
OVERVIEW OF THE TARGET GROUP

This summary provides an overview of the information about the Target Group contained in this circular. As it is a summary, it does not contain all the information that may be important to you. You should read the whole circular before making a decision as to how you would cast your votes at the EGM in relation to the De-SPAC Transaction and the appropriate course of action for yourself.

There are risks associated with the De-SPAC Transaction and in an investment in the securities of the Company. You should read “Risk Factors” carefully before making a decision on the De-SPAC Transaction.

In this section, unless the context otherwise requires, “Synagie,” “we,” “us” or “our” refers to the Target Company and its subsidiaries, and “our Directors” refers to the directors of the Target Company.

OVERVIEW OF THE TARGET GROUP’S BUSINESS AND OPERATIONS

We are a data-driven digital solutions platform in Southeast Asia. We were among the top ten digital solutions providers in Southeast Asia with a market share of approximately 3.0% in terms of revenue in 2023, according to CIC. We provide integrated digital solutions to our brand partners, where under our direct-to-brands (“**D2B**”) business model we provide data-driven digital solutions to brands covering all aspects of e-commerce, and meanwhile under our direct-to-consumers (“**D2C**”) business model we sell brands’ products to consumers directly. We have built a proprietary data-driven digital platform, the Synagie Platform, utilizing advanced technology that collects, analyzes and deploys large data sets to fulfill the needs of our brand partners and consumers. As of the Latest Practicable Date, we had helped over 600 brand partners unify their consumers’ experience across all major digital touchpoints under our D2B business model. We have established relationships with various major consumer touchpoints in Southeast Asia, including online marketplaces, such as Lazada, and social media platforms.

Our business was founded by three entrepreneurial founders in Singapore in late 2014, as a D2C business focusing on the beauty, body and baby sector. As more consumers in Southeast Asia started to shop online, brands and market players in the changing retail industry were seeking new solutions to meet the fast-changing habits of their customers. We started to rethink the evolution of the retail industry and sought to provide innovative data-driven solutions for brands to benefit from digital transformation with minimal disruption, including meaningful insights generated from big data analytics for brands to improve operational efficiency and optimize sales performance.

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Our Synagie Platform was thus developed to provide integrated and unified solutions to streamline, enhance and transform traditional commerce practices for brands and a smooth e-commerce experience for consumers in Southeast Asia. We have since accumulated substantial amount of data that helps us better and more deeply understand brand and consumer needs and leading industry trends, which in turn enabled us to successfully expand our business to cover a variety of sectors, including fashion and apparel sector, the premium beauty and wellness sector, and the premium lifestyle and living sector. Our geographical presence covers the six main economies in Southeast Asia, namely Singapore, Malaysia, Philippines, Vietnam, Thailand and Indonesia. We have also been strategically expanding our global footprint outside of Southeast Asia, such as in Hong Kong and Spain.

Through almost ten years’ operations in various geographies, our Synagie Platform has evolved into a data-driven platform with a large data lake that empowers comprehensive suite of digital solutions, covering digital transformation and technology, channel development and management, digital supply chain, brand development, customer engagement, digital marketing and content, account support, supply and demand planning, sustainability and climate management, and big data analytics, to empower a broad and diverse range of brands to increase their sales and grow their business. Our Synagie Platform is able to acquire large volumes of data across various digital touchpoints, store data in a large data-lake that is capable of maintaining and manipulating large data sets, analyze and visualize data in real-time to help brands make data-driven decisions on strategies of marketing, logistics, manufacturing, and supply chain, and deliver comprehensive and holistic insights on consumer interests and behaviors. Our Synagie Platform can also support our brand partners by unifying the operations of our digital supply chain network, comprising of logistics, warehousing and fulfillment partners, managing product merchandizing and catalog, tailoring specific product description to enhance search optimization and customize pricing strategies for different commerce channels, driving digital marketing effectiveness, and processing and fulfilling large order volumes across various commerce channels. We continuously innovate and update our technologies to meet the changing needs of brands, consumers and channels, and to proactively adapt to the emerging trends in the e-commerce industry and the digital solutions industry.

We are a sustainable carbon neutral company and are committed to promoting an eco-friendly mindset across our operations and to reducing our carbon footprint wherever possible. We help our brand partners achieve their ESG goals by providing our sustainability and climate management solutions, including green packaging, carbon tracking, and offsetting solutions. As of the Latest Practicable Date, we were one of the few carbon neutral digital solutions providers in Southeast Asia certified by TÜV Rheinland, a trusted global technical inspection association, based on ISO14064-1, ISO14064-2 and PAS2060 standards.

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We have established relationships with many global premium brands, such as Lululemon, Estee Lauder, and Shiseido. We are also backed by leading investors, including Alibaba, a global technology conglomerate specializing in e-commerce, cloud computing, digital media and entertainment, payment and financial services, and innovation initiatives, and Gobi Partners, a leading Asia-focused venture capital firm. We believe that our prominent brand partner base and blue-chip shareholder base are testament to our capabilities and prospects.

We have benefited from the rapidly evolving market opportunities in the e-commerce industry and the digital solutions industry in Southeast Asia, and have been able to capture the huge market opportunities with our deep understanding of the needs of various types of brands as well as consumer trends. Our revenue increased from S\$85.9 million in 2021 to S\$112.6 million in 2022 and further to S\$126.6 million in 2023, representing a CAGR of 21.4%. Our revenue continued to increase by 15.7% from S\$31.5 million in the four months ended April 30, 2023 to S\$36.5 million in the four months ended April 30, 2024. Our gross profit increased from S\$23.7 million in 2021 to S\$30.6 million in 2022, and further to S\$31.7 million in 2023. Our gross profit continued to increase by 20.7% from S\$7.9 million in the four months ended April 30, 2023 to S\$9.5 million in the four months ended April 30, 2024. Our gross profit margin decreased from 27.6% in 2021 to 27.2% in 2022, and further to 25.1% in 2023, while increased from 25.0% in the four months ended April 30, 2023 to 26.1% in the four months ended April 30, 2024.

BUSINESS AND REVENUE MODEL OF THE TARGET GROUP

Our Business Model

We believe that brands value us for our integrated digital solutions capabilities, ability to offer reliable solutions, vertical expertise, market insights, innovative technologies and solutions, and quick adaptation to the evolving e-commerce market. Depending on different brands’ specific and diversified needs, we provide our solutions to brands under one or a combination of our two business models: D2B business model and D2C business model.

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	D2B	D2C
Description	Under our D2B business model, we leverage our Synagie Platform to offer digital solutions to our brand clients to help them manage the full spectrum of their e-commerce business. Our one-stop digital solutions cover primarily digital transformation and technology, channel development and management, digital supply chain, brand development, customer engagement, digital marketing and content, account support, supply and demand planning, sustainability and climate management, and big data analytics. See “Business of the Target Group — Our Digital Solutions.”	Under our D2C business model, we sell our brand suppliers’ products directly to consumers across various commerce channels, including online marketplaces such as Lazada, social media channels, and live streaming and live selling platforms.
Customers.	Brands	End consumers
Revenue model	Depending on the types of solutions we provide, we charge a fixed service fee and/or a commission-based service fee, calculated based on a percentage of the sales revenue generated by the brand clients empowered by the solutions offered through our Synagie Platform.	Revenue generated from sales of our brand suppliers’ products. Our revenue under D2C business model is recognized on a gross basis since under our D2C business model we (i) are a principal and the primary obligor of the sales transactions; (ii) have control of the products obtained from our brand partners prior to the transfer of control of such products to a consumer; and (iii) have discretion in determining the prices of the products we sell.

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D2B	D2C
Fee-Per-Sale (“FPS”) model We charge our brand clients with an as-agreed percentage of our brand clients’ sales revenue, which can range from 12% to 18%, for our one-stop digital solutions. Our Fee-Per-Sale is paid by our brand clients only when our solutions successfully generate sales for brand clients, aligning our economic interest with that of our brand clients.	On-demand inventory model We mainly operate an on-demand inventory model. We can purchase from brand suppliers any time when needed, allowing us to purchase minimal inventories upfront and keep inventory levels at necessary levels. See “Business of the Target Group — Our Digital Solutions — Digital Supply Chain Solutions.”
Fixed service fee model We charge our brand clients with fixed service fees, typically ranging from several thousands to hundreds of thousands of SGD, for our digital solutions on a project basis depending on brands’ specific needs.	

The table below sets forth the breakdown of our D2B revenue by revenue model for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
	(unaudited)									
Fixed service fee	5,782	37.8	9,411	46.8	10,294	38.6	2,883	42.9	2,866	35.6
Fee-Per-Sale	9,505	62.2	10,680	53.2	16,349	61.4	3,841	57.1	5,193	64.4
Total	15,287	100.0	20,091	100.0	26,643	100.0	6,724	100.0	8,059	100.0

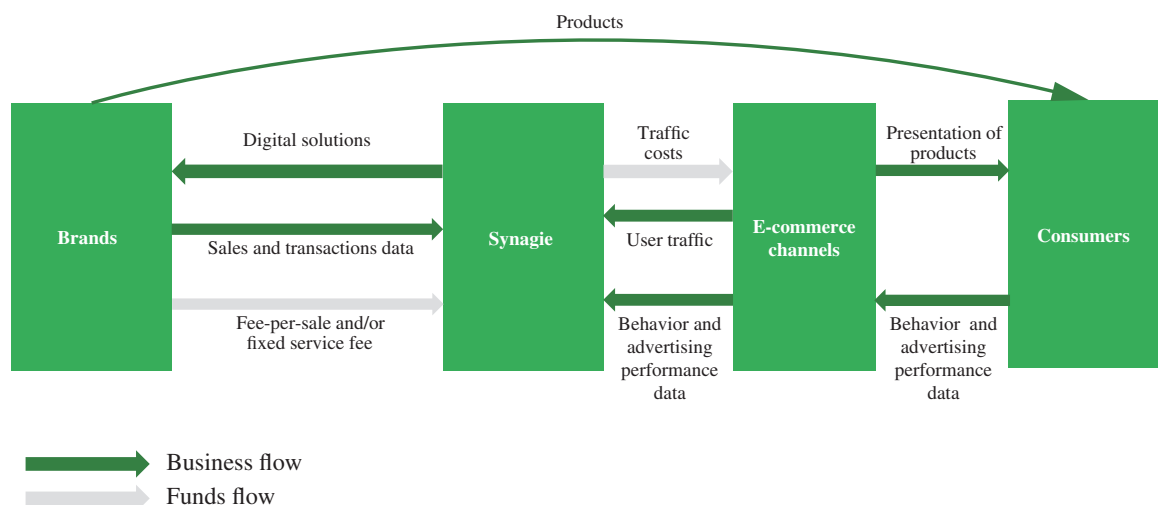
D2B Business Model

Under our D2B business model, we provide comprehensive digital solutions to help our brand clients manage all aspects of the e-commerce process and create a unified experience for consumers throughout the entire consumer journey, including commerce management, customer relations and engagement, digital supply chain, demand planning, carbon management, big data analytics and business insights. Our solutions address key pain points in e-commerce, such as integrating and managing orders across various digital touchpoints which enables our brand clients to manage product catalogs, optimize inventory, process orders, and acquire more engagement with consumers. We generate revenue directly from our brand clients under this model through a unique and efficient pricing model, comprising (i) a “Fee-Per-Sale” model for our one-stop digital

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solutions, calculated based on an as-agreed percentage of our brand clients’ sales revenue empowered by our digital solutions and/or (ii) a fixed service fee model for our digital solutions on a project basis depending on brands’ specific needs.

The diagram below illustrates our D2B business model:



D2C Business Model

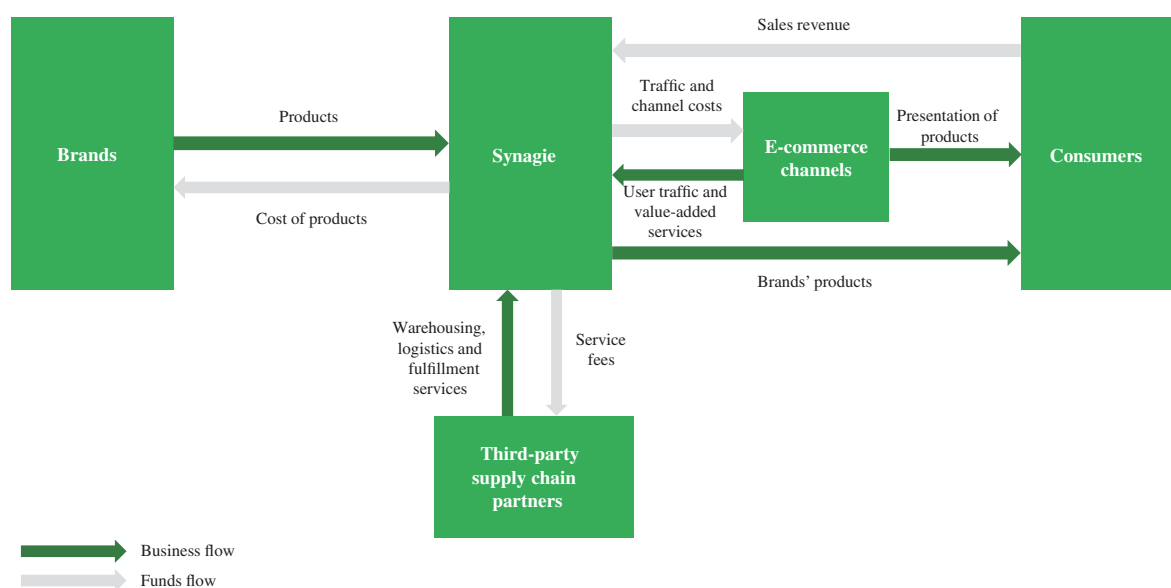
Under our D2C business model, we purchase products from brands and sell them directly to consumers through online stores owned by us and operated under the name of our brand partners across various digital touchpoints. Therefore, consumers are deemed as our direct customers and brands are deemed as our suppliers under our D2C business model. Our brand partners rely on us to sell their products as we have the local licenses or permits required for local e-commerce business operations, which our brand partners might not have in certain regions. We have title to the products we sell, assume all the related risks until the confirmation of receipt of products by consumers, have the right to set prices either solely or jointly with brands, and carefully select reliable brands for our D2C business model, taking into consideration their competitiveness, industry reputation, their products’ popularity, financial position, track record, and long-term potential. We generate revenue from the sales of our brand suppliers’ products and pay our brand suppliers for purchasing their products under this model. Our revenue under D2C business model is recognized on a gross basis since under our D2C business model we (i) are a principal and the primary obligor of the sales transactions; (ii) have control of the products obtained from our brand partners prior to the transfer of control of such products to a consumer; and (iii) have discretion in determining the prices of the products we sell.

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We have strategically adopted an asset-light inventory approach under our D2C business model since 2022, mainly operating an on-demand inventory model. Under this model, we can purchase from brand suppliers any time when needed, allowing us to purchase minimal inventories upfront and keep inventory levels at necessary levels.

Our D2C business model also leverages our scalable asset-light digital supply chain network, where we do not own any warehouses or delivery vehicles but instead engage with third-party supply chain partners and manage the entire fulfillment process covering warehouse, logistics and handling via our Synagie Platform. This enables us to leverage the infrastructure of our third-party supply chain partners to quickly procure additional warehouse space when required and increase our order fulfillment capacity during new product launches or peak periods.

The diagram below illustrates our D2C business model:



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Key Operating Metrics

The table below sets forth key operating metrics under each of our business models for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2021	2022	2023	2023	2024
Revenue-to-staff (S\$'000)	238.7	277.5	330.5	76.3	96.4

D2B

Number of active brand stores served ⁽¹⁾ .	299	324	350	335	357
Net change in the number of brand stores served	34	25	26	11	7
Number of brand clients served	154	170	82	64	84
Key brand client retention rate (%) ⁽²⁾ . . .	100.0	91.7	90.9	90.9	100.0
Revenue coverage of key brand clients (%)	76.9	73.5	84.2	86.9	86.7
Average D2B revenue per active brand store served (S\$'000)	51.1	62.0	76.1	20.1	22.6
Range of FPS	12%-18%	12%-18%	12%-18%	12%-18%	12%-18%
Range of fixed service fee (S\$)	1,000-50,000	1,000-110,000	1,000-100,000	1,000-90,000	1,000-120,000

D2C

Number of online visitors (million)	41.3	52.5	58.7	17.2	16.7
Number of consumers (million)	0.8	0.8	1.1	0.3	0.4
Average consumer conversion cost (S\$) ⁽³⁾	6.0	9.5	7.5	7.3	5.9
Consumer conversion cost as a percentage of revenue (%)	6.7	8.4	8.1	9.2	7.9
Consumer conversion rate (%)	1.9	1.6	1.8	1.8	2.2
Average D2C revenue per consumer (S\$).	89.6	113.3	92.5	80.1	75.6

Notes:

- (1) Active brand stores are brand stores that either have more than 100 orders annually or a pro-rated order volume exceeding 100 annually for periods less than a year.
- (2) Key brand clients are the brand clients that have annual revenue contribution of more than S\$150,000, which was approximately the average annual D2B revenue contributed by our brand clients during the Track Record Period. The key brand client retention rate is calculated by dividing the number of our existing key brand clients in the immediately preceding period which remain as our key brand clients in the current period by the number of our existing key brand clients in the immediately preceding period and multiplied by 100%.

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- (3) Average consumer conversion cost is the costs primarily incurred for digital marketing and content production to attract and convert online visitors to consumers across e-commerce channels, which is calculated by dividing total consumer conversion cost by the number of consumers in each period.

Our revenue-to-staff had a general increasing trend during the Track Record Period, reflecting our strong revenue-making capability.

The number of active brand stores we served had a general increasing trend during the Track Record Period, reflecting our efforts to continuously grow our business under our D2B business model, in line with the increasing growth of our revenue under D2B business model during the Track Record Period. In addition, during the Track Record Period, we continued to onboard new brand stores, reflecting our continuous efforts to further grow our D2B business.

The number of active brand clients served increased from 2021 to 2022 but decreased significantly in 2023, primarily due to the completion of the Multi-Channel E-Commerce Platform Program (“MEP”) in October 2022, which was initiated by the Singapore government. As one of the MEP solutions partners, we onboarded more than 100 small- and medium-sized enterprises (“SMEs”) to enable them to list and sell their products on multiple e-commerce platforms, and our solutions fees were subsidized by the Singapore government. After the completion of the MEP in October 2022, solutions for these SME brands were discontinued as the government subsidies ceased. Nevertheless, the decrease in the number of brand clients served did not have any adverse impact on our revenue during the Track Record Period as most of our revenue was contributed by our key brand clients.

Our key brand client retention rate remained at a high level of above 90.0% during the Track Record Period, reflecting our strong relationships with our brand clients and their stickiness with us.

Our average D2B revenue per active brand store served increased significantly during the Track Record Period, primarily because our digital solutions enabled our brand partners to increase their sales, resulting in more service fees paid to us.

The number of online visitors had a general increasing trend from 2021 to 2023, in line with the growth of our D2C business. The number of online visitors remained relatively stable at 16.7 million in the four months ended April 30, 2024, as compared to 17.2 million in the four months ended April 30, 2023.

Our average consumer conversion cost (in absolute amount and as a percentage of revenue) increased from 2021 to 2022, primarily due to the removal of lockdown and other restrictions in 2022 post COVID-19 when consumers started to resume offline shopping and reduced online shopping, leading us to enhance our marketing efforts to engage with consumers. Our average

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consumer conversion cost (in absolute amount and as a percentage of revenue) decreased from 2022 to 2023 and from the four months ended April 30, 2023 to the four months ended April 30, 2024, primarily due to the stabilization of consumers’ online/offline shopping habits post COVID-19 and the effectiveness of our enhanced marketing efforts in 2022.

Our consumer conversion rate had a general increasing trend during the Track Record Period, except in 2022. The decrease in consumer conversion rate in 2022 is primarily due to the decreased consumer conversion rate in Singapore, as a result of the removal of lockdown and other restrictions in 2022 post COVID-19 when consumers started to resume offline shopping and reduced online shopping.

Our average D2C revenue per consumer increased from S\$89.6 in 2021 to S\$113.3 in 2022, primarily due to an increase in the volume of premium brand products we sold in 2022. Our average D2C revenue per consumer decreased from S\$113.3 in 2022 to S\$92.5 in 2023, and from S\$80.1 in the four months ended April 30, 2023 to S\$75.6 in the four months ended April 30, 2024, primarily due to lower product sales in Singapore which led to a decrease in the number of orders per consumer. The product sales decreased in Singapore primarily because many brands required an outright purchase model in Singapore where we would need to purchase more inventories upfront, while we strategically changed to the on-demand inventory model under our D2C business since 2022.

STRENGTHS OF THE TARGET GROUP

We believe that the following competitive strengths differentiate us from our competitors and enable us to fulfill our mission and achieve long-term success:

- First mover in the digital solutions industry in Southeast Asia
- Scalable, asset-light business model
- Capable of benefiting from consumer premiumization in Southeast Asia
- Significant value to and partner of choice for our brand partners
- Strong technology capabilities facilitating a unified and smooth consumer experience across all touchpoints
- Experienced management team backed by blue-chip investors

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MARKET OPPORTUNITIES OF THE TARGET GROUP

We operate in the e-commerce market and the digital solutions market in Southeast Asia. The e-commerce market in Southeast Asia is expected to continue robust growth driven by strong economic growth, a large proportion of young population, the increasing number of mass-affluent individuals, and high internet penetration of this region, which has laid a solid foundation for and will boost the growth of the digital solutions market in this region. The size of the e-commerce market in Southeast Asia increased at a CAGR of 43.3% from US\$23.0 billion in 2018 to US\$139.0 billion in 2023, and is expected to further increase at a CAGR of 15.4% from US\$160.9 billion in 2024 to US\$285.0 billion in 2028.

The digital solutions market in Southeast Asia has experienced rapid growth in recent years and is expected to continue growing. Furthermore, as the number of brands entering the Southeast Asia market and the number of products offered by each brand continue to increase, the cost for brands to establish an in-house digital solutions operations department is escalating. Brands can effectively reduce costs while increasing overall sales by outsourcing their digital solutions operations instead. Moreover, since consumer preferences vary across different regions in Southeast Asia, digital solution providers with diverse data from different touchpoints and local expertise are in a better position to accurately analyze market trends and provide effective solutions for brands. The size of the digital solutions market in Southeast Asia increased at a CAGR of 50.6% from US\$0.1 billion in 2018 to US\$0.7 billion in 2023, and is expected to further increase at a CAGR of 21.4% from US\$0.8 billion in 2024 to US\$1.7 billion in 2028.

In addition, Southeast Asia has attracted and is expected to continue to attract significant investments and businesses from the globe. For example, China’s exports to Southeast Asia increased at a CAGR of 10.4% from US\$319.1 billion in 2018 to US\$524.3 billion in 2023; and the United States’ export to Southeast Asia increased at a CAGR of 4.6% from US\$85.8 billion in 2018 to US\$107.2 billion in 2023. In particular, half of the top ten of China’s cross-border e-commerce partners in terms of export volume were Southeast Asian countries in 2022. Southeast Asia has become an important growth area for China and the United States’ cross-border e-commerce exports. In the future, an increasing number of international brands are expected to enter the e-commerce market in Southeast Asia. As a result, digital solutions providers in Southeast Asia expect to benefit from the opportunities arising from the growth in e-commerce and the value-added solutions in this region.

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GROWTH STRATEGIES OF THE TARGET GROUP

We intend to achieve our mission and further solidify our leadership position by focusing on the following strategies:

- Continue to expand our brand partner network, and develop new commerce channels
- Execute on-demand inventory model at full scale
- Invest in and continue to adopt advanced technology and AI
- Enhance and expand our smart digital supply chain network
- Growth through mergers and acquisitions and strategic investments

CUSTOMERS AND SUPPLIERS OF THE TARGET GROUP

Our brand partners are deemed as our suppliers under our D2C business model and our customers under our D2B business model. See “Business of the Target Group — Overview — Our Business Models.” Our customer base comprises mainly: (i) our brand clients to whom we provide digital solutions under our D2B business model, and (ii) consumers who purchase brands’ products from us under our D2C business model. The revenue generated from our five largest customers in each of 2021, 2022, 2023 and the four months ended April 30, 2024 was S\$7.6 million, S\$10.7 million, S\$14.7 million and S\$4.8 million, respectively, representing approximately 8.8%, 9.4%, 11.7% and 13.1% of our revenue in each of the same periods, respectively. The revenue generated from our largest customer in each of 2021, 2022, 2023 and the four months ended April 30, 2024 was S\$2.1 million, S\$3.3 million, S\$6.0 million and S\$2.0 million, respectively, representing approximately 2.4%, 2.9%, 4.8% and 5.6% of our total revenue in each of the same periods, respectively.

Our suppliers comprise primarily e-commerce channels, our brand suppliers under our D2C business model, and our supply chain partners. Purchases from our five largest suppliers in each of 2021, 2022, 2023 and the four months ended April 30, 2024 amounted to S\$38.2 million, S\$58.5 million, S\$70.6 million and S\$20.8 million, respectively, representing approximately 46.8%, 55.9%, 58.8% and 59.3% of our total purchases in each of the same periods, respectively. Purchases from our largest supplier in each of 2021, 2022, 2023, and the four months ended April 30, 2024 was S\$20.0 million, S\$37.7 million, S\$51.9 million and S\$15.5 million, respectively, representing approximately 24.5%, 35.9%, 43.2% and 44.1% of our total purchases in each of the same periods, respectively.

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PRICING OF THE TARGET GROUP

We have different pricing models for our D2B and D2C business models.

For our D2B business model, we typically charge fixed service fees based on different combination of our solutions that our brand clients use and/or fee-per-sale where we are paid with an as-agreed percentage of our brand clients’ sales revenue empowered by our digital solutions only when our solutions successfully generate sales for our brand clients.

For our D2C business model, we set the retail price of brands’ products either solely or jointly with our brand suppliers, taking into account a variety of factors, including costs of the products, our intended margin, among others. We record revenue directly from the sales of brands’ products, and then pay the purchase amounts of such products to our brand suppliers.

See “Business of the Target Group — Pricing” and “Financial Information of the Target Group — Critical Accounting Policies and Estimates — Revenue Recognition” for more details regarding pricing.

RESEARCH AND DEVELOPMENT OF THE TARGET GROUP

Rapid innovation is a core driver of our business success. We focus on the development of our technology infrastructure and proprietary Synagie Platform to expand our technological footprint and enhance the digitalization of brand partners’ retail business, thereby reinforcing our market position in the digital solutions market in Southeast Asia. Our R&D strategy takes into account the challenges and pain points that our brand clients might face in their e-commerce operations and we seek to provide solutions that will help solve these pain points. In particular, our internal R&D team is responsible for designing the architecture, key features and functionality of our Synagie Platform taking into consideration factors such as user experience, commercial viability and the lifespan of new modules and version upgrades that we might implement. We outsource the execution of our design, including development, coding, maintenance, debugging, deployment and enhancement of our Synagie Platform, to third-party application providers.

We believe that data is at the core of our business and can help drive smart decisions for us and our brand clients. By leveraging our access to a wide range of data in our e-commerce business, we can address issues that our brand clients face, such as demand forecasting, inventory management and product pricing. We have established an internal data team that is responsible for managing our data mining, analysis and visualization to ensure that the data is presented to users of our Synagie Platform in an easy-to-understand and ready-to-use format.

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We own our Synagie Platform and possess perpetual licenses for modules owned by certain third party application providers. We also work with third party application providers and either use or collaborate with them to develop specific technology that will enhance the capabilities of our Synagie Platform. We outsource some of our R&D efforts to third-party service providers, and we are the sole owner of the relevant intellectual property rights to the technology and products developed under the relevant service agreements and data generated by such technology and products. In particular, data generated by such technology and products is stored on cloud servers provided by our third-party cloud service providers. We have adopted comprehensive data privacy and cybersecurity measures to safeguard our data, such as implementing technical measures for data security, establishing a multi-layer data security infrastructure, deploying a virus checking system using a multi-layered approach on desktops, servers and gateways, and requiring our third-party cloud service providers to implement appropriate privacy and security measures. See “Business of the Target Group — Data Privacy and Cybersecurity” for more details.

COMPETITIVE LANDSCAPE OF THE TARGET GROUP

We operate in the e-commerce market and the digital solutions market in Southeast Asia. The composition of the e-commerce market is highly complex, with three sub-markets based on different types of sellers: (i) brand direct sales, where brands sell products to consumers; (ii) distribution sales, where distributors purchase products from brands and then resell products to consumers; and (iii) sales by digital solutions providers, where digital solutions providers purchase products from brands only after consumers’ orders are confirmed, and then resell such products to consumers, like our D2C business model. Each sub-market is further differentiated by product type, with numerous brands under each product type. Thus, the e-commerce market in Southeast Asia is highly fragmented with a large number of market players.

The global markets for digital solutions are rapidly evolving and are subject to competition as a result of changing technological innovation and shifting customer needs. We face potential competition from many different sources both locally and globally, while the solutions offered by our competitors vary in size, breadth, and scope. The digital solutions market in Southeast Asia is relatively concentrated, with the top ten market players accounting for a combined market share of approximately 61.4% in 2023. We were among the top ten digital solutions providers in Southeast Asia with a market share of approximately 3.0% in terms of revenue in 2023.

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We believe that our proprietary data-driven digital solutions platform provide us with significant competitive advantages over existing and new entrants in both the e-commerce market and the digital solutions market in Southeast Asia. In addition, we believe we compete favorably in Southeast Asia as we have established relationships with various major e-commerce channels in Southeast Asia, including online marketplaces, such as Lazada, and social media platforms, among others. While we believe that we can compete favorably on the basis of these factors, many emerging and established companies have also built upon their expertise, technologies and competencies in the business areas we operate. See “Business of the Target Group — Competition.”

PRE-LISTING INVESTMENT

On August 5, 2020, the Target Company entered into the Subscription Agreement with Alibaba Singapore, Meranti, Metadrome, Venture Lab and Ms. Zanetta Lee, pursuant to which Alibaba Singapore and Meranti agreed to subscribe for 518,219,784 preferred shares of the Target Company at an aggregate consideration of S\$51,821,978.40. See “History and Corporate Structure of the Target Group” for more details of the identity and background of the Pre-Listing Investors and the principal terms of the Pre-Listing Investments.

TARGET COMPANY EXISTING ESOP AND SUCCESSOR ESOP

The Target Company adopted the Target Company Existing ESOP on May 20, 2022, which was amended and restated on June 28, 2024 and September 20, 2024. As of the Latest Practicable Date, the Target Company had granted options to subscribe for 38,819,904 shares of the Target Company and granted bonus share awards of 53,926,868 shares of the Target Company under the Target Company Existing ESOP. Subject to the requisite approval of the shareholders of the Target Company having been obtained, immediately prior to the Effective Time, (A) all outstanding options issued under the Target Company Existing ESOP will automatically be exercised on a cashless exercise basis (i.e. net of the exercise price payable), resulting in 33,850,000 ordinary shares in the Target Company being allotted and issued to the holders of such options in accordance with the Target Company Existing ESOP, and (B) all 53,926,868 bonus ordinary shares in the Target Company awarded to the Target Company Founders will be automatically allotted and issued in accordance with the Target Company Existing ESOP. The aggregate of such 87,776,868 ordinary shares in the Target Company which will be allotted and issued in accordance with the Target Company Existing ESOP will represent 10.52% of the total issued share capital of the Target Company upon completion of the allotment and issuance. Such shares will, at the Effective Time, be converted into the right to receive an aggregate of 36,811,715 Consideration Shares.

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The terms of the Target Company Existing ESOP are not subject to the provisions of Chapter 17 of the Listing Rules. The Target Company Existing ESOP will cease to be effective upon completion of the De-SPAC Transaction, and no new awards or options can be granted thereunder.

The Company proposes to, subject to obtaining approval from the Shareholders at the EGM by way of an ordinary resolution, adopt the Successor ESOP to be effective upon Closing. The terms of the Successor ESOP will comply with the requirements of Chapter 17 of the Listing Rules. A summary of its principal terms is set out in Appendix VIII to this circular.

SUMMARY OF THE TARGET GROUP’S HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountant’s Report set out in Appendix I. You should read this summary in conjunction with our consolidated financial information included in the Accountant’s Report in Appendix I, including the accompanying notes, and the information set forth in “Financial Information of the Target Group.”

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Summary of Consolidated Statements of Profit or Loss

	Year ended December 31,			Four months ended April 30,	
	2021	2022	2023	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000 (unaudited)	S\$'000
Revenue	85,933	112,647	126,595	31,505	36,454
Cost of sales	(62,257)	(82,008)	(94,851)	(23,629)	(26,945)
Gross profit	23,676	30,639	31,744	7,876	9,509
Other income.	698	527	379	160	44
Other gain and loss	(256)	(893)	(1,788)	(396)	1,356
Selling and distribution expenses.	(15,125)	(19,257)	(20,668)	(5,400)	(6,752)
General and administrative expenses . . .	(20,745)	(24,208)	(26,009)	(8,221)	(7,846)
Finance costs.	(62)	(568)	(1,658)	(506)	(456)
Loss before income tax	(11,814)	(13,760)	(18,000)	(6,487)	(4,145)
Income tax credit	802	633	690	224	228
Loss for the year/period	(11,012)	(13,127)	(17,310)	(6,263)	(3,917)
Other comprehensive (expense) income					
<i>Items that may be reclassified</i>					
<i>subsequently to profit or loss:</i>					
Exchange differences on translation of					
foreign operations	(81)	137	24	338	227
Total comprehensive expense					
for the year/period	(11,093)	(12,990)	(17,286)	(5,925)	(3,690)
(Loss) profit for the year/period					
attributable to:					
Owners of the Target Company	(11,016)	(13,118)	(17,310)	(6,263)	(3,917)
Non-controlling interests	4	(9)	—	—	—
	(11,012)	(13,127)	(17,310)	(6,263)	(3,917)
Total comprehensive (expense) income					
for the year/period attributable to:					
Owners of the Target Company	(11,097)	(12,981)	(17,286)	(5,925)	(3,690)
Non-controlling interests	4	(9)	—	—	—
	(11,093)	(12,990)	(17,286)	(5,925)	(3,690)
Loss per share					
— Basic and diluted (<i>singapore cents</i>).	(1.48)	(1.76)	(2.32)	(0.84)	(0.52)

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Non-IFRS Measure

To supplement our consolidated financial statements presented in accordance with IFRSs, we use adjusted EBITDA (a non-IFRS measure) as additional financial measure, which is not required by, or presented in accordance with IFRSs. We believe that adjusted EBITDA (a non-IFRS measure) provides useful information to investors in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, presentation of adjusted EBITDA (a non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted EBITDA (a non-IFRS measure) has limitations as an analytical tool, and investors should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial conditions as reported under IFRSs.

We define adjusted EBITDA (a non-IFRS measure) as loss for the period by adding back certain items, including (i) depreciation and amortization expenses, (ii) income tax credit, (iii) share-based payment expenses, (iv) net finance costs, and (v) fair value loss/gain on convertible loan notes. The table below reconciles our adjusted EBITDA (a non-IFRS measure) presented to loss for the periods.

	Year ended December 31,			Four months ended April 30,	
	2021	2022	2023	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				(unaudited)	
Reconciliation of loss for the					
year/period and adjusted EBITDA					
(a non-IFRS measure)					
Loss for the year/period	(11,012)	(13,127)	(17,310)	(6,263)	(3,917)
Add:					
Depreciation and amortization expenses .	4,889	4,957	5,511	1,537	1,537
Income tax credit	(802)	(633)	(690)	(224)	(228)
Net finance costs	58	563	1,651	504	450
EBITDA	(6,867)	(8,240)	(10,838)	(4,446)	(2,158)
Share-based payment expenses	174	284	726	243	—
Fair value loss (gain) on convertible loan notes	—	514	940	313	(1,667)
Adjusted EBITDA					
(a non-IFRS measure)	(6,693)	(7,442)	(9,172)	(3,890)	(3,825)

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Except for depreciation and amortization expenses, income tax credit, and net finance costs, which are part of EBITDA, we made adjustments of certain items to loss for the periods presented because our management considers that:

- (i) share-based payment expenses represent primarily non-cash employee benefit expenses incurred in connection with our Target Company Existing ESOP. Such expenses in any specific period are not expected to result in future cash payments; and
- (ii) fair value loss/gain on convertible loan notes mainly represent changes in the fair value of the convertible loan notes issued by us and relate to changes in our valuation. We do not expect to record any further fair value loss on convertible loan notes after the Listing as we will repay outstanding convertible loan notes after the Listing.

Revenue

The table below sets forth a breakdown of our revenue by business segment for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%
	(unaudited)									
D2B	15,287	17.8	20,091	17.8	26,643	21.0	6,724	21.3	8,059	22.1
D2C	70,646	82.2	92,556	82.2	99,952	79.0	24,781	78.7	28,395	77.9
Total	85,933	100.0	112,647	100.0	126,595	100.0	31,505	100.0	36,454	100.0

We generate revenue through the following two reportable segments: (i) D2B; and (ii) D2C. During the Track Record Period, our revenue under both D2B and D2C business models increased, as we continuously strived to grow our business, in particular in emerging markets in Southeast Asia. Our revenue generated under D2B business model contributed to an increasing portion of our total revenue during the Track Record Period, as we strategically focused on expanding our D2B business segment, which has a higher margin than that of our D2C business segment.

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The table below sets forth a breakdown of our D2C revenue generated through e-commerce channels for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
							(unaudited)			
Lazada ⁽¹⁾	49,069	69.5	74,450	80.4	83,215	83.3	20,411	82.4	23,574	83.0
Shopee	15,125	21.4	13,063	14.1	11,148	11.2	2,972	12.0	3,439	12.1
Others	6,452	9.1	5,043	5.5	5,589	5.5	1,398	5.6	1,382	4.9
Total	70,646	100.0	92,556	100.0	99,952	100.0	24,781	100.0	28,395	100.0

Note:

(1) Lazada is a subsidiary of Alibaba, our controlling shareholder.

During the Track Record Period, our revenue generated through Lazada accounted for the largest portion of our revenue under D2C business model, which was 69.5%, 80.4%, 83.3%, 82.4% and 83.0% in 2021, 2022, 2023 and the four months ended April 30, 2023 and 2024, respectively. See “Business of the Target Group — Customers and Suppliers — Suppliers — Our Relationship with Lazada” for details regarding our relationship with Lazada. See “Risk Factors — Risks Relating to The Target Group’s Business — We rely on the success of certain e-commerce channels. Material disruptions to such e-commerce channels could adversely affect demand for, and our ability to provide, our solutions and services.”

The table below sets forth a breakdown of our D2C revenue by product categories for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
							(unaudited)			
Fashion and apparel	21,593	30.6	47,562	51.4	63,141	63.2	15,517	62.6	19,191	67.6
Beauty and wellness	41,695	59.0	37,892	40.9	28,582	28.6	7,635	30.8	7,243	25.5
Lifestyle and living	7,358	10.4	7,102	7.7	8,229	8.2	1,629	6.6	1,961	6.9
Total	70,646	100.0	92,556	100.0	99,952	100.0	24,781	100.0	28,395	100.0

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The table below sets forth a breakdown of our revenue based on the location of our operations for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%
	(unaudited)									
Regions										
Singapore	41,399	48.2	38,992	34.6	20,970	16.6	7,049	22.4	4,099	11.2
The Philippines	24,829	28.9	47,345	42.0	70,562	55.7	15,708	49.9	23,672	64.9
Indonesia.	8,924	10.4	14,001	12.4	15,068	11.9	4,242	13.5	2,591	7.1
Vietnam	4,896	5.7	5,694	5.1	11,310	8.9	2,275	7.2	3,825	10.5
Malaysia	4,701	5.5	4,759	4.2	4,461	3.5	1,383	4.4	1,265	3.5
Others ⁽¹⁾	1,184	1.3	1,856	1.7	4,224	3.4	848	2.6	1,002	2.8
Total	85,933	100.0	112,647	100.0	126,595	100.0	31,505	100.0	36,454	100.0

Note:

(1) Others primarily included Thailand, Hong Kong and Spain.

We primarily operate in Singapore, the Philippines, Indonesia, Vietnam and Malaysia. Our revenue generated from each of the Philippines, Indonesia, Vietnam, Malaysia, and other regions increased during the Track Record Period, reflecting our efforts to continuously grow our business in these regions. In particular, our increased revenue from the Philippines during the Track Record Period was primarily due to the increase in our revenue generated under our D2C business model, reflecting strong consumer demand in the Philippines, in line with the rapidly growing e-commerce market in the Philippines. Our revenue generated from Singapore decreased during the Track Record Period, primarily because many brands required an outright purchase model in Singapore where we would need to purchase more inventories upfront, while we strategically changed to the asset-light on-demand inventory model under our D2C business since 2022 and such brands were not prepared to change from the outright purchase model to the on-demand inventory model, leading to our decreased sales in Singapore. The brands that we cooperated with in Singapore and other regions where we operate in were not entirely the same, and we generally adopt the same model with the same brand even in different geographical locations. Therefore, such a switch did not have a material impact on our revenue generated from regions other than Singapore. This change was in line with our strategy to switch to on-demand inventory model, where we can reduce our upfront capital investments, lower our inventory risks, improve our operating cash position, and achieve better cash conversion cycle, thereby enabling us to operate a more scalable business, as compared to the outright purchase model where a large amount of upfront capital investments is required.

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Cost of Sales

Our cost of sales consisted primarily of the value of goods and services incurred to generate our revenue. The table below sets forth a breakdown of our cost of sales by business segment and nature for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
	(unaudited)									
D2B										
Platform operation costs ⁽¹⁾ . . .	2,633	4.2	6,594	8.0	7,319	7.7	1,980	8.4	2,016	7.5
Talent, traffic and content costs ⁽²⁾	2,223	3.6	1,131	1.4	1,328	1.4	210	0.9	476	1.7
Sub-total	4,856	7.8	7,725	9.4	8,647	9.1	2,190	9.3	2,492	9.2
D2C										
Product costs ⁽³⁾	53,523	86.0	69,374	84.6	80,976	85.4	20,071	84.9	22,921	85.1
Channel costs ⁽⁴⁾	3,878	6.2	4,909	6.0	5,228	5.5	1,368	5.8	1,532	5.7
Sub-total	57,401	92.2	74,283	90.6	86,204	90.9	21,439	90.7	24,453	90.8
Total.	62,257	100.0	82,008	100.0	94,851	100.0	23,629	100.0	26,945	100.0

Notes:

- (1) Represent costs in relation to the operations of our Synagie Platform and other infrastructure system.
- (2) Represent (i) manpower and traffic costs in relation to providing digital solutions; and (ii) content production costs in relation to digital marketing and content solutions.
- (3) Represent costs of products paid to our brand suppliers.
- (4) Represent traffic costs, channel costs and other affiliated costs paid to e-commerce channels.

Our cost of sales under D2B business model increased during the Track Record Period, in line with the increased number of active brand stores we served and more generally our expanded D2B business.

Our cost of sales under D2C business model increased during the Track Record Period, in line with the increased volume of consumers and transactions and more generally the expansion of our D2C business.

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Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit divided by our revenue, expressed as a percentage. The table below sets forth a breakdown of our gross profit and gross profit margin by business segment for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	<i>Gross</i>		<i>Gross</i>		<i>Gross</i>		<i>Gross</i>		<i>Gross</i>	
	<i>Gross</i>	<i>Profit</i>	<i>Gross</i>	<i>Profit</i>	<i>Gross</i>	<i>Profit</i>	<i>Gross</i>	<i>Profit</i>	<i>Gross</i>	<i>Profit</i>
	<i>Profit</i>	<i>Margin</i>	<i>Profit</i>	<i>Margin</i>	<i>Profit</i>	<i>Margin</i>	<i>Profit</i>	<i>Margin</i>	<i>Profit</i>	<i>Margin</i>
	<i>S\$'000</i>	<i>%</i>	<i>S\$'000</i>	<i>%</i>	<i>S\$'000</i>	<i>%</i>	<i>S\$'000</i>	<i>%</i>	<i>S\$'000</i>	<i>%</i>
	(unaudited)									
D2B	10,431	68.2	12,366	61.5	17,996	67.5	4,534	67.4	5,567	69.1
D2C	13,245	18.7	18,273	19.7	13,748	13.8	3,342	13.5	3,942	13.9
Total	23,676	27.6	30,639	27.2	31,744	25.1	7,876	25.0	9,509	26.1

Our gross profit increased during the Track Record Period, in line with the continuous increase in our revenue and reflecting our continuous efforts to grow our business. Our gross profit margin decreased from 27.6% in 2021 to 27.2% in 2022, primarily due to the decrease in our gross profit margin under D2B business model. Our gross profit margin further decreased from 27.2% in 2022 to 25.1% in 2023, primarily due to the decrease in our gross profit margin under D2C business model, which contributed more than 75% of our total revenue during the Track Record Period. Our gross profit margin increased from 25.0% in the four months ended April 30, 2023 to 26.1% in the four months ended April 30, 2024, primarily due to our strategy to further expand our D2B business, which has a high gross profit margin.

Our gross profit under D2B business model increased during the Track Record Period, in line with our strategy to further grow our D2B business. Our gross profit margin under D2B business model decreased from 68.2% in 2021 to 61.5% in 2022, primarily due to the expansion of our targeted marketing services. Targeted marketing services allow marketers to focus their advertising efforts on specific, well-defined audience segments based on detailed criteria. This approach aims to deliver highly relevant content to the most appropriate audience, resulting in more effective marketing campaigns with enhanced advertising performance. As a result, traffic costs for targeted marketing paid to e-commerce channels generally has a higher price than that of traditional marketing. Our gross profit margin under D2B business model increased from 61.5% in 2022 to 67.5% in 2023, and from 67.4% in the four months ended April 30, 2023 to 69.1% in the four

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months ended April 30, 2024, primarily as the growth of our revenue under D2B business model outpaced that of our costs under D2B business model, as a result of economies of scale achieved from business expansion.

Our gross profit under D2C business model increased from S\$13.2 million in 2021 to S\$18.3 million in 2022, in line with the expansion of our D2C business. Our gross profit under D2C business model decreased from S\$18.3 million in 2022 to S\$13.7 million in 2023, primarily as a result of our strategic change to on-demand inventory model, where we pay brands for higher unit price in order to lower risks associated with substantial upfront inventory purchases. Our gross profit margin under D2C business model increased from 18.7% in 2021 to 19.7% in 2022, primarily due to an increase in the volume of premium brand products we sold in 2022. Our gross profit margin under D2C business model decreased from 19.7% in 2022 to 13.8% in 2023, primarily due to the higher unit price we paid to brands arising from our strategic change to on-demand inventory model. Our gross profit margin under D2C business model remained stable at 13.9% in the four months ended April 30, 2024, as compared to 13.5% in the four months ended April 30, 2023.

The table below sets forth a breakdown of our gross profit and gross profit margin under D2C business model generated through e-commerce channels for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	Gross		Gross		Gross		Gross		Gross	
	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
	(unaudited)									
Lazada ⁽¹⁾	9,436	19.2	15,007	20.2	11,630	14.0	2,853	14.0	3,345	14.2
Shopee	2,488	16.5	2,382	18.2	1,364	12.2	345	11.6	402	11.7
Others	1,321	20.5	883	17.5	754	13.5	144	10.3	195	14.1
Total	13,245	18.7	18,273	19.7	13,748	13.8	3,342	13.5	3,942	13.9

Note:

(1) Lazada is a subsidiary of Alibaba, our controlling shareholder.

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The respective channel fees charged by Lazada, Shopee and other channels are standard market rates and at normal commercial term. Our gross profit margin generated through Lazada in each period during the Track Record Period was higher than that generated through Shopee in the same periods, respectively, primarily because Lazada generally charged lower channel costs, as a percentage of gross sales, than those of Shopee. Our product costs for any given brand do not vary across e-commerce channels. The difference in the channel fees charged by the different e-commerce channels was due to their respective different business strategies and pricing policies, all of which are beyond our control.

The table below sets forth a breakdown of our gross profit and gross profit margin based on the location of our operations for the periods indicated.

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	Gross		Gross		Gross		Gross		Gross	
	Gross	Profit	Gross	Profit	Gross	Profit	Gross	Profit	Gross	Profit
	Profit	Margin	Profit	Margin	Profit	Margin	Profit	Margin	Profit	Margin
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
	(unaudited)									
Regions										
Singapore	11,109	26.8	12,404	31.8	7,856	37.5	2,156	30.6	2,018	49.2
The Philippines	6,699	27.0	11,562	24.4	15,620	22.1	3,676	23.4	5,319	22.5
Indonesia.	489	5.5	793	5.7	1,020	6.8	231	5.5	141	5.4
Vietnam	2,084	42.6	2,194	38.5	3,077	27.2	761	33.4	908	23.7
Malaysia	2,770	58.9	2,870	60.3	2,456	55.1	665	48.1	663	52.4
Others ⁽¹⁾	525	44.4	816	43.9	1,715	40.6	387	45.6	460	46.0
Total	23,676	27.6	30,639	27.2	31,744	25.1	7,876	25.0	9,509	26.1

Note:

(1) Others primarily included Thailand, Hong Kong and Spain.

Our gross profit margin generated from Singapore increased during the Track Record Period, primarily due to the increase in the provision of digital solutions to our brand partners in Singapore, which has a higher margin than that of our sales of brands' products. Our relatively high gross profit margin generated from Singapore during the Track Record Period was primarily due to the larger revenue contribution of our digital solutions business. Our gross profit margins generated from the Philippines and Vietnam decreased during the Track Record Period, primarily due to our adoption of on-demand inventory model in 2022 where we earned lower margin than

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that under an outright purchase model. Our business operations in Malaysia recorded a high margin during the Track Record Period, primarily because a majority of our business in Malaysia was the provision of digital solutions, which has a high margin.

Loss for the Period

We recorded net loss of S\$11.0 million, S\$13.1 million, S\$17.3 million, S\$6.3 million and S\$3.9 million in 2021, 2022 and 2023 and the four months ended April 30, 2023 and 2024, respectively.

Our net loss decreased by 37.5% from S\$6.3 million in the four months ended April 30, 2023 to S\$3.9 million in the four months ended April 30, 2024, primarily due to (i) a significant increase in our gross profit generated from the Philippines, as a result of our rapid growth in the Philippines, and (ii) our decreased general and administrative expenses, as a result of a decrease in our compensation and benefit expenses, as partially offset by our increased selling and distribution expenses as a result of our increased sales and promotional activities to attract more brand partners and consumers.

Our net loss increased by 31.9% from S\$13.1 million in 2022 to S\$17.3 million in 2023, primarily due to (i) an increase in our finance costs, in relation to the interest on our convertible loan notes issued in May 2022; (ii) an increase in our selling and distribution expenses, as a result of our increased sales and promotional activities to attract more brand partners and consumers; and (iii) an increase in general and administrative expenses, as a result of the overall increase in our general salary level, as partially offset by an increase in our gross profit, reflecting our efforts to continuously grow our business.

Our net loss increased by 19.2% from S\$11.0 million in 2021 to S\$13.1 million in 2022, primarily due to (i) an increase in our selling and distribution expenses, as a result of our increased sales and promotional activities to attract more brand partners and consumers; and (ii) an increase in general and administrative expenses, as a result of the overall increase in our headcount and general salary level, as partially offset by an increase in our gross profit, reflecting our efforts to continuously grow our business.

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Summary of Consolidated Balance Sheets

	As of December 31,			As of
	2021	2022	2023	April 30,
	S\$'000	S\$'000	S\$'000	2024
Total non-current assets	61,085	58,713	57,132	56,142
Total current assets	34,259	38,268	36,449	24,477
Total assets	95,344	96,981	93,581	80,619
Total non-current liabilities	3,811	12,892	14,049	12,222
Total current liabilities	30,618	35,880	47,883	40,438
Total liabilities	34,429	48,772	61,932	52,660
Net current assets/(liabilities)	3,641	2,388	(11,434)	(15,961)
Net assets	60,915	48,209	31,649	27,959
Share capital	74,679	74,679	74,679	74,679
Reserves	(13,754)	(26,451)	(43,011)	(46,701)
Equity attributable to owners of the				
Target Company	60,925	48,228	31,668	27,978
Non-controlling interests	(10)	(19)	(19)	(19)
Total equity	60,915	48,209	31,649	27,959

Our net current liabilities increased from S\$11.4 million as of December 31, 2023 to S\$16.0 million as of April 30, 2024, primarily due to (i) a decrease of S\$2.9 million in trade and other receivables, reflecting our stricter receivables collection practice; and (ii) a decrease of S\$8.5 million in cash and cash equivalents used to settle trade payables in the year end, as partially offset by a decrease of S\$6.4 million in trade and other payables.

We had net current assets of S\$2.4 million as of December 31, 2022 and net current liabilities of S\$11.4 million as of December 31, 2023, primarily due to (i) a decrease of S\$2.3 million in inventories as we continued to implement our asset-light model and on-demand inventory model, which effectively reduced our inventories level; (ii) an increase of S\$11.0 million in trade and other payables, in line with our increased revenue and expanded business; and (iii) an increase of S\$0.8 million in lease liabilities as a result of lease renewals.

Our net current assets decreased from S\$3.6 million as of December 31, 2021 to S\$2.4 million as of December 31, 2022, primarily due to (i) a decrease of S\$1.3 million in inventories as we began to adopt our asset-light model and on-demand inventory model in 2022, which effectively reduced our inventories level; (ii) a decrease of S\$4.3 million in contract assets, primarily due to our shortened billing cycle to better manage our cash position; and (iii) an increase of S\$4.7

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million in trade and other payables, in line with our increased revenue and expanded business, as partially offset by (i) an increase of S\$6.2 million in cash and cash equivalents in relation to the proceeds from the convertible loan notes; and (ii) a decrease of S\$4.3 million in contract assets, primarily due to our shortened billing cycle to better manage our cash position.

See “Financial Information of the Target Group — Net Current Assets/(Liabilities)” for details regarding our net current assets or liabilities.

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2021	2022	2023	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				(unaudited)	
Net cash (used in) from operating activities	(7,629)	(671)	3,842	(8,780)	(6,522)
Net cash used in investing activities.	(788)	(2,104)	(1,663)	(630)	(546)
Net cash from (used in) financing activities	1,327	8,949	(2,067)	1,360	(1,407)
Net (decrease) increase in cash and cash equivalents.	(7,090)	6,174	112	(8,050)	(8,475)
Cash and cash equivalents at beginning of the year/period	14,222	7,132	13,306	13,306	13,418
Cash and cash equivalents at end of the year/period.	7,132	13,306	13,418	5,256	4,943

In the four months ended April 30, 2024, our net cash used in operating activities was S\$6.5 million, primarily due to loss before income tax of S\$4.1 million, and adjusted to reflect non-cash items of (i) amortization of intangible assets of S\$1.0 million; and (ii) fair value gain on convertible loan notes of S\$1.7 million. This net cash outflow was further adjusted by changes in working capital which primarily consisted of a decrease of S\$6.0 million in trade and other payables, as a result of an increased number of supplier billings around the year end, as partially offset by a decrease of S\$2.7 million in trade and other receivables, reflecting our efforts to implement stricter collection practice.

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In 2023, our net cash generated from operating activities was S\$3.8 million, primarily due to loss before income tax of S\$18.0 million, and adjusted to add back non-cash items of (i) amortization of intangible assets of S\$3.8 million; (ii) depreciation of right-of-use assets of S\$1.3 million; (iii) fair value loss on convertible loan notes of S\$0.9 million; and (iv) finance costs of S\$1.7 million. This net cash inflow was further adjusted by changes in working capital which primarily consisted of (i) an increase in trade and other payables of S\$11.1 million, in line with our business expansion; and (ii) a decrease in inventories of S\$1.8 million, reflecting the strategic move to our asset-light model and on-demand inventory model under our D2C business segment.

In 2022, our net cash used in operating activities was S\$0.7 million, primarily due to loss before income tax of S\$13.8 million, and adjusted to add back non-cash items of (i) amortization of intangible assets of S\$3.9 million; and (ii) fair value loss on convertible loan notes of S\$0.5 million. This net cash outflow was further adjusted by changes in working capital which primarily consisted of an increase of S\$1.1 million in trade and other receivables, in line with our increased revenue, as partially offset by (i) a decrease of S\$4.3 million in contract assets, primarily due to our shortened billing cycle to better manage our cash position; and (ii) an increase of S\$2.5 million in trade and other payables, in line with our business expansion.

In 2021, our net cash used in operating activities was S\$7.6 million, primarily due to loss before income tax of S\$11.8 million, and adjusted to add back non-cash items of amortization of intangible assets of S\$4.1 million. This net cash outflow was further adjusted by changes in working capital which primarily consisted of (i) an increase in inventories of S\$1.5 million, in line with our increased revenue under D2C business model; (ii) an increase in trade and other receivables of S\$14.6 million, in line with our increased revenue, as partially offset by (i) a decrease of S\$2.2 million in contract assets, primarily due to our shortened billing cycle to better manage our cash position; and (ii) an increase of S\$12.8 million in trade and other payables, in line with our business expansion.

See “Financial Information of the Target Group — Liquidity and Capital Resources” for details regarding our cash flows for investing and financing activities.

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Key Financial Ratios

The table below sets forth the key financial ratios for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2021	2022	2023	2023	2024
				(unaudited)	
Gross profit margin	27.6%	27.2%	25.1%	25.0%	26.1%
Trade receivables turnover days	53.0	54.8	50.8	56.5	50.9
Trade payables turnover days	94.4	110.1	128.7	116.7	160.2
Gearing ratio	4.8%	25.6%	41.3%	32.6%	43.1%

See “Financial Information of the Target Group — Key Financial Ratios” for details regarding the above ratios.

PATH TO PROFITABILITY

Historical Loss

We were founded at the end of 2014 and started providing digital solutions to brands and businesses from 2016. Since our incorporation we have incurred significant cost and expenses to acquire brand partners, develop business relationships with e-commerce channels, and grow our business across different countries in Southeast Asia. Historically we started from operating in Singapore and gradually expanded our presence to the six major markets in Southeast Asia from 2017 to 2020. Due to our continuous business expansion, we incurred significant operating expenses, primarily selling and distribution expenses and general and administrative expenses, which resulted in our prolonged loss-making position. Such large amounts of operating expenses were primarily because:

- The e-commerce market in Southeast Asia is fragmented. This requires substantial efforts and operating expenses for us to expand our business, including establishing local presence in each region, accumulating local experiences and expertise of each particular region, conducting standalone sales and promotional activities in each region, training local teams, and developing relationships with local e-commerce channels and third-party supply chain partners;
- As different ethnic groups in different regions across Southeast Asia have different consumer preferences, languages, and cultures, we need extra digital marketing efforts to produce localized marketing campaign, including translation into local languages,

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repositioning consumers’ profile and redesigning the visual presentation to cater to local consumers’ specific needs. This also incurred substantial sales and promotional expenses; and

- The legal and regulatory regime in Southeast Asia is complex and localized. We need to comply with different regimes of legal and regulatory requirements for our local operations in each region, which increased our operating expenses.

We expect a significant increase in our net loss in 2024, primarily due to (i) the expected increases in our selling and distribution expenses in implementing our strategy to further expand our business, (ii) the De-SPAC Transaction expenses and (iii) our one-off share-based payment expenses associated with the share awards and options granted prior to the Listing.

Path to Profitability

We expect to improve our financial performance and achieve profitability in the near future through continuous revenue growth and improved cost efficiency. Specifically, we plan to (i) further increase our revenue, (ii) monitor and improve our key operating metrics, (iii) further retain and attract brand partners, (iv) further expand our digital solutions business, (v) improve our gross profit margin, (vi) further improve our operating efficiency, and (vii) improve our liquidity position.

Further Increase Our Revenue

- ***Overall growth of underlying e-commerce market and digital solutions market will boost our growth.*** The e-commerce market and the digital solutions market in Southeast Asia has experienced rapid growth in recent years and is expected to continue growing. According to CIC, the size of the e-commerce market in Southeast Asia increased at a CAGR of 43.3% from US\$23.0 billion in 2018 to US\$139.0 billion in 2023, and is expected to further increase at a CAGR of 15.4% from US\$160.9 billion in 2024 to US\$285.0 billion in 2028; and the size of the digital solutions market in Southeast Asia increased at a CAGR of 50.6% from US\$0.1 billion in 2018 to US\$0.7 billion in 2023, and is expected to further increase at a CAGR of 21.4% from US\$0.8 billion in 2024 to US\$1.7 billion in 2028. We believe that we are well positioned to capture the immense market opportunities, and our brand recognition and extensive industry experience will be our key competitive advantages in driving the overall growth of our business.

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- ***Benefit from the consumer premiumization trend in Southeast Asia.*** As a multi-regional digital solutions provider in Southeast Asia, we believe that we will be very well-positioned to enable our brand partners to capitalize on the consumer premiumization trends happening in this region. The burgeoning mass-affluent class across the Southeast Asia markets where we are already present affords us the opportunity to establish strategic alliances with new premium brands to facilitate their seamless entry and growth into these markets, as well as engage existing premium brands for additional and more comprehensive solutions of our service offerings. In addition, the consumer premiumization trends in Southeast Asia will enable us to sell more premium products which have higher margin, improving our profitability. We plan to invest in additional sales and distribution resources in growing our solutions to premium brands and sales of premium products to increase our revenue under both D2B and D2C business models. In particular, we plan to arrange a dedicated sales team to serve premium brands, by conducting regular communications with them to learn about their business goals and needs, holding seminars on digital solutions to enhance relationships, and discussing with brands’ management to refine brands’ strategies. Through these initiatives, we expect to have a better understanding of premium brands’ needs so as to explore further cooperation opportunities. In addition, we plan to further expand our digital supply chain network and enhance our relationships with these service providers. By building a broad and seamless distribution network in each local market, we expect to convince premium brands of our excellent supply chain capability to win more business. We believe that the higher margin of premium products will enhance our margins under both D2B and D2C business models, enabling us to achieve profitability.

Monitor and Improve Our Key Operating Metrics

Certain operating metrics, such as the number of online visitors, consumer conversion rate, and average revenue per consumer, are key to our business operations and financial performance. We will constantly monitor such operating metrics and formulate effective measures to maintain and improve such data, in order to improve our revenue.

- ***Grow the number of online visitors to our brand stores.*** The number of online visitors refers to internet users who have visited our brand stores. During the Track Record Period, the number of online visitors increased from 41.3 million in 2021 to 52.5 million in 2022, and further to 58.7 million in 2023, with a CAGR of 19.2%. To attract more visitors into our brand stores, we plan to conduct more effective digital marketing campaign with creative design, such as targeted marketing. In addition, we plan to work with our brand partners to bring in new and diversified products to provide the visitors with more options. We also plan to conduct more digital marketing through live

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streaming and social media channels, which are popular e-commerce platforms, to garner consumer interests. By growing the number of online visitors to our brand stores, we expect to increase our revenue, primarily due to more sales under D2C business model and more solutions fees under D2B business model as a result of our brand partners’ more sales.

- ***Improve average revenue per consumer.*** Average revenue per consumer has a positive liner effect on our revenue. As consumers’ purchasing sentiments are usually influenced by festive marketing campaign, we plan to organize more marketing activities to increase our average revenue per consumer, such as mega sales, super brand day sales, and festive promotions.
- ***Increase the number of brand stores we serve.*** During the Track Record Period, the number of active brand stores we served increased from 299 in 2021 to 324 in 2022 and further to 350 in 2023, and continued to increase from 335 in the four months ended April 30, 2023 to 357 in the four months ended April 30, 2024, contributing to our increased revenue in the same periods. We plan to engage with more brand partners and further explore existing brand partners’ business needs to open and operate more brand stores for them. We expect that our efforts to increase the number of brand stores we serve will continue to contribute to our revenue growth.

Further Retain and Attract Brand Partners

In the future, we will further enhance our service quality to achieve effective brand partners retention rate. We plan to apply part of the net proceeds from the De-SPAC Transaction to innovate, develop and maintain our technology and infrastructure to enhance our service quality. In particular, we intend to leverage our big data analytics and industry know-how accumulated through serving our existing brand partners under our D2B business model and consumers under our D2C business model to further improve the effectiveness of our digital solutions. Meanwhile, we will also continue to provide systematic and regular training sessions for our employees, so as to enhance their service capabilities to our brand partners. We believe that by improving our technological capabilities and service quality, we will be able to acquire new and retain existing brand partners to further grow our D2B business. We also expect to benefit from our increasing brand partner base to cross-sell our solutions between our D2B business model and D2C business model.

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Further Expand Our Digital Solutions Business

Leveraging our deep insights, expertise and long-standing presence in the digital solutions market in Southeast Asia, we plan to expand into new territories to seize the huge market opportunities. In particular, we plan to expand our business in the greater China region and Europe starting from Hong Kong and Spain, respectively. We plan to invest in (i) developing business relationships with other brands and e-commerce channels in new territories, and (ii) research and development to enhance our technological capabilities and service offerings to keep up with the industry trend and meet the evolving demand of brands in different parts of the world. By expanding into new territories, we believe we will be able to further increase our revenue scale.

Improve Our Gross Profit Margin

We intend to improve our gross profit margin mainly through (i) strategically expanding our D2B business; and (ii) reducing our cost of sales.

During the Track Record Period, we recorded a much higher gross profit margin under our D2B business model than that under our D2C business model. Our gross profit margin under our D2B business model was 68.2%, 61.5%, 67.5% and 69.1% in 2021, 2022, 2023 and the four months ended April 30, 2024, respectively, while that under our D2C business model was 18.7%, 19.7%, 13.8% and 13.9% in the same periods, respectively. One of our future strategies is to acquire new brand partners to use our digital solutions and our Synagie Platform and explore the needs of our current brand partners to engage them for more digital solutions. By strategically focusing on our D2B business with a higher margin, we believe that our revenue generated under D2B business will account for an increasing portion of our total revenue and our overall gross profit margin would grow.

In addition, we plan to effectively control our cost of sales in order to increase our margin. In particular, we plan to negotiate a lower channel cost with e-commerce channels, leveraging our growing business scale. In particular, we have succeeded in obtaining up to 50% reduction in channel costs for onboarding popular brands to open online stores on certain e-commerce channels. We expect to further reduce channel costs in the future by onboarding more popular brands to more e-commerce channels. We also plan to negotiate with our brand partners for lower costs of their products if our sales under D2C hit certain sales targets. For example, certain brands have agreed to grant us performance bonuses up to 10% of our product costs if our sales under D2C business hit sales targets pre-set by brands and ourselves. We expect to negotiate with more brands for such performance bonus arrangements.

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Further Improve Our Operating Efficiency

We have established business presence and accumulated local experiences and expertise in operating in the six major markets in Southeast Asia over the past ten years. In addition, the warehouses, logistics and fulfillment service providers in Southeast Asia are becoming more sophisticated in recent years. Therefore, we believe that we will be able to effectively manage our operating expenses and improve profit margins. Our operating expenses include selling and distribution expenses, and general and administrative expenses. Our operating expenses totaled S\$35.9 million, S\$43.5 million, S\$46.7 million, S\$13.6 million and S\$14.6 million in 2021, 2022, 2023 and the four months ended April 30, 2023 and 2024, respectively, representing 41.7%, 38.6%, 36.9%, 43.2% and 40.0% of our total revenue in the same periods, respectively.

- ***Selling and distribution expenses.*** Our selling and distribution expenses, comprising primarily our sales and promotional expenses, fulfillment expenses and last-mile logistics expenses paid to third-party service providers, amounted to S\$15.1 million, S\$19.3 million, S\$20.7 million, S\$5.4 million and S\$6.8 million in 2021, 2022, 2023 and the four months ended April 30, 2023 and 2024, respectively, accounting for 17.6%, 17.1%, 16.3%, 17.1% and 18.5% of our total revenue, respectively, in the same periods. As we adopted an asset-light model in 2022 where we engaged third-party supply chain service providers to undertake our fulfillment services which was less costly than our in-house fulfillment, our fulfillment expenses decreased significantly from 2022 to 2023, and further decreased from the four months ended April 30, 2023 to the four months ended April 30, 2024. We plan to further control our fulfillment expenses leveraging our scalable asset-light digital supply chain network, and we expect that our selling and distribution expenses will further decrease as a proportion of revenue, further improving our net profit margin.
- ***General and administrative expenses.*** Our general and administrative expenses, comprising primarily compensation and benefits expenses, depreciation and amortization expenses, and share-based payment expenses, amounted to S\$20.7 million, S\$24.2 million, S\$26.0 million, S\$8.2 million and S\$7.8 million in 2021, 2022, 2023 and the four months ended April 30, 2023 and 2024, accounting for 24.1%, 21.5%, 20.5%, 26.1% and 21.5% of our total revenue, respectively, in the same periods. Our general and administrative expenses accounted for a decreasing portion of our revenue during the Track Record Period, reflecting our overall cost savings efforts with the intention of improving our operational efficiency. Our compensation and benefits expenses accounted for the largest portion of our general and administrative expenses during the Track Record Period. Going forward, as we will implement a series of measures to improve our employees’ work efficiency, including hosting regular skillset training sessions and offering more effective technology tools, to improve our operational

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efficiency, we expect our compensation and benefits expenses as a percentage of revenue to further decrease. In addition, as we scale our business, we will be able to gradually benefit from economies of scale and improve our operational efficiency. As a result, we expect that our general and administrative expenses will further decrease as a proportion of revenue, further improving our net profit margin.

Improve Our Liquidity Position

We recorded net current liabilities of S\$11.4 million, S\$16.0 million, and S\$3.6 million as of December 31, 2023 and April 30 and August 31, 2024, respectively. Our net current liabilities position was primarily due to our increase in trade payables, in line with our increased revenue and business expansion. See “Financial Information of the Target Group — Discussion of Certain Key Balance Sheet Items — Net Current Assets/(Liabilities).” In addition, we incurred net cash outflows from our operating activities of S\$7.6 million, S\$0.7 million, S\$8.8 million and S\$6.5 million in 2021, 2022 and the four months ended April 30, 2023 and 2024, respectively, while net cash inflow of S\$3.8 million in 2023. See “Financial Information of the Target Group — Liquidity and Capital Resources — Operating Activities.” We intend to improve our liquidity position through optimized management of our working capital, including the following measures:

- we will collect our trade receivables in a more efficient manner and with relevant measures, such as by continually monitoring the credit profiles and operating and financial conditions of our brand clients, and proactively following up on our trade receivables to ensure they are paid as scheduled;
- we plan to negotiate shorter credit terms with our brand clients, leveraging our market leadership, reputation and successful track record. In the future, we also plan to develop relationships with more brand clients that have stronger credit profiles;
- we expect to enhance our bargaining power over our suppliers as our business continues to scale up, and plan to negotiate extended payment cycles and better credit terms with our suppliers. We expect to be able to gradually enjoy economies of scale arising from our further business expansion, which will improve our cash position; and
- we will control our budget and optimize our operations to further reduce our operating expenses, including selling and distribution expenses and general and administrative expenses. By improving our operational efficiencies, we expect to improve our profit margin and thus enhance our cash position.

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The foregoing forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, and may cause the actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

As we implement the aforementioned measures, our Directors believe that we are effectively paving the way for long-term sustainable profitability, and nothing has come to the Joint Sponsors’ attention that would cause them to cast reasonable doubt on the view of the Directors above.

Working Capital Sufficiency

The Directors of the Successor Company are of the opinion that taking into account the estimated net proceeds from the De-SPAC Transaction and the expected cash generated from operating activities, the Successor Group has sufficient working capital for its present requirements for the next 12 months from the date of this circular. The Successor Company also proactively reviews and adjusts its cash management policy and working capital needs according to general economic conditions and its short-term business plans.

The Successor Company currently does not have plans to issue new shares to raise funds shortly after the Listing and in the near future. The Successor Company believes that potential external financing sources, including those to which the Successor Company will gain access after the completion of the De-SPAC Transaction, will provide additional funding to fuel its business operation and expansion until the Successor Group achieves profitability.

IMPACT OF COVID-19

During the Track Record Period, the COVID-19 pandemic did not have any material adverse impact on our operational and financial performance. Our D2C revenue experienced a significant growth in 2021, due partly to the fact that during the pandemic consumers relied heavily on online shopping as a result of the closure of physical stores and lockdown and quarantine restrictions. During the Track Record Period, we also received wage support for local employees under the Jobs Support Scheme of S\$212,000, S\$48,000, nil and nil in 2021, 2022, 2023 and the four months ended April 30, 2024, respectively, from the Singapore Government as part of the government’s measures to support businesses impacted by COVID-19.

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RECENT DEVELOPMENTS

Investment Agreements

Five PIPE Investors (being Mr. Tay Hua Sin, Broad Meadows Group Ltd, Mr. Seow Voon Ping, Mr. Chua Wei Jie Keith and Mr. Teo Quee Lam Eugene), prior to the entering into of their respective PIPE Investment Agreements, demonstrating their commitment to participate in the PIPE Investments, entered into investment agreements (the “**Investment Agreements**”) with us, pursuant to which such PIPE Investors provided an investment loan facility to us for an aggregate principal amount of S\$10,600,000 in May 2024 and which further provided that such PIPE Investors could subscribe for shares as a PIPE investor where we participated in a de-SPAC transaction. The rate of interest on the principal amount under the investment agreements is 1.25% per month, and the principal amount and the accrued interest will be repaid within 37 months from the respective date of the Investment Agreements. In respect of such PIPE Investors, their obligations to pay the PIPE Investment Amount in full for their subscribed PIPE Investment Shares under their respective PIPE Investment Agreements will be deemed to be satisfied upon the assignment of all the rights, title, interest and benefits in and under the aforesaid investment agreements, including to the principal and all accrued interest (regardless whether the closing will occur within nine months from the date of the investment agreements) owing by us to these PIPE Investors, effective upon closing of the PIPE Investments.

Business and Financial Performance

Since the end of the Track Record Period, we have continued our business development efforts and experienced revenue growth in the six months ended June 30, 2024 compared to the same period in 2023 through engaging with new brands, which resulted in an increase in the number of active brand stores we served, and thus an increase in the digital solutions we offered under our D2B business model.

No Material Adverse Change

Our Directors confirm that, as of the date of this circular, there has been no material adverse change in our financial or trading position since April 30, 2024, being the end of the period reported in the Accountants’ Report of the Target Group included in Appendix I to this circular.

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DIVIDEND

The Target Company did not have a formal dividend policy during the Track Record Period nor does the Successor Company anticipate to have any formal dividend policy in the foreseeable future. Upon Closing, the Successor Company will be a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from its subsidiaries. Distributions from the Successor Company and its subsidiaries may also become subject to any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that the Successor Company or its subsidiaries may enter into in the future.

Any future determination of the Successor Company to pay dividends will be made at the discretion of its directors and may be based on a number of factors, including its future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the directors may deem relevant. As advised by the Successor Company’s Cayman Islands legal counsel, under Cayman Islands law, a position of accumulated losses and net liabilities does not necessarily restrict the Successor Company from declaring and paying dividends to the shareholders out of either the Successor Group’s profit or its share premium account, provided this would not result in the Successor Company being unable to pay its debts as they fall due in the ordinary course of business. You should not make your investment decision with the expectation of receiving cash dividends. The Target Company did not declare or pay any dividends on its shares during the Track Record Period and it does not anticipate that the Successor Company will be paying any cash dividends in the foreseeable future after the Closing.

THE CONTROLLING SHAREHOLDERS OF THE SUCCESSOR COMPANY

Immediately upon Closing (assuming full redemption of the SPAC Shares, no exercise of the Promoter Earn-out Right, the Target Company Founder Earn-out Right and the subscription rights attaching to the Successor SPAC Warrants and the Successor Promoter Warrants and Permitted Equity Financing for an aggregate subscription of HK\$15,000,000), the Successor Company will be owned as to 34.26% by Alibaba Singapore. Alibaba Singapore is a wholly-owned subsidiary of Alibaba.com Holding Limited, which is a wholly-owned subsidiary of Alibaba.com International (Cayman) Holding Limited, which is a wholly-owned subsidiary of Alibaba.com Investment Holding Limited, which is a wholly-owned subsidiary of Alibaba.com Limited. Alibaba directly owns approximately 80% of the share capital of Alibaba.com Limited and indirectly owns the remainder of the share capital of Alibaba.com Limited through Alibaba Group Treasury Limited, a wholly-owned subsidiary of Alibaba. Accordingly, Alibaba, together with its wholly-owned subsidiaries Alibaba Singapore, Alibaba.com Holding Limited, Alibaba.com International (Cayman) Holding Limited, Alibaba.com Investment Holding Limited and Alibaba.com Limited, will constitute a group of controlling shareholders of the Successor Company after Closing.

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See “Relationship with Controlling Shareholders of the Successor Company” for details.

SUMMARY OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE SUCCESSOR GROUP

The unaudited pro forma financial information presented below is prepared to illustrate (a) the consolidated financial position of the Successor Group as if the De-SPAC Transaction had been completed on June 30, 2024; (b) the consolidated results and cash flows of the Successor Group as if the De-SPAC Transaction had been completed on January 1, 2023; and (c) the consolidated net tangible assets of the Successor Group attributable to the owners of the Successor Company as if the De-SPAC Transaction had been completed on June 30, 2024. These periods are presented on the basis that the Target Company is the accounting acquirer.

The unaudited pro forma consolidated financial information of the Successor Group is presented in S\$ and has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated financial position of the Successor Group as of June 30, 2024 or the consolidated results and cash flows of the Successor Group for the year ended December 31, 2023.

The pro forma financial information is prepared based on the consolidated statement of financial position of the Company as of June 30, 2024 as set out in the interim report of the Company for the six months ended June 30, 2024 which was published on August 21, 2024 and the statement of profit or loss and other comprehensive income and the cash flow statement of the Company for the year ended December 31, 2023 as set out in the annual report of the Company for the year ended December 31, 2023 which was published on February 28, 2024 and the consolidated statement of financial position of the Target Group as of April 30, 2024 and the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows of the Target Group for the year ended December 31, 2023 extracted from the accountants’ report of the Target Group as set out in Appendix I of this circular after giving effect to the pro forma adjustments described in the accompanying notes which are directly attributable to the De-SPAC Transaction and factually supportable and were prepared in accordance with Rules 4.29 and 14.69(4)(a)(ii) of the Listing Rules.

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The pro forma financial information is prepared assuming (i) 55,124,000 Successor Shares (subject to adjustments) are issued to the PIPE Investors pursuant to the PIPE Investment Agreements, (ii) there is no Permitted Equity Financing that can be fulfilled under Scenario I (see details in Appendix III) and there is Permitted Equity Financing of HK\$15,000,000 that can be fulfilled under Scenario II (see details in Appendix III), and (iii) no SPAC Warrantholder elects to redeem any SPAC Warrants pursuant to the SPAC Warrant Redemption. In addition, the unaudited pro forma financial information presents two redemption scenarios as set out below.

- **Assuming no Share Redemptions (Scenario I):** This presentation assumes that no SPAC Shareholders exercise their rights to redeem any of their SPAC Shares and thus the full amount held in the SPAC Offering Escrow Account at Closing is available to the Successor Company.
- **Assuming maximum Share Redemptions (Scenario II):** This presentation assumes that 100,050,000 SPAC Shares are redeemed, which represents the maximum amount of redemption. The Scenario II is prepared based on the same assumptions under Scenario I, with additional adjustments to reflect the effect of maximum redemptions.

For details, see “Appendix III — Unaudited Pro Forma Financial Information on the Successor Group” in this circular.

Summary of Unaudited Pro Forma Consolidated Statement of Financial Position of the Successor Group as of June 30, 2024

	As of June 30, 2024	
	Scenario I	Scenario II
	\$S'000	\$S'000
Non-current assets	56,147	56,147
Current assets	261,358	88,033
Current liabilities	81,923	81,923
Net current assets	179,435	6,110
Capital and reserves		
Share capital	9	7
Reserves	212,312	38,989
Equity attributable to owners of HKAC/the Target		
Company/the Successor Company	212,321	38,996
Non-controlling interests	(19)	(19)
Total equity	212,302	38,977
Non-current liabilities	23,280	23,280

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Summary of Unaudited Pro Forma Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Successor Group for the year ended December 31, 2023

	For the year ended 31 December 2023 The Successor Group (Scenario I)	For the year ended 31 December 2023 The Successor Group (Scenario II)
	S\$'000	S\$'000
Revenue	126,595	126,595
Cost of sales	(94,851)	(94,851)
Gross profit	31,744	31,744
Other income	8,540	8,540
Other gain and loss	2,177	2,177
Equity-settled share-based payment expenses	(179,384)	(160,611)
Selling and distribution expenses	(20,668)	(20,668)
General and administrative expenses	(26,403)	(26,403)
Finance costs	(632)	(632)
Professional fees and expenses related to listing and De-SPAC Transaction	(121,670)	(121,373)
Fair value change of SPAC warrants	317	317
Fair value change of financial liabilities at FVTPL	1,724	1,724
Loss before tax	(304,255)	(285,185)
Income tax credit	690	690
Loss for the year	(303,565)	(284,495)
Loss for the year attributable to:		
Owners of HKAC/the Target Company/the Successor Company	(303,565)	(284,495)
Non-controlling interests	—	—
	(303,565)	(284,495)
Other comprehensive income items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	24	24
Other comprehensive income for the year, net of income tax	24	24
Total comprehensive expense for the year	(303,541)	(284,471)
Total comprehensive expense attributable to:		
Owners of HKAC/the Target Company/the Successor Company	(303,541)	(284,471)
Non-controlling interests	—	—
	(303,541)	(284,471)

OVERVIEW OF THE TARGET GROUP

Summary of Pro Forma Consolidated Statement of Cash Flows of the Successor Group for the year ended December 31, 2023

	Year Ended December 31, 2023	
	Scenario I	Scenario II
	S\$'000	S\$'000
Net cash from operating activities	2,705	2,705
Net cash from in investing activities	178,011	6,625
Net cash from financing activities	47,415	49,985
Net increase in cash and cash equivalents	228,131	59,315
Cash and cash equivalents at January 1, 2023	14,172	14,172
Effect of foreign exchange rate changes	(76)	(76)
Cash and cash equivalents at December 31, 2023	242,227	73,411

RISK FACTORS

The De-SPAC Transaction and the business of the Target Group involve various risks which are primarily categorized into: (i) risks relating to the Target Group’s business; (ii) risks relating to doing business in Southeast Asia; and (iii) risks relating to the De-SPAC Transaction and the securities of the SPAC and the Successor Company. The below sets out the key risks under each category. See “Risk Factors” for details of our risk factors, which we urge you to read in its entirety before making a decision on the De-SPAC Transaction. Some of the major risks include:

- Demand for our solutions and services depends on the continued growth and profitability of the e-commerce market in Southeast Asia.
- Our growth depends on our ability to attract new brand partners, retain existing brand partners and increase sales to both new and existing brand partners.
- If the complexities and challenges faced by our brand partners seeking to sell online diminish or if our brand partners increase their in-house digital solutions capabilities as an alternative to our solutions, demand for our solutions may decline.
- Our success is tied to the performance, reputation and success of our existing and future brand partners.
- We have a history of net losses and operating cash outflows and may continue to incur net losses and operating cash outflows in the future, which may materially adversely affect our business operations, results of operations, financial position and profitability.

OVERVIEW OF THE TARGET GROUP

- We rely on the success of certain e-commerce channels. Material disruptions to such e-commerce channels could adversely affect demand for, and our ability to provide, our solutions and services.
- If we fail to maintain our relationships with e-commerce channels or adapt ourselves to emerging e-commerce channels, or if e-commerce channels otherwise curtail or inhibit our ability to integrate our solutions with their channels, our solutions would be less appealing to our brand partners.
- We may incur impairment losses for goodwill, which may adversely affect our results of operations and financial condition.
- We operate in various countries or may expand into countries where we would be subject to local legal and regulatory conditions.
- Our results of operations are exposed to the political, economic and social conditions in the countries in which we operate as well as bilateral relationships between these countries.
- Uncertainties with respect to the legal system in certain markets in Southeast Asia could adversely affect our business.
- Restrictions on currency exchange in certain Southeast Asian countries in which we operate may limit our ability to utilize our cash balance effectively and affect the value of your investment.
- If the De-SPAC Transaction’s benefits do not meet the expectations of investors or securities analysts, the market price of the SPAC Shares and the SPAC Warrants or, following the Closing, the Successor Shares and the Successor Warrants, may decline.
- SPAC Shareholders may exercise their rights for Share Redemption with respect to a large number of the SPAC Shares, and the Successor Company may not meet the requirement of the minimum number of Professional Investors set out in the Listing Rules.
- There is no guarantee that any SPAC Shareholder’s decision as to whether to redeem its SPAC Shares for a pro rata portion of the SPAC Offering Escrow Account will place the SPAC Shareholder in a better future economic position.

OVERVIEW OF THE TARGET GROUP

- The Promoters’ economic interests or other conflicts of interest may incentivize them to complete the De-SPAC Transaction which may not be in the interests of the SPAC Shareholders.
- If the De-SPAC Transaction is not approved by the SPAC Shareholders or does not proceed to completion for any other reason, and the SPAC is unable to complete a de-SPAC transaction with another de-SPAC target by the time limit provided for in the Listing Rules, the SPAC will have to cease operations and wind up.
- A market for the Successor Shares may not develop or be sustained, which would adversely affect the liquidity and trading price of the Successor Shares.