommerce	eCommerce enabler	2011	Provides proprietary solutions mainly serving Chinese companies	Medium	Weak
Singpost eCommerce (SP eCommerce)	End-to-end eCommerce enabler & cross-border shipping services	2013	Specializes in brand.com store development and operation	Medium	Strong
Synagie	End-to-end eCommerce enabler	2015	Provides proprietary SaaS-based end-to-end solution on modular basis	Strong	Strong
Y Ventures	Online retailer & distributor	2013	Provides proprietary analytics platform	Medium	Weak
Shopify	eCommerce platform	2006	Provides proprietary product listing platform	N.A	N.A
Shopmatic	eCommerce platform	2014	Provides proprietary product listing platform	N.A	N.A

Source: Frost & Sullivan

Most key eCommerce enablers in Singapore— aCommerce, Anchanto, SCI Ecommerce, Synagie, and Y Ventures— are start-ups in operation for fewer than five years. Traditional retail distributors and wholesalers (e.g., DKSH) are competing fiercely to remain relevant in the eCommerce market. Local logistics giant SingPost is also making significant inroads into the eCommerce market. Among the services listed in the value chain, eCommerce enablers excel in providing warehousing, demand generation, order fulfilment, and delivery services.

In terms of product categories, most customers of eCommerce enablers are leading brands in the 3C, fashion and clothing, and food and personal care segments—the top 3 product categories of the eCommerce market in Singapore. Some companies have a more niche product category focus than the other; for example, Synagie focuses on serving global and regional BBB brands, enabling their eCommerce business in Singapore and SEA. Synagie supports more than 250 BBB brands' online product sales in Singapore.

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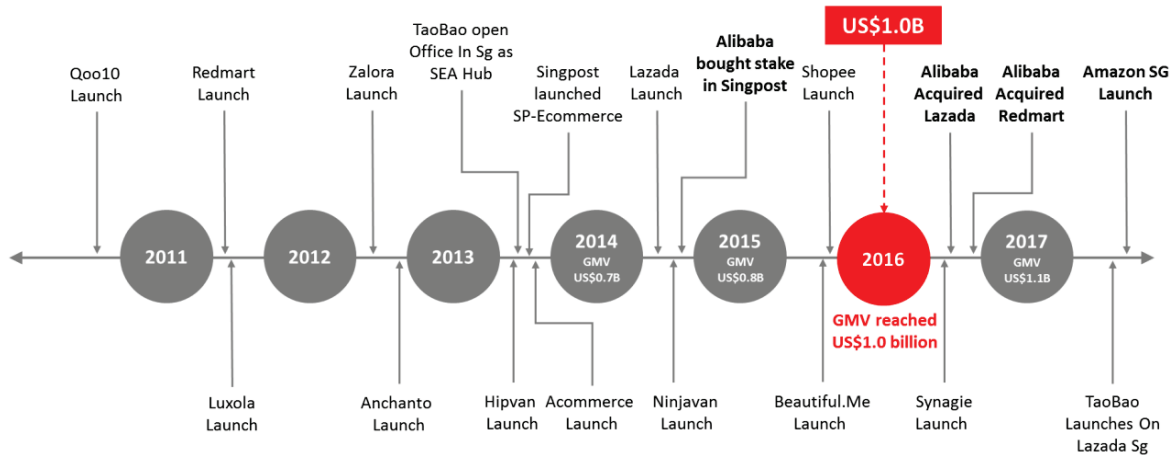
Overview of Major End-To-End eCommerce Enablers in the BBB Industry, Singapore, 2018

eCommerce Enabler	Company Growth Strategy				Presence in BBB industry	
	Country of Origin	GTM Strategy	Sales Channels	Key Product Segments	Number of BBB Brands served in Singapore	Key brands in BBB industry
aCommerce	Thailand	<ul style="list-style-type: none"> End-to-end eCommerce enablement services Partial services such as warehousing, logistics and listing etc. 	<ul style="list-style-type: none"> Brand.com store Online marketplace Own online shop/mobile site 	<ul style="list-style-type: none"> 3c Food and personal care Fashion and clothing 	10 to 50	<ul style="list-style-type: none"> Dettol Kiehl's L'oreal
SP eCommerce	Singapore	<ul style="list-style-type: none"> End-to-end eCommerce enablement services Primarily partial services including warehousing, fulfillment and logistics 	<ul style="list-style-type: none"> Brand.com store Online marketplace DMR 	<ul style="list-style-type: none"> Food and personal care Fashion and clothing 	Below 20	<ul style="list-style-type: none"> Clarins Nu skin
Synagie	Singapore	<ul style="list-style-type: none"> Primarily end-to-end eCommerce enablement services In-house real-time big data analytics platform generating product sales analysis and consumer insights 	<ul style="list-style-type: none"> Online marketplace Own online shop/mobile site 	<ul style="list-style-type: none"> Food and personal care, primarily focusing on BBB products 	Above 250	<ul style="list-style-type: none"> Blackmores Goon Huggies Kimberly Clark Johnson & Johnson Shiseido Unilever Amore Pacific

Source: Frost & Sullivan

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Development of eCommerce Market, Singapore, 2011–2017



Source: Frost & Sullivan

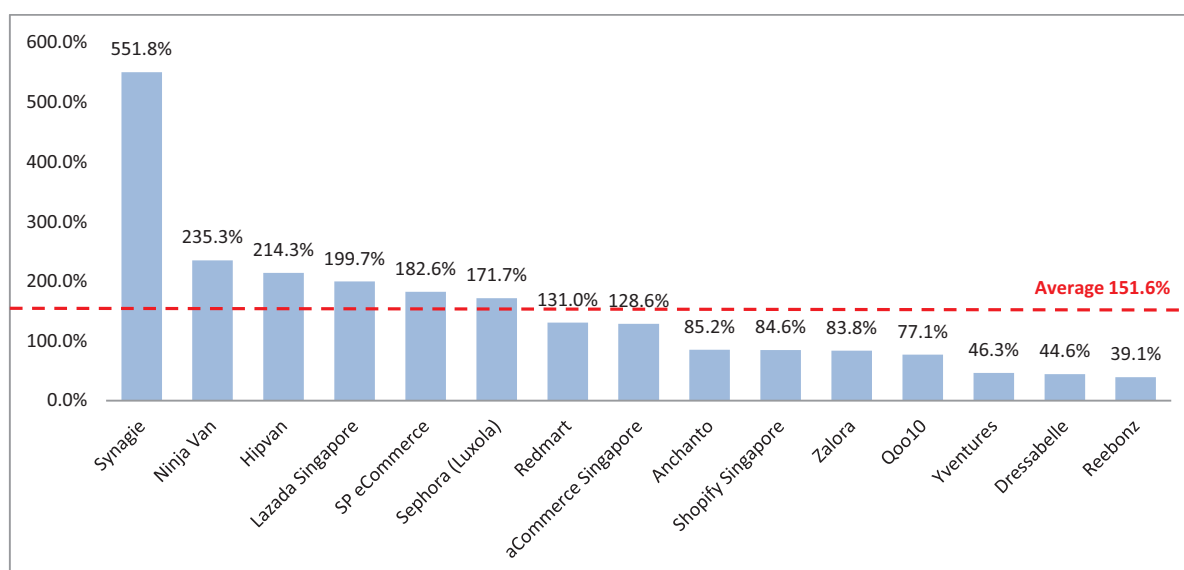
Inspired by the success of online marketplaces, such as Tmall in China and Gmarket in Korea, Lazada and Qoo10 were launched in Singapore between 2011 and 2017. This was instrumental in driving a change in consumer behavior in terms of online shopping for a wider variety of products at discounted prices. Other eCommerce start-ups included Luxola, an online beauty retailer that was later sold to Sephora; and Redmart, the pioneer of online grocery in Singapore which was acquired by Lazada in November 2016; as well as Shopee, an online marketplace owned by SEA Ltd. (NYSE listed)

The Singaporean eCommerce market also reached its inflection point in 2016, amidst intense competition among online marketplaces, DMRs and omnichannel stores. Alibaba acquired a controlling stake in Lazada in 2016 and followed it up with a full acquisition in 2017. Amazon was officially launched locally in Singapore at the end of 2017, which further sparked the local eCommerce market development. The fast growth of online order volume has resulted in high demand for eCommerce enablement and logistics services that support brands' online product sales.

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Historical Revenue CAGR of eCommerce Start-ups, Singapore, 2011–2017



Historical Revenue (\$'000) and CAGR of eCommerce Start-ups, Singapore and SEA, 2011–2017

Company	Country/Region	2011	2012	2013	2014	2015	2016	2017	CAGR (2011–2017)
Synagie	Mainly Singapore	—	—	—	—	189	3,679	8,029	551.8%
Ninja Van	Mainly SEA	—	—	—	398	5,064	11,998	~15,000	235.3%
Hipvan	Mainly Singapore	—	—	—	161	1,406	3,982	~5,000	214.3%
Lazada Singapore	Singapore	—	—	—	706	5,830	14,055	~19,000	199.7%
SP eCommerce	Mainly SEA	—	—	—	1,462	10,651	25,953	~33,000	182.6%
Sephora Digital SEA (Luxola)	Mainly SEA	—	—	606	2,654	9,189	28,444	~33,000	171.7%
Redmart	Mainly Singapore	—	—	4,041	12,941	34,620	90,000	~115,000	131.0%
aCommerce Singapore	Singapore	—	—	—	166	234	573	1,984	128.6%
Anchanto	Mainly SEA	—	—	—	551	1,573	1,798	~3,500	85.2%
Shopify Singapore	Singapore	—	—	924	1,641	3,010	5,195	10,732	84.6%
Zalora	Mainly SEA	—	3,714	14,105	33,959	67,402	72,491	~78,000	83.8%
Qoo10	Mainly SEA and Japan	5,501	9,006	22,996	31,473	38,485	134,772	~170,000	77.1%
Yventures	Mainly US, Europe and SEA	2,000	3,500	6,790	10,934	13,782	16,708	19,613	46.3%
Dressabelle	Mainly Singapore	—	475	1,440	2,563	2,149	2,500	~3,000	44.6%
Reebonz	Mainly SEA, Korea and Hong Kong	26,213	70,156	86,081	115,849	173,965	176,030	~190,000	39.1%

Source: ACRA, Frost & Sullivan, primary interviews, desktop research and analysis

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Note: Sources include a combination of (i) interviews with industry and in-house experts; (ii) company reports and other presentation materials including but not limited to news articles, press releases, paid subscriptions to industry data such as ACRA.

All eCommerce startups in the chart managed to achieve high double-digit or triple-digit revenue CAGR from the year of their service launch (if after 2011) to 2017. Synagie, Ninja Van, Hipvan, Lazada Singapore and SP eCommerce are the top five eCommerce startups which achieved the highest revenue CAGRs. The business nature of these top performing eCommerce startups vary; Synagie, SP eCommerce, are capable of managing brands' product sales across multiple online sales channels all the way down to warehousing and logistics while Ninja Van primarily focuses on partial services (e.g., last-mile delivery).

4.5 Profiles of Top eCommerce Enablers in Singapore

aCommerce

Founded in 2013 and headquartered in Thailand, aCommerce provides end-to-end eCommerce enabler solutions and services, such as digital marketing, IT development, multichannel retailing, customer care, fulfilment, and delivery through a single integrated platform. It also offers customised eCommerce solutions and service bundles to meet the unique needs of different brands. The aCommerce website indicates that the company has a staff of more than 1,300 employees and operates offices, fulfilment centres, and hubs in Indonesia, Thailand, Malaysia, Singapore, and the Philippines.

aCommerce leverages its unified technology platform covering multichannel retailing and store management, multi-location fulfilment and order management, as well as multi-courier shipping and transportation management solutions. The platform enables multichannel eCommerce sales strategy including brand.com stores, online marketplaces, and social media channels. aCommerce's online marketplace partners in SEA include Lazada, Shopee, MatahariMall, 11street, and Central Online.

Apart from end-to-end eCommerce enablement solutions and service, aCommerce performs well in fulfilment and supply chain, customer service solutions, and shipping and last-mile delivery, as it has dedicated customer service centres, fulfilment centres, and delivery fleets in major SEA countries. The aCommerce website lists global consumer brands such as Philips, Kiehl's, L'Oreal CPD (end-to-end eCommerce enablement services) and Hush Puppies (partial services: channel management, fulfilment, and delivery services) as its clients in SEA.

SP eCommerce

Set up in 2014, SP eCommerce, part of the SingPost Group of Companies, is an eCommerce enabler. It provides global and regional brands with end-to-end managed eCommerce solutions that help them to enter and expand in Asia-Pacific. According to the SP eCommerce website, its eCommerce solutions include enterprise-grade eCommerce technology, warehousing, delivery and return management, store operations, regional customer care, and performance marketing. It has 22 logistics centres in Asia-Pacific and global data centres in the US and the UK.

SP eCommerce can develop brand.com stores with capabilities in website design, content management, regional currencies and languages support, multiple payment methods support (credit card, bank transfer, PayPal, and COD), order management and fulfilment system, and warehouse management system, with a single administrative panel managing multiple sites. A dedicated store-operation-and-website-maintenance team focuses on supporting brands' diverse requirements for their online stores. The SP eCommerce website cites helping Adidas to develop and launch its brand.com store in five SEA countries (five eCommerce sites) in 16 weeks, from concept to live operations. Other clients include Calvin Klein (logistics and digital marketing solutions) and Toshiba (end-to-end brand.com store development and operation management).

SP eCommerce leverages SingPost Group's market leadership position and expertise in warehousing, fulfilment, and delivery services. It also operates 4 customer care centres in the Asia-Pacific region and offers supporting 8 languages.

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Synagie

Established in late 2014 and headquartered in Singapore, Synagie began as an online DMR site called beautiful.me, focusing on beauty, body, and baby care products in 2015. The company emerged as an end-to-end eCommerce solution provider in 2016. According to the company's website, Synagie offers warehousing and fulfilment, multichannel selling, inventory and order management, performance reports and analytics, demand forecasting, and business intelligence to support brands' eCommerce operations through a single technology platform.

The company's omnichannel eCommerce solution enables brands to manage and automate their eCommerce sales on Lazada, Qoo10, Shopee, and Redmart. Besides automating the sales-and-order-fulfilment processes, Synagie enables brands to forecast product demand better and manage inventory by analysing consumer buying behaviours and patterns in several marketplaces.

The company also offers on-demand warehousing and logistics services with cloud-based inventory planning system to save on warehousing, fulfilment, and delivery costs. Besides integration with leading online marketplaces in SEA, Synagie can also align its technology platform with other eCommerce service platforms, such as Magento, WooCommerce, and Shopify, as well as cloud-based accounting solutions, such as Quickbooks online and Xero. The technology platform's integration capability has set Synagie apart from other eCommerce enablers in Singapore.

Synagie's in-house Big Data analytics platform analyses unstructured data collected from eCommerce marketplaces and converts it into actionable data that can be used to enhance a brand's product content and marketing strategy; this is another key value proposition that is unique to Synagie alone.

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5. INDUSTRY PROSPECTS FOR THE COMPANY AND INDUSTRY OUTLOOK

5.1 eCommerce Industry Prospects and Outlook

eCommerce Penetration Rate Forecast of Total Retail Sales, 2017



Source: Frost & Sullivan, primary interviews, desktop research and analysis

With the highest eCommerce penetration rate over total retail volume in SEA, Singapore will continue to hold the strategic market position for brands looking to expand their online presence. Macroeconomic conditions, such as the highest GDP per capita, Internet penetration and credit card penetration in SEA, level of consumer education, and ease of conducting business globally, have provided a conducive environment for the development of the eCommerce industry in Singapore.

Both global and large regional brands are actively implementing eCommerce GTM strategies to bring their products online. They usually start online operations in Singapore and expand into other SEA markets through brand.com stores, online marketplaces, DMRs and omnichannel retailers. In the future, a brand's eCommerce GTM strategies will not only focus on enabling product presence on online sales channels but will also emphasize on establishing brand image online.

Singapore's proximity to major consumer markets is a strategic advantage for the online BBB industry, which is a part of the food and personal care product segment; by the end of 2017, it accounted for 16.7% of the eCommerce GMV in Singapore. Growth of the online BBB industry in SEA is mainly driven by mass-market brands that offer top-selling BBB products such as colour cosmetics, skincare, haircare, and baby care. These products are reasonably affordable and ensure a high turnover rate. This has further boosted BBB product online sales in Singapore. The direct-to-consumer digital strategy of online sales channels enables brands to

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connect with consumers directly. It provides viable solutions for mass products to explore new growth opportunities in SEA.

The continual development of the eCommerce market is a joint-effort and integrates synergies created by several eCommerce market participants within the entire value chain, including supply management, demand generation, order fulfilment, delivery, after-sales services and consumer insights. The importance of eCommerce enablers is to connect different value chain activities and to provide brands a holistic view of their product’s online presence. eCommerce enablers help brands optimize eCommerce GTM strategies using a high level of product control across different online sales channels.

eCommerce enablement segment is derived from eCommerce industry; hence, the future growth prospects of eCommerce enablers is highly dependent on a brand’s eCommerce GTM and the overall development of eCommerce industry. Similar to brands which operate their online business in China, brands operating online in Singapore and SEA will emphasize on consumers’ eCommerce experience rather than their products’ online appearance. eCommerce value chain activities, including product online appearance, content management, order placement and fulfilment, payment collection, last-mile delivery and after-sales services, will be increasingly handled by eCommerce enablers instead of brands and online sales channels. Hence, eCommerce enablers will play an important and critical role in the future development of the eCommerce industry in Singapore and SEA.

5.2 Industry Positioning of Synagie against its Peers and Competitors

Product Category	More than 250 Brand Customers	
BBB	<ul style="list-style-type: none"> • Johnson-Johnson • Unilever • Shiseido • Colgate • Kleenex • Dove • Goon • Etude House • Huggies • Listerine 	<ul style="list-style-type: none"> • Mentholatum • COTY • Neutrogena • Schwarzkopf • Kimberly-Clark • Amore Pacific • Henkel • Kotex • Colgate Palmolive • <i>And More...</i>
Others	<ul style="list-style-type: none"> • Oppo • Kellogg’s • Nestle • Starbucks • Sunsweet • Heinz 	

Deep Penetration into the World’s Leading BBB Brands

Synagie has been primarily focusing on partnering with global and regional BBB brands since its establishment in 2015. The company is currently supporting more than 250 BBB brands’ eCommerce operation in Singapore, offering end-to-end eCommerce enablement solutions and services for more than 100 BBB brands. 78 new brand customers were secured in 2017, registering an annual growth of approximately 78%. The company secured eCommerce partnership agreements with the world’s top beauty and personal care companies in the first quarter of 2018. Unilever, Nestle, Colgate-Palmolive, Johnson & Johnson, Shiseido, Henkel, and Kimberly Clark are Synagie’s customers in Singapore. It has also signed up Amore Pacific, Blackmores and Coty in Malaysia just a few months into establishing operations there.

Moreover, the company has actively expanded business into other product categories, such as 3C and toys. It managed to onboard OPPO, a well-known smartphone brand, as its eCommerce service partner in Singapore and is in discussion with a few leading 3C and toy brands in SEA as well.

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The Fastest Growing eCommerce Startup in Singapore

As stated in Chapter 4, Synagie achieved the highest historical revenue CAGR of 551.8% from the year of service launch until 2017, making it the fastest growing eCommerce startup in Singapore. The company's in depth domain expertise and comprehensive eCommerce enablement service capabilities which manage product sales across multiple online sales channels were the key drivers of its high triple-digit revenue CAGR. Such domain expertise, service capabilities and deep penetration into the BBB industry have made Synagie the leading BBB eCommerce enabler in SEA.

Technological Differentiators of the Company's End-to-end eCommerce Automated Platform

The company's in-house SaaS-based platform provides end-to-end eCommerce enablement services and digitalizes all the function modules in the value chain, including product listing, content management, warehousing, order fulfillment, delivery and after-sales services. Apart from end-to-end services, the platform is also flexible; it can be consumed on a modular basis, which allows brands to complete the migration journey through various operational phases based on their eCommerce business requirements.

The platform is a self-service solution with an easy-to-use interface and simple workflow. In addition to serving established brands, the platform can be adopted by SMBs. The company also offers a subscription model starting at S\$39 per month. Given the global success of Shopify which provides a self-service platform for entrepreneurs to build eCommerce websites, we believe that there is a huge potential for Synagie's platform in SEA which is made up of more than 80% SMBs that can take full advantage of the simplicity of its one-stop platform to manage all their eCommerce businesses.

More importantly, the company's real-time Big Data analytics platform has been tracking product sales across different online sales channels, forecasting a product's future demand and generating consumer insights based on purchasing pattern and buying behavior. Consumer insights are expected to become a crucial asset for brands in the future. With artificial intelligence (AI) functionalities embedded into its Big Data analytics platform, the company is able to provide guidance and insights into supply management and tailor online marketing campaigns for a brand's different online sales channels.

A Powerful Business Model that Simplifies Complex eCommerce Processes

Synagie is the fastest growing eCommerce startup in Singapore and also one of the fastest-growing in SEA. The company provides end-to-end eCommerce enablement solutions and services through a proprietary SaaS platform that connects to its ecosystem of online distribution channels and warehousing and logistics providers, creating a powerful network effect that forms a virtuous cycle; more online channels bring more brands allowing Synagie to onboard customers from both the supply and demand side. This is akin to platform-based eCommerce models in China (e.g., Alibaba) which has successfully connected brands and merchants to consumers without making heavy investments in logistics infrastructure. The platform builds the connection between brands and their online sales channels, digitalizing the brands' eCommerce process to make it easier for them to connect with their consumers. With their success in the BBB industry, Frost & Sullivan believes that Synagie provides a big value proposition that helps simplify the complexities of eCommerce and will become a trusted partner offering broader brand coverage across industries.

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You are invited to apply and subscribe for the Invitation Shares at the Invitation Price for each New Share subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 100 INVITATION SHARES OR INTEGRAL MULTIPLES THEREOF SUBJECT TO A MINIMUM OF 1,000 SHARES. YOUR APPLICATION FOR ANY OTHER NUMBER OF INVITATION SHARES WILL BE REJECTED.**
2. Your application for Offer Shares may be made by way of a **WHITE** Offer Shares Application Form or by way of Electronic Application through ATMs of the Participating Banks ("**ATM Electronic Application**") or through Internet Banking ("**IB**") websites of the relevant Participating Banks ("**Internet Electronic Applications**") (the ATM Electronic Applications and Internet Electronic Applications shall be referred to as "**Electronic Applications**"). Your application for the Placement Shares may only be made by way of printed **BLUE** Placement Shares Application Forms or other such forms of application as the Issue Manager and Full Sponsor and the Underwriter and Placement Agent may deem appropriate.

YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE INVITATION SHARES

3. You are allowed to submit only one (1) application in your own name for the Offer Shares. If you submit an application for Offer Shares by way of a **WHITE** Offer Shares Application Form, you **MAY NOT** submit another application for Offer Shares by way of an Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary.

If you submit an application for Offer Shares by way of an ATM Electronic Application, you **MAY NOT** submit another application for Offer Shares by way of an Internet Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent.

If you, being other than an approved nominee company, have submitted an application for Offer Shares in your own name, you should not submit any other application for Offer Shares, whether by way of a **WHITE** Offer Shares Application Form or by way of an Electronic Application, for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent.

You are allowed to submit only one (1) application in your own name for the Placement Shares. Any separate application by you for the Placement Shares shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent.

If you, being other than an approved nominee company, have submitted an application for Placement Shares in your own name, you should not submit any other application for Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent.

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If you have made an application for Placement Shares, and you have also made a separate application for the Offer Shares, either by way of a **WHITE** Offer Shares Application Form or by way of an Electronic Application and *vice versa*, our Company, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent shall have the discretion to either (i) reject both of such separate applications; or (ii) accept any one or both of such separate applications.

Conversely, if you have made an application for Offer Shares either by way of an Electronic Application or by way of a **WHITE** Offer Shares Application Form, and you have also made a separate application for Placement Shares, our Company, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent shall have the discretion to either (i) reject both of such separate applications; or (ii) accept any one or both of such separate applications. Such separate applications shall be deemed to be a multiple application and may be rejected at the discretion of our Company, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent.

Joint applications shall be rejected. Multiple applications for the Invitation Shares shall be liable to be rejected at the discretion of our Company, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent. If you submit or procure submissions of multiple share applications (whether for Offer Shares, Placement Shares or both Offer Shares and Placement Shares), you may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications, except in the case of application by approved nominee companies where such application is made on behalf of a different beneficiary, may be rejected at the discretion of our Company, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent.

4. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole-proprietorships, partnerships, non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (furnished in their Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the name of the deceased person at the time of the application.
5. We will not recognise the existence of a trust. An application by a trustee or trustees must therefore be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 6 below.
6. **WE WILL ONLY ACCEPT APPLICATIONS FROM APPROVED NOMINEE COMPANIES.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies shall be rejected.

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7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if you apply by way of an Application Form), or you will not be able to complete your Electronic Application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, CDP Securities Account number, nationality and permanent residence status provided in your Application Form or in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one (1) individual direct Securities Account with CDP, your application shall be rejected.
8. **If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from CDP will be sent to your address last registered with CDP.**
9. **Our Company, in consultation with the Issue Manager and Full Sponsor and the Underwriter and Placement Agent, reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or which does not comply with the instructions for Electronic Applications or with the terms and conditions of this Offer Document or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance. Our Company further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the instructions for Electronic Applications or the terms and conditions of this Offer Document and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.**
10. Our Company, in consultation with the Issue Manager and Full Sponsor and the Underwriter and Placement Agent, reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company will be entertained. This right applies to applications made by way of Application Forms and by way of Electronic Applications. In deciding the basis of allotment, which shall be at our discretion, due consideration will be given to the desirability of allotting the Invitation Shares to a reasonable number of Applicants with a view to establishing an adequate market for the Shares.

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11. Share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of Invitation Shares allotted to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company. You irrevocably authorise CDP to complete and sign on your behalf, as transferee or renounee, any instrument of transfer and/or other documents required for the issue or transfer of the Invitation Shares allotted to you. This authorisation applies to applications made by way of Application Forms and by way of Electronic Applications.

12. In the event that a supplementary or replacement Offer Document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Invitation shall be kept open for at least 14 days after the lodgement of such supplementary or replacement Offer Document.

Where prior to the lodgement of the supplementary or replacement Offer Document, applications have been made under this Offer Document to subscribe for the Invitation Shares, as the case may be, and:

- a. where the Invitation Shares have not been issued to the applicants, our Company shall either:
 - i. within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement Offer Document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement Offer Document, as the case may be, and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period the supplementary or replacement Offer Document, as the case may be, to the applicants if they have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement Offer Document;
 - ii. within seven (7) days from the date of lodgement of the supplementary or replacement Offer Document, give the applicants a copy of the supplementary or replacement Offer Document, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - iii. treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and within seven (7) days from the date of lodgement of the supplementary or replacement Offer Document, return all monies paid in respect of any application, without interest or a share of revenue or other benefit arising therefrom and at the applicants' own risk, and the applicants shall not have any claim whatsoever against our Company, the Issue Manager and Full Sponsor or the Underwriter and Placement Agent; or

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION

- b. where the Invitation Shares have been issued to the applicants but trading has not commenced, our Company shall either:
- i. within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement Offer Document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement Offer Document, as the case may be, and provide the applicants with an option to return to our Company those Invitation Shares which they do not wish to retain title in, and take all reasonable steps to make available within a reasonable period the supplementary or replacement Offer Document, as the case may be, to the applicants if they have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement Offer Document; or
 - ii. within seven (7) days from the date of lodgement of the supplementary or replacement Offer Document, give the applicants a copy of the supplementary or replacement Offer Document, as the case may be, and provide the applicants with an option to return to our Company the Invitation Shares, which they do not wish to retain title in; or
 - iii. treat the issue of the Invitation Shares as void, in which case the issue shall be deemed void and our Company shall, within seven (7) days from the date of lodgement of the supplementary or replacement Offer Document, return all monies paid in respect of any application, without interest or any share of revenue or other benefit arising therefrom at the applicants' own risk and the applicants shall not have any claims whatsoever against our Company, the Sponsor and Issue Manager or the Underwriter and Placement Agent.

An applicant who wishes to exercise his option under paragraph 12 (a)(i) and (ii) above to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement Offer Document, notify our Company of this, whereupon our Company shall, within seven (7) days from the receipt of such notification, pay to him all monies paid by him on account of his application for those Shares without interest or any share of revenue or other benefit arising therefrom at the applicant's own risk, and the applicant will not have any claim against our Company, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent.

An applicant who wishes to exercise his option under paragraph 12 (b)(i) and (ii) above to return the Invitation Shares issued and/or sold to him shall, within 14 days from the date of lodgement of the supplementary or replacement Offer Document, notify our Company of this and return all documents, if any, purporting to be evidence of title to those Invitation Shares, to our Company, whereupon our Company shall, subject to compliance with the Companies Act, within seven (7) days from the receipt of such notification and documents, if any, repurchase the Shares and pay to the applicant all monies paid by him for those Shares at the applicant's own risk without interest or any share of revenue or other benefit arising therefrom, and the issue of the Invitation Shares shall be deemed to be void and the applicant will not have any claim whatsoever against our Company, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent.

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13. In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for shall be made available to satisfy excess applications for Placement Shares to the extent that there is an over-subscription for Placement Shares as at the close of the Application List. In the event of an under-subscription for Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for shall be made available to satisfy excess applications for Offer Shares to the extent that there is an over-subscription for Offer Shares as at the close of the Application List.

In the event of an over-subscription for Offer Shares as at the close of the Application List and/or the Placement Shares are fully subscribed or over-subscribed as at the close of the Application List or otherwise are insufficient to satisfy the over-subscription for the Offer Shares, the successful applications for Offer Shares will be determined by ballot or otherwise as determined by our Company, in consultation with the Issue Manager and Full Sponsor and the Underwriter and Placement Agent, and approved by the SGX-ST (if required).

In all the above instances, the basis of allotment of the Invitation Shares as may be decided by us in ensuring a reasonable spread of shareholders of our Company, shall be made public, as soon as practicable, through a SGXNET announcement to be posted on the internet at the SGX-ST's website at <http://www.sgx.com> and through a paid advertisement in a local English newspaper.

14. You (i) consent to the collection, use and disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, CPF Investment Account number (if applicable), share application amount, share application details and other personal data ("**Personal Data**") by the Share Registrar and Share Transfer agent, SCCS, SGX-ST, CDP, the Participating Banks, our Company, the Issue Manager and Full Sponsor, the Underwriter and Placement Agent and/or other authorised operators (the "**Relevant Persons**") for the purpose of facilitating your application for the Invitation Shares; (ii) consent that the Relevant Persons may disclose or share Personal Data with third parties who provide necessary services to the Relevant Persons, such as service providers working for them and providing services such as hosting and maintenance services, delivery services, handling of payment transactions, and consultants and professional advisers; (iii) consent that the Relevant Persons may transfer your personal data to any location outside of Singapore in order for them to provide the requisite support and services in connection with the Invitation Shares; and (iv) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Persons, you have obtained the consent of the beneficial owners to paragraphs (i), (ii) and (iii) and that any disclosure of Personal Data to our Company is in compliance with applicable law (collectively, "**Personal Data Privacy Terms**"). Where any Personal Data is transferred to a country or territory outside of Singapore, the Relevant Persons will ensure that the recipient of the Personal Data provides a standard of protection that is comparable to the protection which Personal Data enjoys under the laws of Singapore, and where these countries or territories do not have personal data protection laws which are comparable to that in Singapore, the Relevant Persons will enter into legally enforceable agreements with the recipients to ensure that they protect the Personal Data to the same standard as required under the laws of Singapore. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Invitation Shares allotted to you pursuant to your application, to us, the Issue Manager and Full Sponsor, the Underwriter and Placement Agent and any other parties so authorised by the forgoing persons. None of our Company, the Issue Manager and Full Sponsor, the Underwriter and Placement Agent, Participating Bank or CDP shall be liable for any delays, failures or inaccuracies in the recording, storage or transmission or delivery of data relating to Electronic Applications.

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15. Any reference to “you” or the “Applicant” in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Offer Shares by way of a **WHITE** Offer Shares Application Form or by way of an Electronic Application, or applying for the Placement Shares by way of a **BLUE** Placement Shares Application Form or such other forms of application as the Issue Manager and Full Sponsor and the Underwriter and Placement Agent deem appropriate.
16. By completing and delivering an Application Form or by making and completing an Electronic Application by (in the case of an ATM Electronic Application) pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM (as the case may be) or by (in the case of an Internet Electronic Application) clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other relevant button on the IB website screen in accordance with the provisions of this Offer Document, you:
 - a. irrevocably offer, agree and undertake to subscribe for the number of Invitation Shares specified in your application (or such smaller number for which the application is accepted) at the Invitation Price for each New Share and agree that you will accept such Invitation Shares as may be allotted to you, in each case on the terms of and subject to the conditions set out in this Offer Document and the Constitution of our Company;
 - b. agree that, in the event of any inconsistency between the terms and conditions set for application set out in this Offer Document and those set out in the ATMs or IB websites of the Participating Banks, the terms and conditions set out in this Offer Document shall prevail;
 - c. agree that the aggregate Invitation Price for the Invitation Shares applied for is due and payable to our Company upon application;
 - d. warrant the truth and accuracy of the information provided and representations and declarations made in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company in determining whether to accept your application and/or whether to allot any Invitation Shares to you; and
 - e. agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Issue Manager and Full Sponsor and the Underwriter and Placement Agent, will infringe any such laws as a result of the acceptance of your application.
17. Our acceptance of applications will be conditional upon, *inter alia*, our Company being satisfied that:
 - a. permission has been granted by the SGX-ST to deal in and for quotation of all our existing Shares and the Invitation Shares on the Catalist;
 - b. the Management and Full Sponsorship Agreement and the Underwriting and Placement Agreement referred to in the section entitled “Plan of Distribution – Management, Underwriting and Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled prior to such date as our Company determined; and
 - c. no Stop Order has been issued by the Authority under the SFA.

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18. In the event that a Stop Order in respect of the Invitation Shares is served by SGX-ST, acting as an agent on behalf of the Authority, or other competent authority and applications to subscribe for the Invitation Shares have been made prior to the Stop Order, then:
- a. where the Invitation Shares have not been issued to the applicants, we will (as required by law) deem all applications withdrawn and cancelled and our Company shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom at your own risk) to you within 14 days of the date of the Stop Order and you shall not have any claim whatsoever against our Company, the Issue Manager and Full Sponsor or the Underwriter and Placement Agent; or
 - b. where the Invitation Shares have already been issued to the applicants, but trading has not commenced, the issue will (as required by law) be deemed void and our Company shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom at your own risk) to you within 14 days of the date of the Stop Order and you shall not have any claim whatsoever against our Company, the Issue Manager and Full Sponsor or the Underwriter and Placement Agent.

This shall not apply where only an interim Stop Order has been served.

19. In the event that an interim Stop Order in respect of the Invitation Shares is served by SGX-ST, acting as an agent on behalf of the Authority, or other competent authority, no Invitation Shares shall be issued to you until the Authority revokes the interim Stop Order.
20. The SGX-ST, acting as an agent on behalf of Authority, is not able to serve a Stop Order in respect of the Invitation Shares if the Invitation Shares have been issued and listed on a securities exchange and trading in them has commenced.
21. In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same through a SGXNET announcement to be posted on the Internet at the SGX-ST website <http://www.sgx.com> and through a paid advertisement in a local English newspaper.
22. We will not hold any application in reserve.
23. We will not allot Shares on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document.
24. Additional terms and conditions for applications by way of Application Forms are set out in the section entitled “Additional Terms and Conditions for Applications using Application Forms” on pages G-9 to G-13 of this Offer Document.
25. Additional terms and conditions for applications by way of Electronic Applications are set out in the section entitled “Additional Terms and Conditions for Electronic Applications” on pages G-13 to G-24 of this Offer Document.
26. CDP shall not be liable for any delays failures or inaccuracies in the recording storage or in the transmission or delivery of data relating to Electronic Applications.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out under the section entitled “TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE” of this Offer Document, as well as the Constitution of our Company.

1. Your application must be made using the **WHITE** Application Form and **WHITE** official envelopes “A” and “B” for Offer Shares, or the **BLUE** Application Form for Placement Shares accompanying and forming part of this Offer Document. **ONLY ONE APPLICATION** should be enclosed in each envelope. We draw your attention to the detailed instructions contained in the respective Application Forms and this Offer Document for the completion of the Application Forms which must be carefully followed. **Our Company reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper forms of remittances.**
2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Forms except those under the heading “**FOR OFFICIAL USE ONLY**” must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears in your identity card (if you have such an identification document) or in your passport and, in the case of corporations, in your full names as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs on the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Constitution or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your Constitution or equivalent constitutive documents must be lodged with our Company’s Share Registrar and Share Transfer Office. Our Company reserves the right to require you to produce documentary proof of identification for verification purposes.
5.
 - (a) You must complete sections A and B and sign on page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete section C of the Application Form with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION

6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Invitation Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation.
7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of Invitation Shares applied for, in the form of a **BANKER'S DRAFT or CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**SYNAGIE SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", and with your name and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by **ANY OTHER FORM OF PAYMENT WILL NOT BE ACCEPTED**. We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. No acknowledgement or receipt will be issued by our Company, the Issue Manager and Full Sponsor or the Underwriter and Placement Agent for applications and application monies received.
8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours of balloting of applications at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days after the close of the Application List, provided that the remittance accompanying such applications have been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account. In the event that the Invitation is cancelled by us following the termination of the Management and Full Sponsorship Agreement and/or the Underwriting and Placement Agreement, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days of the termination of the Invitation. In the event that the Invitation is cancelled by us following the issuance of a Stop Order by SGX-ST, acting as an agent on behalf of the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days from the date of the Stop Order.
9. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.

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10. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of our Company, our Directors, the Issue Manager and Full Sponsor, the Underwriter and Placement Agent and/or any other party involved in the Invitation, and if, in any such event, our Company, the Issue Manager and Full Sponsor or the Underwriter and Placement Agent do not receive your Application Form, you shall have no claim whatsoever against our Company, the Issue Manager and Full Sponsor, the Underwriter and Placement Agent and/or any other party involved in the Invitation for the Invitation Shares applied for or for any compensation, loss or damage.
11. By completing and delivering the Application Form, you agree that:
 - a. in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at 12.00 noon on 6 August 2018 or such other time or date as our Company may, in consultation with the Issue Manager and Full Sponsor and the Underwriter and Placement Agent, decide:
 - i. your application is irrevocable; and
 - ii. your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
 - b. neither our Company, the Issue Manager and Full Sponsor, the Underwriter and Placement Agent nor any other party involved in the Invitation shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;
 - c. all applications, acceptances and contracts resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - d. in respect of the Invitation Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
 - e. you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
 - f. in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Issue Manager and Full Sponsor, the Underwriter and Placement Agent or any other person involved in the Invitation shall have any liability for any information not so contained;
 - g. you accept and agree to the Personal Data Privacy Terms set out in this Offer Document; and
 - h. you irrevocably offer, agree and undertake to subscribe for the number of Invitation Shares applied for as stated in the Application Form or any smaller number of such Invitation Shares that may be allotted to you in respect of your application. In the event that we decide to allot a smaller number of Invitation Shares or not to allot any Invitation Shares to you, you agree to accept such decision as final.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION

Applications for Offer Shares

1. Your application for Offer Shares **MUST** be made using the **WHITE** Offer Shares Application Form and **WHITE** official envelopes “A” and “B”. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. You must:
 - a. enclose the **WHITE** Offer Shares Application Form, duly completed and signed, together with the correct remittance in accordance with the terms and conditions of this Offer Document in the **WHITE** official envelope “A” provided;
 - b. in the appropriate spaces on **WHITE** official envelope “A”:
 - i. write your name and address;
 - ii. state the number of Offer Shares applied for;
 - iii. tick the relevant box to indicate the form of payment; and
 - iv. affix adequate Singapore postage;
 - c. seal the **WHITE** official envelope “A”;
 - d. write, in the special box provided on the larger **WHITE** official envelope “B” addressed to Synagie Corporation Ltd. c/o RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place #29-01 Republic Plaza Tower 1 Singapore 048619, the number of Offer Shares you have applied for; and
 - e. insert **WHITE** official envelope “A” into **WHITE** official envelope “B”, seal **WHITE** official envelope “B”, and affix adequate Singapore postage on **WHITE** official envelope “B” (if dispatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND the documents at your own risk to**, Synagie Corporation Ltd. c/o RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place #29-01 Republic Plaza Tower 1 Singapore 048619, to arrive by **12.00 noon on 6 August 2018 or such other time as our Company may, in consultation with the Issue Manager and Full Sponsor and the Underwriter and Placement Agent, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

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Applications for Placement Shares

1. Your application for Placement Shares **MUST** be made using the **BLUE** Placement Shares Application Form or such other forms of application as the Issue Manager and Full Sponsor and the Underwriter and Placement Agent may deem appropriate. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. The completed and signed **BLUE** Placement Shares Application Form and your remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name and address written clearly on reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if dispatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk to** Synagie Corporation Ltd. c/o RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place #29-01 Republic Plaza Tower 1 Singapore 048619, to arrive by **12.00 noon on 6 August 2018 or such other time as our Company may, in consultation with the Issue Manager and Full Sponsor and the Underwriter and Placement Agent, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens (in the case of ATM Electronic Applications) and the IB website screens (in the case of Internet Electronic Applications) of the relevant Participating Banks. For illustrative purposes, the procedures for Electronic Application through ATMs and the IB website of the UOB Group are set out respectively in the “Steps for an ATM Electronic Application through ATMs of the UOB Group” and the “Steps for an Internet Electronic Application through the IB website of the UOB Group” (collectively, the “**Steps**”) appearing below.

The Steps set out the actions that you must take at an ATM or the IB website of UOB Group to complete an Electronic Application. Please read carefully the terms of this Offer Document, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to “you” or the “applicant” in this section “Additional Terms and Conditions for Electronic Applications” and the Steps shall refer to you making an application for Offer Shares through an ATM or the IB website of a relevant Participating Bank.

Applicants applying for the Offer Shares by way of Electronic Applications may incur an administrative fee and/or such related charges as stipulated by the respective Participating Banks from time to time.

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You must have an existing bank account with and be an ATM cardholder of one (1) of the Participating Banks before you can make an Electronic Application at the ATMs. An ATM card issued by one (1) Participating Bank cannot be used to apply for Offer Shares at an ATM belonging to other Participating Banks. For an Internet Electronic Application, you must have an existing bank account with an IB User Identification (“**User ID**”) and a Personal Identification Number/Password (“**PIN**”) given by the relevant Participating Bank. The Steps set out the actions that you must take at ATMs or the IB website of the UOB Group to complete an Electronic Application. The actions that you must take at ATMs or the IB websites of other Participating Banks are set out on the ATM screens or the IB website screens of the relevant Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of your Electronic Application. Upon completion of your Internet Electronic Application, there will be an on-screen confirmation (“**Confirmation Screen**”) of the application which can be printed for your record. The Transaction Record or your printed record of the Confirmation Screen is for your retention and should not be submitted with any Application Form.

You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or if you do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your ATM Electronic Application liable to be rejected.

You must ensure, when making an Internet Electronic Application, that your mailing address for the account selected for the application is in Singapore and the application is being made in Singapore and you will be asked to declare accordingly. Otherwise your application is liable to be rejected.

You shall make an Electronic Application in accordance with and subject to the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below and those set out under this Appendix C entitled “**TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION**” of this Offer Document as well as the Constitution of our Company.

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1. In connection with your Electronic Application for Offer Shares, you are required to confirm statements to the following effect in the course of activating your Electronic Application:
 - a. **that you have received a copy of this Offer Document (in the case of ATM Electronic Applications only) and have read, understood and agreed to all the terms and conditions of application for Offer Shares and this Offer Document prior to effecting the Electronic Application and agree to be bound by the same;**
 - b. **that, for the purposes of facilitating your application, you consent to the collection, use and disclosure, by the relevant Participating Bank, of your name, NRIC/passport number, address, nationality, CDP securities account number, CPF investment account number, share application details and other personal data from your records with the relevant Participating Bank, to our Share Registrar, the SGX-ST, CDP, CPF, SCCS, our Company, the Issue Manager and Full Sponsor, the Underwriter and Placement Agent and/or other authorised operations (the “Relevant Parties”); and**
 - c. **that this is your only application for Offer Shares and it is made in your own name and at your own risk.**

Your application will not be successfully completed and cannot be recorded as a completed transaction in the ATM or on the IB website unless you press the “Enter” or “Confirm” or “Yes” or “OK” or any other relevant key in the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen. By doing so, you shall be treated as signifying your confirmation of each of the above three (3) statements. In respect of statement 1(b) above, such confirmation, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act, Chapter 19, of Singapore, to the disclosure by that relevant Participating Bank of the Relevant Particulars to the Relevant Parties.

2. **BY MAKING AN ELECTRONIC APPLICATION, YOU CONFIRM THAT YOU ARE NOT APPLYING FOR OFFER SHARES AS A NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS THE ONLY APPLICATION MADE BY YOU AS THE BENEFICIAL OWNER.**

YOU SHOULD MAKE ONLY ONE (1) ELECTRONIC APPLICATION FOR OFFER SHARES AND SHOULD NOT MAKE ANY OTHER APPLICATION FOR OFFER SHARES OR PLACEMENT SHARES, WHETHER AT THE ATMS OR THE IB WEBSITES OF THE RELEVANT PARTICIPATING BANK, OR ON THE APPLICATION FORMS. IF YOU HAVE MADE AN APPLICATION FOR OFFER SHARES OR PLACEMENT SHARES ON AN APPLICATION FORM, YOU SHALL NOT MAKE AN ELECTRONIC APPLICATION FOR OFFER SHARES AND VICE VERSA.

3. You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which your Electronic Application will not be completed or accepted. **Any Electronic Application which does not conform strictly to the instructions set out in this Offer Document or on the screens of the ATM or the IB website of the relevant Participating Bank through which your Electronic Application is being made shall be rejected.**

You may make an ATM Electronic Application at the ATM of any Participating Bank or an Internet Electronic Application at the IB website of the relevant Participating Bank for the Offer Shares using only cash by authorising such Participating Bank to deduct the full amount payable from your account with such Participating Bank.

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4. You irrevocably agree and undertake to subscribe for and to accept the number of Offer Shares applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of Offer Shares that may be allotted and/or allocated to you in respect of your Electronic Application. In the event that our Company decides to allot and/or allocate any lesser number of such Offer Shares or not to allot any Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “Confirm” or “Yes” or “OK” or any other relevant key on the ATM or clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen) of the number of Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Offer Shares that may be allotted and/or allocated to you and your agreement to be bound by the Constitution of our Company.
5. **Our Company will not keep any applications in reserve.** Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) at your own risk to you by being automatically credited to your account with your Participating Bank within 24 hours of balloting of the applications provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account.

Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) at your own risk to you by being automatically credited to your account with your Participating Bank within 14 days after the close of the Application List provided that the remittance in respect honoured and the application monies have been received in the designated share issue account.

Responsibility for timely refund of application monies from unsuccessful or partially successful Electronic Applications lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank on the status of your Electronic Application and/or the refund of any monies to you from unsuccessful or partially successful Electronic Application, to determine the exact number of Offer Shares allotted and/or allocated to you before trading the Offer Shares on the Catalist. You may also call CDP at 6535 7511 to check the provisional results of your application by using your T-pin (issued by CDP upon your application for the service) and keying in the stock code (that will be made available together with the results of the allotment through a SGXNET announcement to be posted on the internet at the SGX-ST’s website at <http://www.sgx.com> and by advertisement in a local English newspaper). To sign up for the service, applicants may contact CDP’s customer service officers. Neither the SGX-ST, CDP, the SCCS, the Participating Banks, our Company, the Issue Manager and Full Sponsor nor the Underwriter and Placement Agent assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

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6. If your Electronic Application is unsuccessful, no notification will be sent by the Participating Banks.

If you make Electronic Applications through the ATM or IB website of the following Participating Banks, you may check the results of your Electronic Applications as follows:

Bank	Telephone	Other Channels	Operating Hours	Service expected from
DBS Bank Ltd. (including POSB) ("DBS Bank")	1800 339 6666 (for POSB account holders) 1800 111 1111 (for DBS Bank account holders)	IB http://www.dbs.com ⁽¹⁾	24 hours a day	Evening of the balloting day
Oversea-Chinese Banking Corporation Limited ("OCBC Bank")	1800 363 3333	Phone Banking/ATM/IB http://www.ocbc.com ⁽²⁾	24 hours a day	Evening of the balloting day
United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited ("UOB Group")	1800 222 2121	ATM (Other Transactions – "IPO Results Enquiry")/Phone Banking/Internet Banking http://www.uobgroup.com ⁽³⁾	24 hours a day	Evening of the balloting day

Notes:

- (1) Applicants who have made Internet Electronic Applications through the IB website of DBS Bank may also check the results of their applications through the same channels listed in the table above in relation to Electronic Applications made at the ATMs of DBS Bank.
- (2) Applicants who have made Electronic Applications through the ATMs or the IB website of OCBC Bank may check the results of their applications through OCBC Bank Personal Internet Banking, ATMs of OCBC Bank or OCBC Bank Phone Banking services.
- (3) Applicants who have made Electronic Applications through the ATMs or the IB website of the UOB Group may check the results of their applications through UOB Personal Internet Banking, UOB Group ATMs or UOB Phone Banking services.

7. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the Participating Banks, our Company, the Issue Manager and Full Sponsor, the Underwriter and Placement Agent and if, in any such event, our Company, the Issue Manager and Full Sponsor, the Underwriter and Placement Agent and/or the relevant Participating Bank do not receive your Electronic Application, or data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against our Company, our Directors, the Issue Manager and Full Sponsor, the Underwriter and Placement Agent and/or the relevant Participating Bank for Offer Shares applied for or for any compensation, loss or damage.

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8. **Electronic Applications shall close at 12.00 noon on 6 August 2018 or such other date and time as our Company may, in consultation with the Issue Manager and Full Sponsor and the Underwriter and Placement Agent, in our absolute discretion decide, subject to any limitation under all applicable laws and regulations and the rules of the SGX-ST.** Subject to the paragraph above, an Internet Electronic Application is deemed to be received when it enters the designated information system of the relevant Participating Bank, that is, when there is an onscreen confirmation of the application.
9. You are deemed to have irrevocably requested and authorised our Company to:
 - a. register the Offer Shares allotted to you in the name of CDP for deposit into your Securities Account;
 - b. send the relevant Share certificate(s) to CDP;
 - c. return or refund (without interest or any share of revenue earned or other benefit arising therefrom) at your own risk the application monies, should your Electronic Application be unsuccessful, by automatically crediting your bank account with your Participating Bank with the relevant amount within 24 hours of the balloting of applications or within five (5) Market Days of the termination of the Invitation if the Invitation does not proceed for any reason (as the case may be); and
 - d. return or refund (without interest or any share of revenue or other benefit arising therefrom) at your own risk the balance of the application monies, should your Electronic Application be accepted in part only, by automatically crediting your bank account with your Participating Bank with the relevant amount within 14 days after the close of the Application List.
10. We do not recognise the existence of a trust. Any Electronic Application by a trustee must be made in your own name and without qualification. Our Company will reject any application by any person acting as nominee except those made by approved nominee companies only.
11. All your particulars in the records of your relevant Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after the time of the making of your Electronic Application, you shall promptly notify your relevant Participating Bank.
12. **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, or otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment and/or allocation will be sent to your address last registered with CDP.

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13. By making and completing an Electronic Application, you are deemed to have agreed that:
- a. in consideration of our Company making available the Electronic Application facility, through the Participating Banks as the agents of our Company, at the ATMs or IB websites of the relevant Participating Banks:
 - i. your Electronic Application is irrevocable; and
 - ii. your Electronic Application, our acceptance and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - b. neither our Company, the Issue Manager and Full Sponsor, the Underwriter and Placement Agent nor CDP shall be liable for any delays, failures or inaccuracies in the recording or storage or in the transmission or delivery of data relating to your Electronic Application to our Company or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 7 above or to any cause beyond our respective controls;
 - c. in respect of Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of our Company and not otherwise, notwithstanding any payment received by or on behalf of our Company;
 - d. you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
 - e. in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Issue Manager and Full Sponsor, the Underwriter and Placement Agent or any other person involved in the Invitation shall have any liability for any information not so contained;
 - f. you accept and agree to the Personal Data Privacy Terms set out in this Offer Document; and
 - g. you irrevocably agree and undertake to subscribe for the number of Invitation Shares applied for as stated in your Electronic Application or any smaller number of such Invitation Shares that may be allotted to you in respect of your application. In the event that our Company decides to allot a smaller number of Invitation Shares or not to allot any Invitation Shares to you, you agree to accept such decision as final.

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Steps for Electronic Applications through ATMs and the IB website of UOB Group

The instructions for Electronic Applications will appear on the ATM screens and the IB website screens of the respective Participating Banks. For illustrative purposes, the steps for making an Electronic Application through the ATMs or IB website of UOB Group are shown below. Instructions for Electronic Applications appearing on the ATM screens and the IB website screens of the relevant Participating Banks (other than UOB Group) may differ from that represented below.

Steps for an ATM Electronic Application through ATMs of UOB Group

Owing to space constraints on UOB's ATM screens, the following terms will appear in abbreviated form:

“&”	:	and
“A/C” and “A/Cs”	:	ACCOUNT AND ACCOUNTS, respectively
“ADDR”	:	ADDRESS
“AMT”	:	AMOUNT
“APPLN”	:	APPLICATION
“CDP”	:	THE CENTRAL DEPOSITORY (PTE) LIMITED
“CPF”	:	CENTRAL PROVIDENT FUND
“CPFINVT A/C”	:	CPF INVESTMENT ACCOUNT
“ESA”	:	ELECTRONIC SHARE APPLICATION
“IC/PSS PT”	:	NRIC or PASSPORT NUMBER
“NO”	:	NUMBER
“REGISTRARS”	:	SHARE REGISTRARS
“SCCS”	:	SECURITIES CLEARING & COMPUTER SERVICES (PTE) LTD
“UOB/ICB CPFIS”	:	UOB OR ICB CPF INVESTMENT SCHEME
“YR”	:	YOUR

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- Step 1 : Insert your personal Unicard, Uniplus card or UOB VISA/MASTER card and key in your personal identification number.
- 2 : Select “CASHCARD/OTHER TRANSACTIONS”.
- 3 : Select “SECURITIES APPLICATION”.
- 4 : Select “ESA-Fixed”.
- 5 : Select the share counter which you wish to apply for.
- 6 : Read and understand the following statements which will appear on the screen:
- THIS OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENTS. ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) WILL NEED TO MAKE AN APPLICATION IN THE MANNER SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT (Press “ENTER” key to continue)
 - PLEASE CALL 1800 222 2121 IF YOU WOULD LIKE TO FIND OUT WHERE YOU CAN OBTAIN A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT
 - WHERE APPLICABLE, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT (Press “ENTER” key to confirm that you have read and understood the above statements)
- 7 : Read and understand the following statements which will appear on the screen:- YOU HAVE READ, UNDERSTOOD & AGREED TO ALL TERMS OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/ SUPPLEMENTARY DOCUMENT & THIS ELECTRONIC APPLICATION (Press “ENTER” key to continue)- YOU CONSENT TO DISCLOSE YR NAME, IC/PSST, NATIONALITY, ADDR, APPLN AMT, CPFINVT A/C NO & CDP A/C NO FROM YOUR A/CS TO CDP, CPF, SCCS, REGISTRARS, SGX-ST AND ISSUER/VENDOR - THIS IS YOUR ONLY FIXED PRICE APPLN & IS IN YOUR NAME & AT YOUR RISK (Press “ENTER” key to continue)

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- 8 : Screen will display:
- NRIC/Passport No. XXXXXXXXX**
- IF YOUR NRIC NO/PASSPORT NO IS INCORRECT, PLEASE CANCEL THE TRANSACTION AND NOTIFY THE BRANCH PERSONALLY.**
(Press “CANCEL” or “CONFIRM”)
- 9 : Select mode of payment i.e. “CASH ONLY”. You will be prompted to select Cash Account type to debit (i.e., “CURRENT ACCOUNT/I-ACCOUNT”, “CAMPUS” OR “SAVINGS ACCOUNT/TX ACCOUNT”). Should you have a few accounts linked to your ATM card, a list of linked account numbers will be displayed for you to select.
- 10 : After you have selected the account, your Securities Account number will be displayed for you to confirm or change (This screen with your CDP Securities Account number will be shown if your Securities Account number is already stored in the ATM system of UOB). If this is the first time you are using UOB’s ATM to apply for Shares, your Securities Account number will not be stored in the ATM system of UOB, and the following screen will be displayed for your input of your CDP Securities Account number.
- 11 : Read and understand the following terms which will appear on the screen:
1. **PLEASE DO NOT APPLY FOR JOINT A/C HOLDER OR OTHER THIRD PARTIES.**
 2. **PLEASE USE YOUR OWN ATM CARD.**
 3. **DO NOT KEY IN THE CDP A/C NO. OF YOUR JOINT A/C HOLDER OR OTHER THIRD PARTIES.**
 4. **KEY IN YOUR CDP A/C NO. (12 DIGITS) 1681-XXXX-XXXX**
 5. **PRESS ENTER KEY**
- 12 : Key in your Securities Account number (12 digits) and press the “ENTER” key
- 13 : Select your nationality status
- 14 : Key in the number of Shares you wish to apply for and press the “ENTER” key
- 15 : Check the details of your Electronic Application on the screen and press the “ENTER” key to confirm your Electronic Application
- 16 : Select “NO” if you do not wish to make any further transactions and remove the Transaction Record. You should keep the Transaction Record for your own reference only

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Steps for an Internet Electronic Application through the Internet Banking website of UOB

- “CDP” : The Central Depository (Pte) Limited
- “CPF” : Central Provident Fund
- “NRIC” or “IC” : National Registration Identity Card
- “PR” : Permanent Resident
- “S\$” : Singapore Dollars
- “SCCS” : Securities Clearing & Computer Services (Pte) Ltd
- “SGX-ST” : Singapore Exchange Securities Trading Limited
- Step 1 : Connect to UOB’s website at <http://www.uobgroup.com>
- 2 : Locate the UOB Online Services Login icon on the top right hand side next to “Internet Banking”
- 3 : Click on UOB Online Services Login and at drop list select “UOB Personal Internet Banking”
- 4 : Enter your Username and Password and click “Submit”
- 5 : Click on “Proceed” under the Full Access Mode
- 6 : You will receive a SMS One-Time Password. Enter the SMS One-Time Password and click “Proceed”
- 7 : Click on “EPS/Securities/CPFIS”, follow by “Securities”, follow by “Securities Application”
- 8 : Read the IMPORTANT notice and complete the declarations found on the bottom of the page by answering Yes/No to the questions
- 9 : Click “Continue”
- 10 : Select your country of residence (you must be residing in Singapore to apply), and click “Continue”
- 11 : Select the “Securities Counter” from the drop list (if there are concurrent IPOs) and click “Submit”
- 12 : Check the “Securities Counter”, select the mode of payment and account number to debit and click on “Submit”

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- Step 13 : Read the important instructions and click on “Continue” to confirm that:
1. **You have read, understood and agreed to all the terms of this application and Prospectus/Offer Document or Supplementary Document.**
 2. **For the purposes of facilitating your application, you consent to disclose your name, NRIC/passport number, CDP Securities Account Number, CPF investment account number, application details and other personal data and disclosing the same from our records to CDP, CPF, SCCS, share registrars, SGX-ST & Issuer/Vendor(s), the Issue Manager and Full Sponsor and the Underwriter and Placement Agent.**
 3. **This application is made in your own name, for your own account and at your own risk.**
 4. **For FIXED/MAX price securities application, this is your only application. For TENDER price shares application, this is your only application at the selected tender price.**
 5. **For FOREIGN CURRENCY securities, subject to the terms of the issue, please note the following: The application monies will be debited from your bank account in S\$, based on the Bank’s exchange profit or loss, or application monies may be debited and refunds credited in S\$ at the same exchange rate.**
 6. **For 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to the availability at the point of application.**
- 14 : Check your personal details, details of the share counter you wish to apply for and account to debit:
- Select (a) Nationality;
- Enter (b) your CDP Securities Account Number; and
- (c) the number of shares applied for
- 15 : Check the details of your application, your NRIC/Passport number, Securities Account Number and the number of shares applied for, share counter, payment mode and account to debit
- 16 : Click “Submit”, “Clear” or “Home” as applicable
- 17 : Print the Confirmation Screen (optional) for your own reference and retention only

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 **Synagie**

SYNAGIE CORPORATION LTD.

(Company Registration No.: 201717972D)

(Incorporated in Singapore on 28 June 2017)

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