SYNAGISTICS LIMITED
獅騰控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2562)
(Warrant Code: 2461)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

The board (the "**Board**") of directors (the "**Directors**") of Synagistics Limited (the "**Company**" or "**Synagistics**") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**", "**we**" or "**our**" or "**us**") for the six months ended June 30, 2025 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2024. These unaudited consolidated interim results of the Group have been reviewed by the audit committee of the Company (the "**Audit Committee**").

Following our successful listing on the Main Board of The Stock Exchange of Hong Kong Limited on October 30, 2024, the first De-SPAC transaction completed in Hong Kong, the Group remains focused on driving long-term value creation and execution against our strategic priorities. On behalf of the Board, we would like to thank our employees, customers, suppliers, and stakeholders for their continued trust and support.

During the Reporting Period, the Group continued to make progress in the areas of cost optimization and operational efficiency by delivering meaningful financial improvements and advancing its AI and Big Data driven business model with a clear focus on profitability. Adjusted EBITDA losses narrowed significantly by 55.0%, from SGD5.2 million in the prior period to SGD2.3 million, marking a strong leap towards profitability. This was accompanied by a notable uplift in EBITDA margin, improving from -9.2% to -6.5% year-on-year. D2B revenue contribution grew strongly, rising to 35.1% of total Group revenue from 22.6% in the prior period, reflecting the successful execution of our strategic shift. This shift occurred alongside a decline in total revenue from SGD56.2 million in the prior period to SGD35.7 million during the Reporting Period, as the Group transitions away from the D2C business model.

Gross profit margin remained stable at 26.3%, reflecting effective margin management and resilience. This performance highlights the success of the Group's transformation strategy, underpinned by stronger operating leverage and a robust, technology-driven business model focused on sustainable, profitability-led growth.

We also achieved key milestones aligned with our long-term growth strategy. These include the launch of Geene, an enterprise-grade AI platform that combines large language models, blockchain infrastructure, and data analytics to deliver secure and efficient AI solutions. In support of regional expansion, we introduced ShopHK, a cross-border e-commerce platform that enables Hong Kong SMEs and enterprises to enter Southeast Asia's digital commerce market, supported by the Group's end-to-end infrastructure. Additionally, the Group entered into strategic partnerships to develop a digital trade corridor spanning China, Central Asia, and Southeast Asia, underpinned by AI-powered commerce and compliance tools. Our Digital Finance Group continues to explore innovations in tokenization, digital asset issuance, and programmable settlements to enhance the efficiency and security of cross-border transactions.

Looking ahead, Synagistics will continue to build a scalable digital commerce and supply chain ecosystem driven by artificial intelligence and financial infrastructure innovation. With a diversified regional footprint and an expanding suite of technology solutions, the Group is well-positioned to capture new opportunities and deliver sustainable growth and profitability.

Clement Lee Shieh Peen
Executive Director and Chairman

FINANCIAL HIGHLIGHTS

For the six months ended June 30, 2025:

- In line with our strategy to transition from lower-margin D2C to higher-margin technology driven D2B business model, revenue was SGD35.7 million, representing a decrease of 36.5% compared to prior period. This shift is progressing as planned, with our AI and Big Data driven D2B segment now strongly representing 35.1% of total revenue, up from 22.6% in the prior period.

- Gross profit margin remained stable as compared to prior period at 26.3%, and in line with our revenue, Gross profit was SGD9.4 million, representing a decrease of 36.5% compared to prior period.

- Loss for the period was SGD28.8 million as compared to the prior period loss of SGD6.2 million, primarily attributable to share-based payment expenses, offset by the fair value gain on promoter warrant liabilities, promoter earn-out rights liabilities and public warrants liabilities, all of which were non-cash in nature and did not reflect our operating performance.

- Adjusted EBITDA (non-IFRS measure)[(1)] improved significantly to a loss of SGD2.3 million, as compared to a loss of SGD5.2 million in the prior period. Adjusted EBITDA% improved to -6.5% in the first half of 2025 from -9.2% in the first half of 2024.

- Adjusted net assets (non-IFRS measure)[(2)] as at 30 June 2025 was SGD91.6 million as compared to SGD100.9 million as at 31 December 2024.

(1) The Group defines 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 expenses/(credit); (iii) net finance costs; (iv) share-based payment expenses; (v) fair value gain on convertible loan note; (vi) fair value gain on promoter earn-out rights liabilities; (vii) fair value gain on promoter warrant liabilities; (viii) fair value gain on public warrants liabilities; and (ix) one-off professional fees and expenses related to the De-SPAC transaction. Adjusted EBITDA % is the adjusted EBITDA divided by total revenue for the period x 100%.

(2) The Group defines adjusted net assets/liabilities (a non-IFRS measure) as net assets/liabilities by adding back the financial liabilities at FVTPL.

Reconciliation of IFRS measures to non-IFRS measures presented above are included in the paragraph headed “Non-IFRS measure” of this announcement.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		For the six months ended June 30,	
		2025	2024
	Notes	***S$'000***	*S$'000*
		Unaudited	Unaudited
Revenue	*2*	**35,682**	56,201
Cost of sales		**(26,294)**	(41,423)
Gross profit		**9,388**	14,778
Other income and other gain and loss		**1,251**	1,354
Change in fair value of financial liabilities at fair value through profit or loss ("**FVTPL**")	*8*	**31,634**	—
Impairment losses under expected credit loss ("**ECL**") model, net of reversal		**(13)**	—
Selling and distribution expenses		**(4,120)**	(10,245)
General and administrative expenses		**(66,868)**	(11,498)
Finance costs		**(80)**	(884)
Loss before income tax		**(28,808)**	(6,495)
Income tax (expenses)/credit	*3*	**(39)**	293
Loss for the period		**(28,847)**	(6,202)

	Notes	For the six months ended June 30, 2025 S$'000 Unaudited	2024 S$'000 Unaudited
Other comprehensive income for the period:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**3,756**	1,444
Other comprehensive income for the period		**3,756**	1,444
Total comprehensive expense for the period		**(25,091)**	(4,758)
Loss for the period attributable to:			
Owners of the Company		**(28,847)**	(6,202)
Non-controlling interests*		**—**	—
		(28,847)	(6,202)
Total comprehensive expense attributable to:			
Owners of the Company		**(25,091)**	(4,758)
Non-controlling interests*		**—**	—
		(25,091)	(4,758)
Loss per share (Singapore cents)			
— Basic	*5*	**(6.49)**	(0.83)
— Diluted		**N/A**	N/A

* *denotes less than S$1,000*

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2025

	Notes	**At 30 June 2025 *S$'000* Unaudited**	At 31 December 2024 *S$'000* Audited
Non-current assets			
Plant and equipment		**93**	173
Right-of-use assets		**663**	601
Intangible assets		**4,398**	3,823
Goodwill		**49,332**	49,332
Other receivables	*6*	**663**	1,786
		55,149	55,715
Current assets			
Inventories		**440**	383
Trade and other receivables	*6*	**25,215**	27,175
Contract assets		**2,735**	2,979
Cash and cash equivalents		**28,176**	47,909
		56,566	78,446
Current liabilities			
Trade and other payables	*7*	**18,821**	27,588
Lease liabilities		**394**	508
Bank and other borrowings		**426**	4,669
Income tax payable		**41**	16
Financial liabilities at FVTPL	*8*	**46,926**	121,577
		66,608	154,358
Net current liabilities		**(10,042)**	(75,912)
Total assets less current liabilities		**45,107**	(20,197)

	Notes	At **30 June 2025** ***S$'000*** **Unaudited**	At 31 December 2024 *S$'000* Audited
Non-current liabilities			
Lease liabilities		**281**	131
Bank and other borrowings		**109**	324
		390	455
Net assets/(liabilities)		**44,717**	(20,652)
Capital and reserves			
Share capital		**7**	7
Reserves		**44,729**	(20,640)
Equity attributable to owners of Company		**44,736**	(20,633)
Non-controlling interests		**(19)**	(19)
Total equity		**44,717**	(20,652)

1. GENERAL INFORMATION

Synagistics Limited (formerly known as HK Acquisition Corporation) was incorporated in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the registered office and principal place of business in Hong Kong of the Company is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and Suites 4310–11, Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong, respectively.

HK Acquisition Corporation (the "**HKAC**") was formerly a special purpose acquisition company ("**SPAC**") incorporated on 26 January 2022 as a Cayman Islands exempted company formed for the purpose of acquiring a suitable target that results in the listing of a successor company (referred to as a "**De-SPAC Transaction**") within the time limits required by the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange. HKAC completed its initial public offering on 15 August 2022 and listed on the Stock Exchange.

During the Reporting Period, the Company's subsidiaries are principally engaged in the sale of products via omni-channels and digital solutions services.

1A. BASIS OF PREPARATION

On 28 June 2024, HKAC SG Merger Sub Pte. Ltd., a wholly-owned subsidiary of HKAC (the "**Merger Sub**") entered into a business combination agreement ("**Business Combination Agreement**") with Synagistics Pte. Ltd. (the "**Target Company**"), a company incorporated in Singapore, as part of the De-SPAC Transaction. Upon the completion of the De-SPAC Transaction on 30 October 2024 (the "**Closing Date**"):

(i) the Merger Sub and the Target Company amalgamated in accordance with Section 215B of the Companies Act 1967 of Singapore and continued as one company, following which the separate corporate existence of Merger Sub ceased, and the Target Company was the surviving corporation and subsisted under its existing name, which became an indirect, wholly-owned subsidiary of the Company; and

(ii) All ordinary shares of the Target Company that were issued and outstanding immediately prior to the Closing Date (including ordinary shares to be converted from preference shares and ordinary shares to be issued to all holders of options and bonus share awards under the Target Company were automatically canceled, and the Company issued the consideration shares (“**Consideration Shares**”) to the shareholders of the Target Company.

For accounting purpose, HKAC was deemed to have been acquired by the Target Company which was deemed as the accounting acquirer. These consolidated financial statements have been prepared as a continuation of the consolidated financial statements of the Target Company and its subsidiaries (“**Target Group**”) and accordingly:

(i) The assets and liabilities of the Target Group are recognised and measured at their historical carrying amounts;

(ii) The comparative information presented in these consolidated financial statements is restated to be that of the Target Group; and

(iii) The identified assets and liabilities of HKAC are recognised at fair value, and the Consideration Shares allotted and issued to effect the De-SPAC Transaction are measured at the fair value of the equity consideration deemed to be issued to the shareholders of HKAC. Since the shareholders of Target Group were deemed to have been issued shares with a fair value in excess of the net assets acquired of HKAC not constituting a business, the difference is recognised in profit or loss as De-SPAC Transaction expense.

The results of the Company have been consolidated to the Target Group’s consolidated financial statements since the Closing Date of the De-SPAC Transaction and further details of the De-SPAC Transaction are set out in note 34 to the consolidated financial statements for the year ended 31 December 2024.

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

As at 30 June 2025, the Group was in net current liabilities position of S$10,042,000 (31 December 2024: S$75,912,000) in which the balances consist of financial liabilities at FVTPL of S$46,926,000 (31 December 2024: S$121,577,000) which would be settled in shares of the Company. After taking into account the Group's expected working capital requirements, the directors of the Group are satisfied that the Group is able to meet in full its financial obligations as they fall due for a period of twelve months from 30 June 2025 and it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis.

2. REVENUE

	For the six months ended June 30,	
	2025	2024
	S$'000	*S$'000*
	Unaudited	Unaudited
Types of goods or services		
D2C — Sale of products via omni-channels	**23,160**	43,473
D2B — Digital solutions services	**12,522**	12,728
Total	**35,682**	56,201
Geographical markets		
Singapore	**12,516**	6,896
The Philippines	**3,207**	35,122
Indonesia	**5,179**	4,420
Vietnam	**10,751**	6,003
Malaysia	**2,134**	2,076
Hong Kong	**487**	437
Others	**1,408**	1,247
Total	**35,682**	56,201
Timing of revenue recognition		
At a point in time	**23,160**	43,473
Over time	**12,522**	12,728
Total	**35,682**	56,201

3. INCOME TAX EXPENSES/(CREDIT)

	For the six months ended June 30,	
	2025	2024
	S$'000	*S$'000*
	Unaudited	Unaudited
Current tax:		
— Corporate income tax	**39**	50
Deferred tax	**—**	(343)
	39	(293)

During the period, subsidiaries are subject to the domestic statutory corporate tax rate ranging from 17% to 25%, respectively (30 June 2024: 17% to 25%).

4. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Group during the six months ended 30 June 2025, nor has any dividend been proposed since the end of the Reporting Period (30 June 2024: nil).

5. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	For the six months ended June 30,	
	2025	2024
	S$'000	*S$'000*
	Unaudited	Unaudited
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	**(28,847)**	(6,202)
Number of shares		
Number of ordinary shares and preference shares for the purpose of basic and diluted loss per share	**444,604**	746,792

The computation of diluted loss per share does not assume the exercise of the Group's outstanding share options, the earn-out shares, the conversion of convertible loan note and the financial liabilities measured at FVTPL since their assumed exercise and conversion would result in a decrease in loss per share.

6. TRADE AND OTHER RECEIVABLES

	At 30 June 2025 *S$'000* **Unaudited**	At 31 December 2024 *S$'000* Audited
Trade receivables	**16,274**	19,057
Less: allowance for credit losses	**(163)**	(152)
	16,111	18,905
Other tax receivables	**2,729**	2,611
Deposits	**319**	406
Other receivables	**101**	231
Prepayments	**6,618**	6,808
	25,878	28,961
Analysis for reporting purpose:		
Current assets	**25,215**	27,175
Non-current assets	**663**	1,786
	25,878	28,961

The Group generally grants credit terms ranging from 30 to 60 days to its corporate customers from the date of invoice. The following is an aging analysis of the trade receivables of the Group, net of allowance for credit losses, presented based on the invoice dates which approximate the respective revenue recognition date:

	At 30 June 2025 *S$'000* **Unaudited**	At 31 December 2024 *S$'000* Audited
0–60 days	**11,263**	13,693
61–90 days	**137**	1,006
Over 90 days	**4,711**	4,206
	16,111	18,905

7. TRADE AND OTHER PAYABLES

	At 30 June 2025 *S$'000* Unaudited	At 31 December 2024 *S$'000* Audited
Trade payables *(Note i)*	**7,349**	15,458
Other payables	**3,012**	3,449
Accruals	**5,882**	5,679
Other tax payables	**2,146**	2,695
Contract liabilities	**432**	307
	11,472	12,130
	18,821	27,588

Notes:

(i) The credit period granted by suppliers ranged from 30 to 90 days. The aging analysis of the trade payables of the Group presented based on the invoice dates at the end of the Reporting Period is as follows:

	At 30 June 2025 *S$'000* Unaudited	At 31 December 2024 *S$'000* Audited
0–60 days	**4,491**	11,102
61–90 days	**284**	477
Over 90 days	**2,574**	3,879
	7,349	15,458

8. FINANCIAL LIABILITIES AT FVTPL

	Public Warrant Liabilities *S$'000*	Promoter Warrant Liabilities *S$'000*	Promoter Earn-out Rights Liabilities *S$'000*	Total *S$'000*
At 1 January 2024	—	—	—	—
Capital reorganisation	789	21,878	15,193	37,860
Changes in fair values	1,791	50,442	31,663	83,896
Exercise of public warrants	(1,903)	—	—	(1,903)
Exchange realignment	37	1,012	675	1,724
At 31 December 2024	714	73,332	47,531	121,577
Changes in fair values	(217)	(22,444)	(8,973)	(31,634)
Exercise of public warrants	(60)	—	—	(60)
Exercise of promoter earn-out rights	—	—	(35,520)	(35,520)
Exchange realignment	(39)	(4,360)	(3,038)	(7,437)
At 30 June 2025	398	46,528	—	46,926

(i) Public Warrants Liabilities

Each public warrant listed on the Stock Exchange with warrant code 2461 ("**Public Warrant**") gives the holder the right to subscribe for one share of the Company upon completion of a De-SPAC Transaction at HK$11.50 per share when the average closing price of the ordinary shares of the Company for the 10 trading days immediately prior to the date on which the notice of exercise is received by the registrar (the "**Fair Market Value**") is at least HK$11.50 per share provided that if the Fair Market Value is HK$23.00 or higher, the Fair Market Value will be deemed to be HK$23.00 for the purpose of calculating the number of Shares to be issued upon exercise of any Public Warrant. Such exercise will be conducted on a cashless basis by the holders surrendering the Public Warrants for that number of ordinary shares of the Company, subject to adjustment, equal to the product of the number of ordinary shares of the Company underlying the Public Warrants, multiplied by a quotient equal to the excess of the Fair Market Value of an ordinary share of the Company over HK$11.50 divided by the Fair Market Value of the ordinary share of the Company.

The Public Warrants are exercisable 30 days after the completion of the De-SPAC Transaction up to the date immediately preceding the fifth anniversary of the date of the completion of the De-SPAC Transaction, both days inclusive.

(ii) Promoter Warrants Liabilities

Upon listing of HKAC, the Company issued 31,400,000 promoter warrants ("**Promoter Warrants**") at an aggregate subscription price of HK$31,400,000. Each Promoter Warrant gives the holder the right to subscribe for one ordinary share of the Company at HK$11.50 per share. The Promoter Warrants are exercisable 12 months after the completion of the De-SPAC Transaction. The contractual life of the Promoter Warrants is until 30 October 2029.

Pursuant to the Business Combination Agreement, each Promoter Warrant would be re-designated as one promoter warrant of the Company ("**Successor Promoter Warrants**"). For the Successor Promoter Warrants issued, those warrant holders will not be serving as employees of the Group nor will they provide services to the Group after the De-SPAC Transaction. Therefore, the Promoter Warrants were assumed by the Company and the Successor Promoter Warrants are regarded as part of the De-SPAC Transaction and IFRS 9 is applied in accounting for them.

(iii) Promoter Earn-out Rights Liabilities

Pursuant to the Promoter Earn-out and Lock-up Agreement, the Company grants to the Promoters the right to receive 10,005,000 Promoter Earn-out Shares.

The Promoter Earn-out Right is triggered only if the volume weighted average price of the Company (calculated based on the daily quotation sheets of the Stock Exchange) equals or exceeds HK$15 per share for a period of not less than 20 trading days within a 30 consecutive trading day period commencing six months after, and ending on the fifth anniversary of the date of, the completion of the De-SPAC Transaction. No service conditions for the Promoters were stipulated. Therefore, the earn-out arrangement is regarded as part of the De-SPAC Transaction instead of as post-acquisition remuneration and IFRS 9 is applied in accounting for this agreement.

On 13 June 2025, the Promoters have irrevocably elected to fully exercise the Promoter Earn-out Right on a cashless basis and to subscribe for the Promoter Earn-out Shares of 10,005,000 shares. Such shares were allotted and issued by the Company on 18 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

We are a data-driven digital solutions platform in Southeast Asia, and we provide integrated digital solutions to our brand partners. Under our direct-to-brands or businesses ("**D2B**") business model, we provide data-driven digital solutions to brands covering all aspects of e-commerce. 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, analyses and deploys large data sets to fulfil the needs of our brand partners and consumers. We have 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.

During the first half of 2025, we strengthened our technology-driven model through the successful launch of several key initiatives. We introduced Geene, our enterprise-grade AI platform designed to provide secure and scalable AI solutions by integrating large language models, blockchain infrastructure, and data analytics. In addition, we launched ShopHK, a cross-border e-commerce platform that enables Hong Kong SMEs and enterprises to tap into Southeast Asia's digital commerce landscape through end-to-end fulfilment, marketing, and data services. We also entered into strategic partnerships to co-develop a digital trade corridor spanning China, Central Asia, and Southeast Asia, leveraging AI-powered commerce and compliance tools to simplify cross-border trade.

Our geographical presence covers the six main economies in Southeast Asia, namely Singapore, Malaysia, the Philippines, Vietnam, Thailand and Indonesia. We have also been strategically expanding our global footprint outside of Southeast Asia, such as in Greater China and Spain.

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 have established partnerships with global brands and are backed by leading investors. Our strong brand partnerships and investor backing underscore our capabilities and growth potential in the evolving digital technology and commerce landscape.

Operational Highlights for the six months ended 30 June 2025

Launch of Geene AI Platform

The Group officially launched Geene, an enterprise-grade Artificial Intelligence ("**AI**") platform that integrates large language models, blockchain infrastructure, and big data analytics to deliver secure, efficient, and trackable AI solutions. Geene's proprietary neural routing engine dynamically selects the most suitable model and enhancing performance while reducing inference costs by up to 60%. The Group also introduced Geene TurboGT, a high-speed multi-modal AI assistant capable of generating responses in under one second, marking a significant step forward in enterprise AI usability and reinforcing the Group's commitment to scalable, technology-led innovation. Further details are set out in the announcements of the Company dated March 6, 2025 and March 13, 2025.

Enhanced AI Capabilities through Strategic Partnership

The Group entered into a strategic partnership with Byteplus to enhance the capabilities of its Geene AI platform and drive enterprise AI transformation across the Asia Pacific region. Through this partnership, the Group will integrate Byteplus' s AI technologies into its Geene multi-LLM AI platform which will significantly enhance Geene's ability to support enterprise users with advanced context-aware and high-performance AI solutions. This partnership marks a strategic move to capture the growing demand for enterprise-grade AI capabilities in Asia, aligning with investor interest in scalable, high-impact technology ventures. Further details are set out in the announcement of the Company dated May 6, 2025.

Launch of ShopHK E-Commerce Platform

The Group launched ShopHK, a seamless cross-border e-commerce platform designed to empower Hong Kong's small and medium-sized enterprises (SMEs) and larger businesses to expand into Southeast Asia's rapidly growing digital commerce market. Powered by the Group's proprietary e-commerce technology used by over 600 global brands, ShopHK provides a comprehensive suite of data-driven solutions, including streamlined logistics, localized marketing strategies, advanced data analytics, and AI-driven applications. This initiative highlights the Group's commitment to driving digital transformation and facilitating market access for Greater China businesses. Further details are set out in the announcement of the Company dated March 27, 2025.

Strategic Partnership to Develop Integrated Digital Trade Corridor

The Group entered into a strategic partnership with Jiangsu Soho Ecommerce Co. Ltd to establish an integrated digital trade corridor connecting China, Central Asia, and Southeast Asia, encompassing 11 countries and facilitating access to a digital economy projected to reach US$600 billion by 2030. Leveraging the Group's AI-powered technology and Southeast Asian commerce expertise, the partnership seeks to streamline cross-border commerce. Key features include real-time smart inventory tracking, AI-driven consumer insights, and automated customs and compliance management, all designed to reduce costs and accelerate market entry for businesses of all sizes. This initiative underscores the Group's commitment to fostering regional economic integration and empowering enterprises across the three regions. Further details are set out in the Company's announcement dated May 14, 2025.

FINANCIAL REVIEW

Revenue

We derive revenue primarily from providing integrated digital solutions to our brand partners under two business models, namely (i) the D2B model, under which we provide data-driven digital solutions to brands covering all aspects of e-commerce; and (ii) the D2C model, under which we sell brands' products to consumers directly. The table below sets forth a breakdown of revenue by business model during the periods indicated.

	Six months ended June 30,					
	2025		2024		Change	
	SGD'000	***%***	*SGD'000*	*%*	*SGD'000*	*%*
D2B	**12,522**	**35.1**	12,728	22.6	(206)	(1.6)
D2C	**23,160**	**64.9**	43,473	77.4	(20,313)	(46.7)
Total	**35,682**	**100.0**	56,201	100.0	(20,519)	(36.5)

During the Reporting Period, the Group recorded total revenue of SGD35.7 million, representing a 36.5% decrease compared to SGD56.2 million in the prior period. This decline was primarily driven by a strategic reduction in lower-margin D2C revenue as the Group accelerates its shift towards the higher-margin D2B business model.

Revenue from D2B remained stable at SGD12.5 million, consistent with the prior period. In contrast, D2C revenue declined by 46.7% to SGD23.2 million in the Reporting Period, reflecting the Group's continued strategic transition towards a technology-driven, services-centric business model. This shift includes the successful migration of certain brand partners to the D2B model, under which product sales are no longer recognized as revenue.

While this shift impacts near-term top-line performance, it underscores the Group's long-term strategy to prioritize a scalable, technology-enabled D2B business model. This is evidenced by the continued growth in D2B revenue contribution, which accounted for 35.1% of total Group revenue in the Reporting Period, up from 22.6% in the prior period.

Cost of Sales

Cost of sales primarily consisted of the value of goods and services incurred to generate our revenue. The table below sets forth a breakdown of cost of sales by business model during the periods indicated.

	Six months ended June 30,					
	2025		2024		Change	
	SGD'000	*%*	*SGD'000*	*%*	*SGD'000*	*%*
D2B	**4,194**	**16.0**	3,849	9.3	345	9.0
D2C	**22,100**	**84.0**	37,574	90.7	(15,474)	(41.2)
Total	**26,294**	**100.0**	41,423	100.0	(15,129)	(36.5)

Cost of sales under the D2B business model increased by 9.0% from SGD3.8 million in the prior period to SGD4.2 million during the Reporting Period, as we incurred higher costs in relation to providing digital solutions to our brand partners.

Cost of sales under the D2C business model decreased by 41.2% from SGD37.6 million in the prior period to SGD22.1 million during the Reporting Period, which is largely in line with the decrease in D2C revenue.

Gross Profit and Gross Profit Margin

	Six months ended June 30,					
	2025		2024			
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin	Change	
	SGD'000	*%*	*SGD'000*	*%*	*SGD'000*	*%*
D2B	**8,328**	**66.5**	8,879	69.8	(551)	(6.2)
D2C	**1,060**	**4.6**	5,899	13.6	(4,839)	(82.0)
Total	**9,388**	**26.3**	14,778	26.3	(5,390)	(36.5)

Overall gross profit declined by 36.5% to SGD9.4 million during the Reporting Period as compared to SGD14.8 million in the prior period, primarily due to the fall in revenue. Despite the fall in gross profit, total gross margin remained stable at 26.3%.

The D2B business model reported gross profit of SGD8.3 million, a 6.2% decline from the prior period, with margins at 66.5% in the Reporting Period as compared to 69.8% in the prior period. This is primarily due to higher costs incurred in relation to providing digital solutions to our brand partners.

For the D2C business model, gross profit declined by 82.0% to SGD1.1 million, with margins narrowing to 4.6% in the Reporting Period, compared to 13.6% in the prior period. This was primarily driven by the significant decline in D2C revenue and the Group's ongoing transition towards the D2B business model. As part of this shift, the Group reduced its advance purchases of inventory which, while lowering inventory risk, also contributed to the lower D2C gross margin.

Other Income and Other Gain and Loss

Other income and other gain and loss primarily consisted of (i) government grants; (ii) bank interest income; (iii) exchange gain/(loss), net; and (iv) fair value gain on convertible loan note. Other income and other gain and loss decreased by SGD0.1 million mainly due to the absence of fair value gains on convertible loan note recognized in the Reporting Period, offset by additional interest income earned from the placement of fixed deposits coupled with net foreign exchange gains recognized during the Reporting Period.

Change in Fair Value of Financial Liabilities at Fair Value Through Profit or Loss ("FVTPL")

Change in fair value of financial liabilities at FVTPL consisted of (i) fair value gain on promoter earn-out rights liabilities; (ii) fair value gain on promoter warrant liabilities; and (iii) fair value gain on public warrants liabilities. The change in the fair value of financial liabilities at FVTPL recognized during the Reporting Period was SGD31.6 million and nil in the prior period.

Selling and Distribution Expenses

Selling and distribution expenses comprised (i) sales and promotional expenses related to our marketing campaigns to attract brand partners and customers; (ii) fulfillment expenses related to warehousing and logistics of brands' products; and (iii) last-mile logistics expenses paid to third-party service providers. Selling and distribution expenses decreased significantly from SGD10.2 million in the prior period to SGD4.1 million during the Reporting Period, primarily driven by lower sales and promotional costs as the Group continues to focus on the D2B business model. Fulfilment expenses paid to third-party service providers decreased as a result of the continued benefits from the asset-light operating model implemented since 2022, under which the Group leverages third-party supply chain providers for fulfilment services at a lower cost compared to in-house fulfilment.

Selling and distribution expenses as a percentage of total revenue improved from 18.2% in the prior period to 11.5% in the Reporting Period. This improvement was supported by our strategic shift toward the D2B business model with improved operating cost efficiencies from outsourced fulfilment and last-mile logistics services. These developments are consistent with the Group's long-term growth strategy to optimize operational scalability and profitability.

General and Administrative Expenses

General and administrative expenses primarily consisted of (i) compensation and benefits expenses; (ii) depreciation and amortization expenses; (iii) share-based payment expenses and (iv) one-off professional fees and expenses related to the De-SPAC Transaction. General and administrative expenses increased from SGD11.5 million in the prior period to SGD66.9 million during the Reporting Period, primarily due to the increase in share-based payment expenses of SGD54.9 million and one-off professional fees and expenses related to the De-SPAC Transaction of SGD2.5 million, offset by the decrease in depreciation and amortization expenses of SGD1.1 million, and compensation and benefits expenses of SGD0.7 million due to a decrease in the number of our employees.

General and administrative expenses as a percentage of total revenue significantly increased from 20.5% in the prior period to 187.4% in the Reporting Period due to the aforementioned factors.

Finance Costs

Finance costs comprised (i) interest on convertible loan note; (ii) interest on bank and other borrowings; and (iii) interest on lease liabilities. Finance costs decreased significantly from SGD0.9 million in the prior period to SGD0.1 million in the Reporting Period. Finance costs as a percentage of total revenue also decreased from 1.6% in the prior period to 0.2% in the Reporting Period, and the gearing ratio (being indebtedness divided by total equity and multiplied by 100%) as of June 30, 2025 is 2.7%. The reduction was primarily due to the repayment of bank and other borrowings, including the settlement of the convertible loan note during the Reporting Period and in the second half of 2024.

Income Tax (Expenses)/Credit

Income tax expenses are currently payable based on taxable profit for the period, including withholding taxes. The Group's subsidiaries are subject to domestic statutory corporate tax rates ranging from 17% to 25%, depending on jurisdiction. Income tax credit in the prior period represents our deferred tax liability arising from the recognition of intangible assets in customer relationships representing the present value of our key customer contracts. These intangible assets were fully amortized as of December 31, 2024 and consequently, no income tax credits were recognized in the Reporting Period as compared to the prior period. This explains the income tax credits of SGD0.3 million recognized in the prior period, as compared to income tax expenses of SGD0.1 million in the Reporting Period.

Loss for the Period

As a result of the cumulative effect of the above factors, the Group recorded a loss of SGD28.8 million during the Reporting Period as compared to a loss of SGD6.2 million in the prior period, representing a net loss margin of 80.8% in the Reporting Period and 11.0% in the prior period.

Trade and Other Receivables

Trade and other receivables comprised primarily (i) trade receivables, mainly arising from brand partners under the D2B business model; (ii) other tax receivables, mainly related to withholding tax receivables; and (iii) prepayments, mainly representing cash payments to certain suppliers for services rendered over time.

Trade and other receivables decreased from SGD27.2 million as of December 31, 2024 to SGD25.2 million as of June 30, 2025. This reduction was primarily driven by more timely collections from brand partners, reflecting our continued efforts to optimize working capital.

Trade and Other Payables

Trade and other payables primarily consisted of (i) trade payables, representing mainly payables to suppliers in the ordinary course of business under our D2C business model; (ii) other payables, representing non-trade payables to suppliers, such as fulfillment service providers, professional service providers and IT vendors; (iii) accruals, related to completed service provided by suppliers that have not been billed; (iv) other tax payables, relating to output VAT payables and withholding tax payables; and (v) contract liabilities, representing deposits by customers as upfront payment in accordance with the payment schedules specified in the relevant contracts.

Trade and other payables decreased from SGD27.6 million as of December 31, 2024 to SGD18.8 million as of June 30, 2025, primarily due to the settlement of trade and other payables balances during the Reporting Period.

LIQUIDITY AND CAPITAL RESOURCES

We principally fund our working capital from cash generated from our operations, bank and other borrowings, and net proceeds from the De-SPAC Transaction, as well as equity financing activities and debt financing activities in a balanced manner.

As of June 30, 2025, the Group recorded net current liabilities of SGD10.0 million (December 31, 2024: SGD75.9 million). The decrease in net current liabilities as of 30 June 2025 is mainly due to the exercise of promoter and public warrant liabilities of SGD35.6 million and the fair value gain on non-cash financial liability instruments of SGD31.6 million during the Reporting Period.

As of June 30, 2025, the Group's net cash position (represented by cash and cash equivalents less bank and other borrowings) was at SGD27.6 million, which declined from SGD42.9 million as of December 31, 2024.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash held by the Group and bank balances for the purpose of meeting its short-term cash commitments. As of June 30, 2025, the Group's cash and cash equivalents were SGD28.2 million (December 31, 2024: SGD47.9 million), which were primarily denominated in Hong Kong Dollar, Singapore Dollar, Vietnamese Dong and Indonesian Rupiah.

Capital Expenditures

During the Reporting Period, the Group had additions to property, plant and equipment and intangible assets amounting to SGD1.1 million as compared to SGD0.8 million in the prior period. These additions were primarily attributable to the capitalization of continued development costs related to the Geene AI Platform and the ongoing development of the Synagie Platform.

Pledged Assets

As of June 30, 2025 and December 31, 2024, the Group did not have any pledged assets.

Foreign Exchange Risk

Several subsidiaries of the Group have sales and purchases, including convertible loan note denominated in currencies other than the functional currency of the group entities such as US dollars, which expose the Group to foreign currency risk. However, the convertible loan note was fully repaid during the year 2024, resulting in reduced foreign exchange risk for the Group.

The Group currently adopts a hedging policy against its foreign exchange exposure to local currencies but has not used any hedging instruments. The management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Contingent Liabilities

As of June 30, 2025, the Group did not have significant contingent liabilities.

NON-IFRS MEASURE

To supplement the consolidated financial statements presented in accordance with IFRSs, the Group used adjusted EBITDA and adjusted EBITDA% (non-IFRS measures) as additional financial measures, which are not required by, or presented in accordance with IFRSs. The Group believes that adjusted EBITDA and adjusted EBITDA% (non-IFRS measures) provide useful information to investors in understanding and evaluating its consolidated results of operations in the same manner as they help the management. However, presentation of adjusted EBITDA and adjusted EBITDA% (non-IFRS measures) may not be comparable to similarly titled measures presented by other companies. The use of adjusted EBITDA and adjusted EBITDA% (non-IFRS measures) 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.

The Group defines 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 expenses/(credit); (iii) net finance costs; (iv) share-based payment expenses; (v) fair value gain on convertible loan note; (vi) fair value gain on promoter earn-out rights liabilities; (vii) fair value gain on promoter warrants liabilities; (viii) fair value gain on public warrants liabilities; and (ix) one-off professional fees and expenses related to the De-SPAC Transaction. Adjusted EBITDA% (a non-IFRS measure) is the adjusted EBITDA (a non-IFRS measure) divided by total revenue for the period x 100%. The table below reconciles adjusted EBITDA (a non-IFRS measure) presented to loss for the period.

	Six months ended June 30,	
	2025	2024
	SGD'000	*SGD'000*
Reconciliation of loss for the period and adjusted EBITDA (a non-IFRS measure)		
Loss for the period	**(28,847)**	(6,202)
Add:		
Depreciation and amortization expenses	**1,054**	2,135
Income tax expenses/(credit)	**39**	(293)
Net finance costs	**(358)**	875
EBITDA	**(28,112)**	(3,485)
Add:		
Share-based payment expenses	**54,878**	—
Fair value gain on convertible loan note	**—**	(1,667)
Fair value gain on promoter earn-out rights liabilities	**(8,973)**	—
Fair value gain on promoter warrant liabilities	**(22,444)**	—
Fair value gain on public warrants liabilities	**(217)**	—
One-off professional fees and expenses related to the De-SPAC Transaction	**2,549**	—
Adjusted EBITDA (a non-IFRS measure)	**(2,319)**	(5,152)
Adjusted EBITDA% (a non-IFRS measure)	**(6.5)%**	(9.2)%

Except for depreciation and amortization expenses, income tax credit and net finance costs, which were part of EBITDA, the Company made adjustments of certain items to loss for the period presented as the management considered that: (i) share-based payment expenses represented primarily non-cash employee benefit expenses incurred in connection with the employees share incentive scheme, and issuances of restricted stock units and earn-out rights amortization expenses. Such expenses in any specific period were not expected to result in future cash payments; (ii) fair value gain on convertible loan note mainly represented changes in the fair value of the convertible loan note issued by the Company and related to changes in its valuation. Additionally, the Company did not expect to record any further fair value gain or loss on convertible loan note as the convertible loan note has been fully repaid as of December 31, 2024; (iii) fair value gain on promoter earn-out rights liabilities represented fair value adjustment on promoter earn-out rights liabilities; (iv) fair value gain on promoter warrants liabilities represented fair value adjustment on promoter warrant liabilities; (v) fair value gain on public warrants represented fair value movement on public warrants. All fair value adjustments above were non-cash in nature and driven by market conditions which did not reflect the business core operating profitability; (vi) one-off professional fees and expenses related to the De-SPAC Transaction included legal, advisory and regulatory compliance expenses incurred in connection with the listing and De-SPAC process and amortized over the contract period. These were one-off expenses and did not reflect the Group's core operating profitability.

The Company defines adjusted net assets/liabilities (a non-IFRS measure) as net assets/liabilities add back the financial liabilities at FVTPL. The table below reconciles adjusted assets/liabilities (a non-IFRS measure) presented to net assets/liabilities for the periods.

	At 30 June 2025	At 31 December 2024
	S$'000	*S$'000*
Reconciliation of net assets/liabilities for the period and adjusted net assets/liabilities (a non-IFRS measure)		
Net assets/(liabilities)	**44,717**	(20,652)
Add:		
Financial liabilities at FVTPL	**46,926**	121,577
Adjusted net assets	**91,643**	100,925

The Group has issued public warrant liabilities, promoter warrant liabilities and promoter earn-out rights liabilities as set out in note 8 to the interim condensed consolidated financial statements. The Group recognized these financial instruments as financial liabilities at FVTPL. As the financial liabilities at FVTPL is primarily related to the De-SPAC Transaction, are one-off non-cash in nature and are driven by market conditions which did not reflect the business core operating profitability, the Company believes the adjusted net assets/liabilities brings a more meaningful and useful information of the total asset value of the Group.

PROSPECTS AND OUTLOOK

Looking ahead, the Group remains committed to strengthening its digital commerce ecosystem through technology-driven innovation and strategic partnerships. Geene AI, the Group's proprietary AI platform, continues to scale across multiple use cases from customer engagement to operational automation, enhancing user experience and driving operational efficiency.

In parallel, the Group has recently established the Synagistics Digital Finance Group, which focuses on the development of interoperable, multi-currency stablecoins and tokenized real-world assets. These initiatives are designed to support programmable settlement, real-time payments, and enhanced liquidity across Asia.

These efforts are further supported by strong go-to-market partnerships that provide embedded adoption opportunities within digital trade corridors. The Group will also actively pursue strategic mergers, acquisitions, and investments in digital solutions and platforms, supply chain providers, and technology or media companies to expand market presence and deliver long-term value.

With these ongoing developments and strategic priorities, the Group is positioning itself as a key enabler in Asia's evolving digital trade and financial infrastructure ecosystem.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Company is a successor company of a De-SPAC transaction (the "**De-SPAC Transaction**") completed on October 30, 2024, details of which have been disclosed in the announcement of the Company dated October 30, 2024 and the De-SPAC transaction circular (the "**De-SPAC Circular**") of the Company (formerly known was HK Acquisition Corporation) dated October 3, 2024. Save as disclosed in the section headed "Future Plans and Use of Proceeds" in the De-SPAC Circular, the announcements of the Company dated June 27, 2025 and July 4, 2025 relating to the Top-up Placing and Subscription (as defined below) and this announcement, as of June 30, 2025 and the date of this announcement, the Company had no other future plans for any material investments or capital assets.

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS

As at the date of this announcement, the Company is in discussions exploring possible acquisitions, including the possible acquisition of a China-based software-as-a-service (SaaS) company, details of which are set out in the announcement of the Company dated 9 June 2025 (the "**Possible Acquisition**"). As at the date hereof, no definitive agreement has been entered into by the Group in relation to the Possible Acquisition. Save for the aforesaid, the Group had no significant investments or material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

To further accelerate the Group's growth and to reinforce the Group's competitive edges, the Group will actively pursue mergers and acquisitions, joint ventures and strategic investments and alliance opportunities in artificial intelligence, big data and technology industries, for the delivery of immediate synergies with the Group's businesses and for the enhancement of the Group's ability to deliver comprehensive D2B business solutions.

EMPLOYEE AND REMUNERATION POLICY

As of June 30, 2025, the Group had a total of 316 employees. For the Reporting Period, the total remuneration cost, including share-based payment expenses incurred by the Group, was SGD61.4 million.

The success of the Group depends on its ability to attract, motivate, train and retain qualified personnel. The Company believes that it has provided its employees with competitive compensation packages and an environment that fosters career development. The remuneration of Group's employees comprises salaries, bonuses, employees' provident fund, share-based payment, and social security contributions and other welfare payments, which are determined by their responsibilities, qualifications, positions and seniority. In accordance with applicable laws and regulations, the Group makes contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for the Group's employees.

To maintain the quality, knowledge and skill levels of its workforce, the Group provides comprehensive training programs, including orientation programs and professional development training, to empower our employees to excel in their roles and drive innovation. The Group's orientation program covers such topics as its corporate culture, and digital commerce workflows and services.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

On 27 June 2025, the Company entered into a placing and subscription agreement with Metadrome Ltd. (the "**Vendor**") and certain placing agents, pursuant to which 9,239,500 existing shares of the Company were placed at HK$15.80 per share (the "**Top-up Placing**") and the same number of shares of the Company (the "**Top-up Subscription Shares**") were subsequently subscribed by the Vendor at the same price (the "**Top-up Subscription**", together with the Top-up Placing, the "**Top-up Placing and Subscription**"). The Top-up Subscription Shares, representing approximately 2.04% of the enlarged share capital, were issued under the general mandate without requiring further shareholder approval. The Top-up Placing was completed on July 2, 2025 and the Top-up Subscription was completed on July 4, 2025, raising estimated net proceeds of approximately HK$112.43 million, which will be used to accelerate business expansion, pursue mergers and acquisitions and strategic investments, particularly in the areas of artificial intelligence, big data and technology, and for general corporate purposes.

INTERIM DIVIDEND

The Board does not recommend the distribution of any interim dividend for the Reporting Period. (June 30, 2024: Nil)

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company aims to achieve high standards of corporate governance, which are crucial to the Company's development and safeguard the interests of the Company's shareholders. During the Reporting Period, the Company has applied the principles of good corporate governance and adopted the code provisions of the Corporate Governance Code (the "**Corporate Governance Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its own code of corporate governance. The Company has complied with all applicable code provisions set out in Part 2 of the Corporate Governance Code during the Reporting Period . The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as contained in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' securities transactions. All Directors confirmed, following specific enquiry made by the Company, that they had complied with the guidelines contained in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period. As of June 30, 2025, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the Corporate Governance Code. The Audit Committee currently consists of majority of independent non-executive Directors. The Audit Committee is chaired by Mr. Siek Wei Ting. The interim condensed consolidated financial information for the Reporting Period have not been audited by the auditors of the Company but have been reviewed by the Audit Committee. The Audit Committee has reviewed with management the accounting principles and policies adopted by the Group and discussed auditing, internal control and financial reporting matters.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the respective websites of the Company (https://synagistics.com/) and the Stock Exchange (www.hkexnews.hk). The Company's interim report for the Reporting Period will be made available on the respective websites of the Company and the Stock Exchange as and when appropriate.

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

Hong Kong, August 28, 2025

As of 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. Andrew D Zheng as non-executive Directors, and Mr. Selva Bryan Ratnam, Mr. Andrew Chow Heng Cheong and Mr. Siek Wei Ting as independent non-executive Directors.