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SYNAGISTICS

SYNAGISTICS LIMITED

獅騰控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2562)

(Warrant Code: 2461)

SYNAGISTICS ENTERS INTO EXCLUSIVE, BINDING CALL OPTION TO ACQUIRE UP TO 100% EQUITY INTEREST OF CHINA AI COMPANY

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.

CALL OPTION GRANTED TO THE COMPANY IN RELATION TO THE ACQUISITION OF MOVITECH

The board of directors of the Company (the “**Board**”) is pleased to announce that on March 31, 2025, the Company as grantee, and the shareholders of the Target Company (as defined below) as grantors (the “**Grantors**”), entered into a call option deed (the “**Call Option Deed**”) pursuant to which the Grantors have agreed to grant the Company a call option (the “**Call Option**”) to acquire up to 100% equity interest of Movitech Co Ltd (盟拓數字科技(蘇州)有限公司) (“**Movitech**” or the “**Target Company**”, together with its subsidiaries, the “**Target Group**”).

Guarantees

Each of the Grantors has undertaken to the Company that for the three financial years from January 1, 2025 to December 31, 2027, the aggregated revenue of the Target Company shall not be less than RMB540,000,000 (the “**Guaranteed Revenue**”) and the aggregated net profit after tax of the Target Company shall not be less than RMB66,000,000 (the “**Guaranteed NPAT**”).

Consideration

The consideration for the sale and purchase of all of the equity interest in the Target Company pursuant to the exercise of the Call Option is US\$30,000,000 (approx. RMB215,000,000) (the “**Call Option Consideration**”), which is subject to due diligence by the Company and adjustments as set out below and in accordance with the Call Option Deed, and shall be settled in three tranches, with the first tranche to be settled upon completion, the second tranche to be settled if the Guaranteed Revenue and Guaranteed NPAT for the financial years ending December 31, 2025 (“**FY2025**”) and December 31, 2026 (“**FY2026**”) are satisfied, and the third tranche to be settled if the Guaranteed Revenue and Guaranteed NPAT for the financial year ending December 31, 2027 (“**FY2027**”) are satisfied.

In case of failure of the Target Company to satisfy the Guaranteed Revenue and/or the Guaranteed NPAT, the Call Option Consideration will be adjusted downwards, and the Grantors shall make a cash payment amounting to the shortfall in the net profit after tax in respect of the relevant financial year to the Company in accordance with the terms of the Call Option Deed. In addition, if the Target Company suffers a net loss in any of FY2025, FY2026 and/or FY2027, the Company shall be entitled to demand, and Grantors shall make a cash payment amounting to the actual net loss in respect of each relevant year to the Company, in addition to the aforementioned payment, in accordance with the terms of the Call Option Deed.

Subject to the terms of the Call Option Deed, if both the actual revenue and the actual net profit after tax for any of the relevant financial years exceed the Guaranteed Revenue and the Guaranteed NPAT for such relevant financial year, the Grantors shall be entitled to an earn-out payment as calculated by the terms set out in the Call Option Deed, and such payment shall not exceed US\$7,500,000 (approx. RMB53,800,000), being 25% of the Call Option Consideration.

The Company may exercise the Call Option at any time during the period commencing on the date of the Call Option Deed and ending on July 29, 2025, being the date falling 120 days from the date of the Call Option Deed, unless extended by mutual agreement in writing by the parties.

INFORMATION OF THE TARGET COMPANY AND TARGET GROUP

Movitech is a China-based AI and enterprise software company founded in 2011. It has provided AI and technology solutions including big data and software solutions to over 1,200 well-known state-owned and private enterprises in China and the region covering industries such as real estate, healthcare, retail and manufacturing. With a team of over 300 AI and technology engineers, Movitech is at the forefront of AI development, data management and commercialization, as well as digital transformation for enterprises.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CALL OPTION DEED

The AI transformation sector in China is expected to continue its growth in the near term. According to market research company CCID Consulting, the market size for China's sector will reach US\$238.4 billion (approx. RMB1.83 trillion) by 2035. 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.

Taking into account the positive outlook of the industry in which the Target Company is in, on January 23, 2025, the Company entered into a term sheet in relation to the proposed acquisition of the Target Company (details of which are set out in the announcement of the Company dated January 23, 2025). Further to the execution of the term sheet, the Company has had ongoing discussions with the Target Company, which culminated in the grant of the Call Option to the Company, the exercise of which is at the sole and absolute discretion of the Company. The Call Option, if exercised by the Company, leading to an acquisition of the Target Company, would not only provide the Company with a new base of over 1,200 enterprises and brand clients that could work with the Company to expand their digital businesses to Southeast Asia, but would also foster the business expansion and growth of both the Company and the Target Group. The 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 Target Group and its own technology stacks, both parties would be able to provide integrated and more advanced AI, big data and technology solutions for their clients. The potential acquisition of the Target Company upon the exercise of the call Option would also create additional income streams and potentially improve the Company's financial performance given that the Target Group is on a profit-making trend.

In addition, as set out in the announcement of the Company dated March 6, 2025, the Company entered into an exclusive joint venture with the Target Company to co-develop and launch Geene — a groundbreaking Artificial Intelligence (AI) platform, fusing Generative AI, Blockchain, and Big Data, creating a secure, efficient, and trusted AI ecosystem tailored for enterprises. Both parties have also successfully launched Geene TurboGT — one of the world's fastest Generative AI applications with response time of below 1 second to rave reviews from users online. The Company strongly believes that the acquisition of the Target Company, if materialised, would generate further groundbreaking synergies and opportunities for the Company, such as the launch of Geene, which has received overwhelming response from the market since its launch.

The Call Option Deed signifies the Company's continued efforts to look for business opportunities and collaborations to further strengthen its existing businesses with an ultimate aim to enhance shareholders' value.

In light of the above, the Board is of the view that the terms of the Call Option Deed are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE COMPANY

The Company is a Singapore-based big data, digital & AI solutions company listed on the Main Board of the Hong Kong Stock Exchange, recognised for completing the first-ever de-SPAC transaction in Hong Kong. With Alibaba, Gobi Partners and Hong Kong Telecom as its key strategic shareholders, Synagistics benefits from strong industry backing, enabling it to drive innovation and expand its influence in Asia's rapidly evolving digital ecosystem. Synagistics is recognised as one of the top digital solutions providers in Southeast Asia and has provided its data-driven digital commerce platform Synagie to over 600 enterprises and renowned brands in the Southeast Asian market. Synagistics is also one of the few digital platform companies in Asia to achieve carbon neutrality and ISO/IEC 27001:2022 certification. Synagistics continues to expand its footprint across multiple markets including the Greater China region while championing environmental responsibility and AI transformation.

LISTING RULES IMPLICATIONS

The Call Option can be exercised at the Company's discretion, and no premium will be paid and/or is payable by the Company in acquiring the Call Option. Pursuant to Rule 14.75(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), in respect of the grant of the Call Option, as all applicable percentage ratios in respect of the grant of the Call Option do not exceed 5%, the entering into of the Call Option Deed does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. The Company will comply with the relevant requirements under the Listing Rules on the exercise of the Call Option as and when appropriate.

The exercise of the Call Option may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company. The Company will make further announcement in respect of the Call Option as and when appropriate in accordance with the Listing Rules.

For and on behalf of the Board
SYNAGISTICS LIMITED
LEE Shieh-Peen Clement
Chairman of the Board

Hong Kong, April 7, 2025

As at the date of this announcement, the board of directors of the Company 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.