



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

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2020

Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as ascribed to them in the Offer Document of the Company dated 30 July 2018 (the “Offer Document”).

Synagie Corporation Ltd. (the “**Company**”) was listed on Catalist of the Singapore Exchange Securities Trading Limited on 8 August 2018. The initial public offering of the Company (the “**IPO**”) was sponsored by RHT Capital Pte. Ltd..

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, RHT Capital Pte. Ltd. (the “**Sponsor**”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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

Background

The Company was incorporated in Singapore on 28 June 2017, in accordance with the Companies Act as a private limited company under the name of “Synagie Corporation Pte. Ltd.”. The Company was subsequently renamed to “Synagie Corporation Ltd.” on 27 June 2018 in connection with its conversion into a public company limited by shares.

The Group, comprising the Company and its subsidiaries (the “**Group**”), was formed pursuant to a restructuring exercise (the “**Restructuring Exercise**”) undertaken as part of its corporate reorganisation prior to the Company’s IPO and listing on Catalist of the SGX-ST. Please refer to the Company’s Offer Document for further details on the Restructuring Exercise.

The Group has three (3) main business segments (i) e-Commerce; (ii) E-Logistics; and (iii) Insurtech.

We help our Brand Partners which include small and medium enterprises and multi-national corporations execute their E-commerce strategies by selling their goods or services to consumers online and providing one-stop services and integrated technology to manage their multi-channel e-Commerce and logistics operations.

Our end-to-end commerce enablement and fulfilment solutions is achieved through the Group's cloud-based Synagie Platform which leverages on technology such as Cloud Computing, Big Data Analytics and Artificial Intelligence. This solution encompasses all aspects of the e-Commerce value chain covering technology, online store operations, content and channel management, digital marketing, customer service to warehousing and fulfilment.

Our Insurtech business segment provides third party administration and value-added services to help our Brand Partners in the computer, communication and consumer electronics sector manage and execute their extended warranty and accidental damage protection programs. Leveraging on our technology platform and ecosystem, the Group is looking to expand its Insurtech business by extending existing offerings and new products to our brand partners, channel partners and end consumers.

HALF YEAR FINANCIAL STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

1(a)(i) An income statement and statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Increase/ (Decrease) %
	1H2020 S\$'000	1H2019 S\$'000	
Revenue	38,314	9,002	325.6
Cost of sales	(25,388)	(6,477)	292.0
Gross Profit	12,926	2,525	411.9
Other income	503	98	413.3
Distribution and selling costs	(1,335)	(508)	162.8
Administrative expenses	(7,762)	(5,752)	34.9
Other operating expenses	(242)	(67)	261.2
Finance costs	(6)	(97)	(93.8)
Profit / (loss) before income tax	4,084	(3,801)	N.M
Income tax credit	43	57	(24.6)
Profit / (loss) for the period	4,127	(3,744)	N.M
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	20	4	400.0
Total comprehensive income / (loss) for the period	4,147	(3,740)	N.M
<i>Profit / (loss) net of tax attributable to:</i>			
Owners of the Company	4,130	(3,744)	N.M
Non-controlling interests	(3)	-	100.0
Profit / (loss) for the period	4,127	(3,744)	N.M
<i>Total comprehensive income / (loss) for the period</i>			
Owners of the Company	4,150	(3,740)	N.M
Non-controlling interests	(3)	-	100.0
Total comprehensive income / (loss) for the period	4,147	(3,740)	N.M

N.M. - Denotes not meaningful

1H2020 and 1H2019 refer to the half year period ended 30 June 2020 and 30 June 2019 respectively.

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

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

	Group		
	1H2020	1H2019	Increase
	S\$'000	S\$'000	(Decrease) %
Amortisation of intangible assets	246	240	2.5
Depreciation of plant and equipment	229	121	89.3
Fair value adjustments on other payables	-	94	(100.0)
Foreign exchange loss, net	145	17	752.9
Grants received	(490)	(75)	553.3
Interest income	-	(22)	100.0
Marketing expenses	417	405	3.0
Professional fees	403	518	(22.2)
Share-based expenses	112	184	(39.1)
Staff costs	3,498	2,378	47.1
Warehouse rental and handling expenses	1,923	1,144	68.1

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

	Group		Company	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
	S\$'000	S\$000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	8,980	1,594	73	69
Trade and other receivables	8,391	6,888	21,250	21,497
Deferred costs	312	857	-	-
Inventories	2,354	2,098	-	-
Total current assets	20,037	11,437	21,323	21,566
Non-current assets				
Plant and equipment	243	302	54	64
Right-of-use assets	216	297	88	112
Intangible assets	1,815	1,886	-	-
Goodwill	971	971	-	-
Investment in subsidiaries	-	-	9,413	9,413
Total non-current assets	3,245	3,456	9,555	9,589
Total assets	23,282	14,893	30,878	31,155
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	13,797	8,779	4,831	5,044
Deferred revenue	164	971	-	-
Lease liabilities	151	195	48	47
Total current liabilities	14,112	9,945	4,879	5,091
Non-current liabilities				
Lease liabilities	71	107	42	66
Deferred tax liabilities	233	276	-	-
Total non-current liabilities	304	383	42	66
Capital and reserves				
Share capital	28,129	24,147	28,129	24,147
Capital contribution pending allotment	-	3,828	-	3,828
Merger reserve	(8,261)	(8,261)	-	-
Other reserve	792	792	792	792
Translation reserve	(14)	(34)	-	-
Accumulated losses	(11,780)	(15,910)	(2,964)	(2,769)
Total equity attributable to owners	8,866	4,562	25,957	25,998
Non-controlling interests	*	3	-	-
Total equity	8,866	4,565	25,957	25,998
Total liabilities and equity	23,282	14,893	30,878	31,155

Note * Less than S\$1,000



1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

None.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	1H2020	1H2019
	S\$'000	S\$'000
Operating activities		
Profit/ (loss) before income tax	4,084	(3,801)
<u>Adjustments for:</u>		
Amortisation of intangible assets	246	240
Depreciation of plant and equipment	116	121
Depreciation of right-of-use assets	113	-
Allowance for inventories obsolescence	-	50
Share-based payment expenses	112	184
Interest expense	6	97
Interest income	-	(22)
Net unrealised exchange adjustment	20	4
Operating cash flows before working capital changes	4,697	(3,127)
Trade and other receivables	(958)	935
Inventories	(256)	(418)
Trade and other payables	4,255	(3,084)
Net cash generated from / (used in) from operations	7,738	(5,694)
Tax paid	-	(18)
Net cash generated from (used in) operating activities	7,738	(5,712)
Investing activities		
Purchase of plant and equipment	(58)	(155)
Expenditure on software development	(175)	(71)
Interest received	-	22
Net cash used in investing activities	(233)	(204)

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd).

	Group	
	1H2020	1H2019
	S\$'000	S\$'000
Financing activities		
Repayment of lease liabilities	(113)	-
Restricted funds	-	54
Interest paid	(6)	(3)
Net cash (used in) / generated from financing activities	(119)	51
Net increase/ (decrease) in cash and cash equivalents	7,386	(5,865)
Cash and cash equivalents at beginning of the period	1,444	7,319
Cash and cash equivalents at end of the period	8,830	1,454
Note:		
⁽¹⁾ Cash and cash equivalents in the statement of financial position	8,980	1,611
Less: monies pledged with bank for bank guarantee	(150)	(157)
Cash and cash equivalents in the statement of cash flows	8,830	1,454

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>Group</u>	Share capital	Capital contribution pending allotment	Merger reserve	Other reserve	Translation reserve	Accumulated losses	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan 2020	24,147	3,828	(8,261)	792	(34)	(15,910)	4,562	3	4,565
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	4,130	4,130	(3)	4,127
Other comprehensive income	-	-	-	-	20	-	20	-	20
	-	-	-	-	20	4,130	4,150	(3)	4,147
Transaction recognised directly in equity									
Completion of allotment of share capital	3,828	(3,828)	-	-	-	-	-	-	-
Issuance of shares awards	154	-	-	-	-	-	154	-	154
	3,982	(3,828)	-	-	-	-	154	-	154
Balance as at 30 Jun 2020	28,129	-	(8,261)	792	(14)	(11,780)	8,866	*	8,866

Note: * Less than S\$1,000

Group	Share capital	Merger reserve	Other reserve	Translation reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan 2019	23,769	(8,261)	792	(25)	(7,461)	8,814
Total comprehensive loss for the period						
Loss for the period	-	-	-	-	(3,744)	(3,744)
Other comprehensive loss	-	-	-	4	-	4
	-	-	-	4	(3,744)	(3,740)
Transaction with owners, recognised directly in equity						
Issuance of share awards	184	-	-	-	-	184
Balance as at 30 Jun 2019	23,953	(8,261)	792	(21)	(11,205)	5,258

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd).

<u>Company</u>	Share capital	Capital contribution pending allotment	Other reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan 2019	23,769	-	792	(1,793)	22,768
Loss for the period, representing total comprehensive loss for the period	-	-	-	(428)	(428)
Transactions with owners, recognised directly in equity					
Issuance of share awards	184	-	-	-	184
Balance as at 30 Jun 2019	23,953	-	792	(2,221)	22,524
Balance as at 1 Jan 2020	24,147	3,828	792	(2,769)	25,998
Loss for the period, representing total comprehensive loss for the period	-	-	-	(195)	(195)
Transactions with owners, recognised directly in equity					
Completion of allotment of shares	3,828	(3,828)	-	-	-
Issuance of share awards	154	-	-	-	154
Balance as at 30 Jun 2020	28,129	-	792	(2,964)	25,957

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Resultant issued and paid-up share capital	
	Number of shares	(\$'000)
Balance as at 31 December 2019	264,766,689	24,147
Issuance of shares from Rights Issue	39,715,003	3,828
Issuance of share awards	1,414,216	154
Balance as at 30 June 2020	305,895,908	28,129

The Company had no treasury shares as at 30 June 2020 and 31 December 2019.

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

See above for the total number of issued shares. There were no treasury shares as at 30 June 2020 and 31 December 2019.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

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

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those applied in the audited combined financial statements for the financial year ended 31 December 2019.

5. **If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the audited financial statements for the year ended 31 December 2019.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	1H2020	1H2019
<u>Earnings</u>		
Profit / (loss) attributable to owners of the Company (S\$'000)	4,130	(3,744)
<u>Earnings per ordinary share ("EPS")</u>		
Basic and diluted (cents)	1.36	(1.43)

The basic and diluted EPS for the respective financial periods are computed based on the weighted average number of shares in issue during the respective financial period.

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

	Group		Company	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
Net asset value ("NAV") (S\$'000)	8,866	4,562	25,957	25,998
NAV per share (cents)	2.90	1.72	8.52	9.82

For the computation of NAV, the total number of issued shares excluding treasury shares as at 30 Jun 2020 is 305,895,908 (31 Dec 2019: 264,766,689).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets and liabilities of the group during the current financial period reported on.**

Statement of Comprehensive Income

Revenue

Our overall revenue increased by 325.6% or S\$29.3 million, from S\$9.0 million in 1H2019 to S\$38.3 million in 1H2020. The increase in revenue was mainly driven by the increase in revenue from the e-Commerce segment, where revenue has increased by 435.3% or S\$29.8 million. The increase in e-Commerce revenue was mainly attributed by a one-off surge in demand for COVID-19 related products and increased e-Commerce activity as a result of the COVID-19 situation and stay at home measures.

The increase in revenue was partly offset by a decrease in Insurtech segment revenue of 55.0% or S\$1.0 million, as the demand from Insurtech customers and end consumer sales decreased during the COVID-19 period. The uncertainty over the COVID-19 situation led to slow contract renewals resulting in overall decrease in revenue for the Insurtech segment.

The breakdown of revenue is as follows:

	Group	
	1H2020	1H2019
Revenue	S\$'000	S\$'000
e-Commerce	36,605	6,838
E-Logistics	909	388
Insurtech	800	1,776
Total	38,314	9,002

Cost of sales

Cost of sales increased by 292.0% or S\$18.9 million, from S\$6.5 million in 1H2019 to S\$25.4 million in 1H2020, mainly due to the increase in e-Commerce revenue as a result of the COVID-19 situation and stay at home measures.

Gross profit and gross profit margin

The Group's gross profit increased by 411.9% or S\$10.4 million, from S\$2.5 million in 1H2019 to S\$12.9 million in 1H2020. The Group's gross profit margin improved from 28.0% in 1H2019 to 33.7% in 1H2020 mainly due Group's improved product mix in the e-Commerce segment. In addition, the Group had achieved its revenue targets where it is able to earn the target incentives, which contributed to a higher gross profit margin for the Group.

Other income

Other income increased by 413.3% in 1H2020 as compared to 1H2019 mainly due to increase in government grants received. The government grants received mainly relates to the Job Support Scheme implemented by the government during the COVID-19 period.

Distribution and selling costs

Distribution costs increased by 162.8% or S\$0.8 million in 1H2020 as compared to 1H2019 mainly due to the one-off surge in demand for COVID-19 related products and increase in e-Commerce activity.

Administrative expenses

Administrative expenses increased by 34.9% or S\$2.0 million to S\$7.8 million in 1H2020 as compared to S\$5.8 million in 1H2019. The increase is mainly due to our business expansion in SE Asia, which resulted in an increase in staff costs of S\$1.1 million, warehouse handling and supplies expenses of S\$0.9 million and relevant IT and support fees of S\$0.1 million.

Other operating expenses

Other operating expenses comprise mainly allowance for inventory obsolescence and receivables of S\$0.1 million and foreign exchange losses of S\$0.1 million.

Finance costs

Finance costs decreased by 93.8% or S\$0.1 million in 1H2020, due to the fair value adjustment of other payables relating to a contingent consideration amounting to S\$0.1 million in 1H2019. As at 31 December 2019, other payables relating to a contingent consideration had been fully reversed and there is no fair value adjustment in 1H2020.

Income tax credit

Income tax credit arise from the unwinding of deferred tax liabilities associated with the acquisition of Insurtech Subsidiary. No tax expenses were recognized as the Group has sufficient unutilised losses from previous financial years to offset against the profit generated.

Profit for the period

The profit for the period increased by S\$7.8 million, from a loss of S\$3.7 million in 1H2019 to a profit of S\$4.1 million in 1H2020. The increase in profit for the period was mainly due to the increase in e-Commerce activity as a result of the COVID-19 situation and stay at home measures.

Statement of Financial Position***Current assets***

Current assets increased from S\$11.4 million as at 31 December 2019 to \$20.0 million as at 30 June 2020, mainly attributed to increase in cash and cash equivalents and trade and other receivables of S\$7.4 million, and S\$1.5 million respectively. The increase in cash and cash equivalents is mainly due to the collection from the increased revenue.

The increase in current assets was partly offset by decrease in deferred costs which relate to fees incurred on warranty service and are recognised in corresponding period with the deferred revenue from the Insurtech business.

Non-current assets

Non-current assets comprise plant and equipment, intangible assets, goodwill and right-of-use assets. Plant and equipment and intangible assets had decreased by 6.1% or S\$0.2 million mainly due to the depreciation and amortisation of the plant and equipment and intangible assets, partly offset by the purchase of plant and equipment.

Current liabilities

Current liabilities increased by 41.9% or S\$4.2 million, from S\$9.9 million as at 31 December 2019 to S\$14.1 million as at 30 June 2020. This was mainly due to increase in trade and other payables of S\$5.0 million, partly offset by decrease in deferred revenue of S\$0.8 million.

The increase in trade and other payables includes one-off payable of S\$3.3 million to the Group's partners the sale of COVID-19 related products.

The decrease in deferred revenue relates to warranty services revenue that is recognised over the service period from the Insurtech business.

Non-current liabilities

Non-current liabilities decreased by 20.6% or S\$0.1 million, from S\$0.4 million as at 31 December 2019 to S\$0.3 million as at 30 June 2020. The decrease was mainly due to the repayment of lease liabilities and lower deferred tax liabilities.

Equity

As at 30 June 2020, the equity of S\$8.9 million includes mainly issued and full paid-up share capital and other reserve of S\$28.1 million and S\$0.8 million respectively, offset by accumulated losses and merger reserve of S\$11.8 million and S\$8.3 million respectively.

Capital contribution pending allotment of S\$3.9 million as at 31 December 2019 mainly relates to the capital raised from shareholder during the rights issue exercise in November 2019. The allotment was completed on 2 January 2020.

Statement of Cash Flows

The Group generated S\$7.7 million in from operating activities in 1H2020 as compared to net cash of S\$5.7 million used in operating activities in 1H2019, mainly due to operating profit before movement in working capital of S\$4.7 million, adjusted for net working capital spending of S\$3.0 million.

The net working capital spending were due to decrease in trade and other payables and deferred revenue of S\$4.3 million, partially offset by the increase in trade and other receivables and deferred costs and inventories of S\$1.0 million and S\$0.3 million respectively.

Net cash used in investing activities of S\$0.2 million in 1H2020 was mainly attributed to purchase of plant and equipment S\$58,000 and expenditure on software development of S\$0.2 million.

Net cash used in financing activities of S\$0.1 million in 1H2020 was mainly due to repayment of lease liabilities.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group announced the proposed disposal of its e-Commerce business on 5 August 2020 which includes its e-Commerce enabler and logistics business (including the technology and business solutions). The aggregate consideration for the sale of the business is S\$61.7 million, and it will be sold to a consortium of investors including the founders of the Group. The proposed disposal of the e-Commerce business will enable the Group to realise value for its e-Commerce, e-Commerce enabler and logistics business in the near future, without exposure to future market risks. The surge in e-Commerce revenue in 1H2020 has been mainly due to the one-off increase in demand for COVID-19 related products since the pandemic started and we expect e-Commerce revenue to normalise over the next few months. The proposed disposal will enable the Group to return capital to shareholders and focus on its Insurtech business.

The global Insurtech market is expected to grow at a CAGR of 41.0% (US\$15.6 billion) from 2020 to 2023.¹ While the Group saw some near-term impact to its Insurtech business during the COVID-19 period, with a slowdown in renewal of contracts by customers, the long-term outlook for the industry remains positive especially as the world moves to increased digitalisation post-COVID-19. For example, in June 2020, the Singapore government announced that all secondary school students will get a personal laptop or tablet for learning by 2021, seven years ahead of original target². With more than eight years of experience in providing third party administration for extended warranty and accidental damage protection services as well as after sales support and call center support for customers, in the computer, consumer electronics, and communication sectors, the Group's Insurtech subsidiary is looking to explore opportunities to assist in the warranty and repair services for the consumer electronics sector both in the public as well as private sectors.

¹ <https://www.businesswire.com/news/home/20190201005309/en/>

² <https://www.straitstimes.com/politics/all-secondary-school-students-to-get-personal-laptop-or-tablet-for-learning-by-2021-tharman>

11. Dividend

(a) Current Financial Period Reported On

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

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date Payable

Not applicable.

(d) Book Closure Date.

Not applicable.

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

No dividend has been declared or recommended for the 1H2020 considering the Group's and Company's cash flow requirement for future business development.

13. If the Group has obtained a general mandate from shareholders for interested persons transaction ("IPT") the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.

The Group has not obtained a general mandate from shareholders for IPT and there was no IPT entered into during 1H2020.

14. Use of Proceeds from Rights Issue

Pursuant to the Company's Rights Issue exercise, the Company received gross proceeds from the Rights Issue of approximately S\$4.0 million (the "Rights Proceeds"). Please refer to the Offer Information Statement dated 9 December 2019 for further details. As at the date of announcement, the Rights Proceeds have been utilised as follows:

	Amount allocated S\$'000	Amount utilised S\$'000	Amount unused S\$'000
Business expansion (including penetrating new geographical locations, investments in information technology capabilities and mergers and acquisitions)	2,582	(2,582)	-
Working capital	1,260	(1,260)	-
Listing expenses	130	(130)	-
	3,972	(3,972)	-

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

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

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

Having considered, including but not limited to, the following:

- Whether the financial statements provide a balanced and fair view of any material factors that have affected the Company's business conditions and financial position; and
- All material information has been assessed to ensure reliability of the financial statements.

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the half year financial results for the period ended 30 June 2020 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Synagie Corporation Ltd.

Lee Shieh-Peen Clement

Executive Director and Chief Executive Officer

13 August 2020