SYNAGISTICS

2024 ANNUAL REPORT

SYNAGISTICS LIMITED
獅騰控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2562 | Warrant Code: 2461

Contents

CHAIRMAN’S STATEMENT

2024 was an eventful year as Synagistics successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited on October 30, 2024 marking Hong Kong’s first successful De-SPAC transaction. On behalf of the Board, we would like to take this opportunity to express our sincere gratitude to all employees, brands, customers, suppliers, professional parties as well as heartfelt thanks to HK Acquisition Corporation, shareholders and stakeholders for their unwavering support and trust.

On the business front, Synagistics continues to prioritise sustainable growth as we focus on quality of growth over quantity and shifted from “land grab” to “profitability grab”. In 2024, we optimized our business segment mix, where we saw some customers shift from our D2C to D2B segment. While this resulted in lower D2C revenue, it boosted our higher margin D2B business, which includes our Synagie Platform technology and a diverse suite of digital solutions.

Meanwhile, we significantly reduced our adjusted EBITDA loss by approximately 42%, from -SGD9.2 million in 2023 to -SGD3.9 million in 2024. Our adjusted EBITDA margin improved by 3.4 percentage points, from -7.2% in 2023 to -3.8% in 2024, as we continue progressing towards profitability. Operationally, our cash conversion cycle improved from -24 days in 2023 to -39 days in 2024. These efficiencies are in-line with our overall strategy to increase our technology driven D2B digital solutions business model.

Looking ahead into 2025, Synagistics is poised to expand its footprint across multiple markets, including the Greater China region, creating new opportunities for customers, partners, and investors to engage with the Group’s innovative digital solutions and AI-driven transformation.

To strengthen its technological capabilities and global presence, Synagistics will continue to invest in strategic acquisitions and joint ventures that deliver immediate synergies. This will enhance the Group’s ability to deliver comprehensive, Agentic AI solutions tailored to the needs of Asian enterprises and businesses.

Through such strategic moves, Synagistics aims to significantly bolster its data capabilities, enabling deeper insights, smarter automation, and more scalable AI deployments. These advancements will accelerate growth, drive deeper market penetration, and create sustained long-term value across the Group.

The launch of Geene AI stands as a clear testament to Synagistics’ innovation leadership, firmly establishing the Group as a frontrunner in the rapidly evolving field of artificial intelligence. It has solidified Synagistics’ position in the global AI ecosystem and continues to drive enterprise AI adoption and innovation.

With these initiatives, Synagistics is well-positioned to become a formidable force in shaping the next generation of enterprise innovation across Asia and beyond.

Lee Shieh-Peen Clement
Executive Director and Chairman

BOARD OF DIRECTORS

Executive Directors

Mr. Lee Shieh-Peen Clement *(Chairman)*
Ms. Tai Ho Yan Olive

Non-executive Directors

Ms. Phua Nan Chie
Mr. Chong Tian Taum
Mr. Jin Qin

Independent Non-executive Directors

Mr. Selva Bryan Ratnam
Mr. Andrew Chow Heng Cheong
Mr. Siek Wei Ting

AUTHORISED REPRESENTATIVES

Mr. Lee Shieh-Peen Clement
Ms. Phua Nan Chie
Mr. Lee Chung Shing *(Alternative authorised representative)*

AUDIT COMMITTEE

Mr. Siek Wei Ting *(Chairperson)*
Ms. Phua Nan Chie
Mr. Andrew Chow Heng Cheong

REMUNERATION COMMITTEE

Mr. Andrew Chow Heng Cheong *(Chairperson)*
Mr. Selva Bryan Ratnam
Ms. Tai Ho Yan Olive

NOMINATION COMMITTEE

Mr. Lee Shieh-Peen Clement *(Chairperson)*
Mr. Selva Bryan Ratnam
Mr. Siek Wei Ting

FINANCE AND RISK COMMITTEE

Ms. Phua Nan Chie *(Chairperson)*
Mr. Lee Shieh-Peen Clement
Mr. Andrew Chow Heng Cheong
Mr. Selva Bryan Ratnam

COMPANY SECRETARY

Mr. Lee Chung Shing *(CPA of HKICPA, FCCA of ACCA)*

LEGAL ADVISOR

As to Hong Kong laws
Sidley Austin
39/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants and
Registered Public Interest Entity Auditor
35th Floor, One Pacific Place
88 Queensway
Hong Kong

COMPLIANCE ADVISOR

Somerley Capital Limited
20/F, China Building
29 Queen's Road Central
Central
Hong Kong

REGISTERED OFFICE

Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1–1104
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

38 Jalan Pemimpin
#05–07
M38
Singapore 577178

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 4310–11
Tower One, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1–1102
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE

2562

WARRANT CODE

2461

COMPANY WEBSITE

https://synagistics.com/

OVERVIEW

We are a data-driven digital solutions platform in Southeast Asia, and we provide integrated digital solutions to our brand partners. Under our D2B business model, we provide data-driven digital solutions to brands covering all aspects of e-commerce. Under our 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 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.

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, the 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.

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.

FINANCIAL HIGHLIGHTS

In the year ended December 31, 2024:

- Revenue was SGD101.9 million, representing a decrease of 19.5% year-on-year, primarily due to our strategic shift towards the higher margin D2B business model.

- Gross profit remained stable at SGD31.3 million while Gross profit margin was 30.8%, representing an increase of 5.7 percentage points year-on-year.

- Loss for the year was SGD269.8 million (2023: SGD17.3 million), primarily attributable to De-SPAC Transaction expense, share-based payment expenses, as well as the fair value losses 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 SGD3.9 million, as compared to a loss of SGD9.2 million in 2023. Adjusted EBITDA% improved to -3.8% in 2024 from -7.2% in 2023.

[1] The Company defines adjusted EBITDA (a non-IFRS measure) as loss for the year by adding back certain items, including (i) depreciation and amortization expenses; (ii) income tax credit; (iii) net finance costs; (iv) share-based payment expenses; (v) fair value (gain)/loss on convertible loan note; (vi) fair value loss on promoter earn-out rights liabilities; (vii) fair value loss on promoter warrant liabilities; (viii) fair value loss on public warrants liabilities; (ix) De-SPAC Transaction expense; and (x) one-off professional fees and expenses related to the De-SPAC Transaction. Adjusted EBITDA % is the adjusted EBITDA divided by total revenue for the year x 100%. Reconciliation of IFRS measures to non-IFRS measures presented above are included in the paragraph headed "Non-IFRS measure" of this report.

OPERATIONAL HIGHLIGHTS FOR THE YEAR

D2C BUSINESS MODEL

During the Reporting Period, we successfully established a strategic collaboration with a leading manufacturer of electronics and home appliances in Singapore, marking a significant milestone in our ongoing transition to an on-demand inventory model within our D2C business model. This partnership underscores our commitment to enhancing operational efficiency and optimizing inventory management while reducing the financial risks associated with substantial upfront inventory purchases.

Under this collaboration, we have been entrusted with managing their commerce operations across major online platforms, including Shopee, Lazada, Amazon, and KrisShop in Singapore. This move aligns with our strategic efforts to shift towards a more sustainable and scalable D2C business model, where inventory procurement is closely aligned with real-time consumer demand rather than traditional outright purchase commitments.

D2B BUSINESS MODEL

During the Reporting Period, we successfully leveraged the Synagie Platform to increase sales of digital solutions to our brand partners, reflecting our continued efforts to enhance our digital commerce capabilities and provide value-added solutions to brand partners. This growth aligns with our strategic shift towards the higher-margin D2B business model, reinforcing our commitment to optimizing profitability, operational efficiency, and long-term scalability. The success of this strategic shift is further evidenced by the increase in D2B sales as a proportion of total revenue, rising from 21.0% in 2023 to 32.4% in 2024.

TRANSITION TO ASSET-LIGHT BUSINESS MODEL

In 2024, we transitioned from self-managed warehouse model in Singapore to a fully outsourced model, reflecting our ongoing efforts to enhance efficiency and scalability. As part of our asset-light strategy, we leverage a scalable digital supply chain network for order fulfillment under our D2C business model. Rather than owning warehouses or delivery vehicles, we outsource warehousing, logistics, and fulfillment services to reliable third-party supply chain partners while managing the entire logistics and fulfillment process through our Synagie Platform. This approach allows us to swiftly scale operations by accessing additional warehouse space when needed and increasing fulfillment capacity during product launches or peak periods. By adopting an asset-light business model, which includes our on-demand inventory model and third-party digital supply chain network, we strengthen our competitive advantage. This strategy reduces upfront capital investments, minimizes inventory risks, improves operating cash flow, optimizes our cash conversion cycle and ultimately supports a more scalable and resilient business.

OPERATIONAL HIGHLIGHTS FOR THE YEAR

SYNAGIE PLATFORM VERSION UPGRADE

Synagie Platform underwent a successful version upgrade and went live at the end of 2024, marking a significant enhancement to our technology infrastructure with expanded features and functionalities. The version upgrade includes channel and warehouse data integrations, enhancing order management system functionality, strengthening data analysis capabilities, and introducing advanced business functions to improve operational efficiency.

Key enhancements include integration with cross-border platforms such as Lazada and Shopee for seamless product and order management, as well as docking with iWeb Warehouse Management System ("**WMS**") to synchronize inventory and fulfill orders more effectively.

Additionally, the Vendor Managed Inventory system now enables online vendor registration and warehouse leasing applications, streamlining partner onboarding. The B2B business module supports manual creation of forward sales orders within the Order Management System and real-time order status updates through WMS integration. Moreover, inventory tracking has been improved with SKU-level visibility and expiration date monitoring, ensuring better stock management.

With these enhancements, Synagie Platform significantly advances automation, strengthens supply chain management, and empowers our brand partners with enhanced control and actionable insights. This will lead us to deliver enhanced digital solutions to our brand partners, further boosting our long-term capabilities in the D2B business model. These innovations also underscore our commitment to driving e-commerce transformation and operational excellence.

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.

	Year ended December 31,					
	2024		2023		Change	
	SGD'000	%	SGD'000	%	SGD'000	%
D2B	**32,956**	**32.4**	26,643	21.0	6,313	23.7
D2C	**68,905**	**67.6**	99,952	79.0	(31,047)	(31.1)
Total	**101,861**	**100.0**	126,595	100.0	(24,734)	(19.5)

During the Reporting Period, revenue generated from D2B increased by 23.7% from SGD26.6 million in 2023 to SGD33.0 million in 2024, mainly due to greater sales of digital and technology solutions to our brand partners. This is in line with our strategic shift towards the higher margin D2B business model. The increase in revenue generated from D2B of SGD6.3 million is partially offset by the decrease in revenue generated from D2C by SGD31.0 million, resulting in a decrease in the total revenue of the Group to SGD101.9 million (2023: SGD126.6 million).

Revenue generated from D2C decreased by 31.1% from SGD100.0 million in 2023 to SGD68.9 million in 2024, as we successfully moved some of our brand partners to our D2B business model where we do not recognise product sales as revenue; resulting in an increase in gross profit from D2B of SGD6.1 million to SGD24.1 million in 2024 as compared to SGD18.0 million in the prior year.

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.

	Year ended December 31,					
	2024		2023		Change	
	SGD'000	%	SGD'000	%	SGD'000	%
D2B	**8,850**	**12.5**	8,647	9.1	203	2.3
D2C	**61,683**	**87.5**	86,204	90.9	(24,521)	(28.4)
Total	**70,533**	**100.0**	94,851	100.0	(24,318)	(25.6)

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of sales under the D2B business model increased by 2.3% from SGD8.6 million in 2023 to SGD8.9 million in 2024, as we incurred higher costs in relation to providing greater digital solutions to our brand partners.

Cost of sales under the D2C business model decreased by 28.4% from SGD86.2 million in 2023 to SGD61.7 million in 2024, which is in line with the decrease in D2C revenue.

Gross Profit and Gross Profit Margin

	Year ended December 31,					
	2024		2023			
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin	Change	
	SGD'000	**%**	SGD'000	%	SGD'000	%
D2B	**24,106**	**73.1**	17,996	67.5	6,110	34.0
D2C	**7,222**	**10.5**	13,748	13.8	(6,526)	(47.5)
Total	**31,328**	**30.8**	31,744	25.1	(416)	(1.3)

Overall gross profit remained stable at SGD31.7 million in 2023 and SGD31.3 million in 2024. The overall gross profit margin increased by 5.7 percentage point from 25.1% in 2023 to 30.8% in 2024 as a result of increased gross profit margin under the D2B business model, which contributed to a larger portion of our revenue.

The improvement in D2B gross profit margin was mainly attributed to higher margin sales of digital and technology solutions in 2024. Conversely, the decline in D2C gross profit margin was in line with our strategic focus to drive our on-demand inventory model, where we reduced purchase of inventory in advance as a result enjoying a lower gross margin due to reduced inventory risk.

Our deliberate shift towards the higher-margin D2B business model remains a key component of our long-term strategy to enhance profitability and operational efficiency.

Other Income

Other income primarily consisted of government grants and bank interest income. It increased from SGD0.4 million in 2023 to SGD0.5 million in 2024, primarily due to additional interest income earned from the placement of fixed deposits during the Reporting Period.

Other Gain and Loss

Other gain and loss primarily consisted of (i) exchange loss, net and (ii) fair value gain/(loss) on convertible loan note. Other loss reduced from SGD1.8 million in 2023 to a gain of SGD0.5 million in 2024, primarily due to fair value gain recognized on convertible loan note.

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 loss on promoter earn-out rights liabilities; (ii) fair value loss on promoter warrant liabilities; and (iii) fair value loss on public warrants liabilities. Our change in fair value of financial liabilities at FVTPL recognized in 2024 was SGD83.9 million (2023: nil).

Selling and Distribution Expenses

Selling and distribution expenses comprised (i) our 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 from SGD20.7 million in 2023 to SGD15.5 million in 2024, primarily due to lower sales and promotional expenses as we shift our strategic focus towards the higher-margin D2B business model in line with our long-term growth objectives. Additionally, fulfillment expenses paid to third-party service providers decreased as a result of our asset-light model implemented since 2022, which leveraged third-party supply chain service providers for fulfillment services at a lower cost compared to in-house fulfillment.

Selling and distribution expenses as a percentage of total revenue decreased from 16.3% in 2023 to 15.2% in 2024 which was driven by our strategic shift towards the higher-margin D2B business model, optimized marketing spend and lower fulfillment expenses under our asset-light model.

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 SGD26.0 million in 2023 to SGD117.5 million in 2024, primarily due to the increase in share-based payment expenses of SGD91.5 million and one-off professional fees and expenses related to the De-SPAC transaction of SGD1.5 million, offset by the decrease in compensation and benefits expenses of SGD1.8 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 2023 to 115.4% in 2024 due to the aforementioned factors.

De-SPAC Transaction Expense

De-SPAC Transaction expense arose from the De-SPAC transaction, as the then shareholders of Synagistics Pte. Ltd. before the completion of the De-SPAC transaction were deemed to have issued shares with a fair value in excess of the net assets acquired of the Company (formerly known as HK Acquisition Corporation). The difference of SGD83.5 million was recognized as De-SPAC Transaction expense in 2024.

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 remained stable at SGD1.7 million in both 2023 and 2024.

Finance costs as a percentage of total revenue increased from 1.3% in 2023 to 1.7% in 2024, primarily due to the decrease in revenue during the year.

Income Tax Credit

Income tax expenses are currently payable based on taxable profit for the year, including withholding taxes. Income tax credit represents our deferred tax liability arising from the recognition of our intangible assets in customer relationships representing the present value of our key customer contracts. Our subsidiaries were subject to the domestic statutory corporate tax rate ranging from 17% to 25%.

In 2023 and 2024, we recorded income tax credit of SGD0.7 million and SGD0.2 million, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Loss for the Year

As a result of the cumulative effect of the above factors, we recorded loss for the year of SGD269.8 million in 2024 (2023: SGD17.3 million), representing a net loss margin of 264.8% (2023: 13.7%).

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 input VAT receivables and withholding tax receivables; and (iii) prepayments, mainly representing cash payments to certain suppliers for services rendered over-time.

Trade and other receivables increased from SGD20.5 million as of December 31, 2023 to SGD27.2 million as of December 31, 2024. This increase was primarily due to higher prepayments and trade receivables arising from the increase in D2B revenue.

Trade and Other Payables

Trade and other payables primarily consisted of (i) trade payables, representing primarily 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 SGD45.3 million as of December 31, 2023 to SGD27.6 million as of December 31, 2024. This decrease was primarily due to a reduction in trade payables due to settlement around the year end, offset by an increase in accruals arising from the De-SPAC listing expenses.

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 December 31, 2024, the Group recorded net current liabilities of SGD75.9 million (December 31, 2023: SGD11.4 million). The increase in net current liabilities in 2024 is mainly due to the recognition of non-cash financial liability instruments such as promoter earn-out rights liabilities, promoter warrant liabilities and public warrant liabilities at SGD121.6 million which arose from the De-SPAC transaction.

As of December 31, 2024, the Group's net cash position (represented by cash and cash equivalents less bank and other borrowings) significantly improved at SGD42.9 million (December 31, 2023: SGD11.2 million).

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 December 31, 2024, the Group's cash and cash equivalents were SGD47.9 million (December 31, 2023: SGD13.4 million), which were primarily denominated in Hong Kong Dollar, Singapore Dollar and Indonesian Rupiah.

Capital Expenditures

During the Reporting Period, the Group had additions to property, plant and equipment and intangible assets amounted to SGD1.5 million (2023: SGD1.7 million), which were mainly attributable to the capitalization of the completed milestone developments of the Synagie Platform, which has successfully went live in December 2024.

Pledged Assets

As of December 31, 2024, we did not have any pledged assets. (December 31, 2023: trade receivables of SGD1.0 million were pledged for financing).

Foreign Exchange Risk

Several subsidiaries of the Group have sales and purchases, and 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, convertible loan note were 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. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CONTINGENT LIABILITIES

As of December 31, 2024, 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% and adjusted net assets/liabilities (non-IFRS measures) as additional financial measures, which is not required by, or presented in accordance with IFRSs. The Group believes that adjusted EBITDA and adjusted EBITDA% and adjusted net assets/liabilities (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% and adjusted net assets/liabilities (non-IFRS measures) may not be comparable to similarly titled measures presented by other companies. The use of adjusted EBITDA and adjusted EBITDA% and adjusted net assets/liabilities (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.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group defines adjusted EBITDA (a non-IFRS measure) as loss for the year by adding back certain items, including (i) depreciation and amortization expenses; (ii) income tax credit; (iii) net finance costs; (iv) share-based payment expenses; (v) fair value (gain)/loss on convertible loan note; (vi) fair value loss on promoter earn-out rights liabilities; (vii) fair value loss on promoter warrants liabilities; (viii) fair value loss on public warrants liabilities; (ix) De-SPAC Transaction expense; and (x) 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 year x 100%. The table below reconciles adjusted EBITDA (a non-IFRS measure) presented to loss for the periods.

	Year ended December 31,	
	2024	2023
	SGD'000	SGD'000
Reconciliation of loss for the year and adjusted EBITDA (a non-IFRS measure)		
Loss for the year	**(269,767)**	(17,310)
Add:		
Depreciation and amortization expenses	**4,866**	5,511
Income tax credit	**(168)**	(690)
Net finance costs	**1,463**	1,651
EBITDA	**(263,606)**	(10,838)
Add:		
Share-based payment expenses	**92,252**	726
Fair value (gain)/loss on convertible loan note	**(1,454)**	940
Fair value loss on promoter earn-out rights liabilities	**31,663**	—
Fair value loss on promoter warrant liabilities	**50,442**	—
Fair value loss on public warrants liabilities	**1,791**	—
De-SPAC Transaction expense	**83,525**	—
One-off professional fees and expenses related to the De-SPAC Transaction	**1,523**	—
Adjusted EBITDA (a non-IFRS measure)	**(3,864)**	(9,172)
Adjusted EBITDA% (a non-IFRS measure)	**(3.8)%**	(7.2)%

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 periods 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 shareholders' bonus shares 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)/loss 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 loss on convertible loan note as the convertible loan has been fully repaid during the year; (iii) fair value loss on promoter earn-out rights liabilities represented fair value adjustment on promoter earn-out rights liabilities; (iv) fair value loss on promoter warrants liabilities represented fair value adjustment on promoter warrant liabilities; (v) fair value loss 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) De-SPAC Transaction expense were one-off non-cash expenses arising from the De-SPAC transaction, where the then shareholders of Synagistics Pte. Ltd. prior to the completion of the De-SPAC transaction were deemed to have issued shares with a fair value exceeding the net assets acquired. This was a non-cash accounting adjustment with no impact on the Group's cash flow; (vii) 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. 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.

	As at December 31,	
	2024	2023
	SGD'000	SGD'000
Reconciliation of net assets/liabilities for the year and adjusted net assets/liabilities (a non-IFRS measure)		
Net assets/(liabilities)	**(20,652)**	31,649
Add:		
Financial liabilities at FVTPL	**121,577**	—
Adjusted net assets/(liabilities)	**100,925**	31,649

The Group has issued public warrant liabilities, promoter warrant liabilities and promoter earn-out rights liabilities as set out in note 28 to the 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 asset value of the Group.

PROSPECTS AND OUTLOOK

Looking ahead, the Group remains cautious about its growth prospects amid ongoing macroeconomic uncertainties. Our strategic focus will be on expanding our brand partner network by strengthening relationships and leveraging referrals, particularly with Greater China brands seeking to grow their presence in Southeast Asia. We will continue scaling our on-demand inventory model to minimize risks while achieving greater economies of scale. Our commitment to innovation remains steadfast, with ongoing investments in advanced technologies such as artificial intelligence and machine learning to drive automation and cost efficiencies, while leveraging existing markets' technology to enhance our capabilities. Additionally, we aim to strengthen our smart digital supply chain network through big data and machine learning, ensuring greater visibility, transparency, and operational agility. To further accelerate growth, we will actively pursue strategic mergers, acquisitions, and investments in digital solutions and platform, supply chain providers, and technology or media companies to expand our market presence and create long-term value. On January 23, 2025, the Company and the potential vendors entered into a non-legally binding term sheet, pursuant to which the Company intends to carry out a potential acquisition of up to 100% equity interest in a China-based big data and digital transformation platform company. The potential acquisition is subject to further negotiations between the parties and the execution of the legally binding definitive agreements. For details, please refer to the announcement of the Company dated January 23, 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Company is a successor company of the De-SPAC Transaction, details of which have been disclosed in the announcement of the Company dated October 30, 2024 and the De-SPAC Circular. Save as disclosed in the section headed “Future Plans and Use of Proceeds” in the De-SPAC Circular and this report, as of December 31, 2024 and the date of this report, the Company had no other future plans for any material investments or capital assets.

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS

The Group has gone through merger and reorganization for the purpose of the De-SPAC Transaction, details of which have been disclosed in the De-SPAC Circular. Save as disclosed above, the Group had no significant investments or material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

EMPLOYEE AND REMUNERATION POLICY

As of December 31, 2024, the Group had a total of 333 employees. For the Reporting Period, the total remuneration cost, including share-based payment expenses incurred by the Group, was SGD30.1 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.

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management of the Company as of the date of this annual report are set out below.

DIRECTORS

Executive Directors

Mr. Lee Shieh-Peen Clement (李敘平), aged 55, is an executive Director, the chairman of the Board and managing director of the Group. Mr. Lee was appointed as a Director of Synagie on July 28, 2020. He is one of the founders of Synagie and is mainly responsible for the general management and business development of the Group.

Mr. Lee has more than 30 years of experience in development and management in the telecommunications, entertainment and lifestyle industries. Mr. Lee founded Synagie together with Ms. Tai Ho Yan Olive in November 2014. Prior to the establishment of Synagie, in June 1991, Mr. Lee founded Foloca Design of which his was the sole proprietor when it was converted into a private limited company, Foloca Design (Singapore) Pte. Ltd., which was principally engaged in art and graphic design services and where he served as director until 1999. Between 1992 to 1999, Mr. Lee was a director of a group of companies under Kingfisher Holdings Pte Ltd ("**KHPL**") in Singapore ("**Kingfisher Group**"). Amongst the Kingfisher Group, Mr. Lee was one of the shareholders of KHPL, Kingfisher Productions Pte Ltd ("**KPPL**") and Kingfisher Music Publishing Pte Ltd. The Kingfisher Group was formed in the 1990s and was involved in the entertainment business in Singapore and in particular films and concerts production. From December 1996 to January 1998, he served as director at Club Beverly Pte Ltd where he was responsible for operations and management. From 1998 to December 2001, Mr. Lee served as marketing director at APN Technologies Sdn Bhd, a company principally engaged in providing internet and telecommunications services. From 2003 to April 2013, Mr. Lee worked at LifePharm Pte Ltd (subsequently known as Lifebrandz Ltd), a company principally engaged in development and management of health, beauty and lifestyle brands, whose shares are currently listed on the Catalist of the SGX-ST (stock code: 1D3), where he served as, among other roles, a director from January 2005 to April 2013. From May 2013 to September 2015, he served as a director at Avenza Pte. Ltd., a company principally engaged in the development and sale of beauty and health products.

Ms. Tai Ho Yan Olive (戴可欣), aged 49, is an executive Director and the chief executive officer of the Company. Ms. Tai is one of the founders of Synagie and is mainly responsible for the operations of the e-commerce businesses and e-logistics segments of the Company.

Ms. Tai has more than 20 years of experience in the FMCG industry and in sales & marketing. Ms. Tai founded Synagie together with Mr. Lee in November 2014 and has been serving as managing director of Synagie since December 2014, and has been responsible for managing and lead an ecommerce enabler for business development of Synagie. Ms. Tai started her career at Johnson & Johnson Pacific Pty. Limited and Johnson & Johnson Pte. Ltd., a manufacturer principally engaged in various consumer products and served various positions from September 1998, including as a management trainee responsible for supporting the key account managers on category management project; as a national sales analyst responsible for analyzing and reporting of sales-related data; as a regional sales analyst responsible for developing new business channel strategies in Asia Pacific; as a trade marketing manager responsible for managing key accounts and developing key account business plans; and as a customer marketing manager responsible for strategic planning and developing category plans until September 2009. From October 2009 to December 2010, she served as sales development director at Bausch & Lomb (S) Pte. Ltd., where she was responsible for building sales capability and establishing strategic partnership. From January 2011 to May 2014, she served as trading director in the merchandising department, pharmacist group and space management team at Watsons Singapore Pte Ltd, a retailer company principally engaged in consumer goods, where she was responsible for leading the merchandising department, pharmacist group and space management team. Prior to joining Synagie in November 2014, she served as managing director at Avenza Pte. Ltd. a company principally engaged in development and sale of beauty and health products, where she was responsible for developing go-to-market strategy for health and beauty brands and was instrumental in the development of a sales and marketing plan for a new healthcare brand.

Ms. Tai graduated from the University of Wollongong in Australia with a bachelor's degree of commerce in April 1998.

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

Non-executive Directors

Ms. Phua Nan Chie (潘南琦), aged 60, is a non-executive Director. Ms. Phua is responsible for providing professional and strategic advice, opinion and guidance to the Board.

Ms. Phua Nan Chie has over 20 years of experience in marketing, business planning, development, administration and operations. Ms. Phua has extensive work experience and has held both local and regional roles across different industries.

From August 2002 to April 2005, Ms. Phua served as a regional program manager at George P. Johnson HighTeam Event Marketing Co Ltd, an events management business, where she was primarily responsible for planning and execution of event marketing programs.

From June 2005 to May 2014, she worked at Standard Chartered in China and Hong Kong where she has served as head of payment products and head of business planning and development. Her roles encompassed the developing and planning of China's card business and supporting and managing office operations.

Since July 2014, Ms. Phua has been serving as the chief operating officer of Max Giant Limited, an asset management company hosting private equities and hedge funds, where she is primarily responsible for the overall management and business operations of the company.

Ms. Phua obtained an executive diploma in Asia Pacific Marketing from the Marketing Institute of Singapore in May 1996 and a graduate diploma in marketing management from Singapore Institute of Management in Singapore in May 1990 and graduated from The National University of Singapore in the Singapore with a bachelor's degree of business administration in June 1986.

Mr. Chong Tian Taum (張天膽), aged 49, is a non-executive Director. Mr. Chong was appointed as an alternative director of Synagie on August 4, 2020.

Mr. Chong has over 20 years of experience in finance, corporate development and venture capital. From February 2001 to May 2003, Mr. Chong served as a financial analyst at IBM Singapore Pte Ltd, a company principally engaged in business and information technology services, where he was responsible for financial analysis and reporting. From April 2003 to November 2004, he served as a business analyst at Phillips Electronics Singapore Pte Ltd, a company principally engaged in consumer products and research and development, where he was responsible for market analysis and business strategy. From November 2004 to November 2006, he served as M&A execution manager at Sembcorp Environmental Management Pte Ltd, a company principally engaged in environmental services, where he was responsible for mergers and acquisition execution. From July 2007 to August 2017, Mr. Chong served as a vice president at Mediacorp Pte Ltd, a company principally engaged in media. From August 2017 to April 2018, he served as the chief financial officer at Chye Thiam Maintenance Pte Ltd, a company principally engaged in environmental services, where he was responsible for financial management and investment. From March 2018 to present, he served as a managing partner at Gobi Partners, a leading Asia-focused venture capital firm headquartered in Kuala Lumpur and Hong Kong with a particular focus on early to growth stage start-ups on merging markets across North Asia, South Asia and ASEAN.

Mr. Chong graduated from the University of Western Australia in Australia with a bachelor's degree of commerce in April 1998 and he obtained his Master of Business Administration (MBA) from Deakin University in August 2006 via distance learning. Mr. Chong was accredited as a Certified Practising Accountant (CPA) issued by the Institute of Certified Practising Accountants of Australia (CPA Australia) in December 2001.

Mr. Jin Qin (金沁), aged 40, is a non-executive Director. Since April 2020, he has been serving as an investment director at Alibaba International Digital Commerce Group, a company engaging in e-commerce across the world. Prior to April 2020, Mr. Jin worked at CITIC Capital Partners (Shanghai) Limited and Chengwei Investment Management Consulting (Shanghai) Co., Ltd. (成為投資管理諮詢(上海)有限公司).

Mr. Jin graduated from Tsinghua University (清華大學) in the PRC with a bachelor's degree from the School of Economics and Management in 2008 and he obtained his Master of Business Administration (MBA) from the University of Chicago Booth School of Business in the United States in June 2016.

Independent Non-executive Directors

Mr. Selva Bryan Ratnam, aged 57, is an independent non-executive Director of the Company. Mr. Ratnam is responsible for providing independent advice on operations and management of the Company.

Since March 2021, Mr. Ratnam has been servicing as the chairman of the board of directors of Kacific Broadband Group, a satellite provider which provides broadband services to underserved communities in South East Asia and the Pacific Islands. In 2015, Mr. Ratnam served as general counsel of the Valiram Group, a retail distributor with operations in South East Asia, China, Russia and Australia, where he was responsible for all legal matters pertaining to the group's activities. From 2010 to 2013, Mr. Ratnam served as director of Media Advisory Pte Ltd, which provided media consultancy services to Astro All Asia Entertainment Networks Limited, a Southeast Asia-based company that offers broadcasting services and produces television programs. Previously, Mr. Ratnam worked at Allen & Overy and Masons, each a global law firm, where he served as a solicitor with areas of experience including construction law, project finance and private finance initiative work.

Mr. Ratnam obtained his bachelor of economics from the Monash University in Australia in April 1992, his bachelor of law from University of Kent at Canterbury in the United Kingdom in June 1994. Mr Ratnam was admitted as a solicitor of the Supreme Court of England and Wales in October 1997.

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Andrew Chow Heng Cheong, aged 52, is an independent non-executive Director. Mr. Chow is responsible for providing independent advice on operations and management of the Group.

Mr. Chow has over 20 years of experience in investment and financial services. From 2004, Mr. Chow served as a vice president at Citigroup Global Markets Malaysia Sdn Bhd, a financial service provider, where he was responsible for equity research. From 2007, he then served as a vice president at Citigroup Global Markets Singapore Pte Limited where he was responsible for public and private equity investment. From 2008, he served as executive director at Goldman Sachs (Singapore) Pte., a financial institution, where he was responsible for investment research. From 2009, he served as the head of research at UOB Kay Hian Research Pte Ltd (now known as UOB Kay Hian Private Limited), a company principally engaged in brokerage services, private wealth management and investment management, where he was responsible for investment research and strategy. From 2018, Mr. Chow served as a senior vice president at United Overseas Bank where he was responsible for research and from July 2021 to present, he successively served as a senior director where he is responsible for origination of public and private equity investment. Prior to 2004, Mr. Chow successively served as an assistant in Ernst &Young in its Kuala Lumpur office in 1994, a research assistant in Baring Research (Malaysia) Sdn Bhd in 1995, a research analyst in Ke-Zan Securities Sdn Bhd in 1998, a senior analyst in RHB Research Institute Sdn Bhd in 2000 and a senior research analyst in Nomura Advisory Services (Malaysia) Sdn Bhd in 2001.

Mr. Chow graduated from University of Southern Queensland in Australia with a bachelor's degree of business in January 1994.

Mr. Siek Wei Ting (謝威廷), aged 53, is an independent non-executive Director. Mr. Siek is responsible for providing independent advice on operations and management of the Group.

Mr. Siek has over 20 years of experience in financial operation and corporate management. From July 1996 to August 1999, Mr. Siek served as an audit senior at Deloitte & Touche LLP in its Singapore office. From September 2001 to January 2002, Mr. Siek served as an audit manager at Ernst & Young in its Singapore office. Mr. Siek worked at China Minzhong Food Corp. Pte Ltd, a company engaged in agricultural food, where he served as chief financial officer from April 2004 to September 2018 and was responsible for investor relations, finance and mergers & acquisition of the company. Since October 2018, Mr. Siek has been serving as the finance director at V3 Group (Singapore) Pte Ltd, an investment holding company where its group is principally involved in the consumer retail business. From March 2018 to January 2023, he was served as independent non-director at Asian Healthcare Specialist Limited, a company whose shares were listed on the Catalist of the SGX-ST (previous stock code: 1J3) and was delisted in January 2023.

Mr. Siek graduated from Nanyang Technological University in Singapore with a bachelor's degree in accountancy in June 1996. He was granted the Nanyang Outstanding Young Alumni Award by Nanyang Technological University in October 2008.

SENIOR MANAGEMENT

Mr. Lee Shieh-Peen Clement (李敘平), aged 55, is as an executive Director, the chairman of the Board and managing director of the Group. For further details, see "Directors — Executive Director" above.

Ms. Tai Ho Yan Olive (戴可欣), aged 49, is an executive Director and the chief executive officer of the Company. For further details, see "Directors — Executive Director" above.

Mr. Malcolm Tan Hock Yean (陳福延), aged 41, is the chief financial officer of the Group. Mr. Tan joined Synagie in April 2022 and has been serving as the chief financial officer of Synagie since then. He is primarily responsible for the overall management of financial and accounting affairs of the Group.

Prior to joining Synagie, Mr. Tan has over 18 years of experience in audit, finance and accounting. Prior to joining PricewaterhouseCoopers LLP (Austin Texas) in July 2011, he served as an assistant audit manager at PricewaterhouseCoopers LLP (Singapore) in July 2007, where he was responsible for conducting financial audit. He then served as audit manager at PricewaterhouseCoopers LLP (Austin Texas) where he was responsible for conducting financial audit until July 2014. From July 2014 to July 2015, he was then served as an audit manager at PricewaterhouseCoopers LLP (Singapore), where he was responsible for leading the U.S. accounting and auditing standards compliance and initiatives. From June 2015 to July 2017, Mr. Tan served as a regional finance and FP&A manager at Batten, Barton, Durstine & Osborn (BBDO), a company principally engaged in advertising and marketing where he was mainly responsible for managing 12 markets across the Asia Pacific region on all financial and accounting related matters. From July 2017 to April 2020, he served as a director at Tessa Therapeutics Ltd., a company principally engaged in biotechnology and research and development in clinical trials, where he was mainly responsible for the overall group corporate and financial management in 5 markets across the Asia Pacific region and the United States. From April 2020 to April 2022, he served as a director at Trax Retail Ltd., a company principally engaged in technology and artificial intelligence, where he was mainly responsible for the overall group corporate and financial management in 16 markets globally in the Asia Pacific, Europe, Middle East, the United States and Latin America.

Mr. Tan graduated from Nanyang Technological University in Singapore with a bachelor's degree in accountancy in June 2007. He became a Chartered Public Accountant (now known as Chartered Accountant) of the Institute of Certified Public Accountants of Singapore (ICPAS) (now known as Institute of Singapore Chartered Accountant) in May 2010. He was also accredited as a Certified Public Accountant issued by the American Institute of Certified Public Accountants (AICPA) in January 2014.

Ms. Quek Wei Ling (郭瑋玲), aged 45, is the chief operating officer of the Group. Ms. Quek joined Synagie in December 2014 and has been serving as the chief operating officer of Synagie since April 2022. She is primarily responsible for overall management of business operations of the Group.

Ms. Quek joined Synagie in December 2014 and served various positions, including the head of the content management, general manager, regional general manager (FMCG), vice president (FMCG and Fashion). Since April 2022, she has been serving as the chief business officer and chief operating officer of Synagie. Prior to joining Synagie, Ms. Quek worked at Watsons, a health and beauty retailer, from April 2011 to April 2014 where she last served as a merchandising manager. Prior to that, Ms. Quek was employed by NTUC Unity Health Care Cooperative Limited, a company principally engaged in retail pharmacist.

Ms. Quek graduated from National University of Singapore in Singapore with a Bachelor of Science (Pharmacy) in June 2003. She obtained a certificate of registration of pharmacy issued by Singapore Pharmacy Council in April 2004.

Ms. Zanetta Lee Yue (李育), aged 49, is the head of corporate development of the Group. Ms. Lee joined Synagie in April 2015 and has been serving as the head of corporate development since then. She is mainly responsible for corporate development strategy and legal matters.

Ms. Lee has over 20 years of experience in strategy, business development, sales and marketing. Ms. Lee joined Synagie in April 2015 and served as executive vice president at Synagie Singapore in 2015 where she was responsible for managing the brands and products, development of sales channels, marketing and promotions of the product and brands. From June 2018 to November 2020, she served as an executive director at Synagie V2Y, where she was responsible for managing the sales pipeline and strategic planning for new product development as well as heading interactions with customers for the Insurtech business. Since November 2020, Ms. Lee served as the head of corporate development at the Synagie and is responsible for corporate development strategy and legal matters. Prior to joining Synagie, from May 2002 to March 2006, Ms. Lee successively served as an assistant manager and manager at DaimlerChrysler South East Asia Pte. Ltd., the regional South East Asian office for global premium automaker Mercedes Benz, where she was responsible for strategy and business development of the Group. From March 2006 to March 2015, she served as a regional manager at Daimler South East Asia Pte. Ltd..

Ms. Lee graduated from Ngee Ann Polytechnic (NP) in Singapore in August 1996 with a diploma in Business Studies (Marketing). She also graduated from The London School of Economics & Political Science with a bachelor of science degree in economics and management in August 2022 via distance learning.

Ms. Lee is the sister of Mr. Lee Shieh-Peen Clement, an executive Director and the chairman of the Board.

COMPANY SECRETARY

Mr. LEE Chung Shing (李忠成) was appointed as the company secretary of HK Acquisition Corporation (香港匯德收購公司) on February 23, 2022 and remained as the company secretary of the Company upon completion of the De-SPAC Transaction. He is mainly responsible for company secretarial matters of the Company.

Mr. Lee currently serves as the vice president of Entity Solutions of Computershare Hong Kong Investor Services Limited. He has over 20 years of experiences in providing services to listed companies in the areas of auditing, financial management, company secretarial services and investors relations. He is currently the joint company secretary/company secretary of various companies listed on the Stock Exchange.

Mr. Lee obtained a Bachelor of Arts in Accountancy from The City University of Hong Kong in December 1994 and a Master of Business Administration (Financial Services) from The Hong Kong Polytechnic University in November 2002. Mr. Lee has been an associate member of the HKICPA since March 1999 and a fellow member of the Association of Chartered Certified Accountants since July 2003.

CHANGES TO DIRECTORS' INFORMATION

Save as disclosed herein, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

The Board is pleased to present this corporate governance report in the annual report of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company is the successor company of the De-SPAC Transaction completed on October 30, 2024 and its shares were listed on the Main Board of the Stock Exchange on the same date. The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code, which is applicable to the Company from the Completion Date. The Board believes that the Company has complied with the code provisions of the CG Code during the period from the Completion Date to December 31, 2024. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

COMPANY'S CULTURE

A positive and progressive corporate culture across the Group is vital for the Company to achieve its purpose towards sustainable growth.

Among the Company's core values, the Group places strong emphasis on employee relations and the culture of ethical conduct and integrity by instilling the element of integrity into every aspect of our businesses. Our Directors, management and staff are required to act lawfully, ethically and responsibly, which are part and parcel of the Company's culture. In promoting and maintaining this culture, relevant trainings are conducted from time to time to strengthen the requisite standards and the norms in respect of ethics and integrity of our business. This culture of integrity has also been stated in the employee handbook and embedded in various policies such as the anti-corruption policy and the whistleblowing policy. A healthy corporate culture is important to good corporate governance which is crucial for achieving sustainable long-term success of the Group.

It is the role of the Board to foster the Group's corporate culture with the core principles of integrity and accountability to guide the behaviours of its employees and ensure that the Company's purpose, values and business strategies are aligned.

THE BOARD

Responsibilities

The Board is responsible for, and has general powers for, the management and conduct of our business. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the executive Directors and senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established four Board committees including the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**"), the nomination committee (the "**Nomination Committee**") and the finance and risk committee (the "**Finance and Risk Committee**"). The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference. All Board committees are provided with sufficient resources to perform their duties.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders at all times.

CORPORATE GOVERNANCE REPORT

Directors' and Senior Management's Liability Insurance and Indemnity

The Company has arranged appropriate liability insurance to indemnify the Directors and senior management of the Company for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

Board Composition

As of the date of this annual report, the Board comprises two executive Directors, three non-executive Directors and three independent non-executive Directors.

Executive Directors

Mr. Lee Shieh-Peen Clement *(Chairman)*
Ms. Tai Ho Yan Olive

Non-executive Directors

Ms. Phua Nan Chie
Mr. Chong Tian Taum
Mr. Jin Qin

Independent Non-executive Directors

Mr. Selva Bryan Ratnam
Mr. Andrew Chow Heng Cheong
Mr. Siek Wei Ting

Save as disclosed in "Profile of Directors and Senior Management" in this annual report, there is no any relationship (including financial, business, family or other material/relevant relationship(s)) between the Board members and the senior management members.

Since the Completion Date, the Board has at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to (i) the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise, and (ii) the appointment of independent non-executive Directors representing at least one-third of the Board. Among the three independent non-executive Directors, Mr. Siek Wei Ting has the appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

Board Diversity Policy

Pursuant to Rule 13.92 of the Listing Rules, the nomination committee (or the board) shall have a policy concerning diversity of board members, and shall disclose the policy on diversity or a summary of the policy in the corporate governance report. The Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

The Directors have a balanced mix of knowledge, skills and experiences, including telecommunication, lifestyle, e-commerce and health and fast moving consumer goods industry. Members of the Board have obtained degrees in various majors including business administration, law, commerce and accounting. Furthermore, the ages of the Directors range from 39 years old to 60 years old.

The composition of the Board is disclosed in the Corporate Governance Report every year and the Nomination Committee will supervise the implementation of the Board Diversity Policy and review the effectiveness of the Board Diversity Policy annually as appropriate, discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval. As of the date of this annual report, the diversity of the Board is illustrated as below. Further details on the biographies and experience of the Directors are set out on pages 38 to 59 of this annual report. The Nomination Committee has reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable the Company to maintain high standard of operation.

Measurable Objectives

The Directors recognize the particular importance of gender diversity and that gender diversity at the Board level can be improved given its current composition of two female Directors and six male Directors. Nevertheless, with a view to developing a pipeline of potential successors to the Board that may meet the target gender diversity, the Company will (i) continue to apply the principle of appointments based on merits with reference to board diversity as a whole; (ii) take steps to promote gender diversity at all levels of the Company by recruiting staff at a mid to senior level with regard to the benefits of gender diversity; and (iii) engage more resources in training female staff who we consider having the suitable experience, skills and knowledge for the business to equip themselves with the attributes and competencies required to serve as members of the Board in light of the strategic needs and the industry in which the Company operates with the aim of promoting them to the Board in a few years' time.

As at the date of this annual report, at the Board level, Ms. Tai Ho Yan Olive and Ms. Phua Nan Chie serve as Directors and therefore the Company has one-fourth of the Board as female Directors. At the management level, our chief operating officer Ms. Quek Wei Ling and head of corporate development Ms. Zanetta Lee Yue are female. The Board assesses the Group's diversity profile annually for all levels of employees and applies the diversity policy to attract, retain and motivate employees from the widest possible pool of available talent. As of December 31, 2024, the Group had 333 full-time employees, of whom the number of female employees accounted for approximately 61% and the Group has achieved the objective of maintaining a relatively balanced gender ratio. Based on the Board's review, there was no mitigating factor or circumstance which makes achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

Board Independence

The Company recognizes that Board independence is key to good corporate governance. The Company has in place effective mechanisms that underpin an independent Board and that of independent views. The current composition of the Board, comprising more than one-third of independent non-executive Directors, along with members of the Audit Committee being majority of independent non-executive Directors, comply with the independence requirements under the Listing Rules. The Remuneration Committee and Audit Committee are chaired by independent non-executive Directors. The remuneration of independent non-executive Directors are subject to a regular review to maintain competitiveness and commensurate with their responsibilities and workload. The independence of each independent non-executive Director is assessed upon his/her appointment and annually.

Directors are requested to declare their direct or indirect interests, if any, in proposals or transactions to be considered by the Board at the Board meetings and abstain from voting, where appropriate. External independent professional advice is available to all Directors, including independent non-executive Directors, whenever deemed necessary. The independent non-executive Directors have demonstrated strong commitment and the ability to devote sufficient time to discharge their responsibilities at the Board.

The Company has also established channels through formal and informal means whereby independent non-executive Directors can express their views in an open manner, and in a confidential manner, should circumstances require.

Confirmation of Independence by the Independent Non-executive Directors

The Company has received from each of the independent non-executive Directors an annual confirmation in writing of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that, as of the date of this annual report, all of the independent non-executive Directors are independent.

Induction and Continuous Professional Development

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant pursuant to code provision C.1.4 of the CG Code. In this regard, the company secretary updates the Directors on the latest developments of applicable laws, corporate governance issues, rules and regulations from time to time.

Every newly appointed Director should receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

During the year ended December 31, 2024, all Directors had participated in appropriate continuous professional development activities by ways of attending trainings and/or reading materials relating to the latest development of Listing Rules and other regulatory requirements relevant to the Group, general business or directors' duties and responsibilities, etc. All Directors are encouraged to attend relevant training courses at the Company's expense.

Prior to the Completion Date, each of the Directors attended the training courses conducted by the legal adviser of the Company. The content of such training are related to the duties of the directors and continuing obligations of listed companies.

Each of the Directors has respectively obtained legal advice as regards the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on June, 26 2024 or September 12, 2024 and confirmed that he/she understood his/her obligations as a director of a listed issuer.

Chairman and Chief Executive Officer

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. As of the date of this annual report, Mr. Lee Shieh-Peen Clement acted as the chairman of the Board and Ms. Tai Ho Yan Olive acted as the chief executive officer of the Company. Mr. Lee Shieh-Peen Clement's responsibilities are more focused on strategic management and planning, while Ms. Tai Ho Yan Olive's responsibilities are more focused on business direction and daily management. Their respective responsibilities and division of labour have been set out in writing. Save as disclosed in this annual report, the chairperson of the Board and the chief executive officer of the Company do not have any relationships (including financial, business, family or other material or connected relationship).

Mr. Lee Shieh-Peen Clement is also responsible for the duties as specified in code provisions C.2.2 to C.2.9 of the CG Code. The Board and the senior management, which comprises experienced and high calibre individuals, can ensure the balance of power and authority.

Appointment and Re-Election of Directors

Each of the executive Directors has entered into a service agreement with the Company, and subject to re-election as and when required under the Articles of Association, until terminated in accordance with the terms and conditions of the service agreement or by either party giving to the other not less than six months notice in writing.

Each of our non-executive Directors and independent non-executive Directors has entered into a letter of appointment with our Company for a term of three years commencing from the Completion Date, and subject to re-election as and when required under the Articles of Association, and may be terminated by not less than three months' notice in writing served by either party on the other.

Save as disclosed above, none of the Directors has or is proposed to have entered into any service agreement or letter of appointment with any member of the Group (excluding agreements expiring or determinable by any member of the Group within one year without payment of compensation other than statutory compensation).

In respect of appointment of Directors, the Directors may appoint any person to be a Director, either to fill a vacancy or as an additional Director provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles of Association as the maximum number of Directors. Any Director so appointed shall hold office only until the first annual general meeting of the Company after such Director's appointment and shall then be eligible for re-election at that meeting.

In accordance with the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election at such meeting. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

The procedures and process of appointment, re-election and removal of directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring and make recommendations to the Board on the appointment, re-election and succession planning of Directors, in particular the chairperson of the Board and the chief executive officer.

Board Meetings and Committee Meetings

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. The member of Nomination Committee can call for a meeting anytime when it is necessary. Finance and Risk Committee shall meet at least once every quarter. The Remuneration Committee shall meet at least once every year and the Audit Committee shall meet at least twice a year. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or committee members at least three days before the intended date of the meeting to ensure that they have sufficient time to review the papers and be adequately prepared for the meeting. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman of the Board or the committee members prior to the meeting. Minutes of meetings are kept by the company secretary with copies circulated to relevant Board or Board Committee for comments and records.

Minutes of the Board meetings and committee meetings are recorded in sufficient detail the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Board or committee members and dissenting views expressed. Draft minutes of each Board meeting and committee meeting are sent to the relevant Board or committee members for comments within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by Directors.

The Company is the successor company of the De-SPAC Transaction completed on October 30, 2024 (i.e. the Completion Date) and its shares were listed on the Main Board of the Stock Exchange on the same date. During the period from the Completion Date to December 31, 2024, no meetings of the Board, the Audit Committee, the Remuneration Committee, the Nomination Committee or the Finance and Risk Committee were held. During the period from the Completion Date to December 31, 2024, one extraordinary general meeting of the Company was held on December 5, 2024 to approve the change of auditor of the Company at which all Directors attended in person or by electronic means.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in the Model Code as its own code of conduct for dealings in the securities of the Company by the Directors since the Completion Date. All Directors have confirmed, following specific inquiry by the Company, that they have complied with the Model Code during the period from the Completion Date and up to December 31, 2024.

Delegation by the Board

The Board reserves for its decision on all major matters of the Company, including, approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. All Directors are encouraged to openly share their views on the Company's affairs and issues and they are entitled to have access to the management who will respond to queries raised by the Directors as promptly and fully as possible. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense for ensuing that board procedures and all applicable rules and regulations are followed.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board to ensure that they remain appropriate to the Company's needs. Approval has to be obtained from the Board prior to any significant transactions entered into by the management on the Company's behalf.

Corporate Governance Function

The Board recognizes that corporate governance should be the collective responsibility of Directors and has delegated the corporate governance duties to the Audit Committee and Finance and Risk Committee which include:

(a) to develop and review the Group's policies and practices on corporate governance and make recommendations to the Board;

(b) to review and monitor the training and continuous professional development of Directors and senior management of the Group;

(c) to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors of the Group; and

(e) to review the Group's compliance with the CG Code from time to time adopted by the Group and the disclosure in the Corporate Governance Report to be contained in the Company's annual reports.

BOARD COMMITTEES

Nomination Committee

We established a Nomination Committee on October 30, 2024 with its written terms of reference in compliance with the Listing Rules. As of the date of this annual report, the Nomination Committee currently comprises three members which include one executive Director, Mr. Lee Shieh-Peen Clement, and two independent non-executive Directors, Mr. Selva Bryan Ratnam and Mr. Siek Wei Ting. Mr. Lee Shieh-Peen Clement is the chairperson of the Nomination Committee.

The primary duties of the Nomination Committee include, but are not limited to (i) reviewing the structure, size and composition of the Board; (ii) assessing the independence of independent non-executive Directors; and (iii) making recommendations to the Board on matters relating to appointment of Directors. The written terms of reference of the Nomination Committee are available on the respective websites of the Stock Exchange and the Company. The details of the policies in assessing the candidates or incumbent will be set out in the section headed "Nomination Policy" below.

The Company is the successor company of the De-SPAC Transaction completed on October 30, 2024 (i.e. the Completion Date) and its shares were listed on the Main Board of the Stock Exchange on the same date. No meeting of the Nomination Committee was held during the period from the Completion Date to December 31, 2024.

The Nomination Committee held a meeting on 31 March 2025. The following is a summary of work performed by the Nomination Committee:

(a) review the existing structure, size and composition (including the skills, knowledge and experience) of the Board and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(b) review the policy on Board diversity, and consider any measurable objectives for implementing the policy, and progress on achieving those objectives and make relevant recommendation to the Board;

(c) assess the independence of the existing independent non-executive Directors; and

(d) consider the retirement and re-election of existing Directors at the Company's 2025 Annual General Meeting pursuant to the Company's Articles of Association and to make relevant recommendations to the Board.

Nomination Policy

The Company has adopted a director nomination policy (the "**Director Nomination Policy**") in accordance with the CG Code. The Director Nomination Policy sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

The Nomination Committee shall identify, consider and recommend to the Board appropriate candidates to serve as Directors and to make recommendations to the Shareholders. The ultimate responsibility for selection and appointment of Directors rests with the entire Board.

The Nomination Committee will recommend to the Board for the nomination, appointment of new Directors in accordance with the following procedures and process: (a) the Nomination Committee shall first review and assess factors relating to the diversity of the Board, including but not limited to professional experience, skill, knowledge and length of service, gender, age, cultural and education background, and give consideration to the candidate's willingness to devote adequate time to the Board and independence of each independent non-executive Director based on the requirements of the Listing Rules as amended from time to time; and (b) the Nomination Committee shall then nominate suitable candidates to the Board based on the then-current and anticipated future leadership needs of the Company, with a view to achieving a sustainable and balanced development of the Company.

For the re-election of Directors at the general meeting, the Nomination Committee shall review the overall contribution and services to the Company of the retiring Directors, including its attendance at Board meetings, Board committee meetings and general meetings (if applicable), and his/her level of participation and performance on the Board. The Nominating Committee shall require the nominee to submit updated biographical information and the consent to be re-elected as a Director; and should review and determine whether retiring Directors still meet the criteria for Director selection. The Nominating Committee shall then make recommendations to the Board on the re-election of Directors.

The Nomination Committee shall also monitor and review the implementation of the nomination policy, as appropriate from time to time, and will report to the Board annually.

Remuneration Committee

We established a Remuneration Committee on October 30, 2024 with its written terms of reference in compliance with the Listing Rules. As of the date of this annual report, the Remuneration Committee currently comprises three members, including one executive Director, Ms. Tai Ho Yan Olive, and two independent non-executive Directors, Mr. Selva Bryan Ratnam and Mr. Andrew Chow Heng Cheong. Mr. Andrew Chow Heng Cheong is the chairperson of the Remuneration Committee. The Remuneration Committee confirms that sufficient resources are available to perform its duties.

The primary duties of the Remuneration Committee include, but are not limited to (i) making recommendations to the Directors regarding the policy and structure for the remuneration of all the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policies; (ii) making recommendations to the Board on the remuneration packages of the Directors and senior management; and (iii) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives resolved by the Board from time to time. The written terms of reference of the Remuneration Committee are available on the respective websites of the Stock Exchange and the Company.

The Remuneration Committee reviews and approves management's compensation proposals in response to the Company's overall operating performance indicators and the respective annual performance goals of senior management approved by the Board of Directors to be effective, and has adopted the second model described in code provision E.1.2(c) under the CG Code (i.e. making recommendations to the Board on the remuneration packages of individual executive Directors and senior management), and made recommendations to the Board on the remuneration of non-executive Directors. The Remuneration Committee shall consult the chairman and/or chief executive about their remuneration proposals for other executive Directors and senior management. The Remuneration Committee shall have access to independent professional advice if necessary. The Remuneration Committee shall consider the remuneration paid by similar companies, the time commitment and responsibilities required and the conditions of employment of other positions within the Group, and ensured that no Director or any of his/her associates is involved in deciding his or her own remuneration.

The Remuneration Committee reviews and approves the compensations payable to executive Directors and senior management for loss or termination of their office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and reasonable and not excessive; reviews and approves compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate. There was no compensation arising from the above matters as at the date of this annual report.

The Company is the successor company of the De-SPAC Transaction completed on October 30, 2024 (i.e. the Completion Date) and its shares were listed on the Main Board of the Stock Exchange on the same date. No meeting of the Remuneration Committee was held during the period from the Completion Date to December 31, 2024.

The Remuneration Committee held a meeting on 31 March 2025. The following is a summary of work performed by the Remuneration Committee:

(a) adopt the second model described in code provision E.1.2(c) under the CG code (i.e. making recommendations to the Board on the renumeration packages of individual executive Directors and senior management);

(b) review and make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, if any;

(c) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives, if any;

(d) review the remuneration packages of the individual executive directors and senior management of the Company and to make relevant recommendations to the Board, if any;

(e) make recommendations to the Board on remuneration of non-executive directors, if any; and

(f) review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules, including any grants of options or awards to directors and senior management, and to make disclosure and give explanation on the appropriateness to such material matters (if any) being approved in the corporate governance report.

As part of the Company's remuneration policy, the Board may grant awards in the form of restricted share units ("**RSUs**") and options to employees or directors of the Group and service providers of the Group under the Share Award Scheme. The purpose of the Share Award Scheme is to attract skilled and experienced personnel and service providers, to incentivise them to remain with or to continue to provide their services to the Group and to motivate them to strive for and to contribute to the future development and expansion of the Group by providing them with the opportunity to acquire Shares in the Company and therefore aligning their interests with the Group.

Details of the Directors' remuneration for the year ended December 31, 2024 are set out in Note 11 to the consolidated financial statements. Remuneration by band of the senior management (including two Directors) of the Group for the year ended December 31, 2024 is set out below:

Remuneration band (HK$)	Number of senior management
HK$2,000,001 to HK$2,500,000	2
HK$7,500,001 to HK$8,000,000	2
HK$12,000,001 to HK$12,500,000	1

Audit Committee

We established an Audit Committee on October 30, 2024 with its written terms of reference in compliance with the Listing Rules. As of the date of this annual report, the Audit Committee currently comprises three members including one non-executive director, Ms. Phua Nan Chie and two independent non-executive Directors, Mr. Andrew Chow Heng Cheong and Mr. Siek Wei Ting. Mr. Siek Wei Ting is the chairperson of the Audit Committee.

The primary duties of the Audit Committee include, but are not limited to (i) assisting the Board by providing an independent view of the effectiveness of the financial reporting, risk management and internal control systems of the Company; (ii) overseeing the audit process, developing and reviewing the policies of the Company; and (iii) performing other duties and responsibilities as assigned by the Board. The written terms of reference of the Audit Committee are available on the respective websites of the Stock Exchange and the Company.

The Company is the successor company of the De-SPAC Transaction completed on October 30, 2024 (i.e. the Completion Date) and its shares were listed on the Main Board of the Stock Exchange on the same date. No meeting of the Audit Committee was held during the period from Completion Date to December 31, 2024.

The Audit Committee held a meeting on 31 March 2025. The following is a summary of work performed by the Audit Committee:

(a) note and consider the major audit findings from the auditors, if any;

(b) review and consider the draft audited consolidated financial statements of the Group for the year ended 31 December 2024 and to make relevant recommendation to the Board;

(c) review and consider the annual results announcement of the Group for the financial year ended 31 December 2024;

(d) note and consider any recommendation made in the finance and risk committee meeting held on 31 March 2025, if any;

(e) review the financial controls, and the risk management and internal control systems of the Group;

(f) discuss with management to ensure that the management has performed its duty to have effective systems, including the adequacy of resources, staff qualifications and experience, training programmers and budget of the Company's accounting and financial reporting function;

(g) note and consider major internal audit issues for the year ended 31 December 2024 and to review the effectiveness of the Company's internal audit function and to recommend to the Board on the review;

(h) consider the re-appointment of auditors of the Company and make relevant recommendations to the Board; and

(i) review the whistleblowing policy.

The Company has proper arrangements for employees, in confidence, to raise concerns about possible improprieties in financial reporting, internal control and other matters.

Finance and Risk Committee

We have established a Finance and Risk Committee on October 30, 2024 which consists of four members, namely Ms. Phua Nan Chie, Mr. Lee Shieh-Peen Clement, Mr. Andrew Chow Heng Cheong and Mr. Selva Bryan Ratnam. The Finance and Risk Committee is chaired by Ms. Phua Nan Chie.

The primary duties of the Finance and Risk Committee include, but are not limited to (i) reviewing the Company's financial and investment plans and budgets and providing recommendations; (ii) approving major financial expenses and investments of the Company; (iii) reviewing the financial performance of the Company against the approved plans and budgets, its major financial transactions and activities and the use of proceeds therefrom; (iv) reviewing and recommending the Company's risk appetite and tolerance levels; and (v) reviewing the Company's risk management processes and identifying, assessing and reporting key areas of strategic, financial and operational risks to the Board and the Audit Committee. The written terms of reference of the Finance and Risk Committee are available on the respective websites of the Stock Exchange and the Company.

The Company is the successor company of the De-SPAC Transaction completed on October 30, 2024 (i.e. the Completion Date) and its shares were listed on the Main Board of the Stock Exchange on the same date. No meeting of the Finance and Risk Committee was held during the period from the Completion Date to December 31, 2024.

The Finance and Risk Committee held a meeting on 31 March 2025. The following is a summary of work performed by the Finance and Risk Committee:

(a) review the financial accounts and reports to the Board and its audit committee for approval;

(b) review the Company's risk management processes and identify, assess and report key areas of strategic, financial and operational risks to the Board and its Audit Committee;

(c) review and assess the Company's internal controls systems and processes for both financial and non-financial functions, and report to the Board and its Audit Committee on their adequacy; and

(d) review and assess the Company's liquidity and cash position.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the year ended December 31, 2024 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows. The management of the Company has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides to members of the Board updates on the Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the external auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report to this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the Company's risk management and internal control systems and reviewing their effectiveness. The risk management and internal control measures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. During the Reporting Period, the Board had conducted a review of the effectiveness of the risk management internal control system of the Company and considered the system to be effective and adequate.

The Group has established an internal audit department; headed by the Chief Financial Officer of the Company and supported by an independent external service provider, which is responsible for identifying and supervising the Group's risk and internal control issues and reporting directly to the Board of any findings and follow-up actions. The internal audit department supervised and reviewed corporate daily business to ensure that the Company's business continues to meet the requirements of the Company's system and external supervision.

The Group has established an Internal Audit Charter, which is designed to enable the Company to maintain the highest standards of corporate governance and to identify and reduce any potential risks. The Internal Audit Charter also clarifies the division of responsibility and authority of risk management corresponding to each relevant department and standardizes the basic process of risk management. All departments will (i) systematically and regularly identify internal and external risks; (ii) assess the possibility and impact of risks; (iii) determine risk response strategies and implement response plans; (iv) regular risk management and regular testing of the situation and response capabilities; (v) overall evaluation of the effectiveness of the design and implementation of risk response strategies; and (vi) regular and systematic reporting of risks and risk management information.

Pursuant to the Internal Audit Charter, the Company has established a compliance window for all the employees of the Company to submit their compliance inquiries and compliance reports. During the Reporting Period, the Company has set up a whistleblowing channel, allowing stakeholders to report any inappropriate matters that may be related to the Company secretly and anonymously. This reporting channel regularly reviews and reports the reported matters to the Audit Committee. The Company reviewed and enhanced its internal control system regularly by revising and improving its internal control matrix and internal control manual once a year. The Company's existing system, operating procedures and control measures were adjusted in accordance with the needs of the Company's business management and external regulatory requirements. The Company carried out an internal control assessment at least once a year to ensure that each of its departments has properly complied with its internal control system as well as any recommendation for rectification on any defects in its internal control identified when its self-assessment could be provided after internal communication and determination.

For the handling and dissemination of inside information, the Group has formulated an information disclosure management system to clarify the relevant obligations of insiders, reporting procedures and information disclosure responsibilities of relevant personnel, and arrange self-inspection in a timely manner. The Group monitors possible inside information and organizes intermediary agencies to determine whether the information is inside information or whether need to be disclosed.

The Group has set out in writing the prohibition of bribery, fraud and corruption in the Anti-Corruption Policy. The group compliance officer together with the human resources department (as the relevant functional department) will review, supervise the behaviour of all employees, investigate violations and make recommendations on discipline.

Our Company reviews risk management and internal control systems once a year and has reported to the Audit Committee and the Board of Directors for the findings. The Board has reviewed and believes that the risk management and internal control systems of the Group for the period from the Completion Date to December 31, 2024, are complete, and are fully and effectively operated in all material controls, including financial, operational and compliance controls, which are sufficient to protect the interests of all stakeholders of the Group. The Board of Directors also confirmed that the resources, staff qualifications and experience, training programs and budget of the issuer's accounting, internal audit, financial reporting functions, as well as those relating to the ESG performance and reporting are adequate.

The Group also provides employees with revised staff manual and various management systems from time to time. Our Company has set up employee induction training and assessment and provide employees with compliance training on a regular basis to enhance compliance awareness.

AUDITOR'S REMUNERATION

The fees paid/payable in respect of the audit and non-audit services provided to the Company and its subsidiaries by external auditors for the year ended December 31, 2024 are set out in the table below:

Services rendered by the Company	Total fees paid and payable S$'000
Audit services:	
Annual audit fee	380
Non-audit services:	
Tax filing fee	20

COMPANY SECRETARY

In compliance with Rule 3.29 of the Listing Rules, Mr. Lee Chung Shing (李忠成) undertook not less than 15 hours of relevant professional training to update his skills and knowledge during the Reporting Period. All members of the Board can have access to the company secretary's advice and services. The appointment and removal of the company secretary will be subject to Board's approval. Ms. Zanetta Lee Yue, being the head of corporate development of the Group, is the primary contact person of the Company who would work and communicate with Mr. Lee on the Company's corporate governance and secretarial and administrative matters.

GENERAL MEETING

The De-SPAC Transaction was completed on October 30, 2024. The Company held an extraordinary general meeting on December 5, 2024 to approve the change of auditor of the Company. Save for the aforesaid, no general meeting of the Company was held during the period between the Completion Date and December 31, 2024.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Shareholders and potential investors on the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The general meetings provide opportunity for Shareholders to communicate directly with the Directors. The chairman of the Board, the chairmen of the Board committees will attend the general meetings to answer Shareholders' questions. The external auditors of the Company will also attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report and auditor independence.

To promote effective communication, the Company adopts a Shareholders' communication policy which aims at establishing a two-way relationship and established a range of communication channels between the Company, its Shareholders, investors and other stakeholders. These include (i) the publication of interim and annual reports and/or dispatching circulars, notices, and other announcements; (ii) the annual general meeting or extraordinary general meeting providing a forum for Shareholders to raise comments and exchanging views with the Board; (iii) updated and key information of the Group available on the Company's website and the Stock Exchange's website; (iv) the Company's website offering communication channel between the Company and its stakeholders; (v) the Company's share registrar in Hong Kong serving the Shareholders in respect of all share registration matters; and (vi) convening investor meeting and/or analyst briefings, which are led by our management members and investor relations team with existing and potential investors.

Having considered the multiple channels of communication and shareholders engagement in the general meetings held during the year, the Board is satisfied that the shareholders communication policy has been properly implemented during the Reporting Period and is effective.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed by the chairman of that meeting for each substantially separate issue at Shareholder meetings, including nomination and election of individual Directors.

All resolutions put forward at Shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each Shareholder meeting in accordance with the Listing Rules.

(1) Procedures for Shareholders to convene an extraordinary general meeting

In accordance with Article 17.3 of the Articles of Association, the Board may convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the written requisition of any one or more members holding at the date of deposit of the requisition not less than 10% of the voting rights, on a one vote per share basis, of the issued Shares which as at that date carry the right to vote at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and signed by the requisitionist(s). If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition.

(2) Procedures for putting forward proposals at general meeting

Shareholders who wish to propose resolutions may follow Articles 17.3 to 17.7 of the Articles of Association for requisitioning an extraordinary general meeting and including a resolution at such meeting. The requirements and procedures are set out above.

(3) Inquiries to the Board

Shareholders and investors may send written inquiries or requests to the Company as follows:

Address: Suites 4310–11, Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
Email: info@synagie.com

DIVIDEND POLICY

The Company is a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will depend on the availability of dividends received from its subsidiaries. Distributions from the Company and its subsidiaries may also become subject to any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that the Company or its subsidiaries may enter into in the future.

Any future determination of the Company to pay dividends will be made at the discretion of its directors and will 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. Under Cayman Islands law, a position of accumulated losses and net liabilities does not necessarily restrict the Company from declaring and paying dividends to the shareholders out of either the Group's profit or its share premium account, provided this would not result in the Company being unable to pay its debts as they fall due in the ordinary course of business.

CONSTITUTIONAL DOCUMENTS

The Articles of Association have been amended and restated with effect from the Completion Date, and are available on the respective websites of the Stock Exchange and the Company. Save as disclosed above, there is no other change in the constitutional documents of the Company from the Completion Date to December 31, 2024.

REPORT OF DIRECTORS

The Board of the Company is pleased to present this Report of Directors together with the consolidated financial statements of the Group for the year ended December 31, 2024.

BOARD OF DIRECTORS

The Board currently comprises two executive Directors, three non-executive Directors and three independent non-executive Directors.

The Directors during the period from the Completion Date to December 31, 2024 and as at the date of this annual report were:

Executive Directors

Mr. Lee Shieh-Peen Clement *(Chairman)*
Ms. Tai Ho Yan Olive

Non-executive Director

Ms. Phua Nan Chie
Mr. Chong Tian Taum
Mr. Jin Qin

Independent Non-executive Directors

Mr. Selva Bryan Ratnam
Mr. Andrew Chow Heng Cheong
Mr. Siek Wei Ting

GENERAL INFORMATION

The Company is an exempted limited liability company under the laws of the Cayman Islands. The Company is the successor company of the De-SPAC Transaction completed on October 30, 2024 and its shares were listed on the Main Board of the Stock Exchange on the same date.

PRINCIPAL ACTIVITIES

The Group is a data-driven digital solutions platform in Southeast Asia. We were among the top ten digital solutions providers in Southeast Asia. We provide integrated digital solutions to our brand partners, where under our D2B model we provide data-driven digital solutions to brands or businesses covering all aspects of e-commerce, and meanwhile under our D2C 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.

BUSINESS REVIEW

A review of the business of the Group during the Reporting Period as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a discussion and analysis on the Group's future business development and the financial and operational key performance indicators employed by the Directors in measuring the performance of the Group's business is set out in "Management Discussion and Analysis" on pages 9 to 16 of this annual report. These discussions form part of this Report of Directors. Events affecting the Company that have occurred since the end of the financial year are set out in "Events After Reporting Period" in this Report of Directors on page 57 of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties faced by the Group, some of which are beyond its control:

- Goodwill impairment could negatively affect financial results and overall position;
- Fair value fluctuations in financial instruments may cause financial and operational impacts due to valuation uncertainty;
- Failure to disclose relevant information in a timely manner may result in non-compliance with listing regulations;
- Improper implementation of an employee code of conduct can lead to gaps between staff performance and managerial expectations, particularly in ethical situations, impacting work efficiency;
- Absence of a robust integrity culture may lead to risks of fraud, reputation damage, and financial loss;
- Data breaches pose risks of legal action, reputational damage, and loss of customer trust;
- Risks associated with outsourcing, such as third-party service provider failures, could delay solution delivery, adversely impacting our business and financial performance;
- Non-compliance with local laws could result in penalties, harming financial and operational success;
- E-commerce market stagnation in Southeast Asia could reduce demand for our products; and
- Growth relies on attracting and retaining partners and boosting sales.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth. Based on our environmental policies and goals set, the Company spares no efforts to minimize the relative environmental impact through resources management and emissions management. Details are set out in the "Environmental, Social and Governance Report" on pages 60 to 80 of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

EMPLOYEES AND REMUNERATION POLICIES

A review of the employees and remuneration policies of the Group for the Reporting Period are set out in "Management Discussion and Analysis" on page 16 of this annual report.

RETIREMENT BENEFITS SCHEME

As prescribed by the Central Provident Fund Board of Singapore, the Group's employees employed in Singapore who are Singapore Citizens or Permanent Residents are required to join the Central Provident Fund scheme. The Group's contribution rates of the eligible employees' salaries remain the same, with each employee's qualifying salary capped at S$6,800 per month. The employees of the Group's subsidiaries in other jurisdictions participate in defined contribution plans in respective jurisdictions. The subsidiaries are required to contribute a certain percentage of their payroll to the defined contribution plans to fund the benefits. The only obligations of the Group with respect to the defined contribution plans is to make the required contributions under the respective plans.

During the Reporting Period, there were no forfeited contributions under the Group's retirement benefits scheme or pension plans, and there were no forfeited contributions that may be used by the Group to reduce the existing level of contribution. Details of the pension contributions of the Company are set out in Note 33 to the Consolidated Financial Statements in this annual report.

MAJOR SUPPLIERS

For the year ended December 31, 2024, the Group's suppliers primarily consisted of e-commerce channels, our brand suppliers under our D2C business model, and our supply chain partners. The Group selects its suppliers by considering their product quality, industry reputation and compliance with relevant regulations and industry standards. For the year ended December 31, 2024, purchases from the Group's five largest suppliers in the aggregate amounted to S$45.1 million (2023: S$65.6 million), accounted for 48.9 % (2023: 54.6%) of the Group's total purchases for the same year. Purchases from the Group's largest supplier for the year ended December 31, 2024 amounted to S$19.8 million (2023: S$38.9 million), accounting for approximately 21.6% (2023: 32.4%) of the Group's total purchase amount for the same year. PT Ecart Webportal (Lazada), being one of the five largest suppliers of the Company with purchases amounting to S$2.5 million (2023: S$1.8 million), is a subsidiary of Alibaba which is a major shareholder of the Company.

Save as disclosed above, none of the Directors, their respective close associates, or any Shareholder of the Company who, to the knowledge of the Directors, owns more than 5% of the Company's issued capital, has any interest in any of the Group's five largest suppliers.

During the year ended December 31, 2024, the Group did not experience any significant disputes with its suppliers.

MAJOR CUSTOMERS

During the year ended December 31, 2024, the Group's major customers comprise (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. For the year ended December 31, 2024, sales from the Group's five largest customers in the aggregate amounted to S$15.5 million (2023: S$10.1 million), accounted for 15.2% (2023: 8.0%) of the Group's total sales for the same year. Sales from the Group's largest customer for the year ended December 31, 2024 amounted to S$5.1 million (2023: S$3.7 million), accounting for approximately 5.0% (2023: 2.9%) of the Group's total sales amount for the same year. HKT Limited, being one of the five largest customers of the Company with sales amounting to S$5.1 million (2023: nil), is an indirect shareholder of the Company as its wholly owned subsidiary, Celestial Link Limited, holds more than 5% of the Company's issued capital.

Save as disclosed above, none of the Directors, their respective close associates, or any Shareholder of the Company who, to the knowledge of the Directors, owns more than 5% of the Company's issued capital, has any interest in any of the Group's five largest customers.

During the year ended December 31, 2024, the Group did not experience any significant disputes with its customers.

KEY RELATIONSHIP WITH STAKEHOLDERS

The Group recognizes that various stakeholders including customers, suppliers, employees, shareholders, warrantholders and other business associates are key to the Group's success. The Group strives to achieve corporate sustainability through engaging, collaborating, and cultivating strong relationship with them.

Relationship with Our Employees

We endeavor to cultivate talented and qualified employees by treating our employees with dignity, respect and fairness. We provide executive coaching, employee surveys or engagement, training and development, compensation and rewards. We enter into employment contracts with our employees to cover matters such as salaries, bonuses, employee benefits, workplace safety, confidentiality obligations, work product assignment clause and grounds for termination.

The remuneration package of our employees usually includes competitive salaries, bonuses and incentive schemes, which are generally determined by their qualifications, industry experience, position and performance. We make contributions to social security schemes, including pension, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and housing funds, as required by the laws and regulations.

Relationship with Our Shareholders and Warrantholders

We recognize the importance of protecting the interests of the shareholders and the warrantholders and of having effective communication with them. We believe communication with the shareholders and the warrantholders is a two-way process and have thrived to ensure the quality and effectiveness of information disclosure, maintain regular dialog with the shareholders and the warrantholders and listen carefully to the views and feedback from the shareholders and the warrantholders. This is done through general meetings, corporate communications, annual and interim reports and results announcements.

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and the senior management of the Company from the Completion Date and up to December 31, 2024 are set out in "Profiles of Directors and Senior Management" on pages 17 to 22 of this annual report.

SERVICE CONTRACTS OF THE DIRECTORS

Each of the executive Directors has entered into a service agreement with the Company, and subject to re-election as and when required under the Articles of Association, until terminated in accordance with the terms and conditions of the service agreement or by either party giving to the other not less than six months notice in writing. Under the terms of the service agreement, our executive Directors will be entitled to a fixed fee for his or her service as executive Director.

Each of our non-executive Directors and independent non-executive Directors has entered into a letter of appointment with our Company for a term of three years commencing from the Completion Date, and subject to re-election as and when required under the Articles of Association, and may be terminated by not less than three months' notice in writing served by either party on the other. No director's remuneration will be paid to our non-executive Directors for his or her service as non-executive Director, while each of our independent non-executive Directors will be entitled to a fixed director's fee under the terms of the letter of appointment.

Save as disclosed above, none of the Directors has or is proposed to have entered into any service agreement or letter of appointment with any member of the Group (excluding agreements expiring or determinable by any member of the Group within one year without payment of compensation other than statutory compensation).

REPORT OF DIRECTORS

In accordance with the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election at such meeting. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract with the Company or any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As disclosed in the De-SPAC Circular, Mr. Lee Shieh-Peen Clement and Ms. Tai Ho Yan Olive, the executive Directors, together with Ms. Zanetta Lee Yue, as founding shareholders of the business of the Group, were granted the Target Company Founding Shareholders Earn-out Right to receive the Shares representing in aggregate up to 12% of the total number of Shares in issue as at the Completion Date. Such Target Company Founding Shareholders Earn-out Right will be triggered only if the volume weighted average price of the Shares has achieved the relevant requirements. Further details are set out in the De-SPAC Circular.

Save as disclosed, at no time during period since the Completion Date to December 31, 2024 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate; and none of the Directors had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

REMUNERATION OF THE DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

In compliance with Rule 3.25 of the Listing Rules and the CG Code, the Company has established the Remuneration Committee to formulate remuneration policies. The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Remuneration Committee. The Directors and the senior management personnel are eligible participants of the share schemes of the Company.

Details of the remuneration of the Directors, chief executive officer and the five highest paid individuals for the Reporting Period are set out in Note 11 to the consolidated financial statements. During the Reporting Period, there was no emoluments paid by the Group to any of the Directors, chief executive officer or the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance, whether for the provision of services or otherwise, to the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended December 31, 2024.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, no controlling Shareholders or their subsidiaries had a material interest, either directly or indirectly, in any contract of significance, whether for the provision of services or otherwise, to the Group to which the Company or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended December 31, 2024.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save for the Directors' respective interests in the Group, none of the Directors was interested in any business which competes or is likely to compete, directly or indirectly, with the businesses of the Group for the year ended December 31, 2024.

MANAGEMENT CONTRACTS

Save as disclosed in this annual report, no contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered or existed during the year ended December 31, 2024.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTION

Details on related party transactions for the year ended December 31, 2024 are set out in Note 32 to the consolidated financial statements. Below is a summary of the connected transactions of the Company under Chapter 14A of the Listing Rules conducted during the year ended December 31, 2024.

1. Miravia E-commerce Services Framework Agreement

On October 3, 2024, Arise Operating E-Commerce Private Limited ("**Arise Operating**") and HK Acquisition Corporation entered into the Miravia E-commerce Services Framework Agreement (the "**Miravia E-commerce Services Framework Agreement**") which became effective upon completion of the De-SPAC Transaction, pursuant to which, among others, the Group will purchase e-commerce services from Arise Operating including (i) e-commerce store management services provided by Arise Operating through Miravia, a platform operated by Arise Operating (the "**Miravia Platform**"), for offer of products for sale and supporting services enabling the listing and publishing of products for sale on the Miravia Platform, order processing and collection, reconciliation and execution of sales proceeds from the sale of products on the Miravia Platform; and (ii) e-commerce customer services, including coordinating and answering buyer enquiries and processing returns. The Miravia E-commerce Services Framework Agreement has an initial term from the Completion Date to December 31, 2026, and thereafter will be automatically renewed for successive terms of three years subject to compliance with the relevant requirements of the Listing Rules, unless either party terminates such agreement by giving one month's written notice. Further details are set out in the De-SPAC Circular.

Arise Operating is a subsidiary of Alibaba, a major shareholder of the Company, and hence a connected person of the Company under Rule 14A.13(1) of the Listing Rules. As such, the transactions contemplated under the Miravia E-commerce Services Framework Agreement shall constitute connected transactions of the Company.

The proposed annual cap for the transactions contemplated under the Miravia E-commerce Services Framework Agreement for the years ending December 31, 2024, 2025 and 2026 is S$0.2 million, S$0.3 million and S$0.4 million, respectively. For the year ended December 31, 2024, the actual transaction amount under the Miravia E-commerce Services Framework Agreement was S$0.1 million.

The transactions contemplated under the Miravia E-commerce Services Framework Agreement are conducted in the ordinary and usual course of business on normal commercial terms or better and the Directors expect that the highest applicable percentage ratio (other than the profit ratio) under Chapter 14A of the Listing Rules in respect of such transactions, when aggregated with the relevant percentage ratio of the Lazada E-commerce Services Framework Agreement (as defined below) will be more than 0.1% but less than 5%. As such, these transactions are subject to reporting, annual review and announcement requirements but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

2. Lazada E-commerce Services Framework Agreement

On October 3, 2024, Lazada South East Asia Pte. Ltd. ("**Lazada**") and HK Acquisition Corporation entered into a Lazada E-commerce Services Framework Agreement (the "**Lazada E-commerce Services Framework Agreement**") which became effective upon completion of the De-SPAC Transaction, pursuant to which, among others, the Group will purchase e-commerce services from Lazada including (i) e-commerce store management services, provided through the platform operated by Lazada (the "**Lazada Platform**") for offer of products for sale and supporting services enabling the listing and publishing of products for sale on the Lazada Platform, order processing and collection, reconciliation and execution of sales proceeds from the sale of products on the Lazada Platform; and (ii) e-commerce customer services, such as coordinating and answering buyer enquiries and processing returns. The Lazada E-commerce Services Framework Agreement has an initial term from the Completion Date to December 31, 2026, and thereafter will be automatically renewed for successive terms of three years subject to compliance with the relevant requirements of the Listing Rules, unless either party terminates such agreement by giving one month's written notice. Further details are set out in the De-SPAC Circular.

Lazada is a subsidiary of Alibaba, a major shareholder of the Company, and hence a connected person of the Company under Rule 14A.13(1) of the Listing Rules. As such, the transactions contemplated under the Lazada E-commerce Services Framework Agreement shall constitute connected transactions of the Company.

The proposed annual cap for the transactions contemplated under the Lazada E-commerce Services Framework Agreement for the years ending December 31, 2024, 2025 and 2026 is S$1.9 million, S$2.5 million and S$3.2 million, respectively. For the year ended December 31, 2024, the actual transaction amount under the Lazada E-commerce Services Framework Agreement was S$1.7 million.

The transactions contemplated under the Lazada E-commerce Services Framework Agreement are conducted in the ordinary and usual course of business on normal commercial terms or better and the Directors expect that the highest applicable percentage ratio (other than the profit ratio) under Chapter 14A of the Listing Rules in respect of such transactions, when aggregated with the relevant percentage ratio of the Miravia E-commerce Services Framework Agreement, will be more than 0.1% but less than 5%. As such, these transactions are subject to reporting, annual review and announcement requirements but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

3. Alibaba Cloud Technology Services Framework Agreement

On October 3, 2024, Alibaba Cloud (Singapore) Private Limited ("**Alibaba Cloud**") and the Company entered into the Alibaba Cloud Technology Services Framework Agreement (the "**Alibaba Cloud Technology Services Framework Agreement**") which became effective upon completion of the De-SPAC Transaction, pursuant to which, among others, the Group will purchase cloud technology and network support services from Alibaba Cloud. The Alibaba Cloud Technology Services Framework Agreement has an initial term from the Completion Date to December 31, 2026, and thereafter will be automatically renewed for successive terms of three years subject to compliance with the relevant requirements of the Listing Rules, unless either party terminates such agreement by giving one month's written notice.

Alibaba Cloud is a subsidiary of Alibaba, a major shareholder of the Company, and hence a connected person of the Company under Rule 14A.13(1) of the Listing Rules. As such, the transactions contemplated under the Alibaba Cloud Technology Services Framework Agreement shall constitute connected transactions of the Company. Further details are set out in the De-SPAC Circular.

The proposed annual cap for the transactions contemplated under the Alibaba Cloud Technology Services Framework Agreement for the years ending December 31, 2024, 2025 and 2026 is S$0.3 million, S$0.5 million and S$0.6 million, respectively. For the year ended December 31, 2024, the actual transaction amount under the Alibaba Cloud Technology Services Framework Agreement was S$0.2 million.

The transactions contemplated under the Alibaba Cloud Technology Services Framework Agreement are conducted in the ordinary and usual course of business on normal commercial terms or better and the Directors expect that the highest applicable percentage ratio (other than the profit ratio) under Chapter 14A of the Listing Rules in respect of such transactions will be more than 0.1% but less than 5%. As such, these transactions are subject to reporting, annual review and announcement requirements but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

4. Lazada Logistics and Warehouse Services Framework Agreement

On October 3, 2024, Lazada and the Company entered into a Lazada Logistics and Warehouse Services Framework Agreement (the "**Lazada Logistics and Warehouse Services Framework Agreement**") which became effective upon completion of the De-SPAC Transaction, pursuant to which, among others, the Group will purchase from Lazada logistics and warehouse services including (i) logistics coordination of delivery and returns of products on the Lazada Platform; and (ii) leasing of warehouse space and fulfillment and inventory management services at warehouse facilities operated by Lazada. The Lazada Logistics and Warehouse Services Framework Agreement has an initial term from the Completion Date to December 31, 2026, and thereafter will be automatically renewed for successive terms of three years subject to compliance with the relevant requirements of the Listing Rules, unless either party terminates such agreement by giving one month's written notice. Further details are set out in the De-SPAC Circular.

Lazada is a subsidiary of Alibaba, a major shareholder of the Company, and hence a connected person of the Company under Rule 14A.13(1) of the Listing Rules. As such, the transactions contemplated under the Lazada Logistics and Warehouse Services Framework Agreement shall constitute connected transactions of the Company.

The proposed annual cap for the transactions contemplated under the Lazada Logistics and Warehouse Services Framework Agreement for the years ending December 31, 2024, 2025 and 2026 is S$0.8 million, S$1.1 million and S$1.3 million, respectively. For the year ended December 31, 2024, the actual transaction amount under the Lazada Logistics and Warehouse Services Framework Agreement was S$0.3 million.

The transactions contemplated under the Lazada Logistics and Warehouse Services Framework Agreement are conducted in the ordinary and usual course of business on normal commercial terms or better and the Directors expect that the highest applicable percentage ratio (other than the profit ratio) under Chapter 14A of the Listing Rules in respect of such transactions will be more than 0.1% but less than 5%. As such, these transactions are subject to reporting, annual review and announcement requirements but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

5. Lazada Marketing Services Framework Agreement

On October 3, 2024, Lazada and the Company entered into a Lazada Marketing Services Framework Agreement (the "**Lazada Marketing Services Framework Agreement**") which became effective upon completion of the De-SPAC Transaction, pursuant to which, among others, the Group will purchase marketing services including executing and operating marketing campaigns and activities on the Lazada Platform provided by Lazada. The Lazada Marketing Services Framework Agreement has an initial term from the Completion Date to December 31, 2026, and thereafter will be automatically renewed for successive terms of three years subject to compliance with the relevant requirements of the Listing Rules, unless either party terminates such agreement by giving one month's written notice.

Lazada is a subsidiary of Alibaba, a major shareholder of the Company, and hence a connected person of the Company under Rule 14A.13(1) of the Listing Rules. As such, the transactions contemplated under the Lazada Marketing Services Framework Agreement shall constitute connected transactions of the Company.

The proposed annual cap for the transactions contemplated under the Lazada Marketing Services Framework Agreement for the years ending December 31, 2024, 2025 and 2026 is S$3.7 million, S$4.7 million and S$6.1 million, respectively. For the year ended December 31, 2024, the actual transaction amount under the Lazada Marketing Services Framework Agreement was S$2.8 million.

The transactions contemplated under the Lazada Marketing Services Framework Agreement are conducted in the ordinary and usual course of business on normal commercial terms or better and the Directors expect that the highest applicable percentage ratio (other than the profit ratio) under Chapter 14A of the Listing Rules in respect of such transactions will be more than 5%. As such, these transactions are subject to reporting, annual review and announcement requirements and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The independent non-executive Directors have reviewed the continuing connected transactions of the Company above and confirmed that the transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The auditors of the Company has provided a letter to the Board confirming that nothing has come to their attention that causes them to believe that the continuing connected transactions: (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the proposed annual cap.

Save as disclosed in this annual report, (i) none of the related party transactions constituted a connected transaction or continuing connected transaction which is subject to the Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules; and (ii) the Company has complied with Chapter 14A of the Listing Rules for the continuing connected transactions during the Reporting Period.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of December 31, 2024, the interests and short positions of the Directors and chief executive of the Company in any of the Shares, underlying Shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in Shares and underlying Shares

Name of Director	Capacity/ nature of interest	Number of Shares/ underlying Shares[1]	Percentage of shareholding in the Company[6]
Mr. Lee Shieh-Peen Clement	Beneficial owner and founder of trust[2]	114,115,157[3] (L)	26.26%
Ms. Tai Ho Yan Olive	Beneficial owner and interest in controlled corporation[4]	35,883,129[5] (L)	8.26%

Notes:

(1) The letter “L” denotes long positions and the letter “S” denotes short positions.

(2) Metadrome Ltd. is wholly owned by D.A.T. Associates Limited as nominee for Mr. Lee Shieh-Peen Clement pursuant to a declaration of trust. Under the SFO, Mr. Lee Shieh-Peen Clement is deemed to be interested in the 64,973,043 Shares in which Metadrome Ltd. and D.A.T. Associates Limited are interested.

(3) It includes 14,287,411 Shares owned by Mr. Lee Shieh-Peen Clement and 34,854,703 Shares which may be issued pursuant to the exercise of the Target Company Founder Earn-out Right.

(4) Venture Lab Pte. Ltd. is wholly owned by Ms. Tai Ho Yan Olive. Under the SFO, Ms. Tai Ho Yan Olive is deemed to be interested in the 20,164,962 Shares in which Venture Lab Pte. Ltd. is interested.

(5) It includes 4,758,222 Shares owned by Ms. Tai Ho Yan Olive and 10,959,945 Shares which may be issued pursuant to the exercise of the Target Company Founder Earn-out Right.

(6) Calculated on the basis of 434,581,999 Shares in issue as at 31 December 2024.

Interests in Associated Corporations

Name of Director	Associated corporation	Capacity/ nature of interest	Number of shares held	Percentage of shareholding in the associated corporation
Mr. Lee Shieh-Peen Clement	Synagie Inc.	Nominee[(1)]	1 share	Less than 0.1%
Ms. Tai Ho Yan Olive	Synagie Inc.	Nominee[(1)]	1 share	Less than 0.1%
	Synagie Corporation (Thailand) Limited	Beneficial interest	100 shares	0.1%
	Synagie (Thailand) Ltd.	Beneficial interest	200	0.10%

Note:

(1) Each of Mr. Lee Shieh-Peen Clement and Ms. Tai Ho Yan Olive holds one share in Synagie Inc. as nominee on behalf of Synagie, a wholly-owned subsidiary of the Company.

Save as disclosed above, as of December 31, 2024, to the best knowledge of the Directors and chief executive of the Company, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS OF THE SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As of December 31, 2024, so far as the Directors were aware, the following persons (not being a Director or chief executive of the Company) had or were deemed or taken to have interests or short positions in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein:

Interests in the Shares

Name of Shareholder	Nature of interest	Number of Shares[(1)]	Percentage of shareholding in the Company[(7)]
Alibaba Singapore Holding Private Limited	Beneficial owner	147,881,087 (L)	34.03%
Alibaba.com Holding Limited	Interest in controlled corporation [(2)]	147,881,087 (L)	34.03%
Alibaba.com International (Cayman) Holding Limited	Interest in controlled corporation [(2)]	147,881,087 (L)	34.03%

Name of Shareholder	Nature of interest	Number of Shares[(1)]	Percentage of shareholding in the Company[(7)]
Alibaba.com Investment Holding Limited	Interest in controlled corporation [(2)]	147,881,087 (L)	34.03%
Alibaba.com Limited	Interest in controlled corporation [(2)]	147,881,087 (L)	34.03%
Meranti ASEAN Growth Fund L.P.	Beneficial owner	69,449,047 (L)	15.98%
Gobi Ventures ASEAN	Interest in controlled corporation [(3)]	69,449,047 (L)	15.98%
Taklamakan Holdings Inc	Interest in controlled corporation [(3)]	69,449,047 (L)	15.98%
Mr. Wang Chuan-Chung	Interest in controlled corporation [(3)]	69,449,047 (L)	15.98%
Alibaba Investment Limited	Interest in controlled corporation [(4)]	69,449,047 (L)	15.98%
Alibaba Group Holding Limited	Interest in controlled corporation [(2)(4)]	217,330,134 (L)	50.01%
Metadrome Ltd.	Beneficial owner	64,973,043 (L)	14.95%
HKT Limited	Interest in controlled corporation [(5)]	28,000,000 (L)	6.44%
PCCW Limited	Interest in controlled corporation [(5)]	28,000,000 (L)	6.44%
Chan Tak Lam Norman	Interest in controlled corporation [(6)]	25,865,925 (L)	5.95%
Extra Shine Limited	Beneficial owner [(6)]	25,865,925 (L)	5.95%

Notes:

(1) The letter "L" denotes long positions and the letter "S" denotes short positions.

(2) Alibaba Singapore Holding Private Limited 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 Group Holding Limited directly owns approximately 80% of the share capital of Alibaba.com Limited. Under the SFO, each of Alibaba.com Holding Limited, Alibaba.com International (Cayman) Holding Limited, Alibaba.com Investment Holding Limited, Alibaba.com Limited and Alibaba Group Holding Limited is deemed to be interested in the Shares in which Alibaba Singapore Holding Private Limited is interested.

(3) Meranti ASEAN Growth Fund L.P. is managed by its general partner, Gobi Ventures ASEAN, a wholly-owned subsidiary of Taklamakan Holding Inc., which is wholly owned by Mr. Wang Chuan-Chung. Under the SFO, each of Gobi Ventures ASEAN, Taklamakan Holding Inc. and Mr. Wang Chuan-Chung is deemed to be interested in the Shares in which Meranti ASEAN Growth Fund L.P. is interested.

(4) The partnership interests in Meranti ASEAN Growth Fund L.P. are held as to 44.56% by Alibaba Investment Limited, which is wholly owned by Alibaba Group Holding Limited. Under the SFO, each of Alibaba Investment Limited and Alibaba Group Holding Limited is deemed to be interested in the Shares in which Meranti ASEAN Growth Fund L.P. is interested.

(5) HKT Limited through its wholly-owned subsidiaries is interested in 28,000,000 Shares. HKT Limited is held as to 52.51% by PCCW Limited. Under the SFO, PCCW Limited is deemed to be interested in the Shares in which HKT Limited is interested.

(6) Upon closing of the De-SPAC Transaction, Extra Shine Limited (i) holds 12,756,375 Shares and 16,014,000 unlisted warrants (in the name of Hong Kong Acquisition Company Limited as nominee which entitle its holder to receive no more than 8,007,000 Shares), and (ii) has an earn-out right of up to 5,102,550 Shares. Extra Shine Limited is held as to 100% by Chan Tak Lam Norman. Under the SFO, Chan Tak Lam Norman is deemed to be interested in the Shares in which Extra Shine Limited is interested.

(7) Calculated on the basis of 434,581,999 Shares in issue as at 31 December 2024.

Save as disclosed above, as of December 31, 2024, the Directors were not aware of any other person (not being a Director or chief executive of the Company) who had an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

SHARE INCENTIVE SCHEME

The following is a summary of the principal terms of the Share Award Scheme of the Company, under which both RSUs (as defined below) and Options (as defined below) may be granted. The terms of the Share Award Scheme are governed by Chapter 17 of the Listing Rules.

(a) Purposes of the Share Award Scheme

The purpose of the Share Award Scheme is to attract skilled and experienced personnel and Service Providers (as defined below), to incentivise them to remain with or to continue to provide their services to the Group and to motivate them to strive for and to contribute to the future development and expansion of the Group by providing them with the opportunity to acquire Shares and therefore aligning their interests with the Group.

(b) Eligible participants

Eligible participants of the Share Award Scheme include (i) any employee or director (including executive and non-executive directors) of the Group ("**Employee Participant**"); and (ii) any person who, or entity which, provides services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group including agents, advisers and independent contractors engaged to provide services including research and development, branding, distribution and last-mile logistics, fulfillment services, IT development, data storage, marketing and marketing research (but excluding any professional service providers who provide assurance or are required to perform their services with impartiality and objectivity) ("**Service Provider**") (collectively, the "**Participants**").

(c) Administration of the Share Award Scheme

The Share Award Scheme will be subject to the administration of the Board. The Board's decision as to all matters arising in relation to the Share Award Scheme or its interpretation or effect shall be final and binding on all parties. The Company may appoint a professional trustee to assist with the administration, exercise and vesting of awards granted pursuant to the Share Award Scheme (the "**Awards**"). The Company may to the extent permitted by the relevant law and the Listing Rules (i) allot and issue Shares to the trustee to be held by the trustee for specific grantees pending the vesting or exercise of the Awards granted and which will be used to satisfy the Awards upon vesting or exercise; and/or (ii) direct and procure the trustee to make on-market and off-market purchases of Shares to satisfy the Awards upon vesting or exercise, provided that the trustee shall abstain from voting in respect of such Shares unless otherwise required by applicable laws to vote in accordance with the beneficial owner's direction and such a direction is given. The Company shall to the extent permitted by the relevant law provide sufficient funds to the trustee by whatever means as the Board may in its absolute discretion determine to enable the trustee to satisfy its obligations in connection with the administration, vesting and exercise of Awards.

(d) Term of the Share Award Scheme

The Share Award Scheme will be valid and effective for the period commencing on the Completion Date and expiring on the tenth anniversary thereof, or such earlier date as the Share Award Scheme is terminated (the "**Term**"), after which no Awards shall be offered or granted but the provisions of the Share Award Scheme will remain in full force and effect in all other respects and Awards granted during the Term will continue to be valid in accordance with their terms of grant after the end of the Term.

(e) Awards

Subject to the terms of the Share Award Scheme and the Listing Rules, the Board may make a grant of Award to any participant, as the Board may in its absolute discretion select, in the form of (i) options, which gives that Participant an option to subscribe for or acquire Shares ("**Options**"); or (ii) restricted share units, which gives that participant a contingent right to receive Shares ("**RSUs**"); or (iii) any combination of Options and RSUs, subject to the satisfaction of relevant vesting conditions as provided under the Share Award Scheme and in the Notice of Grant (as defined below).

(f) Maximum number of Shares to be issued

The maximum number of Shares in respect of which options and awards may be issued under the Share Award Scheme and any other share schemes of our Company must not in aggregate exceed 10% of the total number of Shares in issue (excluding treasury shares) on the Completion Date, being 43,415,650 Shares, representing approximately 9.99% of issued Shares (excluding treasury shares, if any) as at the date of this annual report. Within the Scheme Mandate Limit, the total number of new Shares which may be allotted and issued under the Share Award Scheme and other share schemes of the Company to Service Providers must not in aggregate exceed 4% of the total number of Shares in issue (excluding treasury shares) on the Completion Date, being 17,366,260 Shares, representing approximately 4.00% of issued Shares (excluding treasury shares, if any) as at the date of this annual report.

(g) the maximum entitlement of each participant under the Share Award Scheme

In any 12-month period, the maximum number of new Shares allotted and issued (and to be allotted and issued) upon: (i) the vesting of all Awards granted under the Share Award Scheme; and (ii) the vesting or exercise of all share grants made under any other share schemes of the Company, (excluding any Awards and share grants which have lapsed or have been encashed) to any individual participant shall not exceed 1% of the Shares in issue (excluding treasury shares).

Where any Award granted to a participant who is a director or chief executive (excluding independent non-executive directors) of the Company or any of their respective associates would result in the new Shares allotted and issued (and to be allotted and issued) upon: (i) the vesting of all Awards (excluding Options) granted under the Share Award Scheme; and (ii) the vesting of all share grants (excluding share options) granted under any other share schemes of the Company, excluding any Awards and share grants (other than share options) which have lapsed or have been encashed) to such person in the 12-month period up to and including the grant date representing in aggregate over 0.1% of the Shares in issue (excluding treasury shares).

Where any Award granted to a participant who is a substantial shareholder or an independent non-executive director of the Company or any of their respective associates would result in the new Shares allotted and issued (and to be allotted and issued) upon the: (i) vesting and exercise of all Awards granted under the Share Award Scheme; and (ii) vesting or exercise of all share grants granted under any other share schemes of the Company, (excluding any Awards and share grants which have lapsed or have been encashed) to such participant in the 12-month period up to and including the grant date representing in aggregate over 0.1% of the Shares in issue (excluding treasury shares).

(h) the period within which the option may be exercised by the grantee

There is no specific period within which the Option may be exercised pursuant to the Share Award Scheme. However, a grant shall be made to a participant by a notice, which may specify the terms on which the Award is to be granted, including exercise period of an Option.

(i) Vesting period

The vesting period for Awards may not be shorter than 12 months unless otherwise determined by the Remuneration Committee in respect of Employee Participants where the grant of Awards: (i) is made to grantees to replace the share grants or share options they forfeited when leaving the previous employer; (ii) is made to grantees whose employment is terminated due to death, ill health, serious injury, disability or upon the occurrence of any out of control event, where the vesting of the Awards may accelerate based on the discretion of the Board (or the Remuneration Committee, as the case may be); (iii) has performance-based vesting conditions in lieu of time-based vesting conditions; (iv) which would have been made earlier but for administrative and compliance reasons and are made in a subsequent batch, in order to put the grantees in the same position as they would have been in had the grant of Awards been made earlier; and (v) with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months.

(j) Grant and vesting of Awards

A grant shall be made to a participant by a notice (the "**Notice of Grant**") specifying the terms on which the Award is to be granted, including but not limited to the type of Award to be granted (whether Options, RSUs, any other type of share incentive award or a combination of any of these), the number of Shares underlying the Award, the grant date and the vesting date, the relevant performance conditions or other conditions that must be satisfied in order for the Award to vest in whole or in part, in the case of an Option the exercise price and exercise period, and any other terms which the Board has determined shall apply to the Award.

Subject to and in accordance with the terms of the Share Award Scheme, Awards which have vested shall be satisfied as soon as practicable on or after the date on which the Shares underlying such Award shall vest as determined by the Board and notified to the relevant grantee in the Notice of Grant (the "**Vesting Date**") and in any event by no later than 15 business days following: (i) in relation to RSUs, the Vesting Date; or (ii) in relation to Options, after receipt of the notice and the payment of the full amount of the relevant aggregate exercise price; and (iii) where appropriate, receipt of the auditors' certificate or the certificate from the independent financial adviser to the Company (as the case may be) pursuant to the Share Award Scheme, at the Company's absolute discretion by: (i) the Company allotting and issuing the relevant number of Shares or transferring the relevant number of treasury shares to the grantee credited as fully paid; or (ii) the Company directing and procuring the trustee to transfer to the grantee the relevant number of Shares; or (iii) the Company paying or procuring the payment of a cash payment.

The exercise price of an Option shall be determined at the grant date by the Board in its absolute discretion but in any event shall not be less than the higher of (i) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the grant date, which must be a business day; and (ii) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the grant date.

An Option may be exercised in whole or in part (but if in part only, in respect of a board lot of Shares or an integral multiple thereof) by the grantee by giving notice in writing to the Company stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by payment for the full amount of the exercise price multiplied by the number of Shares in respect of which the Option is exercised, save where the Board has determined that the Option is to be satisfied by a cash payment or to the extent that other arrangements have been made for the payment of the exercise price which are satisfactory to the Board. The aggregate exercise price shall be paid by cash, cheque or any other means deemed acceptable by the Board. Any exercise of an Option by a grantee shall be subject to the applicable laws, regulations, rules and requirements of any relevant country or jurisdiction. Subject to any restrictions applicable under the Listing Rules, an Option may be exercised by the grantee at any time during the exercise period to be determined by the Board and notified to the grantee in the Notice of Grant, which shall commence on the Vesting Date and shall expire no later than 10 years from the date on which the Option is granted or such period as may be determined by the Board in accordance with the terms of the Share Award Scheme and the terms on which the Option was granted. If the Option is subject to the satisfaction of performance or other conditions and such conditions are not satisfied, the Option shall lapse automatically in respect of such proportion of underlying Shares as are not capable of exercise.

Save as disclosed, there is no amount payable on application or acceptance of the option or award, there is no loans for such purposes must be repaid and there is no purchase price for the Shares awarded.

(k) the remaining life of the Share Award Scheme

As at the date of this annual report, the remaining life of the Share Award Scheme is 9 years and 6 months.

Further details of the Share Award Scheme are set out in the section headed "Summary of Rules of the Successor ESOP" in Appendix III to the De-SPAC Circular. As at 31 December 2024, no Awards had been granted or agreed to be granted under the Share Award Scheme. The number of Awards available for grant under the Share Award Scheme at the end of the financial year of 2024 is 43,415,650 Shares.

REPORT OF DIRECTORS

EQUITY-LINKED AGREEMENTS

Warrants

The Company has issued Public Warrants (Warrant Code: 2461) and the Promoter Warrants in connection with the SPAC Offering which have been amended for the purpose of the De-SPAC Transaction and are subsisting as at December 31, 2024.

Each whole Public Warrant shall be exercisable for one Share at a price of HK$11.50 per Share, such exercise to be conducted on a cashless basis only and subject to adjustment. The Public Warrants may be exercised only during the period commencing on the 30th day after the Completion Date and ending on the date falling five years after the Completion Date. Based on the Completion Date of October 30, 2024, the exercise period of the Public Warrants commenced on November 29, 2024 and will end on October 30, 2029 (both days inclusive). In no event will a warrantholder receive more than 0.50 of a Share per warrant under a cashless exercise. In no event will the Company be required to net cash settle any warrant. Further details of the Public Warrants are set out in the De-SPAC Circular and the announcement of the Company dated November 28, 2024.

Each whole Promoter Warrant shall be exercisable for one Share at the exercise price of HK$11.50 per Share, such exercise to be conducted on a cashless basis only and subject to adjustment. The Promoter Warrants will only be exercisable on the same terms as the Public Warrants during the period commencing on the first anniversary of the Completion Date and ending on the date falling five years after the Completion Date i.e. from 30 October 2025 to 30 October 2029 (both days inclusive). In no event will a Promoter Warrant entitle its holder to receive more than 0.50 of a Share per warrant under a cashless exercise.

As at December 31, 2024, there were 299,000 outstanding Public Warrants and 31,400,000 outstanding Promoter Warrants. The number of Shares which may be issued pursuant to such 299,000 outstanding Public Warrants shall not exceed 149,500 Shares while the number of Shares which may be issued pursuant to such 31,400,000 outstanding Promoter Warrants shall not exceed 15,700,000 Shares.

Options

Details of the Share Award Scheme are set out in the section headed “Share Incentive Scheme” in this annual report.

Promoter Earn-out Right and Target Company Founding Shareholders Earn-out Right

For the purpose of De-SPAC Transaction, the Company granted to Dr. Norman Chan, Ms. Katherine Tsang and Max Giant Limited (the “**Promoters**”) the right to receive 10,005,000 Shares (subject to the conditions and adjustment described below). The Promoter Earn-out Right will be triggered only if the volume weighted average price of the Shares equals or exceeds HK$15.00 per Share (the “**Promoter Earn-out Exercise Price**”) for any 20 trading days within any 30-trading day period commencing six months after Completion and ending on the fifth anniversary of the date of the Completion Date (the “**Promoter Earn-out Triggering Event**”). The Promoter Earn-out Right may only be exercised once. The Promoter Earn-out Right, if exercised, will be exercised on a cashless basis and the Promoters shall not be required to deliver any payment to the Company or otherwise pay any consideration for the issuance of the Shares. The Company will issue the Shares to the Promoters (or such person or persons as designated by the Promoters) as soon as practicable, and in any event not later than five business days after the exercise date. The Shares, if issued during the period commencing six months after Completion and ending 12 months after Completion, will be subject to disposal restrictions which ends on the date falling 12 months from the Completion Date. As at December 31, 2024, number of Shares which may be issued pursuant to the Promoter Earn-out Right is 10,005,000 Shares.

For the purpose of De-SPAC Transaction, the Company granted to Mr. Lee Shieh-Peen Clement, Ms. Tai Ho Yan Olive and Ms. Zanetta Lee Yue (the "**Target Company Founding Shareholders**") the right to receive Shares representing in aggregate up to 12% of the total number of Shares in issue immediately after Completion. The Target Company Founding Shareholders Earn-out Right will be triggered only if the volume weighted average price of the Shares equals or exceeds a price representing a: (a) 20% increase; (b) 30% increase; or (c) 50% increase, respectively, of the closing price of the Shares on the Completion Date (the "**Target Company Founding Shareholders Earn-out Base Price**"), for any 20 trading days within any 30-trading day period commencing twelve months after Completion and ending on the fifth anniversary of the Completion Date (the "**Target Company Founding Shareholders Earn-out Triggering Events**"). Upon the satisfaction of the Target Company Founding Shareholders Earn-out Triggering Event in limb (a), the Target Company Founding Shareholders will have the right to receive Shares equal to 3.5% of the total number of Shares in issue immediately after Completion; in limb (b), the Target Company Founding Shareholders will have the right to receive Shares equal to 3.5% of the total number of Shares in issue immediately after Completion; and in limb (c), the Target Company Founding Shareholders will have the right to receive Shares equal to 5% of the total number of Shares in issue immediately after Completion. The Target Earn-out Right, if exercised, will be exercised on a cashless basis and the Target Company Founding Shareholders will not be required to deliver any payment to the Company or otherwise pay any consideration for the issuance of the Target Company Founding Shareholders Earn-out Shares. The Company will issue the Shares to the Target Company Founding Shareholders (or such person or persons as designated by them) as soon as practicable, and in any event not later than five business days after the relevant exercise date. As at December 31, 2024, the number of Shares which may be issued pursuant to the Target Company Founding Shareholders Earn-out Right was 52,098,780 Shares.

Details of the Promoter Earn-out Right and Target Company Founding Shareholders Earn-out Right are set out in the De-SPAC Circular.

Save as disclosed, no equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Group, or existed during the year ended December 31, 2024.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the year ended December 31, 2024. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the year ended December 31, 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the purpose of the De-SPAC Transaction completed on October 30, 2024, the Company conducted a series of transactions of its securities including (i) the redemption of 96,110,000 SPAC Shares at HK$10.00 per SPAC Share for a total amount of HK$961,100,000; (ii) the redemption of 48,875,000 Public Warrants at HK$0.40 for each Public Warrant for a total amount of HK$19,550,000; (iii) the issuance of 350,000,000 Shares as consideration shares pursuant to the terms of the Business Combination Agreement; (iv) the issuance of 55,124,000 Shares for a subscription price of HK$10.00 per Share with ten PIPE Investors pursuant to the PIPE Investment; and (v) the placing of 80,000 Shares to not less than six placees who are professional investors at HK$10.00 per Share pursuant to the Permitted Equity Financing. Further details are set out in the De-SPAC Circular and the announcement of the Company dated October 30, 2024.

Save for disclosed, during the period from the Completion Date to December 31, 2024, 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). As of 31 December 2024, the Company did not hold any treasury shares and during the period from the Completion Date to December 31, 2024, the Company did not conduct any on-market sales of treasury shares.

REPORT OF DIRECTORS

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company for the year ended December 31, 2024 and details of the Shares issued during the year ended December 31, 2024 are set out in Note 30 to the consolidated financial statements.

DEBENTURES ISSUED

The Group did not issue any debenture during the year ended December 31, 2024. (2023: nil)

DIVIDENDS

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2024 (2023: nil).

PERMITTED INDEMNITY

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices.

The Company has arranged appropriate liability insurance to indemnify the Directors and senior management of the Company for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

DISTRIBUTABLE RESERVES

The Company may pay dividends out of the share premium account, retained earnings and any other reserves provided that immediately following the payment of such dividends, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

As of December 31, 2024, the Company did not have any distributable reserves.

Details of movements in the reserves of the Group and the Company during the year ended December 31, 2024 are set out in the consolidated statement of changes in equity on page 87 and Note 40 to the consolidated financial statements.

CHARITABLE DONATIONS

During the year ended December 31, 2024, the Group made charitable donations of S$0.1 million.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Reporting Period are set out in Note 15 to the consolidated financial statements.

USE OF PROCEEDS FROM LISTING

After deducting commissions and expenses payable in connection with the De-SPAC Transaction, the net proceeds which the Company received from the De-SPAC Transaction are approximately S$65.6 million. The following table sets forth details of the net proceeds as at the date of this report:

Use of proceeds from the De-SPAC Transaction	Amount of net proceeds for planned applications (S$'000)	Percentage of total net proceeds	Utilized net proceeds during the period from the Completion Date to December 31, 2024 (S$'000)	Unutilized net proceeds as of December 31, 2024 (S$'000)	Expected timeline for utilizing the remaining balance of net proceeds
Continuously expand our brand partner network and develop new commerce channel	19,456	30%	2,358	17,098	By 2027
Growth through mergers and acquisitions, joint ventures, and strategic investments and alliance	18,521	28%	—	18,521	By 2027
Repayment of Loan	12,700	19%	11,957	743	By 2026
Invest in and continue to adopt advanced technology and AI	8,366	13%	299	8,067	By 2027
Working capital and general corporate purposes	6,560	10%	6,560	—	By 2024
Total	**65,603**	**100%**	**21,174**	**44,429**	

The above expected time frame of unutilized amount is based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on our evolving business needs and changing market conditions.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 38 to the consolidated financial statements.

EVENTS AFTER THE REPORTING PERIOD

On 23 January 2025, the Company and the vendors (the "**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 Movitech Co Ltd (盟拓數字科技(蘇州)有限公司) a target company (the "**Target Company**", together with its subsidiaries, the "**Target Group**") as contemplated under the Term Sheet. The 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.

On March 31, 2025, the Company and the Vendors further 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 Target Company. 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.

Details of the above were set out in announcement of the Company dated 23 January 2025 and 7 April 2025.

REPORT OF DIRECTORS

Save as disclosed above, there was no event that has taken place subsequent to December 31, 2024 and up to the date of this report that may have a material impact on the Group's operating and finance performance.

AGM AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be convened and held on Friday, June 27, 2025. A notice convening the AGM will be published on the websites of the Company and the Hong Kong Exchanges and Clearing Limited and sent to the Shareholder in accordance with the requirements of the Listing Rules in due course. For the purpose of determination of eligibility of the Shareholders to attend and vote at the AGM, the record date will be Friday, June 27, 2025 and the register of members of the Company will be closed from Tuesday, June 24, 2025 to Friday, June 27, 2025 (both days inclusive), during which period no transfer of Shares will be effected. In order to be entitled to attend and vote at the forthcoming AGM to be held on Friday, June 27, 2025, all transfer of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. (Hong Kong time) on Monday, June 23, 2025.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 23 to 37 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available and within the knowledge of the Directors, the Company maintained the prescribed public float as required under the Listing Rules as of the latest practicable date prior to the issue of this annual report.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the relevant laws of the Cayman Islands where the Company was incorporated which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

CHANGE OF AUDITORS

On December 5, 2024, the Company convened and held an extraordinary general meeting to approve the appointment of Deloitte Touche Tohmatsu in replace of Deloitte & Touche LLP as auditors of the Company. As the Group's geographical presence currently covers mainly the Southeast Asia region, it would be more appropriate to appoint Deloitte Touche Tohmatsu as its auditor considering Hong Kong is the listing venue of the Company and the Company's future plans to expand its digital solutions business in the greater China region. Save as disclosed, there has been no change of auditors of the Company since the Completion Date.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

All references above to other sections, reports or notes in this annual report form part of this annual report.

FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control, that may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

APPRECIATION

The Board would like to express its sincere gratitude to the holders of our securities, management team, employees, business partners and customers for their support and contribution to the Group.

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

Hong Kong, March 31, 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Synagistics Limited ("**Synagistics**", the "**Group**" or "**We**") is pleased to present its first Environmental, Social and Governance ("**ESG**") Report (the "**Report**"). It is prepared in accordance with the mandatory disclosure requirements and the "comply or explain" provisions of the Environmental, Social and Governance Reporting Guide ("**ESG Reporting Guide**") set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), and covers the period from January 1, 2024 to December 31, 2024 (the "**Reporting Period**"). Unless otherwise stated, this Report focuses on the Group's core businesses in South-east Asia and Europe.

BOARD STATEMENT

As a responsible corporate entity, the Group is committed to addressing global sustainability challenges and leveraging its influence to advance sustainable development.

The Board of Directors oversees the Group's ESG vision, objectives, and strategies, and holds the ultimate responsibility for the Group's ESG performance. This encompasses managing ESG issues, setting targets, and tracking progress toward ESG commitments. In their role, the Board ensures comprehensive risk management (including the process to evaluate, prioritise and manage material ESG risks) and seizes opportunities, aligning ESG strategies with the Group's business trajectory to bolster long-term competitiveness and foster sustainable growth. This includes the development and execution of specific ESG policies and initiatives, coordinating ESG-related activities, monitoring the Group's achievements in ESG, and recommending enhancements.

Management and Functional Department Heads are tasked with the day-to-day management of various ESG issues. Their responsibilities include the implementation of Board-established policies and strategies within their respective business units, as well as the collection and reporting of relevant data to ensure satisfactory ESG performance.

SUSTAINABILITY GOVERNANCE

Our Board holds the overarching responsibility for the governance of ESG matters within the Group. This includes establishing, adopting, and periodically reviewing our ESG-related strategies and policies. Key responsibilities of our Board in this domain are numerous and critical. They are tasked with formulating and adopting an ESG Policy, staying informed about the latest ESG-related laws and regulations — including applicable sections of the Listing Rules — and updating our ESG Policy accordingly. The Board also focuses on identifying environmental risks and mitigating them. Additionally, the Board engages in identifying and understanding the influences of key stakeholders based on our business operations, while also establishing and maintaining effective communication channels with them. Monitoring the effectiveness of the ESG Policy, ensuring its implementation, and improving the internal ESG governance structure are also central to their role. Furthermore, the Board is responsible for setting key performance indicators, relevant measurements, mitigation measures, and targets to guide the Group's ESG efforts. Management across all business units will also play a crucial role in supporting the Group's efforts on ESG matters.

REPORTING PRINCIPLES

The preparation of this Report strictly adheres to the reporting principles of "materiality", "quantitative", "balance" and "consistency".

Materiality

This Report is prepared by engaging stakeholders and conducting materiality assessments, including identifying ESG-related issues, collecting and examining the opinions from internal management and different stakeholders, evaluating the relevance and importance of the issues, as well as formulating and reviewing the data reported. This Report comprehensively covers the material issues in which different stakeholders are of concern.

Quantitative

This Report discloses the quantitative environmental and social Key Performance Indicators ("**KPIs**"), presenting the ESG performance of the Group comprehensively. The standards, methods, reference data and sources of information of the major emissions, as well as the conversion factors used by its KPIs are listed in this Report whenever appropriate.

Balance

This Report presents an unbiased overview of the Group's ESG performance without inappropriate use of selections, omissions, or forms of presentation that may influence the readers' decision or judgement.

Consistency

In order to facilitate the comparison of the ESG performance over the years, the Group adopted the same calculation methods as far as reasonably practicable. Where there is any change in the methods, the Group will also present and explain in detail in the corresponding sections.

The Group has established internal controls and a formal review process to ensure that any information presented in this Report is as accurate and reliable as possible.

Reporting Boundary

This Report covers major businesses in South-east Asia and Europe. The Reporting Period is from January 1, 2024 to December 31, 2024.

STAKEHOLDER ENGAGEMENT

Understanding the needs and expectations of stakeholders is essential for the Group to formulate strategies that prioritise and manage material ESG issues. Stakeholder engagement is a continuous process to drive long term sustainability. The Group engages its key stakeholders through a range of channels to find out the material issues for improving the decision-making and enhancing the accountability of the Group. From time to time, the Group reviews and explores different forms of communication channels to interact with and collect feedback from different stakeholders.

The key stakeholders of the Group and the respective communication channels are summarised below:

Stakeholder	Requirement and Expectation	Communication and Response
Shareholders and investors	• Corporate governance • Diversity and inclusion bodies • Enhancement in company core value • Financial and investment stability • Information transparency and effective communication • Compliant operation • Ethical business operation	• Annual and interim reports • General meetings • Public notices and announcements • Company website • Social media

Stakeholder	Requirement and Expectation	Communication and Response
Suppliers and Partners	• Operations with integrity • Fair competition • Fair supplier selection process • Performance of contracts • Mutual benefits and win-win cooperation • Stable and qualified products and services	• Tendering conferences • Institutional visits • Performance feedbacks • Industry conferences • Company website
Customers	• Services quality • Protection of privacy • Health and safety • Operations with integrity • Performance of contracts	• Customer services consultations
Regulatory bodies and government authorities	• Compliance with national policies, laws and regulations • Supporting local economic growth • Driving local employment • Environmental impact and carbon footprint	• Mandatory local and regional reporting requirements • Examinations and inspections • Site visits and meetings • Regular filings • Seminars
Communities	• Social engagement and development • Environmental protection • Open and transparent information	• ESG reports • Social interactions • Community events • Charitable donations • Company website • Public notices and announcements • Social media

Materiality Assessment

Amongst various environmental and social issues based on the ESG Reporting Guide within the scope of sustainability, the issues listed below are considered to be material and relevant to the Group. The priorities are set based on the management's view as well as conclusions from stakeholders' engagement. We regularly engage key stakeholders in daily operations through meetings, events, and other communications and feedback channels. Based on the management's assessment, the Group identified a number of material issues as stated below which are disclosed in detail in this Report.

Material and relevant issues

Employment (Aspect B1)
Labour standards (Aspect B4)
Anti-corruption (Aspect B7)

Other relevant issues

Emissions (Aspect A1)
Use of resources (Aspect A2)
The environment and natural resources (Aspect A3)
Climate change (Aspect A4)
Health and safety (Aspect B2)
Development and training (Aspect B3)
Supply chain management (Aspect B5)
Product responsibility (Aspect B6)
Community investment (Aspect B8)

The Group will make detailed disclosure of various issues in this Report, taking the materiality assessment results for the Reporting Period as reference and continuously enhance its ESG governance and performance in response to the stakeholders' expectations on the Group.

A. ENVIRONMENTAL ISSUES

The Group is committed to fulfilling its social responsibilities and taking into account the responsibility for sustainable development while developing:

- Adherence to applicable laws and regulations while striving to exceed the minimum compliance standards.

- Reduction or prevention of air and greenhouse gas emissions, water and land discharges, and the production of both hazardous and non-hazardous waste.

- Optimisation of resource utilization, including energy, water, and raw materials, to enhance efficiency.

- Limitation of the environmental footprint of the Group's operations and preserve natural resources.

- Fostering of collaboration with employees, customers, and partners to promote sustainable business practices while continuously evaluating and refining processes to minimise environmental impact.

The Group closely monitors the compliance with legal and regulatory requirements from both local and international authorities.

We have set the following 2024 targets to closely monitor and optimise our resource usage and emissions, ensuring alignment with our business growth by FY2029.

Greenhouse Gas Emissions Intensity — We will closely monitor our air emissions levels per employee to ensure they remain aligned with our business expansion and operational efficiency.

Electricity Consumption Intensity — We will monitor electricity usage per employee, ensuring energy consumption remains efficient and aligned with business scalability.

Water Consumption — We will monitor water consumption per employee, ensuring consumption remains efficient and aligned with business scalability.

Non-Hazardous Waste Intensity — As Synagistics does not have significant non-hazardous waste consumption, we have not disclosed non-hazardous waste data and have not set specific reduction targets at this time.

This Report does not disclose all environmental KPIs, as they are not deemed material or relevant based on stakeholder engagement outcomes and management's assessment. Instead, we have outlined our overall approach and initiatives aimed at reducing the Group's environmental impact across various areas.

Emissions (Aspect A1)

Our operations do not directly generate industrial pollutants, and we did not incur any compliance costs related to environmental protection regulations during the Reporting Period. However, we recognise the importance of reducing carbon emissions and minimizing our environmental footprint.

We have launched various initiatives to cut waste and lower emissions, both within our Group and among our employees. Through awareness campaigns, we encourage our team to adopt sustainable practices, such as eco-friendly commuting, responsible office resource consumption, and digital-first workflows to reduce paper waste. Additionally, as a digital solutions provider, we plan to support our brand partners in achieving carbon neutrality by offering carbon footprint tracking tools and solutions to offset emissions.

We are a sustainably driven, carbon-neutral company committed to fostering an eco-conscious mindset across our operations while actively working to minimise our carbon footprint. Through our sustainability and climate management solutions — including green packaging, carbon tracking, and offsetting initiatives — we also plan to support our brand partners in achieving their ESG goals.

During the reporting period, Synagistics continued to maintain its environmental stewardship position in Southeast Asia by achieving verified carbon neutrality. This accomplishment, validated by TÜV Rheinland, a prestigious global technical inspection body, was achieved in accordance with the demanding criteria of **ISO 14064-3** and **ISO 14068-1** standards. These standards are not merely compliance markers; they are vital instruments that guide our company toward sustainable operational excellence and help mitigate the impact of GHG emissions. Achieving carbon neutrality is not merely about meeting regulatory requirements; it's a proactive step that reflects our dedication to global climate leadership. By aligning our operations with the stringent requirements of ISO standards, Synagistics has not only mitigated its environmental impact but also set a benchmark for the industry.

ISO 14064 is a globally recognized standard developed by the International Organization for Standardization (ISO) that provides guidance and requirements for the quantification, reporting, and verification of greenhouse gas (GHG) emissions and removals. It is structured into three parts:

1. **ISO 14064-1**: Specifies principles and requirements at the organization level for quantifying and reporting GHG emissions and removals.

2. **ISO 14064-2**: Focuses on GHG projects, providing guidance for quantification, monitoring, and reporting at the project level.

3. **ISO 14064-3**: Covers the validation and verification of GHG assertions, ensuring the credibility of reported data.

ISO 14064 aligns closely with the environmental pillar of ESG, offering a robust framework for:

- Measuring carbon footprint at both operational and project levels.

- Enhancing transparency in climate-related disclosures.

- Enabling third-party verification of GHG claims, thereby increasing credibility with stakeholders.

- Supporting net-zero strategies and climate-related risk assessments.

Our implementation highlights include:

- Helps demonstrate the organization's commitment to climate accountability.

- It facilitates regulatory compliance and alignment with international climate disclosure frameworks.

- Provides a foundation for carbon neutrality claims and participation in voluntary carbon markets.

Achieving this standard indicates that we are not only aware of our environmental footprint but are actively engaged in detailed monitoring, reporting and management of our emissions.

The **ISO 14068-1** standard is particularly significant as it underlines our achievement of carbon neutrality. This standard provides a structured approach to managing our overall environmental impact, ensuring that our efforts are both sustainable and verifiable. It defines how organizations should quantify, reduce, and offset their GHG emissions to credibly claim carbon neutrality. By aligning our operations with ISO 14068, Synagistics demonstrates a proactive and responsible approach to environmental management, setting a precedent within the tech industry for integrating sustainability with business operations.

Key elements of **ISO 14068** include:

- Establishing carbon neutrality boundaries.

- Implementing emission reduction plans.

- Managing GHG removals and offsets.

- Transparent disclosure and validation of carbon neutrality claims.

ISO 14068 complements **ISO 14064** by shifting the focus from measurement and reporting to achievement and validation of net-zero or carbon-neutral status. It supports ESG efforts through:

- Providing a science-based, standardized pathway to carbon neutrality.
- Reducing the risk of greenwashing by defining credible offsetting practices.
- Enhancing stakeholder confidence in climate-related performance claims.
- Supporting ESG metrics tied to climate transition readiness and sustainable operations.

Our implementation highlights include:

- Encourages a reduction-first approach, ensuring that offsetting is used only after all feasible emissions reductions are made.
- Promotes transparency and integrity through third-party verification of neutrality claims.
- Aligns with global climate targets such as the Paris Agreement and national net-zero commitments.

By aligning with **ISO 14064-3** and **ISO 14068-1**, Synagistics reinforces its commitment to environmental integrity, climate responsibility, and transparent reporting. These standards underpin our strategic initiatives toward GHG emissions reduction and carbon neutrality, enabling us to contribute meaningfully to global sustainability goals while enhancing trust among investors, regulators, and the broader community.

In pursuit of maintaining our carbon-neutral status, Synagistics has implemented various carbon reduction strategies and offset remaining emissions through partnerships with Verra and Gold Standard. These initiatives focus on biodiversity conservation and reducing emissions from deforestation, forest and grassland degradation, waste disposal, landfill gas utilization, renewable solar, hydro and wind energy sources. Since FY2021, we have neutralized approximately 5,038 tonnes of GHG emissions by purchasing certified carbon credits. This not only compensates for our emissions but also contributes to global conservation efforts, demonstrating our comprehensive approach to environmental sustainability.

Through these efforts and various projects, we have contributed to the United Nations' sustainable Development Goals (SDGs), reinforcing our commitment to a more sustainable and environmentally responsible future.

Related SDGS achieved:

— SDG 1 — No Poverty: End poverty in all its forms everywhere
— SDG 3 — Good Health and Well-being: Improve public health by reducing air pollution through clean energy projects
— SDG 4 — Quality Education: Support educational initiatives in underdeveloped areas through project funding
— SDG 5 — Gender Equality: Achieve gender equality and empower all women and girls
— SDG 6 — Clean Water and Sanitation: Enhance access to clean water in communities involved in carbon credit projects
— SDG 7 — Affordable and Clean Energy: Ensure access to affordable, reliable, sustainable and modern energy for all
— SDG 8 — Decent Work and Economic Growth: Stimulate economic growth in local communities hosting carbon reduction initiatives
— SDG 12 — Responsible Consumption and Production: Encourage efficient resource use and waste reduction through cleaner production practices
— SDG 13 — Climate Action: Directly contribute to reducing greenhouse gas emissions through carbon offset projects
— SDG 15 — Life on Land: Manage and conserve land sustainably to improve ecological balance

Air Emissions:

Indicators[1]	2024 (kg)
Particulate matters	11.9
SOx emission	0.2
NOx emission	1.1

Greenhous gas carbon dioxide equivalent	2024 (tonnes)	Intensity (per employee)
Direct (Scope 1) greenhouse gas emission[2]	0.1	—
Indirect (Scope 2) greenhouse gas emission[3]	335.4	0.8
Indirect (Scope 3) greenhouse gas emission[4]	866.7	2.1

Owing to the nature of the Group's business, we do not produce any hazardous waste. Non-hazardous waste, such as office waste, is managed by a third-party service provider. As the volume of waste generated is immaterial, it is not disclosed in the Report.

During the Reporting Period, we have not identified any material non-compliance with relevant laws and regulations that have a significant impact on the Company relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

1 The indicators cover the Group' vehicles emissions.
2 Scope 1 covers greenhouse gas emissions directly produced by businesses owned or controlled by the Group.
3 Scope 2 covers greenhouse gas emissions indirectly produced by businesses owned or controlled by the Group (i.e. electricity consumption).
4 Scope 3 covers greenhouse gas emissions indirectly produced by businesses owned or controlled by the Group (i.e. packaging materials, business travel, and downstream transportation and distribution).

Use of Resources (Aspect A2) and The Environment and Natural Resources (Aspect A3)

We are committed to efficient resource utilization, ensuring that our operations align with sustainable development goals. We actively promote energy-saving measures, water conservation, and responsible material usage to minimise our impact on the environment.

Through digital transformation and smart resource management, we help brands adopt green packaging, demand-driven inventory management, and optimised shipping strategies to reduce waste in marketing and distribution. Internally, we encourage employees to be mindful of their energy and material consumption, fostering a workplace culture centred on sustainability. All packaging materials are eco-friendly and sourced from approved suppliers.

Synagistics is committed to integrating sustainable practices into our operations and services, focusing on reducing emissions, minimizing waste, optimizing resource use, and adopting eco-friendly technologies to enhance long-term environmental responsibility.

Sustainable Packaging and Recycling

— Utilise green packaging for all orders that are picked, packed, and fulfilled by the Synagistics Group of Companies, reducing unnecessary waste.

— Recycle all packaging materials — including used, damaged, or destroyed packaging — whenever they are recyclable, ensuring minimal landfill waste.

Sustainable Packaging

Synagistics is committed to using eco-friendly packaging solutions for all orders that minimise environmental impact while maintaining high-quality protection for the products. We will recycle all used, damaged, or destroyed packaging materials that are recyclable to support environmental sustainability and reduce waste.

Packaging Materials

— FSC Certified: Ensuring responsible sourcing from sustainably managed forests.

— 100% Kerbside Recyclable: Designed for easy recycling through local waste collection systems.

— Outer/Core/Inner Paper: Fasfil paper made from Virgin Kraft Paper (FSC Certified) for durability and sustainability.

— Paper Tape: Kraft tape are crafted from 100% recycled content and are FSI certified, ensuring environmentally responsible production and sourcing.

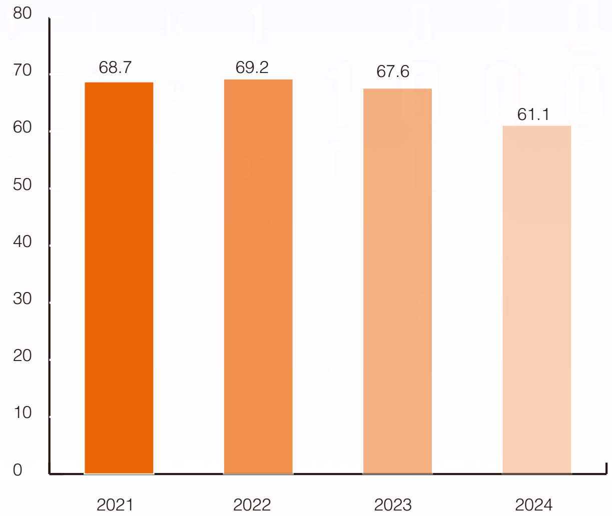
Carton Fillers

— Made from 100% Recycled Content: Supporting a circular economy by reusing materials.

— FSI Certified: Meeting industry standards for sustainable packaging.

The table below highlights our carbon emission reduction efforts in tons over the past four years as a result of aforementioned initiatives, hence demonstrating our commitment to reducing emissions while maintaining operational efficiency.

Carbon Reduction Data (tCO2e)



Energy Efficiency & Digital Transformation

— Our Vietnam warehouse is equipped with 300 solar panels, harnessing renewable energy to reduce dependence on non-renewable power sources. These panels generate approximately 20,000 kWh to 25,000 kWh per month, depending on sunlight conditions.

— We have implemented RF (Radio Frequency) devices in our warehouse processes, eliminating the need for printed paper picking lists. This transition significantly reduces paper consumption and supports digital efficiency.

We encourage our employees to adopt energy-saving habits, such as:

— Switching off lights and equipment after work, during lunch breaks, or when working outside the office.

— Prioritizing energy-efficient office equipment in all purchasing decisions.

Water	2024 (m^3)	Intensity (per employee)
Consumption	667.00	1.6

While water sourcing is not an issue for our operations, we remain committed to resource efficiency and integrating environmental consciousness into daily employee routines. To further standardise our sustainability efforts, we have adopted internal control policies and procedures that enhance the efficiency of resource consumption, including energy and water, even if certain resources are not material to our business.

To improve operational efficiency and reduce paper usage, Synagistics has implemented the following paper-saving initiatives:

— Requesting electronic bank statements and bank advices.

— Submitting documents electronically whenever possible.

— Participating in office equipment and supply recycling programs.

— Utilizing internal electronic administration and communication platforms.

— Implementing electronic board paper systems to replace printed materials.

Electricity	2024 (kWh)	Intensity (per employee)
Consumption	665,363	1,642.9

We continuously work to minimise energy consumption per service area by integrating sustainable practices into our operations and maintenance activities. These include:

— Upgrading to LED lighting for improved energy efficiency.

— Using environmentally friendly refrigerant gases in air-conditioning units.

— Installing recycling bins in key locations to encourage waste separation and recycling awareness.

— Conducting routine maintenance of lighting, air-conditioning, and water systems to prevent resource wastage.

— Replacing air-cooling systems with water-cooling air-conditioning systems to enhance energy conservation.

— Adopting economical and efficient methods to reduce noise, dust, and debris during repair and maintenance work.

— Installing water-efficient taps in washrooms and promoting water conservation awareness among employees and customers.

Except for the abovementioned, the Group's business has no direct impact on the environment and natural resources.

Climate Change (Aspect A4)

The Group recognises that long-term environmental and social risks, including climate change, have profound implications for our operations and the communities we serve. As a responsible corporate entity, we are committed to mitigating these risks and ensuring sustainable business practices across all our offices, which are mostly located in Singapore, Malaysia, Philippines, Vietnam, Thailand, Indonesia, Greater China and Spain.

Changing weather patterns and the increasing frequency of extreme weather events pose significant challenges to operational continuity. Such disruptions may impact our ability to effectively serve customers and key stakeholders. In response, we have established comprehensive emergency protocols, as outlined in our Employee Handbook and Business Continuity Plan, to manage unforeseen circumstances, including preparedness measures for typhoons, extreme rainfall, and other natural disasters. Additionally, the Group has secured third-party risks insurance, in accordance with regulatory requirements, to cover liabilities related to negligence, property risks, and common areas within our managed facilities.

As global awareness of environmental sustainability grows, evolving climate-related regulations and policies, such as energy efficiency mandates, may affect operational costs and introduce compliance risks. To proactively address these challenges, we continuously monitor regulatory changes and ensure that our operations remain compliant with the latest laws and industry standards. Through these efforts, Synagistics reaffirms its commitment to responsible business practices, resilience, and long-term sustainability.

Type of Risk	Description	Potential Impacts	Mitigation Plan
Physical Risk: Extreme Weather Events	Increased frequency of coastal flood, tsunami, cyclone, wildfire and landslide due to climate change.	• Disruptions to supply chain and logistics • Damage to infrastructure and inventory • Increased operational downtime	• Implement emergency response protocols for typhoons and rainstorms • Secure third-party risk insurance for property and operational damages • Diversify supply chain to minimise disruptions
Transitional Risk: Regulatory Changes	Stricter environmental laws and policies, such as carbon taxation and energy efficiency requirements.	• Potential fines for non-compliance	• Regularly monitor regulatory updates • Adopt energy-efficient practices to reduce carbon footprint • Engage with regulatory bodies to stay ahead of policy changes
Transitional Risk: Market and Consumer Preferences	Growing demand for sustainable products and responsible corporate practices.	• Shift in consumer preferences affecting sales • Loss of competitive advantage if sustainability is overlooked	• Integrate ESG strategies into business operations • Offer eco-friendly product options

On the other hand, climate changes may bring about opportunities to our business operations. Leveraging our Synagie Platform, we help to promote and lead the industry towards carbon neutrality. We intend to take advantage of the policies towards a greener economy to actively promote the reduction of carbon footprint of our brand partners and establish a positive brand image.

B. SOCIAL ISSUES

Employment (Aspect B1)

Employees

At Synagistics, our employees are our most valuable asset. We are committed to fostering a people-centric workplace where individuals feel valued, supported, and empowered in their professional growth. Our Human Resources (HR) team plays a crucial role in attracting high-calibre talent and managing key aspects of the employee experience, including recruitment, compensation and benefits, performance management, career development, and employee retention. To attract, retain, and motivate top talent, we offer competitive compensation packages that align with both internal equity and external market benchmarks. By continuously reviewing industry standards and ensuring fairness, we strive to provide employees with the best possible remuneration and rewards.

Synagistics is dedicated to maintaining a fair and inclusive workplace, where employment and promotion decisions are based on experience, qualifications, and abilities. In adherence to equal opportunity principles, our HR policies strictly prohibit discrimination based on race, colour, nationality, gender, age, disability, family status, or any other characteristics protected by law. By embracing diversity and inclusivity, we have built a dynamic workforce that includes individuals from various backgrounds, ranging from recent graduates to seasoned professionals and industry leaders.

Beyond competitive salaries, we offer a comprehensive benefits package to enhance employee well-being and promote work-life balance. These include flexible leave arrangements, such as annual leave, marriage leave, childcare leave, maternity and paternity leave, sick leave, and compassionate leave. Additionally, we provide flexible working hours to accommodate personal and professional needs, along with hybrid working arrangement in the office and/or at home. At Synagistics, we believe that a supportive and rewarding workplace is key to driving employee satisfaction, engagement, and long-term success. Through our commitment to fairness, inclusivity, and development, we continue to cultivate a positive and high-performing organizational culture.

During the Reporting Period, we have not identified any material non-compliance with relevant laws and regulations that have a significant impact on the Company relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Remuneration and Incentive

We formalised individual employment agreements with our employees in full compliance with relevant laws and regulations. These agreements outline key employment terms, including job responsibilities, remuneration, bonuses, confidentiality obligations related to trade secrets, non-competition clauses, and termination conditions.

Our remuneration package is designed to attract and retain top talent, consisting primarily of salaries, discretionary bonuses, and paid leave. Employees are generally eligible for bonuses and incentives upon meeting predefined key performance indicators (KPIs).

To ensure a fair and merit-based reward system, we conduct regular performance reviews and use these assessments to determine discretionary annual bonuses and salary adjustments. Additionally, we comply with legal requirements by making mandatory pension contributions in all markets where we operate. Through these structured employment practices, Synagistics remains committed to fostering a motivated, high-performing, and well-compensated workforce.

Recruitment

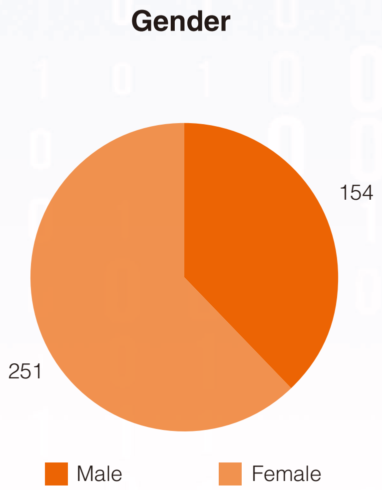
At Synagistics, we primarily recruit talents through open job markets, leveraging online job portals to attract skilled professionals. Our recruitment strategy focuses on identifying high-calibre candidates who can align with our organizational values and business objectives.

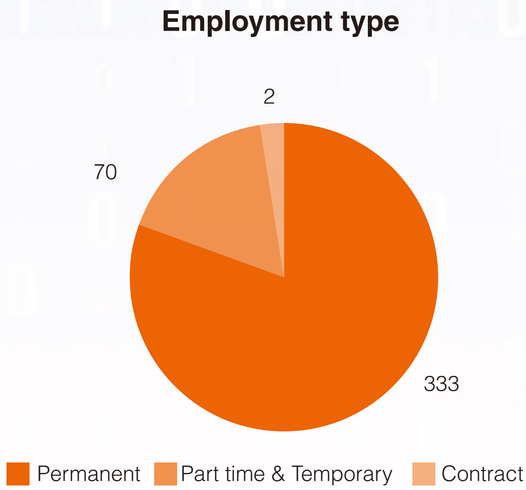
Furthermore, we have not faced any significant challenges in recruiting or retaining employees during the Reporting Period. This stability reflects our commitment to maintaining a positive work environment and fostering strong employee relations.

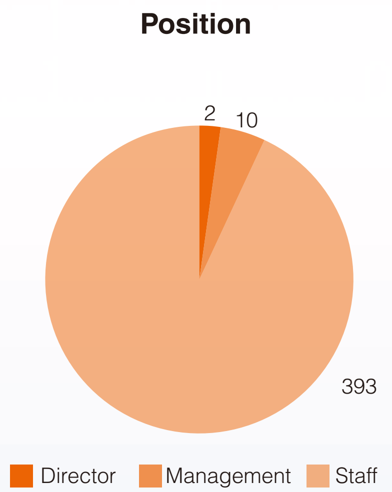
Equal Opportunities, Diversity and Anti-Discrimination

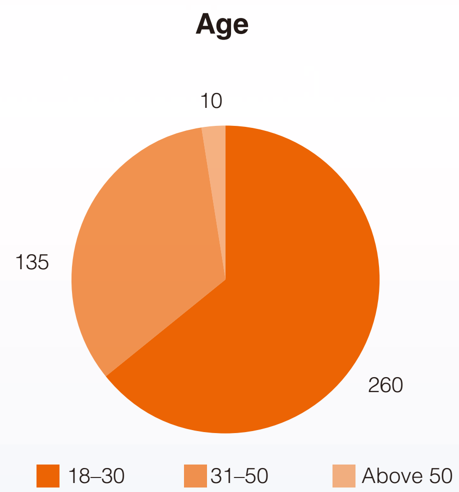
The Group is committed to fostering a fair, inclusive, and diverse workplace where employment decisions are based solely on competence, qualifications, and performance. We uphold a strict anti-discrimination policy, ensuring that all employees are treated equally, regardless of age, gender, race, nationality, religion, marital or maternity status, sexual orientation, disability, or any other non-work-related factor. Our dedication to gender equality and diversity is reflected in initiatives that empower female employees, encouraging them to share their perspectives and contribute meaningfully to the organization.

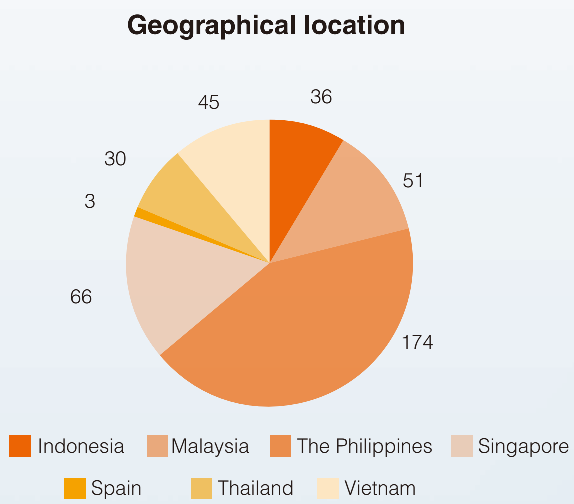
To support work-life balance and career growth, we have introduced hybrid work arrangements and launched the "Talent-on-Demand" program, which has provided part-time employment opportunities for individuals across Southeast Asia. Our workforce is composed of professionals from diverse backgrounds across sales, marketing, e-commerce and omni-channel development, information technology, warehouse and logistics operations, finance, and human resources. Moving forward, we remain committed to expanding our diversity and inclusion efforts, ensuring that Synagistics continues to be a place where talent from all walks of life can thrive.


Gender
154
251
Male
Female

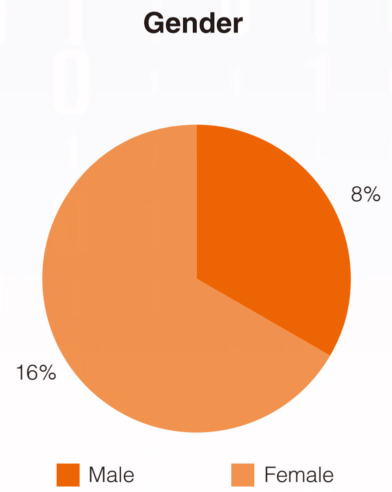

Employment type
2
70
333
Permanent
Part time & Temporary
Contract

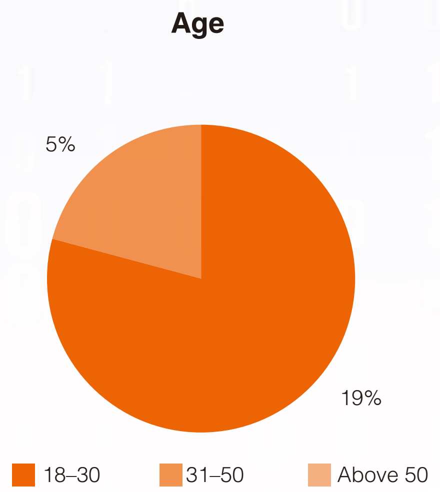

Position
2
10
393
Director
Management
Staff

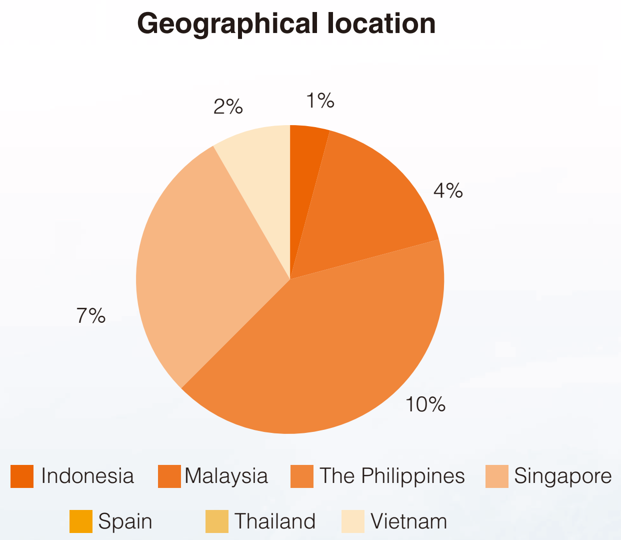

Age
10
135
260
18–30
31–50
Above 50


Geographical location
45
36
30
51
3
66
174
Indonesia
Malaysia
The Philippines
Singapore
Spain
Thailand
Vietnam

Employee turnover rate[5,6]







Health and Safety (Aspect B2)

At Synagistics, we place a strong emphasis on workplace safety and are fully committed to complying with all health and safety statutory requirements, striving to exceed them whenever reasonably practicable. To ensure a safe working environment, all warehouse employees are required to undergo comprehensive safety training upon the commencement of their employment. Additionally, we have implemented a strict no-smoking policy, prohibiting smoking in all enclosed areas within our facilities, including offices, meeting rooms, warehouses, common areas, pantries, washrooms, and reception areas.

5 Employee turnover rate = Percentage of permanent turnover employees trained by relevant category/ (Number of permanent turnover employees + Number of permanent employees) × 100%

6 The Group aims to achieve a balance between operational and business requirements and resource allocation. Our strategy includes the increased use of contract workers and part-time staff to enhance cost management flexibility. Additionally, we focus exclusively on permanent employees when calculating turnover rates.

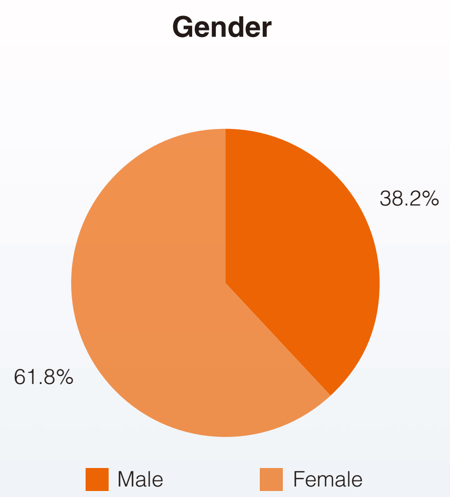
To safeguard our operations against unforeseen disruptions, we have established a Business Continuity Plan that prepares our workforce for extended service outages caused by factors beyond our control, such as extreme weather conditions or man-made events. All company sites are required to implement preventive measures to minimise risks of injury, fatality, or operational disruptions, ensuring that operations resume as swiftly as possible once employee safety is secured. Evacuation procedures are in place, with designated personnel responsible for assisting in evacuations and conducting roll calls at assembly points in the event of an emergency, such as a fire hazard.

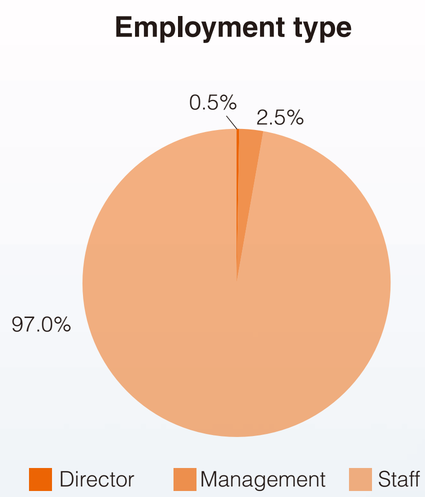
During the Reporting Period, the Group had not experienced any significant workplace incidents or accidents. We have not been subject to any material claims, penalties, or legal actions related to health, workplace safety, social, or environmental protection. We have also remained in full compliance with all applicable laws and regulations in all material aspects throughout the Reporting Period. We have zero lost day of employees caused by work injury during the Reporting Period. We have no work-related fatalities in the past three years including the Reporting Period.

Development and Training (Aspect B3)

The Group is dedicated to cultivating a culture of continuous learning within our organization. We actively encourage employees to pursue work-related advanced studies and participate in seminars and workshops to enhance their skills and expertise. To support their professional growth, we provide study opportunities, enabling employees to access advanced education and development opportunities that contribute to both their individual success and the organization's progress.

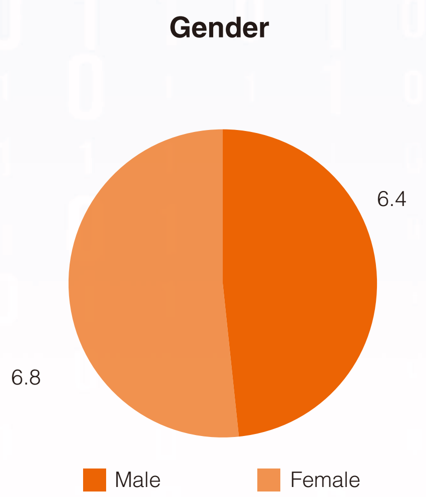
Employees trained[7]

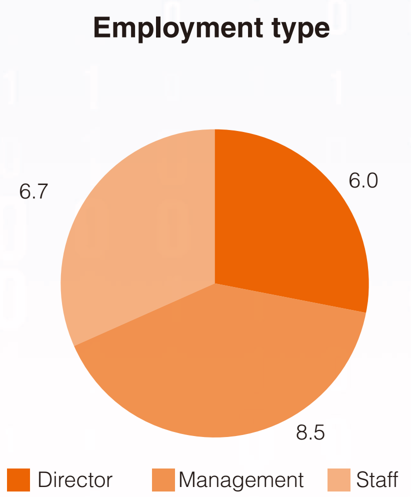




7 Percentage of employees trained by relevant category or gender = Number of employees who took part in training in relevant category or gender/Employees who took part in training × 100%

Average training hours[8]





Labour Standards (Aspect B4)

The Group ensures that all working sites and offices strictly comply with local statutory requirements, including regulations such as the Provisions on the Prohibition of Using Child Labour and Underage Workers Special Protection Provisions. Additionally, we adhere to international human rights standards, such as the United Nations Convention on the Rights of the Child, to align with global best practices. The Group explicitly prohibits all forms of forced or child labour and upholds stringent policies to prevent such practices within our operations.

We fully comply with local labour laws, ensuring that all employees meet the legal minimum working age. As part of our hiring process, job applicants are required to present identification documents during interviews for age verification. Our Human Resources Department conducts thorough recruitment screenings and background checks to verify the accuracy of applicant information. If an employee is found to have deliberately misrepresented his or her identity, his or her employment will be terminated, and he or she may be held liable for any resulting losses. Conversely, if any violations occur due to negligence by the Human Resources Department, responsible officers will face disciplinary actions, including warnings or dismissal in severe cases. The Group strictly prohibits forced labour, does not require employees to provide employment guarantees, and considers both their capabilities and willingness when assigning work. Regular internal reviews are conducted to ensure compliance with labour laws, and during the Reporting Period, no violations related to child labour or forced labour were identified.

Supply Chain Management (Aspect B5)

During the Reporting Period, we collaborated with over 300 global and local suppliers, providing us with a diverse range of products. To mitigate potential disruptions along our supply chain and minimise any negative impact, we have implemented robust corporate governance measures. These include supplier screening processes, verification checks, and the requirement to obtain product safety certifications, ensuring compliance with quality and safety standards.

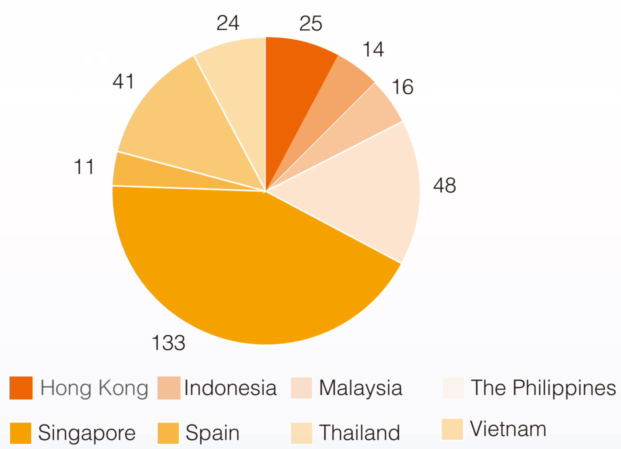
To minimise environmental and social risks throughout the supplier selection process, the Group adheres to a fair and transparent procurement framework. We conduct tendering and price comparisons to ensure equitable selection, while non-tendering methods for certain products or services require prior authorization. The Group strictly prohibits unauthorised procurement to prevent procurement manipulation and uphold integrity in our supply chain.

8 Average training hours for employees in relevant category or gender = Total training hours for employees in relevant category or gender/Total number of employees in that category or gender

We manage a lean, environmentally friendly cloud-based supply chain throughout Southeast Asia. Our goal is to enhance public understanding of environmental issues and foster eco-conscious practices among our business clients. We are dedicated to minimizing carbon emissions in all aspects of our operations and plan to support our brand partners in meeting their ESG objectives. We actively encourage eco-friendly initiatives, particularly through advocating for the use of sustainable packaging in our logistics activities. Specifically, we are committed to exploring strategies that further reduce carbon emissions, such as offering green delivery options at checkout and utilizing biodegradable and/or reusable packaging. Additionally, we make a concerted effort to partner with supply chain providers who are equally committed to reducing carbon emissions, ensuring our collaborations with third-party service providers reflect our environmental values.

Additionally, we regulate and monitor suppliers, and service providers to ensure compliance with occupational safety standards, environmental best practices, and social responsibility guidelines. We enforce strict measures to prevent violations of laws and regulations, reinforcing our commitment to ethical and sustainable business operations.

Number of suppliers by geographical region



Product Responsibility (Aspect B6)

During the Reporting Period, the Group remained fully compliant with service quality and data privacy laws, such as the Personal Data (Privacy) Ordinance, with no reported cases of material non-compliance. We were not aware of any material infringement of our intellectual property (IP) rights. There were no disputes, litigation, or claims related to our IP rights, nor any legal proceedings against the Group for alleged third-party IP infringement. Additionally, no pending or threatened claims were identified regarding IP rights violations by us or third parties. The Group is dedicated to protecting and respecting intellectual property rights, including but not limited to trademarks, patents and copyrights. The Group has obtained proper licenses for software, hardware and information the Group uses in its business operation.

To ensure the authenticity and quality of our procured products, we source exclusively from pre-approved suppliers, selected based on reputation, brand image, product quality, and track record. Whenever possible, we procure directly from brand owners or authorised distributors. Any supplier failing to meet our authenticity and quality standards will have their business relationship with us terminated immediately.

Upon product delivery, items are stored in our warehouse, where they undergo inspection by experienced personnel from our warehousing and logistics team. These designated colleagues verify quantity, authenticity (e.g., anti-counterfeit labels, product warranty cards), and packaging conditions. Additionally, we may require suppliers to provide certificates of safety compliance where necessary. If any quality or authenticity issues arise, the warehousing and logistics team promptly reports to our team and management, which coordinates with suppliers for refunds or product returns. Suppliers failing to meet our standards may be terminated from its service.

The Group is committed to protecting the privacy and confidentiality of employees, customers, and intellectual property rights by handling sensitive information with care and discretion, in strict compliance with the data protection principles: data collection, accuracy, use, security, openness, and access and correction. Confidential information, including Group strategies, customer data, and details of service providers, suppliers, and subcontractors, is strictly for business purposes and must not be removed from company premise — physically or via the company network — without prior authorization. Employees are required to adhere to the confidentiality clause outlined in the Employee Handbook, and any unauthorised access, disclosure, or misuse of information will result in disciplinary action, including termination and potential legal proceedings.

During the Reporting Period, the Group did not receive any complaints from regulatory authorities or consumers regarding product safety and have any product been recalled for product safety and health reasons. In addition, we have not identified any material non-compliance with laws and regulations that have a significant impact on the Company relating to product responsibility.

Anti-corruption (Aspect B7)

As a socially responsible company, the Group maintains a zero-tolerance policy towards bribery, extortion, fraud, money laundering, and all forms of corruption, ensuring strong business ethics while mitigating risks for stakeholders and preventing negative societal impacts. We have implemented robust risk management and internal control policies to prevent corruption, providing employees with clear guidelines and training on matters such as gift acceptance, donations, and conflicts of interest. For instance, employees must follow a self-declaration process when receiving gifts or sample products. Additionally, we conduct training sessions to reinforce adherence to our anti-corruption policies and ethical business practices.

The Group requires all employees to uphold high standards of business conduct and comply with all applicable laws and regulations. To support this commitment, we have established clear reporting procedures for serious concerns that may impact our operations or reputation, encouraging employees to report issues at the earliest opportunity to enable timely and appropriate action. Upon receiving a report, senior management will review the matter and determine the necessary course of action, which may involve an internal inquiry or formal investigation. Employees will be informed if further assistance is required. The Group is committed to maintaining whistleblower confidentiality, except in cases where disclosure is legally required, such as during a criminal investigation.

During the Reporting Period, to reinforce business ethics and stay updated on regulatory requirements, we organised anti-corruption management training for the Board and all employees. The training materials were sourced from the Independent Commission Against Corruption (ICAC) in Hong Kong to ensure compliance with best practices and regulatory standards.

During the Reporting Period, the Group was not aware of any case of material non-compliance with corruption-related laws and regulations in the reporting boundary and there was zero reported or concluded legal case of material non-compliance regarding corruption.

Community Investment (Aspect B8)

We are committed to delivering excellence to our customers while upholding our responsibility as a good corporate citizen by actively contributing to the well-being of the community. As part of this commitment, we encourage our employees to participate in charity initiatives and social services, fostering a culture of compassion and civic engagement within our organization. By leveraging our resources and collective efforts, we aim to make a meaningful impact on society while strengthening our connection with the communities in which we operate.

Our employees contributed a total of 2,464 staff hours to charitable work. Additionally, we donated a total amount of SGD 106,757 to support various causes, such as product merchandise.

In recognition of its commitment to corporate social responsibility, Synagistics was awarded a Certificate of Appreciation by the Department of Education of the Philippines, Region IV-A CALABARZON for its support and cooperation during the 2024 Brigada Eskwela event at San Lorenzo Elementary School in Lucena City. This acknowledgment highlights the Group's active participation in fostering a better learning environment for students through its contributions to the school's preparation and improvement initiatives.

Furthermore, the Certificate of Appreciation awarded to Synagistics by the Department of Education is a testament to the Group's dedication to community engagement through its support and collaboration during the Brigada Eskwela event at San Lorenzo Elementary School in Lucena City. Partnerships like these between businesses and educational institutions play a vital role in fostering community development, improving learning environments, and enriching students' educational experiences. Such initiatives demonstrate Synagistics' commitment to corporate social responsibility and its positive impact on the community.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SYNAGISTICS LIMITED
(FORMERLY KNOWN AS HK ACQUISITION CORPORATION)
(incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Synagistics Limited (formerly known as HK Acquisition Corporation) (the "**Company**") and its subsidiaries (collectively referred to as "**the Group**") set out on pages 85 to 148 which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("**the IESBA Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of the goodwill	
We identified the impairment assessment of the goodwill of Direct-to-Customer and Direct-to-Brands or Business, two groups of cash generating units ("**CGU**") with total amount of S$49,332,000 as at 31 December 2024 as a key audit matter due to its significance to the consolidated financial statements and the significant management estimate involved in assessing the impairment of goodwill. The Group assessed the impairment of goodwill by determining the recoverable amounts of CGUs based on higher of fair value less costs of disposal and value in use. The Group has engaged an independent qualified professional valuer to perform such valuation. The value in use calculation requires the Group to estimate the future cash flows with key assumption including budgeted sales of the CGU expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise. Details of significant judgements and assumptions in the impairment assessment as disclosed in notes 4 and 18.	Our procedures in relation to impairment assessment included: • Understanding the processes of Group's impairment assessment of the goodwill, including the valuation model adopted and key assumptions made by the management; • Evaluating the competence and objectivity of the independent qualified professional valuer and obtaining an understanding of the valuer's scope of work and the terms of engagement; • Evaluating the reasonableness of the key assumptions including discount rate and budgeted sales of the CGU in the discounted cash flow model prepared by the management by considering the historical performance of the CGU and the market development and engaging our internal valuation specialists to assess the appropriateness of the valuation methodology and certain assumptions including discount rate adopted; • Evaluating the reasonableness of, and recalculating, the sensitivity analysis prepared by the management and assessing the impact on value in use of the CGU; and • Checking the mathematical accuracy of the value in use calculation.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wan Wai Nga.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
31 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	NOTES	**2024 S$'000**	2023 S$'000 (restated)
Revenue	*5*	**101,861**	126,595
Cost of sales		**(70,533)**	(94,851)
Gross profit		**31,328**	31,744
Other income	*7*	**507**	379
Other gain and loss	*8*	**463**	(1,790)
Changes in fair value of financial liabilities at fair value through profit or loss ("**FVTPL**")	*28*	**(83,896)**	—
Impairment losses under expected credit loss ("**ECL**") model, net of reversal		**(84)**	2
Selling and distribution expenses		**(15,461)**	(20,668)
General and administrative expenses		**(117,542)**	(26,009)
De-SPAC Transaction (as defined in note 1) expense	*34*	**(83,525)**	—
Finance costs	*9*	**(1,725)**	(1,658)
Loss before income tax	*10*	**(269,935)**	(18,000)
Income tax credit	*12*	**168**	690
Loss for the year		**(269,767)**	(17,310)
Other comprehensive income for the year:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**316**	24
Remeasurement of defined pension plan		**39**	—
Other comprehensive income for the year		**355**	24
Total comprehensive expense for the year		**(269,412)**	(17,286)
Loss for the year attributable to:			
Owners of the Company		**(269,767)**	(17,310)
Non-controlling interests*		**—**	—
		(269,767)	(17,310)
Total comprehensive expense attributable to:			
Owners of the Company		**(269,412)**	(17,286)
Non-controlling interests*		**—**	—
		(269,412)	(17,286)
Loss per share (Singapore cents)	*14*		
— Basic		**(62.08)**	(2.32)
— Diluted		**N/A**	N/A

* *denotes less than S$1,000*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	NOTES	At 31 December 2024 S$'000	2023 S$'000 (restated)	At 1 January 2023 S$'000 (restated)
Non-current assets				
Plant and equipment	*15*	**173**	427	716
Right-of-use assets	*16*	**601**	1,614	630
Intangible assets	*17*	**3,823**	5,675	7,906
Goodwill	*18*	**49,332**	49,332	49,332
Other receivables	*20*	**1,786**	84	129
		55,715	57,132	58,713
Current assets				
Inventories	*19*	**383**	861	3,172
Trade and other receivables	*20*	**27,175**	20,490	20,084
Contract assets	*22*	**2,979**	1,680	1,706
Cash and cash equivalents	*23*	**47,909**	13,418	13,306
		78,446	36,449	38,268
Current liabilities				
Trade and other payables	*24*	**27,588**	45,271	34,255
Lease liabilities	*25*	**508**	1,207	434
Bank and other borrowings	*26*	**4,669**	1,403	1,191
Income tax payable		**16**	2	—
Financial liabilities at FVTPL	*28*	**121,577**	—	—
		154,358	47,883	35,880
Net current (liabilities) assets		**(75,912)**	(11,434)	2,388
Total assets less current liabilities		**(20,197)**	45,698	61,101
Non-current liabilities				
Lease liabilities	*25*	**131**	453	192
Bank and other borrowings	*26*	**324**	780	1,150
Convertible loan note	*27*	**—**	12,318	10,352
Deferred tax liability	*29*	**—**	498	1,198
		455	14,049	12,892
Net (liabilities) assets		**(20,652)**	31,649	48,209
Capital and reserves				
Share capital	*30*	**7**	74,679	74,679
Reserves		**(20,640)**	(43,011)	(26,451)
Equity attributable to owners of Company		**(20,633)**	31,668	48,228
Non-controlling interests		**(19)**	(19)	(19)
Total equity		**(20,652)**	31,649	48,209

The consolidated financial statements on pages 85 to 148 were approved and authorised for issue by the board of directors of the Company on 31 March 2025 and are signed on its behalf by:

Lee Shieh-Peen Clement
DIRECTOR

Tai Ho Yan Olive
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to owners of the Group								
	Share capital S$'000	Share premium S$'000	Translation reserve S$'000	Share based payment reserve S$'000	Other reserve S$'000	Accumulated losses S$'000	Subtotal S$'000	Non-controlling interests S$'000	Total S$'000
At 1 January 2023 (restated)	74,679	—	(38)	458	—	(26,871)	48,228	(19)	48,209
Loss for the year	—	—	—	—	—	(17,310)	(17,310)	— *	(17,310)
Exchange differences on translation of foreign operations	—	—	24	—	—	—	24	—	24
Total comprehensive income (expense) for the year	—	—	24	—	—	(17,310)	(17,286)	—	(17,286)
Recognition of share-based payments	—	—	—	726	—	—	726	—	726
At 31 December 2023 (restated)	74,679	—	(14)	1,184	—	(44,181)	31,668	(19)	31,649
Loss for the year	—	—	—	—	—	(269,767)	(269,767)	—*	(269,767)
Exchange differences on translation of foreign operations	—	—	316	—	—	—	316	—	316
Remeasurement of defined pension plan	—	—	—	—	39	—	39	—	39
Total comprehensive income (expense) for the year	—	—	316	—	39	(269,767)	(269,412)	—*	(269,412)
Capital Reorganisation *(Note 34)*:									
Effect of shares exchanged as part of De-Spac Transaction	(90,984)	—	—	—	90,984	—	—	—	—
Consideration shares issued as part of De-Spac Transaction	6	595,870	—	—	(595,876)	—	—	—	—
Shares issued to private investment in public equity ("**PIPE**") and permitted equity financing ("**PEF**") investors	1	93,984	—	—	—	—	93,985	—	93,985
Shares issued to promoters of HKAC ("**HKAC Promoters**")	—	42,584	—	—	—	—	42,584	—	42,584
Shares issued to SPAC shareholders of HKAC ("**HKAC SPAC Shares**")	—	6,708	—	—	—	—	6,708	—	6,708
Transaction costs directly attributable to issue of new shares to PIPE and PEF investors	—	—	—	—	(20,321)	—	(20,321)	—	(20,321)
Recognition of share-based payments	—	—	—	28,711	—	—	28,711	—	28,711
Exercise of share options	16,305	—	—	(16,305)	—	—	—	—	—
Bonus shares award issued	—	63,541	—	—	—	—	63,541	—	63,541
Exercise of public warrants	—	1,903	—	—	—	—	1,903	—	1,903
At 31 December 2024	7	804,590	302	13,590	(525,174)	(313,948)	(20,633)	(19)	(20,652)

* *denotes less than S$1,000*

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024 S$'000	2023 S$'000 (restated)
OPERATING ACTIVITIES		
Loss before income tax	**(269,935)**	(18,000)
Adjustments for:		
Amortization of intangible assets	**3,334**	3,782
Depreciation of plant and equipment	**304**	391
Depreciation of right-of-use assets	**1,228**	1,338
Impairment loss (reversal) under ECL model, net of reversal	**84**	(2)
Write-down of inventories, net of reversal	**163**	507
Fair value (gain) loss on convertible loan note	**(1,454)**	940
Change in fair value of financial liabilities at FVTPL	**83,896**	—
Finance costs	**1,725**	1,658
Bank interest income	**(262)**	(7)
Exchange loss, net	**—**	6
Share-based payments expense	**92,252**	726
De-SPAC Transaction expense	**83,525**	—
Operating cash flows before movements in working capital	**(5,140)**	(8,661)
Decrease in inventories	**315**	1,803
Increase in trade and other receivables	**(8,407)**	(381)
(Increase) decrease in contract assets	**(1,299)**	24
(Decrease) increase in trade and other payables	**(21,486)**	11,062
Cash (used in) generated from operations	**(36,017)**	3,847
Income tax paid	**(317)**	(5)
Net cash (used in) generated from operating activities	**(36,334)**	3,842
INVESTING ACTIVITIES		
Purchase of plant and equipment	**(46)**	(119)
Purchase of intangible assets	**(1,482)**	(1,551)
Interest received	**262**	7
Net cash used in investing activities	**(1,266)**	(1,663)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024 S$'000	2023 S$'000 (restated)
FINANCING ACTIVITIES		
Proceeds from bank and other borrowings	**7,500**	2,780
Repayment of bank and other borrowings	**(4,940)**	(2,938)
Repayment of convertible loan note	**(10,864)**	—
Repayment of lease liabilities	**(1,241)**	(1,277)
Interest paid	**(1,475)**	(632)
Proceeds from PIPE and PEF investors	**93,985**	—
Transaction costs directly attributable to issue of new shares to PIPE and PEF investors	**(20,321)**	—
Net proceeds from De-SPAC Transaction	**7,362**	—
Net cash generated from (used in) financing activities	**70,006**	(2,067)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**32,406**	112
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**13,418**	13,306
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**2,085**	—
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**47,909**	13,418

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

Synagistics Limited (formerly known as HK ACQUISITION CORPORATION) (the "**Company**") was incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of 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.

Upon completion of the Capital Reorganisation (as defined hereinunder), the Company's subsidiaries are principally engaged in the sale of products via omni-channels and digital solutions services. Details of particulars of the Company's principal subsidiaries are disclosed in note 38.

The consolidated financial statements are presented in S$ while the Company's functional currency is the Hong Kong dollars ("**HK$**").

1A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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 continue as one company, following which the separate corporate existence of Merger Sub ceased, and the Target Company is the surviving corporation and subsists under its existing name, which becomes a direct, 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.

1A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.

The consolidated financial statements have been prepared in accordance with the IFRSs Accounting Standards issued by International Accounting Standard Board ("**IASB**"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the IFRS Accounting Standards and Listing Rules and by the Hong Kong Companies Ordinance.

As at 31 December 2024, the Group was in net current liabilities position of S$75,912,000 in which the balances consist of financial liabilities at FVTPL of 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 Company 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 31 December 2024 and it is appropriate to prepare the consolidated financial statements on a going concern basis.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

The Group has consistently applied the following amendments to IFRS Accounting Standards, International Accounting Standards ("**IASs**"), and interpretations issued by the IASB which are effective for the accounting periods beginning on 1 January 2024.

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs Accounting Standards in the current reporting period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

New and amendments to IFRSs Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but not yet effective.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Contract Referencing Nature dependent Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvement to IFRS Accounting Standards — Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for the annual periods beginning on or after a date to be determined
2 Effective for the annual periods beginning on or after 1 January 2025
3 Effective for the annual periods beginning on or after 1 January 2026
4 Effective for the annual periods beginning on or after 1 January 2027

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 "Presentation of Financial Statements". This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The consolidated financial statements incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Acquisition of a subsidiary not constituting a business and settle through allotment of Company's shares

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to the financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

This deemed issue of equity is accounted for as an equity-settled share-based payment transaction and measured indirectly by reference to the fair value of the equity instruments issued in accordance IFRS 2 "Share-based Payment", as there is no goods or services received by the Group from this transaction. The increase in equity by the Group is measured by reference to the fair value of the equity that are deemed to have been issued.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in notes 5 and 22.

Foreign currencies

In preparing the financial statements of the each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. S$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

When share options are exercised, the amount previously recognized in share options reserve will be transferred to share capital and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share options reserve will be transferred to accumulated losses.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "loss before income tax" as reported in the consolidated statements of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary difference. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

Current and deferred tax are recognized in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Impairment losses on property and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment losses on property and equipment, right-of-use assets and intangible assets other than goodwill (Continued)

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial liabilities at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at FVTPL are recognized immediately in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortized cost and interest income

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ("**ECL**") model on financial assets (including trade and other receivables, contract assets and bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at the end of each reporting date to reflect changes in credit risk since initial recognition.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, and factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade receivables and contract assets.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether the credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk. e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor; an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial recognization.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivable, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status; and
- Nature, size and industry of debtors.

The grouping is regularly reviewed by the management of the Group to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the correspondence adjustment is recognized through a loss allowance account.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a group entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or designated as at FVTPL.

A financial liability other than a financial liability held for trading if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at amortized cost

Financial liabilities (including trade and other payables and bank and other borrowings) are subsequently measured at amortized cost, using the effective interest method.

Convertible loan note

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Convertible loan note (Continued)

At the date of issue, both the debt component and derivative components are recognized at fair value and the convertible loan note are designated as at FVTPL. In subsequent period, changes in fair value are recognized in profit or loss as fair value gain or loss except for changes in the fair value that is attributable to changes in the credit risk (excluding changes in fair value of the derivatives component) is recognized in other comprehensive income, unless the recognition of the effects of changes in the credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to the credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss, they are transferred to retained profits upon derecognition.

When determining the classification of convertible loan note as current or non-current, the Group considers both the redemption through cash settlement and the transfer of the Group's own equity instruments as a result of exercise of conversion options by holders as settlement of the convertible loan note.

Transaction costs relating to the issue of the convertible loan note are charged to profit or loss immediately.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, canceled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Group's accounting policies, management is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. KEY SOURCES OF ESTIMATION UNCERTAINTIES (Continued)

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The Group has engaged an independent qualified professional valuer to perform such valuation.

The value in use calculation requires the Group to estimate the future cash flows with key assumption including budgeted sales of the "cash generating units ("**CGU**") expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As at 31 December 2024, the carrying amounts of goodwill were approximately S$49,332,000 (2023: S$49,332,000). Details of significant judgements and assumptions in the impairment assessment are disclosed in note 18.

Fair value measurement of financial liabilities at FVTPL

The Group has issued public warrant liabilities, promoter warrant liabilities and promoter earn-out rights liabilities as set out in note 28. The Group recognized these financial instruments as financial liabilities at FVTPL in which no quoted prices in an active market exist. The fair value of the financial instruments is established by using valuation techniques, which include binomial model and monte carlo simulation method involving various parameters and inputs. Valuation techniques are certified by an independent qualified professional valuer before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. Valuation models established by the valuer make the maximum use of market inputs and rely as little as possible on the Group's specific data. However, it should be noted that some inputs, such as fair value of the ordinary shares of Synagistics Pte. Ltd. (before completion of Capital Reorganisation as disclosed in note 1A), and other inputs, such as time to maturity, risk-free interest rate, expected volatility value and expected dividend yield, require management estimates. Management estimates and assumptions are reviewed periodically and are adjusted if necessary.

Should any of the estimates and assumptions change, it may lead to a change in the fair value of financial liabilities at FVTPL. The fair value of the financial liabilities at FVTPL of the Group as at 31 December 2024 were approximately S$121,577,000 (2023: nil).

Provision of ECL for trade receivables and contract assets

For trade receivables and contract assets, as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort, collective assessment is performed by grouping debtors based on the Group's internal credit ratings.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in note 36.

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

	2024 S$'000	2023 S$'000 (restated)
Types of goods or services		
D2C — Sale of products via omni-channels	**68,905**	99,952
D2B — Digital solutions services	**32,956**	26,643
Total	**101,861**	126,595
Geographical markets		
Singapore	**15,280**	20,970
The Philippines	**40,390**	70,562
Indonesia	**15,166**	15,068
Vietnam	**16,307**	11,310
Malaysia	**5,266**	4,461
Hong Kong	**6,255**	1,065
Others	**3,197**	3,159
Total	**101,861**	126,595
Timing of revenue recognition		
At a point in time	**68,905**	99,952
Over time	**32,956**	26,643
Total	**101,861**	126,595

(ii) Performance obligation for contracts with customers and revenue recognition policies

a) *Direct-to-Consumer ("D2C") — sale of products via omni-channels*

The Group is involved in the selling of a wide range of branded consumer merchandise and products, including products in beauty, body, baby, apparel and fashion sectors, via omni-channels. Revenue from the sale of products is recognized when control of the goods has transferred, being when the goods have been shipped to the customer's location (delivery).

Under the Group's standard contract terms, customers have a right of return within 14 days. At the point of sale, a refund liability and a corresponding adjustment to revenue are recognized for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return so consequently recognizes a right to returned goods asset and a corresponding adjustment to the cost of inventories recognized in profit or loss. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognized will not occur given the consistent level of returns over previous years.

5. REVENUE (Continued)

(ii) Performance obligation for contracts with customers and revenue recognition policies (Continued)

b) *Direct-to-Brands or Businesses ('D2B") — Digital solutions services*

The Group provides a series of digital solutions including commerce management, data analytics, digital supply chain and digital marketing services. Revenue is recognized over time based on the progress towards complete satisfaction of a performance obligation which is measured based on input method, which is to recognize revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customer

As at 31 December 2024 and 2023, all outstanding contracts are expected to be fulfilled within 12 months after the end of each reporting period. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contract is not disclosed.

6. SEGMENT INFORMATION

Information reported to the Chief Executive Officer ("**CEO**") of the Group, being the chief operating decision maker ("**CODM**") for the purpose of resource allocation and assessment of segment performance focuses on types of goods delivered, or service provided. The CODM has chosen to organise the Group's results according to the category of the business segment and differences in nature of the goods and services that each segment delivers. No operating segments identified by CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under IFRS 8 *Operating Segments* are as follows:

(i) D2C — Sale of products via omni-channels

(ii) D2B — Digital solutions services

6. SEGMENT INFORMATION (Continued)

Segment results represent the profit earned by each segment without allocation of finance costs, share-based payment expense, De-SPAC Transaction expense, changes in fair value of financial liabilities at FVTPL, central administrative costs including directors' emoluments, legal and professional fees and other operating expenses, and unallocated expenses that are not directly attributable to respective segments as disclosed in the below table. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's revenue and results by operating and reportable segments:

	2024 S$'000	2023 S$'000 (restated)
Segment revenue		
D2C	**68,905**	99,952
D2B	**32,956**	26,643
	101,861	126,595
Segment results		
D2C	**7,222**	13,748
D2B	**24,107**	17,996
Unallocated corporate income	**507**	379
Unallocated corporate expenses	**(301,771)**	(50,123)
Loss before income tax	**(269,935)**	(18,000)

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

6. SEGMENT INFORMATION (Continued)

Geographical information

Analysis of the Group's revenue from external customers by geographic location, determine based on the location of customers as set out in note 5. An analysis of the Group's non-current assets by geographical location of the assets are detailed below:

	2024 S$'000	2023 S$'000 (restated)
Non-current assets:		
Singapore	**53,469**	55,888
The Philippines	**53**	177
Indonesia	**12**	10
Vietnam	**247**	787
Malaysia	**133**	216
Cayman	**1,790**	—
Others	**11**	54
	55,715	57,132

Information about major customer

No single customer has accounted for 10% or more of the total revenue of the Group during the current year (2023: no single customer has accounted for 10% or more of the total revenue of the Group).

7. OTHER INCOME

	2024 S$'000	2023 S$'000 (restated)
Government grants	**180**	237
Bank interest income	**262**	7
Others	**65**	135
	507	379

8. OTHER GAIN AND LOSS

	2024 S$'000	2023 S$'000 (restated)
Exchange loss, net	**(429)**	(343)
Change in fair value of convertible loan note	**1,454**	(940)
Others	**(562)**	(507)
	463	(1,790)

9. FINANCE COSTS

	2024 S$'000	2023 S$'000 (restated)
Interest on convertible loan note	**721**	1,026
Interest on bank and other borrowings	**915**	500
Interest on lease liabilities	**89**	132
	1,725	1,658

10. LOSS BEFORE INCOME TAX

	2024 S$'000	2023 S$'000 (restated)
Loss before income tax has been arrived at after charging:		
Directors' remuneration *(note 11)*	**816**	369
Other staff costs:		
— Salaries, allowances and other benefits	**12,878**	14,551
— Retirement benefit expenses	**1,300**	1,458
— Share-based payment expenses	**15,121**	726
Total staff costs	**30,115**	17,104
Other share-based payment expenses	**77,131**	—
Auditor's remuneration	**1,667**	342
Cost of inventories recognized as an expense	**57,527**	80,962
Amortisation of intangible assets	**3,334**	3,782
Depreciation of plant and equipment	**304**	391
Depreciation of right-of-use assets	**1,228**	1,338
Write-down of inventories, net of reversal	**163**	507

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

For the year ended 31 December 2024

	Date of appointment as director of the Company	Fees S$'000	Salaries and other allowances S$'000	Retirement benefit schemes contributions S$'000	Share-based payment expenses S$'000	Performance and discretionary bonus S$'000	Total S$'000
Name of directors							
Executive directors:							
Mr. Lee Shieh-Peen Clement *(Note (i))*	28 July 2020	10	389	17	–	–	416
Ms. Tai Ho Yan Olive *(Note (ii))*	30 October 2024	10	346	17	–	–	373
		20	735	34	–	–	789
Non-executive directors:							
Ms. Phua Nan Chie	30 October 2024	–	–	–	–	–	–
Mr. Chong Tian Taum	4 August 2020	–	–	–	–	–	–
Mr. Jin Qin	30 October 2024	–	–	–	–	–	–
		–	–	–	–	–	–
Independent non-executive directors:							
Mr. Selva Bryan Ratnam	30 October 2024	9	–	–	–	–	9
Mr. Andrew Chow Heng Cheong	30 October 2024	9	–	–	–	–	9
Mr. Siek Wei Ting	30 October 2024	9	–	–	–	–	9
		27	–	–	–	–	27
Total		47	735	34	–	–	816

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

For the year ended 31 December 2023

	Date of appointment as director of the Company	Fees S$'000	Salaries and other allowances S$'000	Retirement benefit schemes contributions S$'000	Share-based payment expenses S$'000	Performance and discretionary bonus S$'000	Total S$'000
Name of directors							
Executive directors:							
Mr. Lee Shieh-Peen Clement *(Note (i))*	28 July 2020	—	352	17	—	—	369
Ms. Tai Ho Yan Olive *(Note (ii))*	30 October 2024	—	—	—	—	—	—
		—	352	17	—	—	369
Non-executive directors:							
Ms. Phua Nan Chie	30 October 2024	—	—	—	—	—	—
Mr. Chong Tian Taum	4 August 2020	—	—	—	—	—	—
Mr. Jin Qin	30 October 2024	—	—	—	—	—	—
		—	—	—	—	—	—
Independent non-executive directors:							
Mr. Selva Bryan Ratnam	30 October 2024	—	—	—	—	—	—
Mr. Andrew Chow Heng Cheong	30 October 2024	—	—	—	—	—	—
Mr. Siek Wei Ting	30 October 2024	—	—	—	—	—	—
		—	—	—	—	—	—
Total		—	352	17	—	—	369

Notes:

(i) Mr. Lee Shieh-Peen, Clement acts as the chairman of the Board and chief executive.

(ii) Ms. Tai Ho Yan, Olive acts as the Chief Executive Officer of the Company and her emoluments disclosed above included those services rendered by her as Chief Executive Officer.

The executive directors' and non-executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Employees' emoluments

The five highest paid individuals included two directors (2023: one), whose emoluments are included in the disclosures above. The emoluments of the remaining three (2023: four) individuals who are neither a director nor chief executive of the Company are as follows:

	2024 S$'000	2023 S$'000 (restated)
Salaries, allowances and other benefits	**757**	1,035
Share-based payments expenses	**3,997**	102
Performance and discretionary bonus*	**—**	55
	4,754	1,192

* The discretionary bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

The emoluments of the highest paid employees who are not directors of the Company were within the following band:

	2024 S$'000	2023 S$'000 (restated)
Nil to HK$1,000,000 (equivalent to Nil to S$171,000)	**—**	—
HK$1,000,001 to HK$1,500,000 (equivalent to S$171,001 to S$257,000)	**—**	2
HK$1,500,001 to HK$2,000,000 (equivalent to S$257,001 to S$343,000)	**—**	2
HK$7,500,001 to HK$8,000,000 (equivalent to S$1,285,001 to S$1,371,000)	**2**	—
HK$12,000,001 to HK$12,500,000 (equivalent to S$2,056,001 to S$2,142,000)	**1**	—
	3	4

During the year, no emoluments were paid by the Group to the directors of the Company ("**the Directors**") or any of the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived any emoluments during the years ended 31 December 2024 and 2023.

12. INCOME TAX CREDIT

	2024 S$'000	2023 S$'000 (restated)
Current tax:		
— Corporate Income Tax	**330**	10
	330	10
Deferred tax *(note 29)*	**(498)**	(700)
	(168)	(690)

During the year, subsidiaries are subject to the domestic statutory corporate tax rate ranging from 17% to 25%, respectively (2023: 17% to 25%).

The income tax credit can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 S$'000	2023 S$'000 (restated)
Loss before tax	**(269,935)**	(18,000)
Tax at the statutory tax rate of 17% (2023: 17%)	**(45,889)**	(3,060)
Tax effect of income not taxable	**(46)**	(63)
Tax effect of expenses not deductible for tax purpose	**45,466**	580
Tax effect of tax losses not recognized	**90**	1,555
Effect of different tax rates of subsidiaries operating in other jurisdictions	**307**	146
Others	**(96)**	152
Income tax credit	**(168)**	(690)

13. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2024, nor has any dividend been proposed since the end of the reporting period (2023: nil).

14. 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:

	2024 **S$'000**	2023 S$'000 (restated)
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(269,767)**	(17,310)
Number of shares		
Number of ordinary shares and preference shares for the purpose of basic and diluted loss per share	**434,582**	746,792

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

15. PLANT AND EQUIPMENT

	Computers S$'000	Furniture and fittings S$'000	Office equipment S$'000	Leasehold improvement S$'000	Total S$'000
COST					
At 1 January 2023 (restated)	851	134	116	213	1,314
Additions	55	11	1	52	119
Exchange realignment	(21)	(3)	(4)	(6)	(34)
At 31 December 2023 (restated)	**885**	**142**	**113**	**259**	**1,399**
Additions	**38**	**4**	**3**	**1**	**46**
Capital Reorganisation *(note 34)*	**—**	**4**	**—**	**—**	**4**
Exchange realignment	**2**	**7**	**(1)**	**6**	**14**
At 31 December 2024	**925**	**157**	**115**	**266**	**1,463**
DEPRECIATION					
At 1 January 2023 (restated)	(426)	(39)	(38)	(95)	(598)
Provided for the year	(252)	(37)	(36)	(66)	(391)
Exchange realignment	12	1	1	3	17
At 31 December 2023 (restated)	**(666)**	**(75)**	**(73)**	**(158)**	**(972)**
Provided for the year	**(165)**	**(38)**	**(30)**	**(71)**	**(304)**
Exchange realignment	**(4)**	**(5)**	**—**	**(5)**	**(14)**
At 31 December 2024	**(835)**	**(118)**	**(103)**	**(234)**	**(1,290)**
CARRYING AMOUNTS					
At 31 December 2024	**90**	**39**	**12**	**32**	**173**
At 31 December 2023 (restated)	219	67	40	101	427
At 1 January 2023 (restated)	425	95	78	118	716

The above items of property and equipment are depreciated on a straight-line basis over the useful lives per annum, taking into account the residual value:

Computers	3 years
Furniture and fittings	3 years
Office equipment	3 years
Leasehold improvement	Shorter of 3 years or lease term

16. RIGHT-OF-USE ASSETS

	Office premises S$'000	Office equipment S$'000	Warehouse premises S$'000	Total S$'000
CARRYING AMOUNTS				
At 31 December 2024	**439**	**15**	**147**	**601**
At 31 December 2023 (restated)	851	21	742	1,614
At 1 January 2023 (restated)	407	28	195	630

	2024 S$'000	2023 S$'000 (restated)
Depreciation of right-of-use assets	**1,228**	1,338
Total cash outflow for leases	**1,329**	1,409
Additions to right-of-use assets	**225**	2,311

For both years, the Group leases office premises, office equipment and warehouse premises. Lease contracts for premises are entered into for fixed term of 2 to 5 years, without any extension nor termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Restrictions or covenants on leases

In addition, lease liabilities of approximately S$639,000 (2023: S$1,660,000) are recognized with related right-of-use assets of approximately S$601,000 (2023: S$1,614,000) as at 31 December 2024. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

17. INTANGIBLE ASSETS

	Software Development — in-progress S$'000	Software S$'000	Customer relationship S$'000	Total S$'000
COST				
At 1 January 2023 (restated)	1,889	881	13,140	15,910
Additions	1,551	—	—	1,551
Transfer	(2,240)	2,240	—	—
At 31 December 2023 (restated)	**1,200**	**3,121**	**13,140**	**17,461**
Additions	**1,482**	**—**	**—**	**1,482**
Transfer	**(2,486)**	**2,486**	**—**	**—**
At 31 December 2024	**196**	**5,607**	**13,140**	**18,943**
AMORTISATION				
At 1 January 2023 (restated)	—	(533)	(7,471)	(8,004)
Provided for the year	—	(506)	(3,276)	(3,782)
At 31 December 2023 (restated)	**—**	**(1,039)**	**(10,747)**	**(11,786)**
Provided for the year	**—**	**(941)**	**(2,393)**	**(3,334)**
At 31 December 2024	**—**	**(1,980)**	**(13,140)**	**(15,120)**
CARRYING AMOUNTS				
At 31 December 2024	**196**	**3,627**	**—**	**3,823**
At 31 December 2023 (restated)	1,200	2,082	2,393	5,675
At 1 January 2023 (restated)	1,889	348	5,669	7,906

The above items of intangible assets are amortised on a straight-line basis over the useful lives, taking into account the residual value:

Software	5 years
Customer relationship	5 years

Software development-in-progress will not be amortised until they are available for use. Instead they will be tested for impairment annually and whenever there is an indication that they may be impaired. Particulars of the impairment testing are disclosed in note 18.

18. GOODWILL

	S$'000
At 1 January 2023 (restated), 2024 (restated) and 31 December 2024	49,332

Impairment testing on goodwill and software development in-progress

For the purposes of impairment testing, goodwill and software development in-progress set out above and in note 17 have been allocated to two group of cash generating units ("**CGUs**"), comprising the CGUs in D2C segment and D2B segment separately. The carrying amounts of goodwill and software development in-progress allocated to these groups of CGUs are as follows:

	Goodwill		Software development in-progress	
	2024	2023	**2024**	2023
	S$'000	S$'000 (restated)	**S$'000**	S$'000 (restated)
CGUs in D2C segment	**27,626**	27,626	**111**	672
CGUs in D2B segment	**21,706**	21,706	**85**	528
Total	**49,332**	49,332	**196**	1,200

In additional to goodwill and software development in-progress, other non-financial assets (including plant and equipment, right of use assets and other intangible assets) are allocated to these two groups of CGUs for impairment testing purpose.

The recoverable amount of the two groups of CGUs has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management, and pre-tax discount rate of 12.5% for CGU in D2C segment and 15.5% for CGU in D2B segment (2023: 23% for both CGUs) as at 31 December 2024. The two groups of CGUs' cash flows beyond the forecast period are extrapolated using a steady 2.7% (2023: 1.5%) growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales, such estimation is based on the past performance and management's expectations of market development. During the year ended 31 December 2024, the management of the Group determines that there is no impairment on the goodwill and software development in-progress. The management of the Group determines that there is no reasonable possible change in the key parameters that could cause the carrying amount of the groups of CGUs to exceed the recoverable amount as at the 31 December 2024.

19. INVENTORIES

	2024 S$'000	2023 S$'000 (restated)
Finished goods	**383**	861

20. TRADE AND OTHER RECEIVABLES

	2024 S$'000	2023 S$'000 (restated)
Trade receivables	**19,057**	17,012
Less: allowance for credit losses	**(152)**	(68)
	18,905	16,944
Other tax receivables	**2,611**	1,987
Deposits	**406**	703
Other receivables	**231**	660
Prepayments	**6,808**	280
	28,961	20,574
Analysis for reporting purpose:		
Current assets	**27,175**	20,490
Non-current assets	**1,786**	84
	28,961	20,574

As at 1 January 2023, trade receivables from contracts with customers of the Group amounted to approximately S$18,139,000.

The Group generally grants credit terms ranging from 30 to 60 days to its corporate customers from the date of invoices. 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 approximates the respective revenue recognition date:

	2024 S$'000	2023 S$'000 (restated)
0–60 days	**13,693**	10,270
61–90 days	**1,006**	3,143
Over 90 days	**4,206**	3,531
	18,905	16,944

20. TRADE AND OTHER RECEIVABLES (Continued)

The Group provides ECL of trade receivables as prescribed by IFRS 9. As at 31 December 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately S$6,259,000 (2023: S$8,424,000), which are past due as at the reporting date. Out of the past due balances, approximately S$3,076,000 (2023: S$2,913,000) has been past due 90 days or more and is not considered as in default because of the historical repayment record of these customers. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables are set out in note 36.

21. TRANSFERS OF FINANCIAL ASSETS

The following were the Group's trade receivables as at 31 December 2023 that were transferred to a financial institute by discounting on a full recourse basis. As the Group has not transferred the significant risks and rewards, it continues to recognize the full carrying amount and has recognized the cash received on the transfer as a collateralised borrowing (see note 26). These trade receivables are carried at amortised cost in the consolidated statement of financial position.

	2024 S$'000	2023 S$'000 (restated)
Trade receivables discounted to financial institute with full recourse:		
Carrying amount of transferred assets	**—**	1,037
Carrying amount of associated liabilities	**—**	(1,037)
Net position	**—**	—

22. CONTRACT ASSETS

	2024 S$'000	2023 S$'000 (restated)
Service contracts	**2,979**	1,680

As at 1 January 2023, contract assets amounted to S$1,706,000.

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance as the Group's service contracts include payment schedules which require stage payments over the service period once certain specified milestones are reached. The contract assets are transferred to trade receivables when the rights become unconditional.

22. CONTRACT ASSETS (Continued)

The Group classifies these contract assets as current because the Group expects to realize them in its normal operating cycle.

Details of impairment assessment of contract assets are set out in note 36.

23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash held by the Group for the purpose of meeting the Group's short term cash commitments. Bank balances carry effective interest rate 0.85% per annum (2023: 0.06% per annum) as at 31 December 2024.

Details of impairment assessment of bank balances are set out in note 36.

24. TRADE AND OTHER PAYABLES

	2024 S$'000	2023 S$'000 (restated)
Trade payables *(Note i)*	**15,458**	39,000
Other payables	**3,449**	232
Accruals	**5,679**	3,493
Other tax payables	**2,695**	1,887
Contract liabilities *(Note ii)*	**307**	659
	12,130	6,271
	27,588	45,271

Notes:

(i) Included in the trade payables, there were balances of S$295,000 (2023: S$842,000) due to subsidiaries of a major shareholder of the Company, as at 31 December 2024.

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:

	2024 S$'000	2023 S$'000 (restated)
Within 60 days	**11,102**	26,567
61 to 90 days	**477**	6,948
Over 90 days	**3,879**	5,485
	15,458	39,000

24. TRADE AND OTHER PAYABLES (Continued)

Notes: (Continued)

(ii) As at 1 January 2023, contract liabilities amounted to S$766,000.

Contract liabilities are primarily relate to the upfront deposits from customers range from 10% to 20% of total contract sum as part of its credit risk management policies. Contract liabilities are classified as current as they are expected to be settled within the Group's normal operating cycle. All of the carried-forward contract liabilities were recognized as revenue in the subsequent financial year when the performance obligations were satisfied.

25. LEASE LIABILITIES

	2024 S$'000	2023 S$'000 (restated)
Lease liabilities payable:		
Within one year	**508**	1,207
Within a period of more than one year but not exceeding two years	**101**	430
Within a period of more than two years but not exceeding five years	**30**	23
	639	1,660
Less: Amount due for settlement within 12 months shown under current liabilities	**(508)**	(1,207)
Amount due for settlement after 12 months shown under non-current liabilities	**131**	453

The weighted average incremental borrowing rates applied to lease liabilities is 5.89% (2023: 5%) as at 31 December 2024.

26. BANK AND OTHER BORROWINGS

	2024 **S$'000**	2023 S$'000 (restated)
Bank borrowings	**743**	1,146
Other borrowings	**4,250**	1,037
	4,993	2,183
The carrying amount of the bank borrowings are repayable:		
— Within one year	**419**	366
— Within a period of more than one year, but not exceeding two years	**324**	418
— Within a period of more than two years, but not exceeding five years	**—**	362
	743	1,146
Less: Amount due within one year shown under current liabilities based on scheduled repayment dates	**(419)**	(366)
Amount shown under non-current liabilities	**324**	780
The carrying amount of the other borrowings are repayable:		
— Within one year	**4,250**	1,037
Less: Amount due within one year shown under current liabilities based on scheduled repayment dates	**(4,250)**	(1,037)
Amount shown under non-current liabilities	**—**	—

As at 31 December 2023, the other borrowings of the Group of approximately S$1,037,000 from a financial institution were secured by trade receivables amounted to approximately S$1,037,000.

The bank and other borrowings are fixed-rate borrowings which carrying interest at a range from 1.25% to 3.75% (2023: 1% to 3.75%) per annum.

27. CONVERTIBLE LOAN NOTE

Synagistics Pte. Ltd. issued US$7,000,000 (equivalent to S$9,393,000), 10% convertible loan note at a par value of US$1 each on 27 May 2022 and the subscriber was a subsidiary of the major shareholders of Synagistics Pte. Ltd.. Synagistics Pte. Ltd. shall repay the outstanding principal and any accrued interest in full on the earlier of (a) the date the Synagistics Pte. Ltd. consummates an initial public offering or the occurrence of a liquidity event and (b) 27 May 2025. The convertible loan note are denominated in US$. The notes entitle the holders a right but not obligation to convert convertible loan note into ordinary shares of the Synagistics Pte. Ltd. upon the 3rd anniversary of the issuance date, further financing, IPO or liquidity event. The conversion price is 75% of the fair value of Synagistics Pte. Ltd.'s share, as determined in the Conversion Events, per convertible loan note.

The convertible loan note contained two components, debt component and derivative (including conversion options) component. The Group designated the convertible loan note as financial liabilities at FVTPL as a whole.

Synagistics Pte. Ltd. repaid the outstanding principal and accrued interest in full upon completion of De-SPAC Transaction in October 2024.

The convertible loan note were valued by the directors with the assistance from an independent qualified professional valuer which has appropriate qualifications and experience in valuation of similar instruments. Synagistics Pte. Ltd. used the discounted cash flow method to determine the total enterprise value and used an option pricing model to determine the underlying share value of Synagistics Pte. Ltd.. A hybrid method of Binomial model is used to arrive the fair value of the convertible loan note as of 31 December 2023. The convertible loan note were fully repaid in 2024. Key valuation assumptions used to determine the fair value as of 31 December 2023 are as follows:

	2023 S$'000
Share price of Synagistics Pte. Ltd.	S$0.18
Expected volatility value	45.64%
Expected life	1.41 year
Risk-free interest	3.42%
Expected dividend yield	0%

27 CONVERTIBLE LOAN NOTE (Continued)

The directors of the Company estimated the risk-free interest rate based on the yield of the Singapore Treasury Bonds with a maturity life close to period from the respective valuation dates to the expected conversion dates. Volatility was estimated based on median of historical volatilities of the comparable companies in the same industry for a period from the valuation date to expected conversion dates.

The movement of the convertible loan note for the year is set out as below:

	2024 S$'000	2023 S$'000 (restated)
Carrying amount at the beginning of the year	**12,318**	10,352
Changes in fair value	**(1,454)**	940
Interest charge	**721**	1,026
Repayment	**(11,585)**	—
Carrying amount at the end of the year	**—**	12,318

28. 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**

28. FINANCIAL LIABILITIES AT FVTPL (Continued)

(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 HKAC Promoter Warrants were assumed by the Company and the Successor Promoter Warrants are regarded as part of the De-SPAC Transactions 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 was 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.

28. FINANCIAL LIABILITIES AT FVTPL (Continued)

(iii) Promoter Earn-out Rights Liabilities (Continued)

Presentation and Classification

The directors of the Company considered that the Public Warrants, Promoter Warrants and Promoter Earn-Out Rights are accounted for as financial liabilities measured at FVTPL.

The directors of the Company also considered that the changes in the fair value of the Public Warrants, Promoter Warrants and Promoter Earn-Out Rights attributable to the change in credit risk of these financial liabilities are minimal. Changes in fair value of the Public Warrants, Promoter Warrants and Promoter Earn-Out Rights not attributable to the change in credit risk of the financial liabilities are charged to profit or loss and presented as "changes in fair value of financial liabilities at FVTPL".

The Public Warrants, Promoter Warrants and Promoter Earn-Out Rights were valued by the directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer, AVISTA Valuation Advisory Limited ("**AVISTA Valuation**"), which has appropriate qualifications and experiences in valuation of similar instruments.

The directors of the Company arrived the fair value of the Public Warrants, Promoter Warrants and Promoter Earn-Out Rights using monte carlo simulation model and binomial model as at Closing Date. Other key valuation assumptions used to determine the fair value of Public Warrants, Promoter Warrants and Promoter Earn-Out Rights are as follows:

Public Warrants Liabilities

	At 31 December 2024	At 30 October 2024
Time to maturity	4.83 years	5 years
Risk-free interest rate	3.35%	2.98%
Expected volatility value	64.59%	63.61%
Expected dividend yield	0%	0%

Promoter Warrants Liabilities

	At 31 December 2024	At 30 October 2024
Time to maturity	4.83 years	5 years
Risk-free interest rate	3.35%	2.98%
Expected volatility value	68.52%	64.91%
Expected dividend yield	0%	0%

28. FINANCIAL LIABILITIES AT FVTPL (Continued)

(iii) Promoter Earn-out Rights Liabilities (Continued)

Presentation and Classification (Continued)

Promoter Earn-Out Rights Liabilities

	At 31 December 2024	At 30 October 2024
Time to maturity	4.83 years	5 years
Risk-free interest rate	3.35%	2.98%
Expected volatility value	68.52%	64.91%
Expected dividend yield	0%	0%

The directors of the Company estimated the risk-free interest rate based on the yield of the HKMA Exchange Fund Notes with a maturity life equal to the expected time to maturity of the Public Warrants Liabilities, Promoter Warrant Liabilities and Promoter Earn-Out Rights Liabilities as of the valuation date. Expected volatility value was estimated on each valuation date based on average of historical volatilities of the comparable companies in the same industry for a period from the respective valuation dates to expected liquidation dates. Dividend yield is estimated based on management estimation at the valuation dates.

29. DEFERRED TAX LIABILITY

The following are the deferred tax liabilities recognized by the Group and movements during the current year.

	Customer Relationship S$'000
At 1 January 2023 (restated)	1,198
Credited to profit or loss	(700)
At 31 December 2023 (restated)	**498**
Credited to profit or loss	**(498)**
At 31 December 2024	—

At 31 December 2024 the Group has unused tax losses of approximately S$39,470,000 (2023: S$38,939,000) available for offset against future profits. No deferred tax asset has been recognized due to the unpredictability of future profit streams. As at 31 December 2024, tax losses of approximately S$13,464,000 (2023: S$14,166,000) will be expired in one to seven years after they were incurred, all other losses may be carried forward indefinitely.

30. SHARE CAPITAL

Authorized:

	Ordinary shares '000	Preference shares '000	Total '000
Number of shares			
At 1 January 2023 and 31 December 2023			
– Synagistics Pte. Ltd. *(Note)*	228,572	518,220	746,792
At 31 December 2024			
— The Company	1,100,000	—	1,100,000
	S$'000	S$'000	S$'000
Amount of share capital			
At 1 January 2023 and 31 December 2023			
— Synagistics Pte. Ltd. *(Note)*	22,857	51,822	74,679
At 31 December 2024 at HK$$0.0001 each			
— The Company	7	—	7

Issued and fully paid:

Preference shares — Synagistics Pte. Ltd.

	Number of shares '000	Share capital '000
At 1 January 2023 and 31 December 2023	518,220	51,822
Conversion of preference shares upon Capital Reorganisation into ordinary shares	(518,220)	(51,822)
At 31 December 2024	—	—

30. SHARE CAPITAL (Continued)

Issued and fully paid: (Continued)

Ordinary shares

	Number of shares '000	Share capital '000
At 1 January 2023 and 31 December 2023 at S$0.1 each — Synagistics Pte. Ltd.	228,572	22,857
Conversion of preference shares upon Capital Reorganisation into ordinary shares	518,220	51,822
Exercise of share options	33,850	3,385
Grant of bonus shares award	53,927	5,393
	834,569	83,457
Effect of Capital Reorganisation implemented on 30 October 2024 comprised:		
Shares exchanged	(834,569)	(83,457)
Consideration shares issued	350,000	35,000
Shares issued to PIPE investors	55,124	5,512
Shares issued to PEF Investors	80	8
Shares issued to HKAC Promoters	25,013	2,501
Shares issued to HKAC SPAC Shares	3,940	394
Exercise of public warrants	425	43
At 31 December 2024 at HK$0.0001 each — The Company	434,582	43,458

Shown in the consolidated financial statements as:

	Amount S$'000
At 31 December 2024 — The Company	7
At 31 December 2023 — Synagistics Pte. Ltd.	74,679

30. SHARE CAPITAL (Continued)

Notes:

1. The ordinary shares of Synagistics Pte. Ltd. carry one vote per share and a right to dividends as and when declared.

2. The preference shares of Synagistics Pte. Ltd. are with the below rights:

   - The preference shares do not contain any redemption or conversion features.

   - Synagistics Pte. Ltd. may in its discretion, pay to the preference share holders a preference dividend at a rate that will be determined by the Synagistics Pte. Ltd.. Such preference dividend will be paid in priority to any dividend or distribution in favor of the holders of any other classes of shares in the Synagistics Pte. Ltd..

   - In a liquidation, dissolution or winding up of, by the Synagistics Pte. Ltd., preference share holders are entitled to priority for any distribution or payment in favor of holders of any classes of shares in the Synagistics Pte. Ltd..

   - Preference share holders have the rights to vote at any general meeting. The preference share holders vote in respect of each preference share held, unless if in situation of:

     - Preference dividend or any part thereof is in arrears and has remained unpaid for at least 6 months after it has been declared;

     - The resolution in question varies or abrogates the right of preference shares; and

     - The resolution in question is for the winding-up of Synagistics Pte. Ltd..

31. SHARE-BASED PAYMENT EXPENSES

Share Option Scheme

Pursuant to a resolution passed on 20 May 2022 for the primary purpose of providing incentives to eligible employees, the share option scheme of Synagistics Pte. Ltd. (the "**Scheme**") was adopted.

Under the Scheme, the directors of Synagistics Pte. Ltd. may grant options to eligible employees, including directors of the Synagistics Pte. Ltd. and its subsidiaries, to subscribe for shares in Synagistics Pte. Ltd.. The options granted under the Scheme are effective for a period of 10 years commencing from 20 May 2022 and are with a vesting period of 1 to 2 years service period. The share options will be settled by the Synagistics Pte. Ltd.'s ordinary shares.

31. SHARE-BASED PAYMENT EXPENSES (Continued)

Share Option Scheme (Continued)

The following table discloses movements of the Synagistics Pte. Ltd.'s share option held by employees during the year ended 31 December 2024 and 2023:

Date of grant	Vesting Period	Exercise price S$	Number of share options ('000) At 1 January 2023	Granted during the year	Forfeited during the year	At 31 December 2023	Granted during the year	Exercised during the year	At 31 December 2024
Employees									
3 June 2022 *(Note)*	1 January 2021 to 31 December 2022	0.12	2,509,947	—	—	2,509,947	—	(2,509,947)	—
24 March 2023 *(Note)*	1 January 2022 to 31 December 2023	0.16	3,012,425	32,087	—	3,044,512	—	(3,044,512)	—
15 December 2023 *(Note)*	1 January 2023 to 31 December 2023	0.21	—	13,376,969	(4,815,709)	8,561,260	—	(8,561,260)	—
2 October 2024 *(Note)*	1 January 2024 to 31 December 2024 or upon completion of De-SPAC	0.27	—	—	—	—	16,628,685	(16,628,685)	—
			5,522,372	13,409,056	(4,815,709)	14,115,719	16,628,685	(30,744,404)	—
Exercisable at the end of the reporting period			—			14,115,719			—
Weighted average exercise price			0.14	0.21	0.21	0.18	0.27	0.23	—

Note: The options granted on 3 June 2022 and 24 May 2023 have a 2 years vesting period commenced on 1 January 2021 and 1 January 2022, respectively. The options granted on 15 December 2023 and 2 October 2024 have a 1 year vesting period commenced on 1 January 2023 and 1 January 2024, respectively. The Company and relevant employees have agreed to the share-based payment arrangement with a shared understanding of the terms and conditions on the grant date of 3 June 2022, 24 May 2023, 15 December 2023 and 2 October 2024. The Group recognized the share-based payments expenses since the commencement of the vesting period on which the employees to whom the options were granted have begun rendering services.

31. SHARE-BASED PAYMENT EXPENSES (Continued)

Share Option Scheme (Continued)

The fair values for options granted were calculated using the Black-Scholes pricing model. The inputs into the model are as follows:

	24 May 2023	15 December 2023	2 October 2024
Share price of Synagistics Pte. Ltd.	S$0.17	S$0.18	S$1.18
Exercised price	S$0.16	S$0.21	S$0.27
Expected volatility value	69.60%	63.49%	24.95%
Expected life	3 years	3 years	0.08 years
Risk-free interest rate	2.91%	2.88%	3.25%
Expected dividend yield	0%	0%	0%

Expected volatility was determined by calculating the historical volatility of the share price of the comparable entities over the most recent period that is commensurate with the expected life of the option. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

The total expenses recognized in relation to equity-settled share-based payment transactions during the year ended 31 December 2024 is approximately S$15,121,000 (2023: S$726,000), respectively.

Bonus shares award

On 8 October 2024, Synagistics Pte. Ltd. granted bonus share awards in respect of an aggregate of 53,926,868 ordinary shares of Synagistics Pte. Ltd. to the founding shareholders of Synagistics Pte. Ltd. who are also employees of Synagistics Pte. Ltd..

The estimated fair values of the awarded shares are S$1.18 per share based on the estimated share price of Synagistics Pte. Ltd. at the grant date. The Group recognized a total expense of S$63,541,000 for the year ended 31 December 2024 in relation to the bonus shares granted.

Founding Shareholders Earn-Out Arrangement

Pursuant to the Founding Shareholders Earn-out Agreement entered into on 28 June 2024, the Company grants to the founding shareholders of Synagistics Pte. Ltd. ("**Founder**") the right to Founding Shareholders Earn-out Shares representing in aggregate up to 12% of the total number of Shares in issue immediately after Closing of the De-SPAC Transaction. The Founding Shareholders Earn-out Right is triggered only if the volume weighted average price of the shares of the Company (calculated based on the daily quotation sheets of the Hong Kong Stock Exchange) equals or exceeds a price representing a: (a) 20% increase; (b) 30% increase; or (c) 50% increase, respectively, of the closing price of the shares of the Company on the closing date of the De-SPAC Transaction for any 20 trading days within a 30 consecutive trading day period commencing twelve months after, and ending on the fifth anniversary of the date of, the completion of the De-SPAC Transaction. A maximum Founding Shareholders Earn-out Shares of equal to 12% of the total Shares at closing date of the De-SPAC Transaction would be issued through the exercise of the Founding Shareholders Earn-out Right. The Founding Shareholders Earn-out Right are accounted for as equity-settled share-based payment under IFRS 2.

31. SHARE-BASED PAYMENT EXPENSES (Continued)

Founding Shareholders Earn-Out Arrangement (Continued)

The fair values for the Founding Shareholders Earn-out Right were calculated using the Binomial model. The inputs into the model are as follows:

	30 October 2024
Expected volatility value	63.61%
Expected life	5 years
Risk-free interest rate	2.98%
Expected dividend yield	0%

Expected volatility was determined by calculating the historical volatility of the share price of the comparable entities of Company over the most recent period that is commensurate with the expected life of the option. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

The total expenses recognized in relation to the Founding Shareholders Earn-out Right during the year ended 31 December 2024 is approximately S$13,590,000.

32. RELATED PARTY DISCLOSURES

(i) Saved as the above transactions and balances as disclosed elsewhere in the consolidated financial statements, the Group has the following related party transactions with subsidiaries of a major shareholder of the Company which have significant influence over the Group during the year.

	2024 S$'000	2023 S$'000 (restated)
Services expenses	**1,883**	1,594
Warehousing expenses	**342**	642
Marketing expenses	**2,752**	2,892
IT expenses	**135**	247

(ii) Compensation of key management personnel

The directors of the Company are identified as key management member of the Group, and their compensation during the year ended 31 December 2024 was set out in Note 11. The remuneration of key management personnel is determined with regards to the performance of individuals and market trends.

33. RETIREMENT BENEFIT SCHEMES

As prescribed by the Central Provident Fund Board of Singapore, the Group's employees employed in Singapore who are Singapore Citizens or Permanent Residents are required to join the Central Provident Fund scheme. The Group's contribution rates of the eligible employees' salaries remain the same, with each employee's qualifying salary capped at S$6,800 per month.

The employees of the Group's subsidiaries in other jurisdictions participate in defined contribution plans in respective jurisdictions. The subsidiaries are required to contribute a certain percentage of their payroll to the defined contribution plans to fund the benefits. The only obligation of the Group with respect to the defined contribution plans is to make the required contributions under the respective plans.

The total costs charged to profit or loss, amounting to approximately S$1,300,000 (2023: S$1,458,000) for the year ended 31 December 2024, represent contributions paid to the retirement benefits scheme by the Group.

34. CAPITAL REORGANISATION

As disclosed in Note 1A, the substance of the Capital Reorganisation as part of the De-SPAC Transaction was a reverse asset acquisition of a listed non-operating company and as a result, the Capital Reorganisation is accounted for as a share-based payment transaction under IFRS 2 and the Consideration Shares allotted and issued to effect the Capital reorganisation are measured at the fair value of the equity consideration deemed to be issued to the former owners of HKAC.

Since the shareholders of Synagistics Group are deemed to have issued shares with a fair value in excess of the net assets of the Company acquired, the difference is recognised in profit or loss as De-SPAC Transaction expense.

The fair value of the consideration was determined based on the number of the Company's shares outstanding immediately prior to the Capital Reorganisation and the share price of the Company amounted to HK$10 per share and the number of the Company's shares outstanding immediately prior to the Capital Reorganisation of 28,952,499 shares. Accordingly, the deemed consideration is approximately S$49,292,000.

The fair value hierarchy of the input (i.e. share price of the Company) to determine De-SPAC Transaction expense is categorised under Level 1 by reference to the quoted bid prices in an active market.

34. CAPITAL REORGANISATION (Continued)

The carrying amount of the identifiable assets and liabilities of the Company acquired or assumed upon the Capital Reorganisation in exchange for all the issued share capital of Synagistics Group and De-SPAC Transaction expense arising from the Capital Reorganisation are set out as follows:

	S$'000
Deemed consideration to be paid by Synagistics Group:	
HKAC SPAC Shares	6,708
HKAC Promoter Shares	42,584
	49,292
Less: fair value of the Company's identifiable assets acquired and liabilities assumed:	
Property, plant and equipment	4
Trade and other receivables	64
Cash and cash equivalents	7,362
Trade and other payables	(3,803)
Public Warrants	(789)
	2,838
	46,454
Add: Warrant liabilities arising from the conversion into Successor Promoter Warrants	21,878
Add: Promoter earn-out liabilities	15,193
De-SPAC Transaction expense	83,525

	S$'000
Net cash inflow on acquisition of the Company	
Cash and cash equivalent balances acquired	7,362

35. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group companies will be able to continue as a going concern while maximizing the return to shareholders through the optimisation of the debt and equity balance. The overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes bank and other borrowings, net of cash and cash equivalents, and share capital.

The management of the Group reviews the capital structure regularly. As part of the review, the directors of the Company consider the cost and the risks associated with each class of the capital. Based on the recommendations of the management of the Group, the Group will balance its overall capital structure through issue of new shares, issue of new debt and redemption of existing debts.

36. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2024 S$'000	2023 S$'000 (restated)
Financial assets		
At amortized cost	**67,422**	31,726
Financial liabilities		
At amortized cost	**30,218**	46,568
Designated as at FVTPL	**121,577**	—
Convertible loan note	—	12,318

(b) Financial risk management objectives and policies

The Group's financial instruments include trade and other receivables, contract assets, cash and cash equivalents, trade and other payables, lease liabilities, bank and other borrowings, financial liabilities at FVTPL, convertible loan note.

Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risks (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk

Currency risk

The Group undertakes certain operating transactions in foreign currency, which exposes the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the directors of the Company monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should such need arise.

At the end of the reporting period, the carrying amounts of monetary assets (including intra-group balances) and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	2024 **S$'000**	2023 S$'000 (restated)
Assets		
US$	**425**	862
Liabilities		
US$	**1,881**	13,550

The following tables detail the Group's and the Company's sensitivity to a 10% weakening in the functional currencies of group entities against the relevant foreign currencies of respective group entities, while all other variables are held constant. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies at the year end. For a 10% weakening of the functional currencies of group entities against the relevant foreign currencies, these would be an equal and opposite impact on loss for the year before tax.

	2024 **S$'000**	2023 S$'000 (restated)
US$	**(146)**	(1,269)

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the Group's fixed-rate lease liabilities, bank and other borrowings, and convertible loan note as at 31 December 2024 and 2023. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The Group currently does not have interest rate risk hedging policy. However, management of the Group closely monitors its exposure to future cashflow interest rate risk as a result of change on market interest rate and will consider hedging changes in market interest rates should the need arise.

The directors of the Company consider that the overall interest rate risks for bank balances, bank and other borrowing, lease liabilities and convertible loan note are not significant, and therefore no sensitivity analysis is disclosed.

Credit risk and impairment assessment

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

Trade receivables and contract assets arising from contacts from customers

In order to minimize the credit risk on trade receivables and contract assets, the management of the Group has delegated a team responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the management of the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate provisions for impairment losses are made for irrecoverable amounts on trade receivables and contract assets.

The Group always recognizes lifetime ECL for trade receivables and contract assets. The Group determines the expected credit losses on these items based on historical credit loss experience and past due status, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

As at 31 December 2024, the Group provided approximately S$152,000 (2023: S$68,000) impairment allowance for trade receivables and contract assets.

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other receivables and deposits

The management of the Group make periodic individual assessment on the recoverability of significant balances based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information. As at 31 December 2024 and 2023, the Group assessed that the ECL for other receivables and deposits was insignificant.

Bank balances

The credit risk for bank balances are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. There has been no history of default in relation to these banks. The Group performs impairment assessment on the bank balances under 12-month ECL model. The management of the Group considers the risk of default is regarded as low based on the average loss rate by reference to credit ratings assigned by international credit-rating agencies. As at 31 December 2024 and 2023, the Group assessed that the ECL for bank balances were insignificant.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables and contract assets	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts.	Lifetime ECL — not credit-impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources.	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired.	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off	Amount is written off

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Bank balances (Continued)

The tables below detail the credit risk exposures of the Group's and financial assets which are subject to ECL assessment:

	Notes	External crediting rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount 2024 S$'000	2023 S$'000
Amortized cost						
Trade receivables	20	N/A	Low risk	Lifetime ECL	**12,646**	8,588
			Doubtful	Lifetime ECL	**6,259**	8,356
			Loss	Lifetime ECL	**152**	68
Other receivables	20	N/A	Low risk	12-month ECL	**637**	1,363
Contract assets	22	N/A	Low risk	Lifetime ECL	**2,979**	1,680
Bank balances	23	A1-Aa2	N/A	12-month ECL	**47,909**	13,418

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed on a collective basis within lifetime ECL (not credit-impaired). Credit-impaired debtors with gross carrying amounts of S$152,000 and S$68,000 as at 31 December 2024 and 2023 respectively were assessed collectively.

	2024		2023	
Internal credit rating	**Average loss rate %**	**Trade Receivables and contract assets S$'000**	Average loss rate %	Trade Receivables and contract assets S$'000
Low risk	—	**15,625**	0.14	10,268
Doubtful	**2.20**	**6,259**	0.50	8,356
		21,884		18,624

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Bank balances (Continued)

During the year ended 31 December 2024, the Group provided impairment allowance for trade receivables and contract assets of approximately S$84,000 (2023: reversal of S$2,000), based on collective assessment.

The following table shows the movement in lifetime ECL that has been recognized for trade receivables and contract assets under the simplified approach.

	Lifetime ECL (not credit-impaired) S$'000	Lifetime ECL (credit-impaired) S$'000	Total S$'000
At 1 January 2023 (restated)	55	15	70
— Impairment loss reversed	(41)	(15)	(56)
— Transfer to credit-impaired	(14)	14	—
New financial assets originated net of those derecognized due to settlement	54	—	54
At 31 December 2023	**54**	**14**	**68**
New financial assets originated net of those derecognized due to settlement	**84**	**—**	**84**
At 31 December 2024	**138**	**14**	**152**

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents as well as undrawn banking facilities deemed adequate by the directors of the Company to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on the cash flows from operations, issuance of convertible loan note and bank and other borrowings as sources of liquidity.

The following table details the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cashflows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables

	Weighted average interest rate %	Less than 1 year S$'000	1–2 years S$'000	2–5 years S$'000	Undiscounted cash flows S$'000	Carrying amount S$'000
As at 31 December 2024						
Trade and other payables	**—**	**24,586**	**—**	**—**	**24,586**	**24,586**
Bank and other borrowings	**1.25–3.75**	**4,669**	**328**	**—**	**4,997**	**4,993**
Lease liabilities	**5.89**	**508**	**110**	**30**	**648**	**639**
		29,763	**438**	**30**	**30,231**	**30,218**

	Weighted average interest rate %	Less than 1 year S$'000	1–2 years S$'000	2–5 years S$'000	Undiscounted cash flows S$'000	Carrying amount S$'000
As at 31 December 2023						
Trade and other payables	—	42,725	—	—	42,725	42,725
Bank and other borrowings	2.44	1,442	436	383	2,261	2,183
Convertible loan note	10.00	—	12,377	—	12,377	12,318
Lease liabilities	5.00	1,283	485	4	1,772	1,660
		45,450	13,298	387	59,135	58,886

Note: The amounts as at 31 December 2024 shown in the above table have excluded the carrying amounts of financial liabilities at FVTPL as these instruments do not contain any redemption rights.

Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial liabilities.

Fair value measurements and valuation processes

Some of the Group's financial instruments are measured at fair value for financial reporting purpose. In estimating the fair value, the Group uses market observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

36. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial liabilities that are measured at fair value on a recurring basis

Financial liabilities	Fair value at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
	31 December 2024 S$'000	31 December 2023 S$'000 (restated)			
Public warrants liabilities	**714**	—	Level 3	Binomial method	Risk-free rate: 3.35% Expected Volatility: 64.59%
Promoter warrant liabilities	**72,996**	—	Level 3	Monte Carlo simulation method	Risk-free rate: 3.35% Expected Volatility: 68.52%
Promoter earn-out rights liabilities	**47,683**	—	Level 3	Monte Carlo simulation method	Risk-free rate: 3.35% Expected Volatility: 68.52%
Convertible loan note	**—**	12,318	Level 3	Binomial method	Risk-free rate: 3.42% Expected Volatility: 45.64%

Reconciliation of Level 3 fair value measurements

The reconciliation of Level 3 measurements of convertible loan note and financial liabilities at FVTPL are set out in notes 27 and 28 respectively and fair value changes on convertible loan note and financial liabilities at FVTPL are presented as "changes in fair value on convertible loan note" and "changes in fair value of financial liabilities at FVTPL", respectively.

Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Financial liabilities at FVTPL S$'000	Convertible loan note S$'000	Bank and other borrowings S$'000	Lease liabilities S$'000	Total S$'000
At 1 January 2023 (restated)	—	10,352	2,341	626	13,319
Financing cash flows	—	—	(658)	(1,409)	(2,067)
Finance costs	—	1,026	500	132	1,658
Change in fair value	—	940	—	—	940
New leases entered	—	—	—	2,311	2,311
At 31 December 2023	—	12,318	2,183	1,660	16,161
Financing cash flows	—	(11,585)	1,895	(1,330)	(11,020)
Capital Reorganisation	37,860	—	—	—	37,860
Finance costs	—	721	915	89	1,725
Change in fair value	83,896	(1,454)	—	—	82,442
Exercise of public warrants	(1,903)	—	—	—	(1,903)
Exchange realignment	1,724	—	—	—	1,724
New leases entered	—	—	—	220	220
At 31 December 2024	121,577	—	4,993	639	127,209

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries at 31 December 2024 and 2023 are as follows:

Name of subsidiaries	Principal activities	Country of incorporation and operation	Voting power held and ownership interest	
			2024	2023
			%	%
Synagistics Pte. Ltd.	Investment holding	Singapore	**100**	100
Synagie Pte. Ltd.	D2C and D2B	Singapore	**100**	100
Synagie Sdn. Bhd.	D2C and D2B	Malaysia	**100**	100
Synagie Inc.	D2C and D2B	Philippines	**100**	100
Synagie (Vietnam) Company Limited	D2C and D2B	Vietnam	**100**	100
Synagie (Thailand) Ltd.	D2C and D2B	Thailand	**97.76**	97.76
Synagie Hong Kong Limited	D2C and D2B	Hong Kong	**100**	100
PT Synagie Ecommerce Indonesia	D2C and D2B	Indonesia	**99.6**	99.6
Synagie Corporation Spain S.L.	D2C and D2B	Spain	**100**	100
Synagie Solution Pte. Ltd.	D2C and D2B	Singapore	**100**	100

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

39. CAPITAL COMMITMENTS

	2024	2023
	S$'000	S$'000 (restated)
Capital expenditure in respect of the acquisition of property and equipment contracted for but not provided in the consolidated financial statements	**172**	95

40. STATEMENT OF FINANCIAL POSITION

Information about the statement of financial position at the end of the reporting period includes:

	2024 **S$'000**	2023 S$'000 (restated)
Non-current assets		
Plant and equipment	**—**	—
Investment in subsidiaries	**77,068**	63,531
Advances to subsidiaries	**45,088**	18,511
	122,156	82,042
Current assets		
Prepayments	**28**	14
Cash and cash equivalents	**312**	125
	340	139
Current liabilities		
Trade and other payables	**28,099**	1,727
Other borrowing	**4,250**	—
	32,349	1,727
Net current liabilities	**(32,009)**	(1,588)
Total assets less current liabilities	**90,147**	80,454
Non-current liability		
Convertible loan note	**—**	12,318
Net assets	**90,147**	68,136
Capital and reserves		
Share capital	**74,679**	74,679
Reserves	**15,468**	(6,543)
	90,147	68,136

* denotes less than S$1,000

40. STATEMENT OF FINANCIAL POSITION (Continued)

Movement in the reserves

	(Accumulated losses) Retained profits S$'000	Total S$'000
At 1 January 2023	(4,036)	(4,036)
Loss and total comprehensive expense for the year	(2,507)	(2,507)
At 31 December 2023	**(6,543)**	**(6,543)**
Profit and total comprehensive income for the year	**22,011**	**22,011**
At 31 December 2024	**15,468**	**15,468**

41. EVENTS AFTER THE REPORTING PERIOD

On 23 January 2025, the Company and the vendors (the "**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 Movitech Co Ltd (盟拓數字科技(蘇州)有限公司) a target company (the "**Target Company**", together with its subsidiaries, the " **Target Group**") as contemplated under the Term Sheet. The 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.

On 31 March 2025, the Company and the Vendors further 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 Target Company. 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 29 July 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.

Details of the above were set out in announcement of the Company dated 23 January 2025 and 7 April 2025.

FINANCIAL SUMMARY

	For the year ended December 31,			
	2024	2023	2022	2021
	SGD'000	SGD'000	SGD'000	SGD'000
Total Revenue	**101,861**	126,595	112,647	85,933
Net Income/(Loss)	**(269,767)**	(17,310)	(13,127)	(11,012)
Adjusted EBITDA[(1)] (a non-IFRS measure)	**(3,864)**	(9,172)	(7,442)	(6,693)

	As of December 31,			
	2024	2023	2022	2021
	SGD'000	SGD'000	SGD'000	SGD'000
Total Assets	**134,161**	93,581	96,981	95,344
Total Liabilities	**154,813**	61,932	48,772	34,429
Net Assets/(Liabilities)	**(20,652)**	31,649	48,209	60,915
Adjusted Net Assets[(1)] (a non-IFRS measure)	**100,925**	31,649	48,209	60,915

(1) Reconciliation of IFRS measures to non-IFRS measures presented above are included in the paragraph headed "Non-IFRS measure" of this report.

DEFINITIONS

In this report, unless the context otherwise requires, the following expressions shall have the following meanings.

"AGM"	the annual general meeting of the Company to be convened and held on June 27, 2025
"Alibaba"	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange (stock code: 9988) and the New York Stock Exchange (NYSE:BABA), and a controlling shareholder of the Company
"Articles of Association"	the amended and restated articles of association of the Company in effect
"Board"	the board of Director(s) of the Company
"Business Combination Agreement"	the business combination agreement entered into on June 28, 2024 by the Company for the implementation of De-SPAC Transaction, details of which have been disclosed in the De-SPAC Circular
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, but for the purpose of this report and for geographical reference only and except where the context requires, references in this circular to "China" or the "PRC" do not apply to Hong Kong, the Macau Special Administrative Region and Taiwan
"Company" or "Synagistics"	Synagistics Limited, a successor company of HK Acquisition Corporation after the De-SPAC Transaction and listed on the Stock Exchange on October 30, 2024
"Completion"	completion of the De-SPAC Transaction
"Completion Date" or "Closing Date"	the date on which Completion took place in accordance with the Business Combination Agreement, being October 30, 2024
"D2B"	direct-to-brands or businesses
"D2C"	direct-to-consumers
"De-SPAC Circular"	the circular of HK Acquisition Corporation (the former name of the Company) dated October 3, 2024 in relation to the De-SPAC Transaction
"De-SPAC Transaction"	the transactions contemplated under the Business Combination Agreement, resulting in the listing of the Company on the Main Board of the Stock Exchange, details of which have been disclosed in the De-SPAC Circular
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
"Permitted Equity Financing"	the additional financing from professional investors who subscribe for or are issued Shares alongside with the other PIPE Investors at Completion, details of which were disclosed in the announcement of HK Acquisition Corporation dated October 27, 2024
"PIPE Investment(s)"	the subscriptions(s) of the Shares by the PIPE Investor(s) in a private placement of an aggregate amount of HK$551,240,000 at a price of HK$10.00 per Share, details of which have been disclosed in the De-SPAC Circular
"PIPE Investor(s)"	the independent third party investor(s) who participated in the PIPE Investments
"Promoter Earn-out Right"	the right granted by the Company to the Promoters to require the Company to issue to or on behalf of the Promoters the Shares, details of which have been disclosed in the De-SPAC Circular
"Promoter Warrant(s)"	the warrant(s) of HK Acquisition Corporation owned beneficially and exclusively by the Promoters and which was re-designated as warrant(s) of the Company after the De-SPAC Transaction
"Public Warrant(s)"	the warrant(s) of HK Acquisition Corporation which were issued to subscribers of the SPAC Shares pursuant to the SPAC Offering and which were re-designated as warrant(s) of the Company after the De-SPAC Transaction, and which are listed on the Stock Exchange with warrant code 2461
"Reporting Period"	the year ended December 31, 2024
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)"	the share(s) in the share capital of the Company
"Share Award Scheme"	the share award scheme, under which both RSUs and Options may be granted, adopted by the Company, the principal terms of which are set out in "Appendix VIII — Summary of Rules of the Successor ESOP" of the De-SPAC Circular
"Shareholder(s)"	holder(s) of the Share(s)
"SPAC Offering"	the offering of the SPAC Shares and the Public Warrants to professional investors for subscription
"SPAC Share(s)"	the class A ordinary share(s) in the share capital of HK Acquisition Corporation with a par value of HK$0.0001 each before the De-SPAC Transaction
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

DEFINITIONS

"Synagie"	Synagistics Pte. Ltd., a private company limited by shares incorporated in Singapore with limited liability on July 28, 2020, a wholly-owned subsidiary of the Company
"S$"	Singapore dollar(s), the lawful currency of Singapore
"Target Company Founders"	Mr. Lee Shieh-Peen Clement, Ms. Tai Ho Yan Olive and Ms. Zanetta Lee Yue
"Target Company Founder Earn-out Right"	the right granted by the Company to the Target Company Founders to require the Company to issue Shares to the Target Company Founders, details of which have been disclosed in the De-SPAC Circular
"Warrantholder(s)"	holder(s) of the warrant(s) of the Company