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SYNAGISTICS LIMITED

獅騰控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2562)

(Warrant Code: 2461)

TERM SHEET IN RELATION TO THE POTENTIAL ACQUISITION

This announcement is made by Synagistics Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis. The purpose of this announcement is to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

THE POTENTIAL ACQUISITION

The board of directors of the Company (the “**Board**”) is pleased to announce that on 23 January 2025, the Company and the potential vendors (the “**Potential Vendors**”) entered into a non-legally binding term sheet (the “**Term Sheet**”), pursuant to which the Company intends to carry out the potential acquisition of up to 100% equity interest in a target company (the “**Potential Target Company**”, together with its subsidiaries, the “**Potential Target Group**”) as contemplated under the Term Sheet (the “**Potential Acquisition**”). The consideration for the Potential Acquisition will be subject to further negotiation between the parties.

To the best of the knowledge, information and belief of the directors of the Company (the “**Directors**”), having made all reasonable enquiries, each of the Potential Vendors is independent of the Company and its connected person (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Term Sheet shall become effective upon the execution and delivery of the Term Sheet by the parties and expire and be automatically terminated on the earlier of (i) signing of the Definitive Agreements and (ii) 11:59 p.m. Hong Kong Time on the date falling nine months after the date of the Term Sheet (or such other date as may be agreed in writing by the parties). During the term, each of the Potential Vendors undertakes that it shall not, and shall procure that none of its affiliates will, directly or indirectly, solicit, initiate or encourage the submission of any proposals or offers from any person other than the Company or its affiliates relating to any purchase, issuance or sale or other disposition of any equity securities or any material assets of any member of the Potential Target Group or participate in any discussions or negotiations or enter into any agreement with a third party.

After the signing of the Term Sheet, the Company (and its agents and/or advisers) shall be entitled to conduct due diligence on the Potential Target Group.

Save for certain provisions such as provisions relating to due diligence, exclusivity, binding provision and governing law contained in the Term Sheet, which are legally binding, the Term Sheet does not have any legally binding effect. The Potential Acquisition is subject to further negotiations between the parties and the execution of the legally binding definitive agreements for the Potential Acquisition (the “**Definitive Agreements**”).

INFORMATION OF THE POTENTIAL TARGET GROUP

The Potential Target Company is a company established in the PRC with limited liability which is a China-based big data and digital transformation platform company set up in 2011. It has over 1,000 enterprise and brand clients in five major industry sectors including some of the largest state-owned-enterprises and retail brands in China that use the Potential Target Group’s proprietary platform solutions to manage their business processes including data management and analytics, e-commerce, ERP and CRM, all of which offered through a fully integrated SAAS model.

REASONS FOR AND BENEFITS OF THE POTENTIAL ACQUISITION

The digital transformation sector in China is expected to continue its growth in the near term. According to International Data Corporation, the market size for China's digital transformation market will grow at a compound annual growth rate (CAGR) of 15.6% to reach USD733 billion by 2028 powered by the growth of cloud computing, artificial intelligence, big data analytics and 5G etc. The Company believes that the new data economy is pivotal to China's growth as more and more businesses in China look at spending on digital solutions to future proof their business processes. The Potential Acquisition, if materialised, will not only provide the Company with a new base of over 1,000 enterprises and brand clients that could work with the Company to expand their digital businesses to Southeast Asia, but it will also foster the business expansion and growth of both the Company and the Potential Target Group. The Potential Target Group currently employs more than 300 software engineers, AI specialists and data scientists. This top-notch team of experts can support the Company technologically and by combining both the Potential Target Group and its own technology stacks, both parties would be able to provide an integrated and more advanced AI, big data and technology solution to their clients.

The Company also strongly believes that the Potential Acquisition, if materialised, will help grow the Company's D2B business segment and improve the Company's financial performance as the Potential Target Group is on a profit-making trend, in addition to its existing base of over 1,000 clients that the Company could potentially tap on for its expansion.

In view of the above, the Directors consider that the Potential Acquisition is in line with the overall business direction of the Group. The Group will continue to look for business opportunities and collaborations to further strengthen its existing businesses with an ultimate aim to enhance shareholders' value.

The Directors are of the view that the Potential Acquisition is in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE GROUP

The Company operates Synagie, a pioneering data-driven digital solutions provider in Southeast Asia, recognized as one of the region's top ten digital solutions provider. Since its inception in 2016, Synagie has empowered over 600 brand partners, including renowned names like Nike and Estée Lauder, by offering comprehensive integrated solutions that enhance the e-commerce experience. The platform operates through two primary models: a direct-to-brands (“D2B”) model that streamlines e-commerce management for brands, ensuring a cohesive customer journey, and a direct-to-consumers (“D2C”) model that facilitates direct sales via Synagie's owned online stores. With a commitment to innovation and sustainability, Synagie utilizes AI-driven technologies to optimize retail experiences and it is one of the few digital solution providers in Southeast Asia that have achieved carbon neutrality. The Company continues to expand its footprint across multiple markets, including the greater China region and Spain, while championing environmental responsibility and digital transformation in commerce.

The Potential Acquisition may or may not proceed. Shareholders and investors of the Company are urged to exercise caution when dealing in the Shares. If the Potential Acquisition materializes, the Definitive Agreements shall be entered into by the parties. The Company will make further announcement in respect of the Potential Acquisition as and when appropriate in accordance with the Listing Rules.

By order of the Board
SYNAGISTICS LIMITED
LEE Shieh-Peen Clement
Chairman of the Board

Hong Kong, January 23, 2025

As at the date of this announcement, the Board comprises Mr. Lee Shieh-Peen Clement and Ms. Tai Ho Yan Olive as executive Directors, Ms. Phua Nan Chie, Mr. Chong Tian Taum and Mr. Jin Qin as non-executive Directors, and Mr. Selva Bryan Ratnam, Mr. Andrew Chow Heng Cheong and Mr. Siek Wei Ting as independent non-executive Directors.