

CIRCULAR DATED 7 FEBRUARY 2022

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR BANK MANAGER, STOCKBROKER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

This Circular is issued by Totm Technologies Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”). Capitalised terms appearing on the cover of this Circular shall have the same meanings as defined herein.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or transferee.

*This Circular has been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. The contact person for the Sponsor is Ms. Charmian Lim (telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*

This Circular has been made available on SGXNet (www.sgx.com). A printed copy of this Circular will NOT be despatched to Shareholders.

To minimise physical interactions and COVID-19 transmission risks, Shareholders will not be able to attend the Extraordinary General Meeting in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the Extraordinary General Meeting.

Please refer to section 7 (*Action to be taken by Shareholders*) of this Circular for further information, including the steps to be taken by Shareholders to participate at the Extraordinary General Meeting.



TOTM TECHNOLOGIES LIMITED
(Company Registration No. 201506891C)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS in relation to:

- (1) **THE PROPOSED DISPOSAL OF SHAREHOLDING INTERESTS IN YINDA TECHNOLOGY SINGAPORE PTE. LTD. AND YINDA TECHNOLOGY (THAILAND) CO., LTD. TO YINDA PTE. LTD., BEING AN INTERESTED PERSON TRANSACTION UNDER THE CATALIST RULES; AND**
- (2) **THE PROPOSED CHANGE OF THE AUDITORS FROM BAKER TILLY TFW LLP TO MAZARS LLP.**

Independent Financial Advisor in respect of the Proposed Disposal



XANDAR CAPITAL PTE. LTD.
(Company Registration No. 200002789M)
(Incorporated in the Republic of Singapore)

Important Dates and Times

Last date and time for lodgement of Proxy Form : 19 February 2022 at 10.00 a.m.
Date and time of Extraordinary General Meeting : 22 February 2022 at 10.00 a.m.

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DEFINITIONS

In this Circular, the following definitions apply throughout except where the context otherwise requires:

- “Accountants Act”** : Accountants Act 2004 of Singapore, as amended, modified or supplemented from time to time
- “ACRA”** : The Accounting and Corporate Regulatory Authority of Singapore
- “Audit Engagement Partner”** : Has the meaning ascribed to it in section 3.1 (*Background to and rationale for the Proposed Change of Auditors*) of this Circular
- “AGM”** : Annual general meeting of the Company
- “associate”** : (a) In relation to any individual, including a Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more.
- (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
- “Audit Committee”** : The audit committee of the Company, with its members as the Latest Practicable Date, being Mr. Aw Eng Hai, Mr. Cheam Heng Haw, Howard, Mr. Chua Hoe Sing and Mr. Low Chai Chong
- “Baker Tilly”** : Baker Tilly TFW LLP
- “Biometrics Business”** : Has the meaning ascribed to it in section 2.2(a) (*Viability of the remaining business*) of this Circular
- “Board”** : The board of Directors of the Company
- “Business Day”** : Any day on which commercial banks are open for business in Singapore (as the case may be), other than Saturdays, Sundays and days which have been gazetted as public holidays in Singapore (as the case may be)
- “Catalist”** : The Catalist board of the SGX-ST
- “Catalist Rules”** : Section B: Rules of Catalist of the SGX-ST listing manual, as amended, modified or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited

DEFINITIONS

“Chairman of the Meeting”	:	The appointed chairman of the EGM
“Circular”	:	This circular to Shareholders dated 7 February 2022
“Companies Act”	:	The Companies Act 1967 of Singapore as amended, modified or supplemented from time to time
“Company”	:	Totm Technologies Limited (Company Registration No. 201506891C) having its registered office at 20 Collyer Quay #09-02 Singapore 049319
“Completion”	:	Has the meaning ascribed to it in section 2.1 (<i>Background to the Proposed Disposal</i>) of this Circular
“Completion Date”	:	Has the meaning ascribed to it in section 2.5(c) (<i>Completion</i>) of this Circular
“Conditions”	:	Has the meaning ascribed to it in section 2.5(b) (<i>Conditions precedent</i>) of this Circular
“Constitution”	:	The Constitution of the Company, as amended, modified or supplemented from time to time
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15.0% or more of the total number of Shares excluding treasury shares and subsidiary holdings in the Company. The SGX-ST may determine that a person who satisfies this section is not a Controlling Shareholder; or (b) in fact exercises control over the Company
“CPF Agent Banks”	:	Has the meaning ascribed to it in section 7 (<i>Action to be taken by Shareholders</i>) of this Circular
“CPF Investors”	:	Has the meaning ascribed to it in section 7 (<i>Action to be taken by Shareholders</i>) of this Circular
“Directors”	:	The directors of the Company as at the Latest Practicable Date, and each a “Director”
“EGM” or “Extraordinary General Meeting”	:	The extraordinary general meeting of the Company in relation to the Proposed Resolutions to be held via electronic means on 22 February 2022 at 10.00 a.m., notice of which is set out in pages N-1 to N-4 of this Circular
“Existing Shareholder’s Loans”	:	The outstanding shareholder’s loans of a total amount of S\$4,246,501 provided by the Company to Yinda Technology Singapore and Yinda Technology Thailand as at 30 November 2021 (being S\$3,648,630 and S\$597,871, respectively)
“Existing YPL Loan”	:	The outstanding principal loan amounts provided by YPL to the Company of S\$2,226,253 and US\$511,180 as at 30 November 2021 (equivalent to S\$692,138 based on a historical exchange rate of US\$1.00 to S\$1.354), and interest payable of 3.25% per annum on the principal loan amounts (such interest payable amounts being S\$317,776 as at 30 November 2021). The aggregate of the principal and interest

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	amounts to S\$3,236,167 which is to be repayable on 31 May 2022 or such earlier date as mutually agreed by YPL and the Company, pursuant to a renewed loan agreement dated 4 June 2021 (the “ Existing YPL Loan Renewal ”)
“FY”	: The financial year ended or ending 31 May, as the case may be
“Group”	: The Company and its subsidiaries
“IFA”	: Xandar Capital Pte. Ltd., the independent financial advisor to the Recommending Directors in relation to the Proposed Disposal
“IFA Letter”	: The letter dated 7 February 2022 from the IFA to the Recommending Directors in relation to the Proposed Disposal as set out in Appendix B (<i>IFA Letter</i>) to this Circular
“Independent Directors”	: Mr. Cheam Heng Haw, Howard, Mr. Aw Eng Hai, Mr. Chua Hoe Sing and Mr. Low Chai Chong, the independent Directors of the Company
“Independent Shareholders”	: Shareholders who are deemed independent under the Catalist Rules in respect of the Proposed Disposal
“Interested Person”	: Interested person as defined under Chapter 9 of the Catalist Rules
“Interested Person Transaction”	: Interested person transaction as defined under Chapter 9 of the Catalist Rules
“Latest Practicable Date”	: 4 February 2022, being the latest practicable date prior to the finalisation and release of this Circular
“Long Stop Date”	: Has the meaning ascribed to it in section 2.5(b) (<i>Conditions precedent</i>) of this Circular
“LPS”	: Loss per Share
“Mazars”	: Mazars LLP
“Mdm. Song”	: Has the meaning ascribed to it in section 2.3(c) (<i>YPL</i>) of this Circular
“MOU”	: Has the meaning ascribed to it in section 3.1 (<i>Background to and rationale for the Proposed Change of Auditors</i>) of this Circular
“Notice of EGM”	: The notice of the EGM which is set out in pages N-1 to N-4 of this Circular
“Novation and Set-Off Deed”	: Has the meaning ascribed to it in section 2.5(b) (<i>Conditions precedent</i>) of this Circular
“NTA”	: Net tangible assets
“Ordinary Resolution 1”	: The ordinary resolution to approve the Proposed Disposal
“Ordinary Resolution 2”	: The ordinary resolution to approve the Proposed Change of Auditors

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“Proposed Auditors”	Change of	:	The proposed change of the Company’s auditors from Baker Tilly to Mazars
“Proposed Disposal”		:	Has the meaning ascribed to it in section 2.1 (<i>Background to the Proposed Disposal</i>) of this Circular
“Proxy Form”		:	The proxy form in respect of the EGM which is set out in pages P-1 to P-4 of this Circular
“Recommending Directors”		:	Directors who are considered independent for the purposes of the Proposed Disposal, namely Mr. Prunier Pierre Olivier Marc Yves, Mr. Tan Chee Bun Gordon, Mr. Ngo Yit Sung, Mr. Cheam Heng Haw, Howard, Mr. Aw Eng Hai, Mr. Chua Hoe Sing and Mr. Low Chai Chong
“Register of Members”		:	The register of members of the Company
“Resignation Application”		:	Has the meaning ascribed to it in section 3.3 (<i>Requirement under Companies Act to obtain the written consent from ACRA</i>) of this Circular
“Sale Shares”		:	Has the meaning ascribed to it in section 2.1 (<i>Background to the Proposed Disposal</i>) of this Circular
“Securities Account”		:	A securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent
“Securities and Futures Act”		:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”		:	Singapore Exchange Securities Trading Limited
“SGXNet”		:	A broadcast network utilised by companies listed on the SGX-ST for the purposes of sending information (including announcements) to the SGX-ST (or any other broadcast or system networks prescribed by the SGX-ST)
“SGX Regco”		:	Singapore Exchange Regulation Pte Ltd
“Shanghai Yinda”		:	Has the meaning ascribed to it in section 2.3(c) (<i>YPL</i>) of this Circular
“Shanghai Yinda Group”		:	Has the meaning ascribed to it in section 2.3(c) (<i>YPL</i>) of this Circular
“Shareholders”		:	Registered holders of ordinary shares in the capital of the Company, except where the registered holder is CDP, in which case the term “Shareholders” shall in relation to such Shares mean the Depositors whose Securities Accounts maintained with CDP are credited with Shares
“Share Registrar”		:	The share registrar of the Company, B.A.C.S Private Limited
“Shares”		:	Ordinary share(s) in the share capital of the Company
“SPA”		:	Has the meaning ascribed to it in section 2.1 (<i>Background to the Proposed Disposal</i>) of this Circular

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“Sponsor”	:	SAC Capital Private Limited
“SRS Investors”	:	Has the meaning ascribed to it in section 7 (<i>Action to be taken by Shareholders</i>) of this Circular
“SRS Operators”	:	Has the meaning ascribed to it in section 7 (<i>Action to be taken by Shareholders</i>) of this Circular
“Substantial Shareholder”	:	Shall have the meaning ascribed to it in Section 81 of the Companies Act and Section 2(4) of the Securities and Futures Act, being a person who: (a) has an interest or interests in one (1) or more voting Shares in the Company; and (b) the total votes attached to that Share, or those Shares, is not less than 5.0% of the total votes attached to all the voting Shares in the Company
“Summary Valuation Report”	:	A summary of the Valuation Report set out in the Appendix A (<i>Summary Valuation Report</i>) to this Circular
“Target Companies”	:	Has the meaning ascribed to it in section 2.1 (<i>Background to the Proposed Disposal</i>) of this Circular
“Telecommunications Business”	:	Has the meaning ascribed to it in section 2.1 (<i>Background to the Proposed Disposal</i>) of this Circular
“Total Consideration”	:	Has the meaning ascribed to it in section 2.5(a) (<i>Consideration</i>) of this Circular
“TriVentures”	:	Has the meaning ascribed to it in section 3.1 (<i>Background to and rationale for the Proposed Change of Auditors</i>) of this Circular
“Valuation”	:	Has the meaning ascribed to it in section 2.4 (<i>Independent Valuation of the Target Companies</i>) of this Circular
“Valuation Report”	:	Valuation report dated 7 February 2022 issued by the Valuer in relation to the valuation of 100.0% equity interest in the capital of the Target Companies, a summary of which is set out in the Appendix A (<i>Summary Valuation Report</i>) to this Circular
“Valuer”	:	Cushman & Wakefield VHS Pte. Ltd., the independent valuer commissioned by the Company to issue the Valuation Report
“Yinda Technology Singapore”	:	Has the meaning ascribed to it in section 2.1 (<i>Background to the Proposed Disposal</i>) of this Circular
“Yinda Technology Thailand”	:	Has the meaning ascribed to it in section 2.1 (<i>Background to the Proposed Disposal</i>) of this Circular
“YPL”	:	Has the meaning ascribed to it in section 2.1 (<i>Background to the Proposed Disposal</i>) of this Circular
“YTS Shares”	:	Has the meaning ascribed to it in section 2.1 (<i>Background to the Proposed Disposal</i>) of this Circular
“YTT Shares”	:	Has the meaning ascribed to it in section 2.1 (<i>Background to</i>

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the Proposed Disposal) of this Circular

Currencies, Units and Others

“%”	:	Per centum or percentage
“S\$” and “cents”	:	Singapore dollars and cents respectively, the lawful currency of Singapore
“THB”	:	Thai baht, the lawful currency of Thailand

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the respective meanings ascribed to them in Section 81SF of the Securities and Futures Act and the terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include firms, corporations and other entities. Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted up to the Latest Practicable Date. Any term defined under the Companies Act, the Securities and Futures Act, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or chapter in the Catalist Rules as for the time being, unless otherwise stated.

Any discrepancies in the tables included herein between the amounts in the columns of the tables and the totals thereof and relevant percentages (if any) are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Morgan Lewis Stamford LLC has been appointed as the legal adviser to the Company as to Singapore law in relation to this Circular.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular, which are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. These statements reflect the Company’s current expectations, beliefs, hopes, plans, prospects, intentions or strategies regarding the future and assumptions in light of currently available information.

These forward-looking statements, including but not limited to, statements as to revenue and profitability; any expected growth; any expected industry prospects and trends; planned strategy and future expansion plans; any other matters that are not historical facts; and any other matters discussed in this Circular, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s and the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements.

Shareholders should not place undue reliance on such forward-looking statements. The Group, the Directors, the executive officers of the Company are not representing or warranting to you that the actual future results, performance or achievements of the Company and the Group will be as those discussed in those statements. The respective actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. Further, the Company disclaims any responsibility, and undertake no obligation to update or revise any forward-looking statements contained in this Circular to reflect any change in the Group’s expectations with respect to such statements after the Latest Practicable Date or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

TOTM TECHNOLOGIES LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201506891C)

Directors:

Mdm. Song Xingyi (Non-Executive Non-Independent Chairman)
Mr. Prunier Pierre Olivier Marc Yves (Chief Executive Officer and Executive Director)
Ms. Shao Lifang (Executive Director)
Mr. Tan Chee Bun Gordon (Executive Director)
Mr. Ngo Yit Sung (Executive Director)
Mr. Cheam Heng Haw, Howard (Lead Independent Director)
Mr. Aw Eng Hai (Independent Director)
Mr. Chua Hoe Sing (Independent Director)
Mr. Low Chai Chong (Independent Director)

Registered Office:

20 Collyer Quay #09-02
Singapore 049319

7 February 2022

To: **Shareholders of Totm Technologies Limited**

Dear Sir / Madam,

- (1) **THE PROPOSED DISPOSAL OF SHAREHOLDING INTERESTS IN YINDA TECHNOLOGY SINGAPORE PTE. LTD. AND YINDA TECHNOLOGY (THAILAND) CO., LTD. TO YINDA PTE. LTD., BEING AN INTERESTED PERSON TRANSACTION UNDER THE CATALIST RULES; AND**
- (2) **THE PROPOSED CHANGE OF THE AUDITORS FROM BAKER TILLY TWF LLP TO MAZARS LLP.**

1. INTRODUCTION

1.1. Purpose of Circular

The Directors are convening an EGM by way of electronic means on 22 February 2022 at 10.00 a.m. to seek:

- (a) Independent Shareholders' approval for the Proposed Disposal as Ordinary Resolution 1. The Proposed Disposal constitutes an Interested Person Transaction under Chapter 9 of the Catalist Rules and is subject to the approval of the Independent Shareholders; and
- (b) Shareholders' approval for the Proposed Change of Auditors as Ordinary Resolution 2.

The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Disposal and the Proposed Change of Auditors and to seek Independent Shareholders' and Shareholders' approval (as the case may be) in respect of the same at the EGM. The Notice of EGM is set out at pages N-1 to N-4 of this Circular.

Shareholders are to note that the passing of Ordinary Resolution 1 and Ordinary Resolution 2 are not conditional on each other.

LETTER TO SHAREHOLDERS

1.2. Disclaimers

The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular. If a Shareholder is in any doubt as to the course of action he/she should take, he/she should consult his/her bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser immediately.

2. THE PROPOSED DISPOSAL

2.1. Background to the Proposed Disposal

As announced on 10 December 2021, the Company had entered into a sale and purchase agreement (the “SPA”) with Yinda Pte. Ltd. (“YPL”) for the sale of the following to YPL:

- (a) 500,000 ordinary shares in Yinda Technology Singapore Pte. Ltd. (“**Yinda Technology Singapore**”) (the “**YTS Shares**”), constituting 100.0% of the issued and paid up share capital of Yinda Technology Singapore; and
- (b) 572,700 ordinary shares in Yinda Technology (Thailand) Co., Ltd. (“**Yinda Technology Thailand**”, together with Yinda Technology Singapore, the “**Target Companies**”) (the “**YTT Shares**”, together with the YTS Shares, the “**Sale Shares**”), constituting 77.9% of the issued ordinary share capital of Yinda Technology Thailand (with the remaining 22.1% of the issued ordinary share capital in Yinda Technology Thailand being held by Yinda Technology Singapore and 100.0% of the preferred share capital in Yinda Technology Thailand being held by Nattaya Promsatawong),

the “**Proposed Disposal**”.

Upon completion of the Proposed Disposal (the “**Completion**”), Yinda Technology Singapore and Yinda Technology Thailand shall cease to be subsidiaries of the Company and the Group will exit from the provision of integrated and innovative communications solutions and services (the “**Telecommunications Business**”).

2.2. Rationale for the Proposed Disposal

(a) Viability of the remaining business

The Proposed Disposal is in line with the Company’s diversification into the business of development and provision of identity management biometric technology solutions earlier in April 2021 (the “**Biometrics Business**”) and the intention to reduce the Group’s reliance on the Telecommunications Business.

The Proposed Disposal is an avenue for the Company to reduce its ongoing operational costs in relation to the Telecommunications Business and exit from its investment in the Target Companies, so that more resources can be deployed to focus on growing and developing its portfolio within the Biometrics Business which has proven to be more profitable. Based on the audited financial statements of the Group for FY2021, the Biometrics Business contributed operating profit amounting to S\$0.5 million to the Group despite only having recorded two (2) months of revenue contribution, compared to the Group’s net loss of S\$8.4 million which mainly stemmed from the Telecommunications Business.

(b) Exit from loss-making business segment

The Proposed Disposal allows the Group to exit from a loss-making business segment. Yinda Technology Singapore recorded net losses amounting to S\$2.9 million in FY2020

LETTER TO SHAREHOLDERS

and S\$2.1 million in FY2021 while Yinda Technology Thailand recorded net losses amounting to THB4.7 million (approximately S\$0.2 million) in FY2020 and THB14.9 million (approximately S\$0.7 million) in FY2021.

Despite the Board and Management's efforts to control costs and restructure the Telecommunications Business of the Group, including the Group's exit from its telecommunications operations in Malaysia and Philippines in January 2021, the Group's telecommunications projects in Singapore and Thailand continue to be affected and delayed due to measures implemented by the respective governments to curb COVID-19.

Due to the loss-making position of the Target Companies and their inability to make payment in the foreseeable future, the Company had fully written down its investment in Yinda Technology Singapore of S\$8.8 million during FY2019 and its investment in Yinda Technology Thailand by S\$1.0 million during FY2021 to S\$1.3 million as at 31 May 2021. The Company had also written down the Existing Shareholders' Loans from Yinda Technology Singapore to zero recoverable value.

(c) Challenges to the Telecommunications Business

The Company believes that the slowdown of its Telecommunications Business was evident before the COVID-19 pandemic, where revenue dropped from S\$17.9 million in FY2019 to S\$11.5 million in FY2020. This is due to the greater challenges faced by the Group in securing new and larger project contracts with better profit margins. Furthermore, the prospects of the Telecommunications Business deteriorated during the COVID-19 pandemic where challenges were faced in securing skilled labour and engineers, especially where the Group lost several foreign workers who chose to return to their home countries, resulting in project delays. In FY2021, both Singapore and Thailand recorded revenue of only S\$2.0 million and S\$3.0 million respectively. The Board and Management do not expect the Telecommunications Business to turn around in the near future due to depressed margins and a shortage of skilled workers.

(d) Target Companies in need of working capital

Based on the projects on hand and the project status, it was anticipated that the Target Companies have a significant shortfall of at least S\$2.8 million to have achieved a break even result in FY2021. Upon the completion of an internal strategic review of the Group's business, the Board is of the view that instead of continuing to provide working capital to fund the Telecommunications Business, the best course of action for the Group would be to undertake the Proposed Disposal of the Target Companies, to ease the strain caused by the financial requirements of the telecommunications projects which are capital intensive. The Proposed Disposal will also allow the Group to consolidate its financial and capital resources to further develop the biometrics business, which the Group diversified into in April 2021.

Further, as at 30 September 2021, representing four (4) months of unaudited financial performance covering the financial period from 1 June 2021 to 30 September 2021, Yinda Technology Singapore incurred total expenses of up to S\$1.0 million and suffered losses of S\$0.1 million while Yinda Technology Thailand incurred total expenses of THB21.8 million (approximately S\$0.9 million) and suffered losses of THB8.3 million (approximately S\$0.3 million). On a pro forma basis, assuming the extrapolation to 12 months, the combined cost and losses of both companies are S\$5.7 million and S\$1.2 million respectively.

LETTER TO SHAREHOLDERS

(e) Packaged sale

Taking into consideration the terms and conditions of the Proposed Disposal, even though the Total Consideration is of a nominal amount of S\$1,001.00, with S\$1.00 and S\$1,000.00 attributable to Yinda Technology Singapore and Yinda Technology Thailand, respectively, the terms of the Proposed Disposal are unique and beneficial to the Company as:

- (i) both Yinda Technology Singapore and Yinda Technology Thailand will be sold as a packaged deal (noting that the Management of the Company had approached YPL in early October 2021 on its interest in acquiring the Target Companies given that the Board was considering the divestment of the Telecommunications Business). This freed up time, effort, costs and resources which would otherwise be required should the Company have commenced a formal process to look for a buyer for the Target Companies; and
- (ii) it allowed the Company to novate to YPL an outstanding aggregate amount owed under the Existing Shareholder's Loans by the Target Companies, to be set-off against S\$3,235,166 of the Existing YPL Loan (with the remaining of the Existing YPL Loan set off by the Consideration); and
- (iii) having considered the nature of the key assets in the Target Companies, being mainly contract assets and trade and other receivables, which are operating assets linked directly with the business, it would be more meaningful for the Company to find a buyer to purchase the Target Companies as a whole, including taking over the operating liabilities.

On the other hand, if the Company was to sell the Target Companies to third parties on a standalone or combined basis, the consideration is unlikely to be sufficient to repay the full amount of the Existing YPL Loan as the net liability value of YTS was approximately S\$3.0 million and the net asset value of YTT was approximately S\$1.6 million as at 31 May 2021, with a net negative value on a combined basis. At the same time, it is also unlikely that the majority of the Existing Shareholder's Loans of approximately S\$4.2 million will be recoverable due to the Target Companies' financial situation.

Given the considerations above and in view that a sale to other third parties is unlikely to offer such similar terms (whether on a combined or standalone basis) which would allow the Group to repay the Existing YPL Loan, the Board and Management did not reach out to any third party as it deemed the offer from YPL to be favourable to the Group and the Board viewed the Proposed Disposal to YPL to be in the best interests of the Company and the minority shareholders under current circumstances.

2.3. Information on the Target Companies and YPL

(a) Yinda Technology Singapore

Yinda Technology Singapore was incorporated in Singapore on 10 April 2003 and has an issued and paid up share capital of S\$500,000 comprising 500,000 shares. The principal activities of Yinda Technology Singapore are for investment holding, installation and implementation of telecommunication related products and services. Its directors are Mr. Xie Huazhong, Ms. Wang Xiaolan and Ms. Shao Lifang.

Based on the latest audited financial statements of Yinda Technology Singapore for FY2021, Yinda Technology Singapore recorded a loss of S\$2.1 million for FY2021 and has a net liability value of S\$3.0 million as at 31 May 2021. The key assets are mainly contract assets of S\$1.4 million, trade and other receivables of S\$0.7 million and inventories of S\$0.6 million as at 31 May 2021.

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(b) Yinda Technology Thailand

Yinda Technology Thailand was incorporated in Thailand on 14 December 2001 and has a issued and paid up capital of THB8.2 million (approximately S\$0.3 million) comprising 765,000 preference shares and 735,000 ordinary shares. The principal activity of Yinda Technology Thailand is providing telecommunication network services. Its directors are Ms. Wang Xiaolan, Ms. Shao Lifang and Ms. Nattaya Promsatawong.

Based on the latest audited financial statements of Yinda Technology Thailand for FY2021, Yinda Technology Thailand recorded a loss of THB14.9 million (approximately S\$0.7 million) for FY2021 and has a net asset value of THB39.1 million (approximately S\$1.6 million) as at 31 May 2021. The key assets are mainly contract assets of THB60.0 million (approximately S\$2.5 million) and trade and other receivables of THB7.8 million (approximately S\$0.3 million) as at 31 May 2021.

(c) YPL

YPL is wholly owned by Shanghai Yinda Science and Technology Industrial Co Ltd ("**Shanghai Yinda**"). Shanghai Yinda is in turn 97.09% held by Shanghai Yinda Technology Group Co Ltd ("**Shanghai Yinda Group**"), and 2.91% held by Ms. Yang Xulan, an employee of Shanghai Yinda. Shanghai Yinda Group is in turn 51.48% held by Mdm. Song Xingyi ("**Mdm. Song**"), the Non-Independent, Non-Executive Chairman of the Company, 33.66% held by Mr. Wang Hua, 13.86% held by Mr. Wang Zhijun and 1.00% held by Ms. Shao Lifang. Mdm. Song is the spouse of Mr. Wang Zhijun and mother of Mr. Wang Hua. Ms. Shao Lifang is the Executive Director of the Company.

The Shanghai Yinda Group is engaged in the information technology, telecommunications and related business mainly in the People's Republic of China. YPL is an investment holding company in information technology and computer service activities.

As YPL is an associate of Mdm. Song, the Proposed Disposal constitutes an interested person transaction as defined under Chapter 9 of the Catalist Rules. Please refer to section 2.8 (*The Proposed Disposal as an Interested Person Transaction*) of this Circular for further details of the Proposed Disposal as an Interested Person Transaction.

2.4. Independent valuation of the Target Companies

The Company has appointed the Valuer, Cushman & Wakefield VHS Pte. Ltd. as an independent valuer to assess and determine the market value of 100.00% equity interest in the capital of the Target Companies as at 30 September 2021 for the Proposed Disposal (the "**Valuation**"). A Valuation Report has been issued by the Valuer in respect of the independent valuation on the market value of the 100.0% equity interest in the capital of Target Companies as at 30 September 2021, and the Summary Valuation Report is set out in the **Appendix A** (*Summary Valuation Report*) to this Circular.

Based on the Valuation Report, having considered that (a) the Target Companies are expected to be sold on a combined basis as a package to a single buyer, therefore the positive market value of YTT has been offset by the negative value of YTS; (b) the Target Companies are presently loss making; (c) there is no visibility of feasible future plans that suggest the ability of the Target Companies to generate future income; and (d) barring any unforeseen circumstances on factors that may affect the result of operations, business and financials of the Target Companies including but not limited to unexpected change in regulatory requirements, potential claims and disputes on defective works, credit default risk and condition of COVID-19, the market value of 100% equity

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interest in the capital of the Target Companies as at 30 September 2021 is S\$nil. The Valuation is based primarily on the cost / asset approach¹.

Shareholders are advised to read and consider the Summary Valuation Report issued by the Valuer in respect of the independent valuation on the Target Companies carefully, in particular the terms of reference, key assumptions and critical factors. The Summary Valuation Report is set out in the Appendix A (Summary Valuation Report) to this Circular.

2.5. Salient terms of the SPA

(a) Consideration

The aggregate consideration for the sale of the Sale Shares shall be the amount of S\$1,001.00 (the "**Total Consideration**") with S\$1.00 and S\$1,000.00 attributable to Yinda Technology Singapore and Yinda Technology Thailand, respectively.

The Total Consideration was arrived at after arm's length negotiations, on a willing-buyer, willing-seller basis and taking into account: (a) the indicative market value provided by the Independent Valuer of S\$nil as elaborated on in section 2.4 (*Independent valuation of the Target Companies*); (b) the continued loss-making positions of Yinda Technology Singapore and Yinda Technology Thailand since FY2020; (c) the net liability value of Yinda Technology Singapore amounting to approximately S\$3.0 million offset by the net asset value of Yinda Technology Thailand amounting to approximately S\$1.6 million; (d) the indebtedness between the Target Companies, the Group and YPL which is further elaborated on in section 2.5(b) (*Conditions precedent*); and (e) applicable market conditions.

The Total Consideration shall be satisfied by YPL setting off an outstanding amount which is equivalent to the Total Consideration due from the Company to YPL under the Existing YPL Loan. Therefore, no cash proceeds will be received from the Proposed Disposal.

Please also see section 2.5(b) (*Conditions precedent*) for details on the novation, set-off and waiver of the Existing Shareholder's Loans as conditions to the Proposed Disposal, contemplated under the terms and conditions of the SPA.

(b) Conditions precedent

Completion is conditional on the following conditions being satisfied (or waived in accordance with the SPA) (the "**Conditions**"):

- (i) the approval of the Shareholders having been obtained at the EGM in respect of, amongst others: (a) the entry into the SPA; (b) all transactions contemplated in the SPA (and in connection therewith) on the terms set out in this Agreement; and (c) Chapter 9 and Chapter 10 (if applicable) of the Catalist Rules in connection with the transactions contemplated in the SPA;
- (ii) the approval of the Board having been obtained for the entry into the SPA and all transactions contemplated in the SPA (and in connection therewith);

¹ Cost / asset approach is selected as there is no reliable information nor feasible future business plan that may suggest the ability to generate future income. Income approach is not adopted as the Target Companies are not expected to generate future economic benefits in the foreseeable future. Market approach is not selected as there is no single company that is comparable in size, business and operations of the Target Companies. In addition, even if comparable companies are selected as reference, the volatilities from multiples of comparable companies make it difficult to conclude a reliable amount for valuation by adopting the result from a single market multiple.

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- (iii) the approval of the board of directors of YPL having been obtained for the entry into the SPA and all transactions contemplated in the SPA (and in connection therewith);
- (iv) where necessary, the approval of the shareholders of YPL having been obtained for the entry into the SPA and all transactions contemplated in the SPA (and in connection therewith);
- (v) the receipt of the opinion from the IFA that the proposed sale of the Sale Shares on the terms and conditions of the SPA is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders;
- (vi) the receipt of the Valuation Report from the Valuer;
- (vii) the novation by the Company to YPL of an outstanding aggregate amount of S\$3,235,166 owed under the Existing Shareholder's Loans, which shall be set-off against the full remaining amount of the Existing YPL Loan (after the set-off from the Total Consideration as described above), as contemplated by a novation and set-off deed to be entered into on or around the date of the SPA amongst the Seller, the Buyer, Yinda Technology Singapore and Yinda Technology Thailand (the "**Novation and Set-Off Deed**");
- (viii) the waiver by the Company of the remaining aggregate amount of S\$1,011,335 owed under the Existing Shareholder's Loans, as contemplated under the terms and conditions of the Novation and Set-Off Deed;
- (ix) the release and cancellation of the corporate guarantees extended by the Company under the relevant loans of Yinda Technology Singapore and Yinda Technology Thailand, as the case may be;
- (x) the completion of an audit on the Target Companies for the period commencing 1 June 2021 to the date of the SPA, as required by the Company; and
- (xi) the parties to the SPA not having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the SPA, and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened.

If any Condition has not been satisfied (or waived in accordance with the SPA) by the date which is four (4) months after the date of the SPA, or such other date as may be agreed in writing between the parties (the "**Long Stop Date**"), each party may agree or disagree to the extension of the Long Stop Date in its sole discretion. If the parties do not agree to an extension of the Long Stop Date, and any Condition has not been satisfied (or waived in accordance with the SPA) on or before the Long Stop Date, then the SPA shall terminate with immediate effect (other than the Surviving Provisions (as defined in the SPA), which shall remain in full force and effect) and no party (or any of their respective representatives) shall have any liability or further obligation to any other party, except in respect of rights and liabilities which have accrued before termination of the Agreement.

(c) Completion

Completion shall take place remotely (or at such other place as the parties may mutually agree) on the date which is 14 business days after the date on which all of the Conditions are satisfied (or waived in accordance with the SPA) (the "**Completion Date**").

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(d) Purchaser undertakings

YPL agrees and undertakes to the Company that for the period commencing from the date of the SPA until Completion, YPL shall provide any and all necessary funding and/or financial support to the Target Companies for the Target Companies' operational and working capital requirements, as and when such financial support is required on an interest-free basis:

YPL agrees and undertakes to the Company that, post-Completion, it shall, and shall procure the Target Companies to, provide all reasonable assistance and support to the Company for the completion of its final audit for FY2022.

(e) Termination

If there shall have come to the notice of a party of any breach of the representations, warranties and undertakings set out in the SPA by a party which is not remedied (to the reasonable satisfaction of the non-defaulting party within seven (7) days of the receipt of a written notice by the defaulting party from the non-defaulting party notifying of such breach, the non-defaulting party may thereafter at any time prior to the Completion Date by notice in writing to the defaulting party terminate the SPA, but failure to exercise this right shall not constitute a waiver of any other rights of the non-defaulting party arising out of any such breach.

If the SPA is terminated in accordance with its terms, then the SPA shall terminate with immediate effect (other than the Surviving Provisions, which shall remain in full force and effect) and no party (or any of their respective representatives) shall have any liability or further obligation to the other party, except in respect of rights and liabilities which have accrued before termination of the SPA.

2.6. Use of proceeds

As stated in section 2.5(a) (*Consideration*), the Total Consideration is satisfied by YPL by setting off an outstanding amount which is equivalent to the Total Consideration due from the Company to YPL under the Existing YPL Loan and therefore, no cash proceeds will be received from the Proposed Disposal.

2.7. Catalyst Rule 1006 Figures for the Proposed Disposal

(a) Based on the latest audited financial results of the Group for FY2021 and the latest audited financial results of the Target Companies for FY2021, the relative figures of the Proposed Disposal computed on the bases set out in Catalyst Rule 1006 are set out below:

Rule 1006	Bases of calculation	Relative figure for Yinda Technology Singapore	Relative figure for Yinda Technology Thailand	Relative figure for the Proposed Disposal
(a)	Net asset value of the assets to be disposed of or aggregate value of the financial assistance given, compared with the Group's net asset value.	1.20% ⁽¹⁾	4.17% ⁽²⁾	5.37% ⁽³⁾

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Rule 1006	Bases of calculation	Relative figure for Yinda Technology Singapore	Relative figure for Yinda Technology Thailand	Relative figure for the Proposed Disposal
(b)	Net profits/losses attributable to the assets acquired or disposed of, compared with the Group's net profits/losses.	26.38% ⁽⁴⁾	8.34% ⁽⁵⁾	34.72% ⁽⁶⁾
(c)	Aggregate value of the consideration given or aggregate value of the financial assistance given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares ⁽⁷⁾ .	2.25% ⁽⁸⁾	0.37% ⁽⁹⁾	2.62% ⁽¹⁰⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	N.A. ⁽¹¹⁾	N.A. ⁽¹¹⁾	N.A. ⁽¹¹⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	N.A. ⁽¹²⁾	N.A. ⁽¹²⁾	N.A. ⁽¹²⁾

Notes:

- (1) Computed based on the net liability value of Yinda Technology Singapore amounting to approximately S\$3,018,000 as at 31 May 2021 and the amount of S\$3,648,630 under the Existing Shareholder's Loans which will be novated and/or waived as conditions to the Proposed Disposal, compared to the net asset value of the Group of approximately S\$52,485,000 as at 31 May 2021.
- (2) Computed based on the net asset value of Yinda Technology Thailand amounting to approximately S\$1,592,000 as at 31 May 2021 and the amount of approximately S\$597,871 under the Existing Shareholder's Loans which will be novated and/or waived as conditions to the Proposed Disposal, compared to the net asset value of the Group of approximately S\$52,485,000 as at 31 May 2021.
- (3) Computed based on the combined net liability value attributable to the Target Companies amounting to approximately S\$1,426,000 and the Existing Shareholder's Loans amounting to an aggregate amount of approximately S\$4,246,501 which will be novated and/or waived as conditions to the Proposed Disposal, compared to the net asset value of the Group of approximately S\$52,485,000 as at 31 May 2021.
- (4) Computed based on the net losses before tax attributable to Yinda Technology Singapore amounting to approximately S\$2,069,000, compared to the net losses before tax of the Group of approximately S\$7,843,000 for FY2021.
- (5) Computed based on the net losses before tax attributable Yinda Technology Thailand amounting to approximately S\$654,000, compared to the net losses before tax of the Group of approximately S\$7,843,000 for FY2021.

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- (6) Computed based on the combined net losses attributable to the Target Companies amounting to approximately S\$2,723,000, compared to the net losses of the Group of approximately S\$7,843,000 for FY2021.
 - (7) Based on the market capitalisation of the Company of S\$161,962,219, which is computed based on 849,303,716 Shares (excluding treasury shares) in issue and the weighted average price of S\$0.1907, as at 9 December 2021, being the last full market day prior to the execution of the SPA.
 - (8) Computed based on the aggregate consideration of S\$1.00 and the amount of approximately S\$3,648,630 under the Existing Shareholder's Loans which will be novated and/or waived as conditions to the Proposed Disposal.
 - (9) Computed based on the aggregate consideration of S\$1,000.00 and the amount of approximately S\$597,871 under the Existing Shareholder's Loans which will be novated and/or waived as conditions to the Proposed Disposal.
 - (10) Computed based on the Total Consideration of S\$1,001.00 and the Existing Shareholder's Loans amounting to an aggregate amount of S\$4,246,501 which will be novated and/or waived as conditions to the Proposed Disposal.
 - (11) Not applicable as no equity securities will be issued by the Company in relation to the Proposed Disposal.
 - (12) Not applicable as the Proposed Disposal are not of mineral, oil or gas assets by a mineral, oil and gas company.
- (b) Net gain on disposal

Based on the audited consolidated financial statements of Yinda Technology Singapore and Yinda Technology Thailand as at 31 May 2021, the combined net liability value and net losses attributable to the Target Companies were S\$1,426,000 and S\$2,723,000 respectively.

Further, pursuant to the terms and conditions of the SPA, the Company will (a) set-off S\$1,001 of the Consideration under the Existing YPL Loan; (b) novate to YPL an outstanding aggregate amount of S\$3,235,166 owed under the Existing Shareholder's Loans, which shall be set-off against the full remaining amount of the Existing YPL Loan (after the set-off from the Consideration as described above) under the terms and conditions of the Novation and Set-Off Deed; and (c) waive the remaining aggregate amount of S\$1,011,335 under the Existing Shareholder's Loans under the terms and conditions of the Novation and Set-Off Deed.

The Company expects to recognise a gain from the reversal of the net liabilities attributable to the Target Companies of S\$1,426,000, offset by a loss of S\$1,011,335 as a result of the Novation and Set-Off Deed. Accordingly, the Company expects to recognise a net gain on disposal of approximately S\$415,000 from the Proposed Disposal.

(c) Chapter 10 approvals for the Proposed Disposal

Catalist Rule 1007(1) states, *inter alia*, that if any of the relative figures computed pursuant to Catalist Rule 1006 involves a negative figure, Chapter 10 (specifically Practice Note 10A) may still be applicable to the transaction in accordance with the applicable circumstances.

Catalist Rule 1014 states, *inter alia*, that where any of the relative figures as computed on the bases set out in Catalist Rule 1006 exceeds, for a disposal, 50.0%, the transaction would be classified as a major transaction and shareholders' approval will be required to be sought.

Having considered paragraphs 4.4(c) and 4.4(d) of Practice Note 10A of the Catalist Rules, as the collective relative figures of Catalist Rule 1006 does not exceed 50.0% and the Proposed Disposal will result in a net gain on disposal, no Shareholders' approval is required in relation to the Chapter 10 of the Catalist Rules. However, in consideration of that the Telecommunications Business has been a core business segment of the Company

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since it was listed in 2015 and as the value of the Proposed Disposal as an interested person transaction exceeds 5.0% of the Group's net tangible assets as at 31 May 2021, the Proposed Disposal is conditional upon the approval of the Independent Shareholders at the EGM.

2.8. The Proposed Disposal as an Interested Person Transaction

(a) Interested Person Transaction

YPL is an associate of Mdm. Song, the Non-Independent, Non-Executive Chairman of the Company, and hence is an interested person as defined in the Catalist Rules. Pursuant to Catalist Rule 906, an issuer must obtain shareholders' approval for an interested person transaction of a value equal to, or more than 5.0% of the Group's latest audited NTA value.

(b) Value of the Interested Person Transaction

Having considered Catalist Rule 909, which considers the value of the transaction to be the amount at risk to the Group, the Company has considered the value of the interested person transaction to be the following:

The Total Consideration of S\$1,001.00, together with the waiver of S\$1,011,335 undertaken in connection with the Proposed Disposal, totalling S\$1,012,336 which represents 10.9% of the audited NTA of the Group for FY2021 amounting to approximately S\$9,277,000.

As the value of the interested person transaction exceeds 5.0% of the Group's latest audited NTA, the Proposed Disposal will require Independent Shareholders' approval pursuant to Rule 906 of the Catalist Rules.

(c) Total value of Interested Person Transactions for FY2022

As at the Latest Practicable Date, save for:

- (i) the Proposed Disposal (including the novation of S\$3,235,166 and set-off against the full remaining amount of the Existing YPL Loan (after the set-off from the Total Consideration) and the waiver of S\$1,011,335 owed under the Existing Shareholder's Loans); and
- (ii) the Existing YPL Loan Renewal, where the amount at risk (being the interest payable to YPL for FY2022) amounted to less than S\$100,000²,

there are no interested person transactions entered into by the Group with YPL or any other interested persons for FY2022.

(d) Abstention from voting

Pursuant to Catalist Rule 919, Mdm. Song and Ms Shao Lifang and their associates, including YPL shall abstain from exercising their voting rights in respect of all existing issued Shares owned by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the resolutions to approve the Proposed Disposal.

² Therefore, the Existing YPL Loan Renewal will not be a transaction which is subject to aggregation with the Proposed Disposal pursuant to Catalist Rule 906.

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2.9. IFA opinion

- (a) Pursuant to Catalist Rule 921(4)(a), the Company has appointed the IFA to advise the Recommending Directors, on whether the Proposed Disposal is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.
- (b) The IFA's opinion is extracted from paragraph 5 of the IFA Letter and set out in italics as follows and capitalised terms used within these reproduced statements bear the meanings defined for them in the IFA Letter:

“Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Proposed Disposal. We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out below a summary of the key factors we have taken into our consideration:

- (i) the rationale for the Proposed Disposal, namely, to exit from loss-making business segment which is facing challenging business environment. The Proposed Disposal will allow the Group to focus fully on the Biometrics Business and offer an opportunity to dispose the Target Companies as a packaged deal;*
- (ii) the Total Consideration is higher than the nil value of the Target Companies as opined by the Independent Valuer;*
- (iii) the Total Consideration represents a premium to the aggregate net liability position of the Target Companies;*
- (iv) the Loan Waiver allows the Company to set-off the Existing Shareholder's Loan (which are largely written down and low recoverability) against its loans due to YPL;*
- (v) the positive pro forma financial effects of the Proposed Disposal; and*
- (vi) the other consideration as set out in paragraph 4.6 of this IFA Letter.*

Accordingly, after taking into account the above factors and the information made available to us as at the Latest Practicable Date, we are of the opinion that, the Proposed Disposal (and the Loan Waiver) is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders.”

- (c) The IFA Letter is reproduced and appended in its entirety as **Appendix B** (IFA Letter) to this Circular and Shareholders are advised to read the IFA Letter in its entirety carefully.

2.10. Recommendation from the Audit Committee in relation to the Proposed Disposal

Having considered, *inter alia*, the rationale for the Proposed Disposal, the terms of the SPA, the financial effects of the Proposed Disposal, the Valuation Report, as well as the advice of the IFA in the IFA Letter, the Audit Committee is of the view that the Proposed Disposal, as an Interested Person Transaction, is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

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The Audit Committee further recommends any individual Shareholder who may require specific advice to consult his stockbroker, bank manager, solicitor, accountant or other professional adviser and strongly advises Shareholders to read this Circular in its entirety carefully.

2.11. Pro forma financial effects of the Proposed Disposal

(a) Assumptions

The pro forma financial effects of the Proposed Disposal on the Company's share capital and the Group's NTA per Share and LPS as set out below are strictly for illustrative purposes and are not indicative of the actual financial position and results of the Group following the Proposed Disposal.

The pro forma financial effects have been prepared based on the audited financial results of the Group for FY2021, on the following bases and assumptions:

- (i) the Proposed Disposal had been completed on 31 May 2021 for the purpose of illustrating the financial effects on the NTA;
- (ii) the Proposed Disposal had been completed on 1 June 2020 for the purpose of illustrating the financial effects on the LPS;
- (iii) the issued and paid up share capital of the Company as at the Latest Practicable Date comprising 849,303,716 Shares; and
- (iv) the expenses incurred in relation to the Proposed Disposal are negligible.

(b) Share Capital

No Shares will be issued pursuant to the Proposed Disposal.

(c) NTA per Share

Assuming that the Proposed Disposal were completed on 31 May 2021, the pro forma financial effects on the Group's NTA per Share would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA ⁽¹⁾ attributable to owners of the Company (S\$'000)	9,277	9,692 ⁽²⁾
Number of issued ordinary shares in the capital of the Company as at the Latest Practicable Date ⁽³⁾	849,303,716	849,303,716
NTA per Share (Singapore cents)	1.09	1.14

Notes:

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- (1) NTA means total assets less the sum of total liabilities and intangible assets.
- (2) The NTA after the Proposed Disposal will increase by approximately S\$415,000 comprising the reversal of the net liabilities attributable to the Target Companies of S\$1,426,000, offset by a loss of S\$1,011,335 as a result of the Novation and Set-Off Deed.
- (3) Subsequent to FY2021, the Company issued and allotted 7,037,383 Shares to The Institute of Machine Learning GmbH on 29 September 2021 as consideration for the subscription of new shares in GenesisPro Pte Ltd.

(d) LPS

Assuming that the Proposed Disposal was completed on 1 June 2020, the pro forma financial effects on the Group's LPS would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
(Loss) after income tax (S\$'000)	(8,407)	(5,201) ⁽¹⁾
Number of issued ordinary shares in the capital of the Company as at the Latest Practicable Date ⁽²⁾	849,303,716	849,303,716
LPS (Singapore cents)	(0.99)	(0.61)

Notes:

- (1) The net loss assuming the Proposed Disposal had been completed on 1 June 2020 would result in a reversal of the net loss attributable to the Target Companies of S\$2,791,000 recorded for FY2021.
- (2) Subsequent to FY2021, the Company issued and allotted 7,037,383 Shares to The Institute of Machine Learning GmbH on 29 September 2021 as consideration for the subscription of new shares in GenesisPro Pte Ltd.

2.12. Directors' service contracts

No person is proposed to be appointed as a Director in connection with the Proposed Disposal and accordingly, no service contracts in relation thereto will be entered into by the Company.

3. THE PROPOSED CHANGE OF AUDITORS

3.1. Background to and rationale for the Proposed Change of Auditors

Baker Tilly has served as auditors of the Group since FY2020 and was re-appointed as auditors at the last AGM held on 30 September 2021, to hold office until the conclusion of the next AGM of the Company.

On 1 August 2021, the Company announced that it had entered into a non-binding memorandum of understanding (the "**MOU**") with TriVentures Capital Pte Ltd ("**TriVentures**") for the proposed strategic partnership and/or strategic investment into TriVentures and/or its portfolio companies. One of the portfolio companies under TriVentures includes Baker Tilly Vision, an accounting and

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technology business that offers industry-specialised services in consultancy for digital transformation, building of digital assets infrastructure and digital assets audit support. The Group understands that Baker Tilly Vision is an independent member firm of the Baker Tilly International network.

Notwithstanding that no definitive agreements have been entered into between the Group and TriVentures nor has any agreement been reached to further extend the time for the parties to negotiate and finalise the definitive agreements and the MOU had lapsed on 31 January 2022, the Group may continue to explore and seek out other collaboration opportunities with TriVentures and its portfolio companies. In view of the aforementioned and to ensure that there are no potential conflicts of interest or threats to independence faced by the Group's auditors, the Board has decided for the auditors of the Company to be changed from Baker Tilly to Mazars.

In connection with the Proposed Change of Auditors, the Company's management had sought proposals from several reputable audit firms in Singapore.

The Audit Committee, in its evaluation process, had reviewed and deliberated on the various proposals received from each of the audit firms and had taken into consideration the requirements set out under Catalist Rules 712 and 715, the Audit Quality Indicators Disclosure Framework issued by ACRA, and various factors such as the adequacy of resources and experience of the audit firms and the audit engagement partner to be assigned to the audit, other audit engagements of the audit firms, the Group's audit requirements (taking into consideration the size and complexity of the Group's business and operations), and the number and experience of supervisory and professional staff to be assigned to the audit. After evaluation, the Audit Committee recommended the appointment of Mazars as auditors of the Company in place of Baker Tilly on the basis that it best suits the current business and operational needs of the Group.

The Board has taken into account the Audit Committee's recommendation, including the factors considered in their evaluation, and is satisfied that Mazars, approved under the Accountants Act, and Mr. Chin Chee Choon (the "**Audit Engagement Partner**"), the audit engagement partner and a public accountant under the Accountants Act, are well suited to meet the existing needs and audit requirements of the Group, and that the quality and scope of the audit is expected to be maintained. The Board has therefore accepted the Audit Committee's recommendation to appoint Mazars as auditors in place of Baker Tilly, subject to the approval of the Shareholders at the EGM.

3.2. **Information on Mazars and the audit engagement partner**

(a) Information on Mazars

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services. Operating in over 90 countries and territories around the world, Mazars is able to draw on the expertise of more than 42,000 professionals – over 26,000 in the Mazars integrated partnership and over 16,000 via the Mazars North America Alliance.

Mazars in Singapore is an international audit and advisory firm with more than 280 professionals in Singapore, and serves clients of all sizes across Asia-Pacific. Mazars in Singapore is also a firm of Chartered Accountants registered with ACRA. The firm also works with clients of all sizes and providing range of services to businesses and individuals in a variety of industries. It has significant experience acting as auditors for companies listed on the SGX-ST. In Singapore, Mazars audits more than 20 locally listed companies in addition to the Singapore subsidiaries of many internationally listed clients. Mazars also has experience auditing companies in the systems integration and technology industries.

For more information about Mazars LLP, please visit its website at – <https://www.mazars.sg/>

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For the audit of the Group, the Singapore audit engagement team will comprise at least the following professionals: one (1) engagement partner, one (1) engagement concurring partner, one (1) engagement manager, one (1) audit assistant manager and two (2) audit associates. In addition, the audit of the Group will also be reviewed by an independent engagement quality control review partner. The audit of the Group will also include the involvement of Mazars Indonesia.

(b) Information on the Audit Engagement Partner

Mr. Chin Chee Choon, the Audit Engagement Partner, has over 20 years of professional experience in areas of assurance and advisory services from Big Four accounting firms and a mid-tier firm, with his last position being Head of Advisory and Audit Partner. Mr. Chin Chee Choon has experience and was involved in audit/assurance engagements of companies of various sizes and industries which includes companies listed on the SGX-ST in the area of technology, oil and gas, entertainment, education and manufacturing. He was also involved in initial public offering projects where the firm was a Reporting Accountant.

He also has extensive experience in Risk Advisory, Corporate Governance, Internal Audit and Sustainability Reporting. Mr. Chin Chee Choon has performed internal audit reviews for companies listed on SGX-ST, Government agencies and not-for-profit organisations. He has also performed other advisory work which includes pre-initial public offering internal control review, special reviews such as fraud investigation and review of internal control manuals. Mr. Chin Chee Choon has been subjected to the Practice Monitoring Programme review by ACRA and was last reviewed in 2016 where he passed the review.

Mr. Chin Chee Choon holds a Bachelor of Accounting from the University of South Australia and a Post Graduate Diploma from the University of Oxford, United Kingdom. He is a Fellow Chartered Accountant of Singapore and a Certified Internal Auditor.

3.3. **Requirement under Companies Act to obtain the written consent from ACRA**

The Proposed Change of Auditors is subject to the written consent from ACRA. Baker Tilly had, on 5 January 2022, applied to the ACRA to seek ACRA's consent to resign as auditors of the Company and its Singapore incorporated subsidiaries (the "**Resignation Application**").

ACRA had on 25 January 2022 approved the Resignation Application and Baker Tilly had subsequently issued a letter dated 25 January 2022 which provided its notice of resignation as auditors to the Company and its Singapore incorporated subsidiaries. Mazars then issued a letter dated 26 January 2022 and provided its written consent to act as auditors of the Company and its Singapore incorporated subsidiaries.

3.4. **Requirements under Catalist Rule 712**

Mazars is registered with ACRA and approved under the Accountants Act. Mr. Chin Chee Choon is a public accountant registered under the Accountants Act. The Board, having taken into account various factors, including the following:

- (a) the adequacy of the resources and experience of Mazars and the Audit Engagement Partner;
- (b) Mazars' other audit engagements;
- (c) the size and complexity of the Group; and

LETTER TO SHAREHOLDERS

- (d) the number and experience of supervisory and professional staff assigned to the Group's audit,

is of the opinion that Mazars will be able to meet the audit requirements of the Group and Catalyst Rule 712 has been complied with.

In accordance with Catalyst Rule 712(3):

- (a) Baker Tilly has confirmed to Mazars, via its professional clearance letter dated 18 January 2022 that it is not aware of any professional reasons why Mazars should not accept the appointment as auditors of the Company;
- (b) the Company confirms that there were no disagreements with Baker Tilly on accounting treatments within the last 12 months from the date of their resignation;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of Shareholders;
- (d) the Board confirms that there are no specific reasons for the Proposed Change of Auditors that ought to be brought to the attention of the Shareholders other than as disclosed in this Circular. The Proposed Change of Auditors are for the reasons stated above in this Circular and is neither due to the dismissal of Baker Tilly nor Baker Tilly declining to stand for election; and
- (e) the Company confirms that it complies with Catalyst Rules 712 and 715 in relation to the appointment of Mazars as its Auditors.

Pursuant to Catalyst Rule 712(3) and Section 205AF of the Companies Act, the appointment of Mazars as the Company's new auditors must be specifically approved by Shareholders at a general meeting. The appointment of Mazars would therefore take effect upon the approval of the Shareholders at the EGM and, if appointed, Mazars will hold office until the conclusion of the next AGM.

3.5. Requirements under Catalyst Rule 715

The Board confirms that upon the Shareholders' approval of the Proposed Change of Auditors, Mazars shall be appointed to audit the accounts of the Company and its Singapore-incorporated subsidiaries. As at the Latest Practicable Date, the Company does not have any Singapore incorporated significant associate companies.

All other foreign-incorporated subsidiaries and associated company, including PT. International Biometrics Indonesia, Identa T LLC, Totm Tech India Private Limited and associated company Tech5 SA, will be scoped in for review or audit for consolidation by Mazars international firms depending on the contribution to the Group result as at the financial year end.

Accordingly, the Group complies with Catalyst Rules 712 and 715.

3.6. Recommendation from the Audit Committee in relation to the Proposed Change of Auditors

The Audit Committee has reviewed and deliberated on the Proposed Change of Auditors and recommended the change of auditors to Mazars, after taking into consideration and having satisfied itself of the suitability of Mazars to meet the audit requirements of the Group and compliance with the requirements of the Catalyst Rules.

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The Audit Committee further recommends any individual Shareholder who may require specific advice to consult his stockbroker, bank manager, solicitor, accountant or other professional adviser and strongly advises Shareholders to read this Circular in its entirety carefully.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date, based on the Company's register of interests of Directors and register of interests of Substantial Shareholders respectively, are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Prunier Pierre Olivier Marc Yves	-	-	50,166,550 ⁽²⁾	5.91
Tan Chee Bun Gordon	-	-	-	-
Shao Lifang	-	-	-	-
Ngo Yit Sung	-	-	-	-
Song Xingyi	-	-	-	-
Cheam Heng Haw, Howard	-	-	-	-
Aw Eng Hai	-	-	-	-
Chua Hoe Sing	-	-	-	-
Low Chai Chong	-	-	-	-
Substantial Shareholders				
Rahul Ganpat Parthe	60,149,693	7.08	-	-
ESW Manage Pte Ltd	48,806,530	5.75	-	-
Hing Chow Yuen	80,104,800	9.43	-	-

Notes:

- (1) Based on the share capital of the Company of 849,303,716 Shares as at the Latest Practicable Date.
(2) Shares are held through a nominee account with DBS Nominees Pte. Ltd.

Save for Mdm. Song, Ms. Shao Lifang and YPL, none of the Directors, Substantial Shareholders or their associates have any interest, direct or indirect, in the Proposed Disposal (other than through their respective interests arising by way of their directorships and/or shareholdings in the Company).

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5. DIRECTORS' RECOMMENDATIONS

- 5.1. In relation to Ordinary Resolution 1, the Recommending Directors are of the opinion that, having considered and reviewed, *inter alia*, the rationale for the Proposed Disposal, the terms of the SPA, the financial effects of the Proposed Disposal, the Valuation Report, as well as the advice of the IFA in the IFA Letter and the recommendation of the Audit Committee as set out in section 2.10 (*Recommendation from the Audit Committee in relation to the Proposed Disposal*) of this Circular, that the Proposed Disposal is in the best interests of the Company and the Shareholders. Accordingly, the Recommending Directors recommend that Shareholders vote in favour of the Ordinary Resolution 1 as set out in the Notice of EGM.
- 5.2. In relation to Ordinary Resolution 2, after having considered and reviewed the rationale and benefits of the Proposed Change of Auditors and the recommendation of the Audit Committee as set out in section 3.6 (*Recommendation from the Audit Committee in relation to the Proposed Change of Auditors*) of this Circular, the Directors are of the opinion that the Proposed Change of Auditors is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution 2 as set out in the Notice of EGM.

5.3. Note to Shareholders

Shareholders, in deciding whether to vote in favour of Ordinary Resolution 1 and/or Ordinary Resolution 2, should carefully read the terms and conditions, rationale and financial effects of the Proposed Disposal and the Proposed Change of Auditors.

In giving the above recommendations, the relevant Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Directors recommend that any Shareholder who is in any doubt as to the course of action he/she should take or may require specific advice in relation to his/her specific investment objectives or portfolio should consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held by way of electronic means on 22 February 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolution 1 and Ordinary Resolution 2 as set out in the Notice of EGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

To minimise physical interactions and COVID-19 transmission risks, Shareholders will NOT be allowed to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by:

- (a) observing and/or listening to the EGM proceedings via "live" audio-visual webcast or "live" audio-only stream;
- (b) submitting questions to the Chairman of the Meeting in advance of, or "live" at, the EGM; and/or
- (c) voting at the EGM (i) "live" by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the EGM.

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Details of the steps for pre-registration, submission of questions and voting at the EGM by shareholders, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including investors who hold shares under the Central Provident Fund Investment Scheme (the “**CPF Investors**”) and/or the Supplementary Retirement Scheme (the “**SRS Investors**”) (as may be applicable), are set out below.

In particular, CPF Investors and SRS Investors³ should note that they (i) may vote “live” via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective banks approved by CPF to be their agent banks (the “**CPF Agent Banks**”) or agent banks approved by CPF under the Supplementary Retirement Scheme (the “**SRS Operators**”) if they have any queries regarding their appointment as proxies; or (ii) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on 11 February 2022.

Persons who hold Shares through relevant intermediaries (as defined in section 181 of the Companies Act), other than CPF Investors and SRS Investors, and who wish to participate in the EGM by:

- (a) observing and/or listening to the EGM proceedings via “live” audio-visual webcast or “live” audio-only stream;
- (b) submitting questions to the Chairman of the Meeting in advance of, or “live” at, the EGM; and/or
- (c) voting at the EGM (i) “live” by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the EGM,

should contact the relevant intermediary through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the EGM.

7.1. Pre-registration

Shareholders will be able to observe and/or listen to the EGM proceedings through a “live” audio-visual webcast or “live” audio-only stream via their mobile phones, tablets or computers, submit questions in advance of, or “live” at, the EGM and vote at the EGM (i) “live” by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the EGM. To do so, they will need to complete the following steps.

Shareholders (including, where applicable, their appointed proxy(ies)) and CPF Investors and SRS Investors, can pre-register for access to the “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings at the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm1 up to 10.00 a.m. on 19 February on 2022 to enable the Company to verify their status.

Following the verification, authenticated shareholders (including CPF and SRS investors) and, where applicable, appointed proxy(ies), who have pre-registered via the pre-registration website will receive a confirmation email by 10.00 a.m. on 21 February 2022.

Shareholders will be able to access the “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings by logging in to the pre-registration website with their login credentials

³ For the avoidance of doubt, CPF Investors and SRS Investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the Meeting) to vote “live” at the EGM on their behalf.

LETTER TO SHAREHOLDERS

created during pre-registration. Shareholders must not share their login credentials to other persons who are not Shareholders and who are not entitled to attend the EGM. This is also to avoid any technical disruptions or overload to the live audio-visual webcast of the EGM proceedings. Shareholders (including CPF and SRS investors) and, where applicable, appointed proxy(ies), who do not receive the confirmation email by 10.00 a.m. on 21 February 2022 but have registered by 10.00 a.m. on 19 February 2022, may contact our Share Registrar, B.A.C.S. Private Limited, for assistance at main@zicoholdings.com.

7.2. Questions

Shareholders, including CPF and SRS investors, can submit questions in advance of, or “live” at, the EGM.

Submission of substantial and relevant questions in advance of the EGM. Shareholders, including CPF and SRS investors, can submit substantial and relevant questions related to the resolutions to be tabled for approval at the EGM to the Chairman of the Meeting, in advance of the EGM, in the following manner:

- (a) **Via pre-registration website:** Shareholders who pre-register to observe and/or listen to the EGM proceedings may submit their questions via the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm1;
- (b) **Via email.** Shareholders may submit their questions via email to proxy@totmtechnologies.com; and/or
- (c) **By post.** Shareholders may submit their questions by post to the Company’s registered office at 20 Collyer Quay #09-02 Singapore 049319.

When sending in questions via email or by post, please also provide include the following details: (a) full name; (b) address; and (c) the manner in which the Shares are held (e.g. via CDP, CPF, SRS and/or scrip).

Deadline to submit questions in advance of the EGM. All questions submitted in advance of the EGM via any of the above channels must be received by **10.00 a.m. on 19 February 2022**.

Pre-register to ask substantial and relevant questions “live” at the EGM. Shareholders (including CPF and SRS investors) and, where applicable, appointed proxy(ies), can also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the EGM, “live” at the EGM, by typing in and submitting their questions via the online platform hosting the audio-visual webcast and audio-only stream.

Shareholders (including CPF and SRS investors) and, where applicable, appointed proxy(ies), who wish to ask questions “live” at the EGM must first pre-register at the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm1.

Addressing questions. The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the EGM by publishing the responses to such questions on the Company’s website at the URL: <https://totmtechnologies.com/news-announcements/> and on SGXNet website at the URL: <https://www.sgx.com/securities/company-announcements> prior to the EGM. If the Company is unable to do so, the Company will address those substantial and relevant questions which have not already been addressed prior to the EGM, as well as those received “live” at the EGM itself, during the EGM through the “live” audio-visual webcast and “live” audio-only stream of the EGM proceedings. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

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The Company will publish the minutes of the EGM on SGXNet and on the Company's website and on SGXNet within one (1) month from the date of EGM, and the minutes will include the responses to substantial and relevant questions from Shareholders which are addressed during the EGM.

7.3. Voting

Shareholders who wish to exercise their voting rights at the EGM may:

- (a) (where such shareholders are individuals) vote "live" via electronic means at the EGM or (where such shareholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the EGM on their behalf; or
- (b) (where such shareholders are individuals or corporates) appoint the Chairman of the Meeting as their proxy to vote on their behalf at the EGM.

Pre-register to vote "live" at the EGM. Shareholders (including CPF and SRS investors) and, where applicable, appointed proxy(ies), who wish to vote "live" at the EGM must first pre-register at the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm1.

Submission of instruments of proxy. Shareholders who wish to submit instruments appointing a proxy(ies) must do so in the following manner:

- (a) if submitted by post, the instrument must be lodged with the Company's registered office at 20 Collyer Quay #09-02 Singapore 049319; or
- (b) if submitted electronically, the instrument must be submitted (i) via email to proxy@totmtechnologies.com; or (ii) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm1,

in each case, by **10.00 a.m. on 19 February 2022 (not less than 72 hours before the time appointed for holding the EGM)**.

A Shareholder who wishes to submit an instrument appointing a proxy(ies) by post or via email can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from the Company's website and SGXNet, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. A Shareholder may also appoint a proxy(ies) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm1.

In view of the current COVID-19 measures which may make it difficult for Shareholders to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email or appoint a proxy(ies) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm1.

Appointed proxy(ies) (other than the Chairman of the Meeting) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted proxy form) to pre-register at the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm1 in order to access the "live" audio-visual webcast or "live" audio-only stream of the EGM proceedings. Shareholders who wish to appoint third party proxy(ies) are encouraged to submit their proxy forms early and should request their proxy(ies) to pre-register by **10.00 a.m. on 19 February 2022**.

CPF Investors and SRS Investors. CPF Investors and SRS Investors:

LETTER TO SHAREHOLDERS

- (a) may vote “live” via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **10.00 a.m. on 11 February 2022**.

If no specific direction as to voting is given, in respect of a resolution, the appointed proxy/proxies will vote or abstain from voting at his/her/their discretion. If the appointor is a corporate, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney.

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM (i.e. 10.00 a.m. on 19 February 2022), as certified by CDP to the Company.

7.4. Documents

This Circular, the Notice of EGM and the Proxy Form will be sent to the Shareholders solely by electronic means via publication on the Company’s website and will also be made available on SGXNet. Printed copies of these documents will not be sent to Shareholders. Please refer to the SGXNet at the URL: <https://www.sgx.com/securities/company-announcements> and the Company’s website at the URL: <https://totmtechnologies.com/news-announcements/> for the (a) Circular; (b) Notice of EGM; and (c) Proxy Form.

Minutes of the EGM will be provided within one (1) month after the EGM on SGXNet at the URL: <https://www.sgx.com/securities/company-announcements> and the Company’s website at the URL: <https://totmtechnologies.com/news-announcements/>.

7.5. Important Reminder

As the COVID-19 pandemic continues to evolve, further measures and/or changes to the EGM arrangements may be made on short notice in the ensuing days, even up to the day of the EGM. Shareholders are advised to closely monitor announcements made on SGXNet and the Company’s website at the URL: <https://totmtechnologies.com/news-announcements/> for updates on the EGM.

The Company would like to thank all Shareholders for their patience and co-operation in enabling it to hold the EGM with the optimum safe distancing measures amidst the current COVID-19 situation. The Company also seeks the understanding and cooperation of all Shareholders to minimise the risk of community spread of COVID-19.

8. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal and the Proposed Change of Auditors, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

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Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

9. CONSENTS

- 9.1. The Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the Summary Valuation Report as set out in the **Appendix A** (*Summary Valuation Report*) of this Circular and all references to the Valuation Report, in the form and context in which it appears in this Circular, and to act in such capacity in relation to this Circular
- 9.2. The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter as set out in the **Appendix B** (*IFA Letter*) of this Circular and all references to the IFA Letter, in the form and context in which it appears in this Circular, and to act in such capacity in relation to this Circular.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 20 Collyer Quay #09-02 Singapore 049319 during normal business hours from 9.00 a.m. to 5.00 p.m. for three (3) months from the date of this Circular:

- (a) the Constitution;
- (b) the SPA;
- (c) the Summary Valuation Report;
- (d) the Valuation Report;
- (e) the IFA Letter;
- (f) Baker Tilly's letter of professional clearance to Mazars dated 18 January 2022;
- (g) Mazars' letter to the Company in respect of their consent to act as auditors dated 26 January 2022;
- (h) Baker Tilly's notice of resignation to the Company dated 25 January 2022; and
- (i) the letters of consent referred to in section 9 (*Consents*) of this Circular.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to proxy@totmtechnologies.com to make an appointment in advance. The Company will arrange a date when each shareholder can come to the registered office to inspect accordingly. The inspection of documents will be arranged with each shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

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Yours faithfully

For and on behalf of the Board of Directors of
TOTM TECHNOLOGIES LIMITED

Mr. Pierre Prunier
Chief Executive Officer and Executive Director

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 100% equity interest in the capital of
the the Target Companies (as defined herein)

Prepared for

Totm Technologies Limited (formerly known as
Yinda Infocomm Limited)

Report Date

7 February 2022

Ref: 21/RY-CW/BV00200-2

Executive Summary

Valuation of 100% equity interest in the capital of the Target Companies (as defined herein)

Valuation Date: 30 September 2021

Purpose: Public disclosure purpose

Situation/Background: Totm Technologies Limited (“Totm”) was formerly known as Yinda Infocomm Limited. Totm, together with its subsidiaries (“Group”), is a regional integrated solutions and services provider in digital identity management technology and telecommunications. The Group had in January 2021 embarked on business transformation exercise, having identified growth opportunities in the digital identity management space. By early April 2021, the Group completed the Disposal of 51% controlling stake in International Biometrics Pte. Ltd. and an investment in TECH5 SA, making the Group’s official entry and diversification into the field of developing and providing digital identity management and biometric solutions. Following the diversification, Totm is contemplating to dispose certain subsidiaries, namely Yinda Technology Singapore Pte Ltd (“YTS”) and Yinda Technology (Thailand) Company Limited (“YTT”), which are not part of the future business plan (“Proposed Disposal”). YTS and YTT are collectively known as “Target Companies”. We understand that the Target Companies is expected to be transacted as a package deal on a combined basis.

As a result of the Proposed Disposal, Totm would like an independent valuation of 100% interest for the Target Companies (on a combined basis) to ascertain the market value. As such, we have been requested to perform a valuation of 100% equity interest in the capital of the Target Companies (on a combined basis) as at 30 September 2021 (“Valuation Date”).

Subject Matter: 100% equity interest in the capital of Target Companies (on a combined basis)

Basis of Valuation: Market Value

Valuation Approach: Cost / Asset Approach

Valuation Currency: Singapore Dollar

Valuation of 100% equity interest in the capital of the Target Companies (as defined herein)

Other Details:

We wish to highlight that any discrepancies in tables included herein between the amounts and the totals thereof are due to rounding; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

The outbreak of the Novel Coronavirus (“COVID-19”), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

The markets that the Target Companies are valued in are being impacted by the uncertainty that COVID-19 outbreak has caused. Market conditions are changing daily at present. This valuation is current at the Valuation Date only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer (as defined herein) could not reasonably have been aware of as at the Valuation Date). We do not accept responsibility or liability for any losses arising from such subsequent changes in value. As such, we recommend that the user(s) of this report review this valuation periodically.

Having regard to the foregoing and the market conditions as at the Valuation Date, we are of the opinion that the Market Value of 100% equity interest in the capital of the Target Companies (on a combined basis) as at Valuation Date, subject to the assumptions stated herein, is as below:-

S\$nil

[This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report.](#)

A Valuation Report

To: Totm Technologies Limited (formerly known as Yinda Infocomm Limited)

Subject Matter: 100% equity interest in the capital of Target Companies (on a combined basis)

Report Date: 7 February 2022

Valuation Date: 30 September 2021

1. Introduction and Instructions

Appointment

In accordance with your instructions, we have assessed and ascertained the Market Value of 100% equity interest in the capital of the Target Companies (on a combined basis). We are pleased to submit our summarised valuation report (“Report”), which has been prepared for public disclosure purpose to seek shareholders’ approval pursuant to the Proposed Disposal and should be read in conjunction with the full valuation report dated 7 February 2022 (“Full Report”).

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Full Report.

2. Terms of reference

Cushman & Wakefield VHS Pte Ltd (“C&W” or “Valuer”) has been appointed to undertake an independent valuation of 100% equity interest in the capital of the Target Companies. We were neither a party to the negotiations entered into by the Group in relation to the Proposed Disposal nor were we involved in the deliberation leading up to the decision on the part of the management of the Company, Group, Target and/or Target Companies (“Management”) to enter into the Proposed Disposal (as the case may be) and we do not, by the Report, Full Report or otherwise, advise or form any judgement on the merits of the Proposed Disposal. We do not warrant the merits of the Proposed Disposal or the acceptability of the risk for the Proposed Disposal.

We have confined our evaluation strictly and solely on the financial of the Target Companies and have not taken into account the commercial/financial risks and/or merits (if any) of the Proposed Disposal or the strategic merits or the comparison with other deals involving shares of the Company, Group, Target and/or Target Companies. We were not required to comment on or evaluate the methods or procedures used by the Target Companies to manage the change in any risk profile of the Company, Group, Target and/or Target Companies in the context of possible changes in the nature of operations. Such evaluation or comment remains the responsibility of the Management of the Company, Group, Target and/or Target Companies although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our view as set out in the Report and/or Full Report.

We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Proposed Disposal. In addition, we do not express any views or opinion on the merits of the Proposed Disposal, the legality or all other matters pertaining to the Proposed Disposal, documents for the Proposed Disposal (the notice of meeting and the accompanying explanatory notes), *inter alia*, the independence of any party or mechanism or process of voting, acceptance, its eligibility or validity or the other alternatives (if any) or the sufficiency of information.

In the course of our evaluation, we have held discussions with, *inter alia*, the Management of the Company, Group, Target and/or Target Companies, regarding their assessment of the Proposed Disposal and have examined publicly available information collated by us as well as the financial information, both written and verbal, provided to us by the Management, including its consultants or advisers (where applicable). We have not independently verified such information but have made enquiries and used our judgement as we deemed necessary on such information and have found no reason to doubt the reliability of the information. Accordingly, we cannot and do not expressly or impliedly represent or warrant, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information or the manner in which it has been classified or presented.

We do not warrant and have not commented on the acceptability of the risk that the Company, Group, Target and/or Target Companies may be subject to for the Proposed Disposal.

We were not required to and have not made any independent evaluation or appraisal of the individual assets and liabilities (including without limitation, real property) of the Target Companies (where applicable). Our opinion in this Report and Full Report is based on economic conditions, market, industry, monetary and other conditions (if applicable) in effect on, and the information provided to us, as at the Valuation Date. Accordingly, the bases or assumptions and likewise our views or opinion may change in light of developments which *inter alia*, includes general as well as company specific or industry specific conditions or sentiments or factors.

Shareholders should note that the evaluation is based solely on publicly available information and other information provided by the Management as well as the economic and market conditions prevailing as at the Valuation Date, and therefore does not reflect unexpected financial performance and financial condition after the Valuation Date or developments both macro and company specific and that these factors do and will necessarily affect the valuation of the interests in the capital of the Target Companies. Likewise, this Report outlines some of the matters or bases or factors or assumptions which we have used in our valuation and is a summary. They are by no means exhaustive or a reproduction of all the matters or bases or factors or assumptions etc. which we have used in the valuation.

In rendering the opinion, we have made no regard for the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual shareholder of the Company, Group, Target and/or Target Companies (the "Shareholder"). As such, any individual Shareholder who may require advice in the context of

his or her specific investment portfolio, including his or her investment in the Company, Group, Target and/or Target Companies, should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Accordingly, any factor or assumption or basis as well as the relative emphasis on any matter set out in this Report and provided by the Company, Group, Target and/or Target Companies which we used or may have used may differ from the relative emphasis accorded by any individual Shareholder and that any reliance on our opinion or view or assessment, is subject to the contents of the Report and Full Report in its entirety.

Accordingly, our Report, Full Report, opinion or views or recommendation should not be used or relied by anyone for any other purposes and should only be used by the Company, subject to the terms of reference and the contents of the Report and Full Report as one of the basis for their opinion or views or recommendation. In addition, any references to our Report, Full Report, opinion or views, should not be made except with our prior consent in writing and even if made with our prior consent in writing, shall be subject to the contents of the Report and/or Full Report in its entirety *inter alia* the matters, conditions, assumptions, factors and bases as well as our terms of reference for the Report and/or the Full Report.

3. Bases of Valuation

The valuation has been prepared in accordance with International Valuation Standards.

Bases

The subject matter has been valued on the basis of Market Value which is defined as follows:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

4. Assumptions and Reservations

Assumptions

In preparing our assessment, we have made the following key assumptions in our valuation and these apply throughout unless otherwise stated:

- The financial information provided accurately reflects the Target Companies' financial and operating position and performance.
- The financial statements were prepared in accordance with accounting principles generally accepted internationally on a true and fair basis.
- The Management has provided us the financial projections from the financial period between 1 October 2021 and 31 May 2022 (“FPMay2022”) to financial year ending 31 May (“FY”) 2027. To its best knowledge, the Management is solely responsible for the contents, estimation and the assumptions used in the projections.

- The Target Companies shall continue to operate as a going concern and they have sufficient liquidity to achieve the financial forecasts and projections.
- There will not be any material changes in the political and/or economic conditions under which the Target Companies operates that may adversely affect the future prospects of the Target Companies.
- There are no other liabilities, including any contingent liabilities, unusual contractual obligations or substantial commitments which would have a material effect on the value of the Target Companies.
- The current owners of the Target Companies have clear and unencumbered title of ownership over all assets included in this assessment.
- There are no material changes in existing political, legal or regulatory (including changes in legislation, laws, regulations, government policies or rules), fiscal, market or economic conditions in the Target Companies' countries of operations.
- There will be no material change in inflation, interest rates or exchange rates from those prevailing as at the Valuation Date.
- There will be no material changes in the bases or rates of taxation or duties as at the Valuation Date.
- The Target Companies is expected to be transacted as a package deal on a combined basis.
- The Target Companies' operations and business will not be severely interrupted by any force majeure event or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Management, including but not limited to the occurrence of natural disasters or catastrophes, epidemics or serious accidents.

Other assumptions specific to a particular valuation approach or certain observations and conclusions are outlined in the ensuing sections of the Report.

It should be noted that the valuation of the Target Companies is critical upon the following key value drivers:

- The Target Companies continues to operate as a going concern and is able to meet all its financial obligations;
- The Target Companies' sales, costs, and net profit continue to grow according to the forecast. Their capital expenditure and working capital requirements are estimated accurately in the projections;
- The Target Companies has sufficient operational resources to support the projected turnover and profitability; and
- The Target Companies continues to maintain costs in accordance with the forecast.

Any deviation from the above key drivers and assumptions may significantly vary the valuation of the Target Companies.

The valuation is largely based on information provided to us by the Management who are solely responsible for their contents/accuracy. We have not performed any work in the nature

of an audit, due diligence or investigation of the information provided to us and accordingly have not expressed any such opinion in this Report. Further, we have not carried out any work in the nature of a feasibility study, nor have we expressed a viability opinion on the Proposed Disposal. We have also not verified or confirmed information provided to us and have assumed that all such information is accurate and is not subject to material error or omission.

For this exercise, we have considered published market data and other public information relating to the comparable companies on international stock exchanges. We are not responsible as to their content and accuracy in deriving parameters such as country risk rate for purposes of valuation. Such information was obtained from Bloomberg and other sources, where applicable.

Reservations

The value conclusions reflect all information known by the valuers of C&W who worked on the valuation in respect to the equity interest in the capital of the Target Companies, market conditions and available data.

5. General Comment

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgements that, even if logical and appropriate, may differ from those made by a lessee, or another valuer. Historically, it has been considered that valuers may properly conclude within a range of possible values.

Market Value of the subject matter can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the Valuation Date was to change.

The outbreak of the COVID-19, declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. The markets that the Target Companies are valued in are being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present.

This valuation is current as at the Valuation Date only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the Valuation Date). We do not accept responsibility or liability for any losses arising from such subsequent changes in value. As such, we recommend that the user(s) of this report review this valuation periodically.

We have no present or prospective interest in Target Companies and are not a related corporation of nor do we have a relationship with the owner(s) or other party/parties whom the client is contracting with.

The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the Company, Group and/or Target Companies, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that the valuers undertaking the valuation are authorized to practice as valuers and have the necessary experience in valuing similar types of assets. Any discrepancies in tables included herein between the amounts and the totals thereof are due to rounding; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

6. Valuation Methodology

We have considered the 3 valuation approaches namely Cost / Asset Approach, Income Approach and Market Approach and have adopted Cost / Asset Approach as our primary approach as there is no reliable information nor feasible future business plan provided that may suggest the ability to generate future income.

The Income Approach is not adopted as the Target Companies is not expected to generate future economic benefit in the foreseeable future.

Under Market Approach, we have considered enterprise value to sales ("EV/S") and price to book ("P/B") multiples (as the case may be). Based on our analysis, the volatilities from the multiples of comparable companies make it difficult to conclude a reliable amount for the valuation by adopting the result from a single market multiple approach and no single company was comparable in size, capital nature of business and operations. Further, limited market multiples are applicable as the Target Companies are presently loss making.

Accordingly, we have relied solely on Cost / Asset Approach in assessing the equity value of the Target Companies and the Market Approach as a reference.

7. Valuation of 100% equity interest in the capital of YTS

Cost / Asset Approach- YTS

As at the Valuation Date, the balance sheet of YTS is as follows:

SGD'000, unless otherwise specified	Book Value		Market Value		Notes
Assets					
Non-current assets					
Property, plant and equipment	393	83.1%	393	68.2%	
Investment in associate	80	16.9%	-	-	a)
Intangible asset- Assembled Workforce	-	-	183	31.8%	b)
Total non-current assets	473	100.0%	576	100.0%	
Current assets					
Inventories	629	19.8%	629	19.8%	
Contract assets	1,332	41.9%	1,332	41.9%	
Amounts due from related parties	131	4.1%	131	4.1%	
Trade and other receivables	853	26.8%	853	26.8%	
Cash & bank balances	234	7.4%	234	7.4%	
Total current assets	3,180	100.0%	3,180	100.0%	
Total assets	3,653		3,756		
Non-current liabilities					
Lease liabilities	294	100.0%	294	100.0%	
Total non-current liabilities	294	100.0%	294	100.0%	
Current liabilities					
Contract liabilities	179	2.8%	179	2.8%	
Trade and other payables	2,030	31.2%	2,030	31.2%	
Amounts due to related parties	4,133	63.5%	4,133	63.5%	
Lease liabilities	163	2.5%	163	2.5%	
Total current liabilities	6,504	100.0%	6,504	100.0%	
Total liabilities	6,798		6,798		

- a) As at the Valuation Date, YTS owns 20% equity interest in its associate company, YTT. The net book value ("NBV") of investment in associate amounts to about S\$80,000. Market Value for investment in associate has been accounted for in the 100% equity interest in YTT outlined in section entitled "8. Valuation of 100% equity interest in the capital of YTT".
- b) YTS has assembled and trained workforce. Considerable expenditures for recruiting, selecting, and training would be required to replace these employees with individuals of comparable skills and expertise. By acquiring fully trained personnel, the buyer avoided the expenditures associated with hiring and training equivalent personnel. The value of the assembled workforce is represented by the assemblage cost avoided. Therefore, the cost approach is the most applicable valuation approach to value this asset. Based on the cost approach, the Market Value of assembled workforce for YTS is approximately S\$0.2 million.

As the liabilities are more than the assets, the Market Value of the 100% equity interest in the capital of YTS as at the Valuation Date is **S\$nil**.

8. Valuation of 100% equity interest in the capital of YTT

Cost / Asset Approach- YTT

As at the Valuation Date, the balance sheet of YTT is as follows:

THB'000, unless otherwise specified	Book Value		Market Value		Notes
Assets					
Non-current assets					
Equipment	829	10.1%	829	7.3%	
Withholding income taxes	7,376	89.9%	7,376	65.0%	a)
Intangible asset- Assembled Workforce	-	-	3,150	27.7%	b)
Total non-current assets	8,205	100.0%	11,355	100.0%	
Current assets					
Cash and cash equivalents	1,644	2.4%	1,644	2.4%	
Trade and other receivables	65,309	94.1%	65,309	94.1%	
Supplies and work in process	1,516	2.2%	1,516	2.2%	
Other current assets	971	1.4%	971	1.4%	
Total current assets	69,440	100.0%	69,440	100.0%	
Total assets	77,645		80,795		
Non-current liabilities					
Provision for employee retirement benefit	5,428	100.0%	5,428	100.0%	c)
Current liabilities					
Borrowings	11,662	28.2%	11,662	28.2%	
Trade and other payables	17,525	42.3%	17,525	42.3%	
Current portion of long-term borrowings from related party	11,391	27.5%	11,391	27.5%	
Other current liabilities	817	2.0%	817	2.0%	
Total current liabilities	41,395	100.0%	41,395	100.0%	
Total liabilities	46,823		46,823		
Net assets	30,822		33,972		

- a) As at the Valuation Date, the NBV of withholding income taxes deducted as sources amounts to about THB7.4 million representing 9.5% of total assets of YTT. Based on discussion with Management, the NBV of withholding income taxes is net of any doubtful withholding taxes hence the remaining is expected to be recoverable based on discussion with its auditor during audit works for FY2021. Based on the above, the NBV of withholding income taxes is assumed to represents its Market Value.
- b) YTT has assembled and trained workforce. Considerable expenditures for recruiting, selecting, and training would be required to replace these employees with individuals of comparable skills and expertise. By acquiring fully trained personnel, the buyer avoided the expenditures associated with hiring and training equivalent personnel. The value of the assembled workforce is represented by the assemblage cost avoided. Therefore, the cost approach is the most applicable valuation approach to value this asset. Based on cost approach, the Market Value of the assembled workforce of YTT as at the Valuation Date is about THB3.2 million.

- c) As at the Valuation Date, the NBV of provision for employee retirement benefit amounts to about THB5.4 million, representing about 11.6% of total liabilities. NBV of employee retirement benefit obligation as at the Valuation Date is the same as NBV for FY2021 which is calculated by professionally qualified independent actuary using the projected credit method for audit purposes. As such, the NBV approximates its Market Value.

Based on Cost / Asset Approach, the Market Value of 100% equity interest in the capital of YTT as at the Valuation Date is as follows:

	Low*	High**
THB' million	23.0	34.0
S\$' million	1.0	1.4

* Market value of revalued net asset value adjusted for marketability discount of approximately 30%.

** Market value of YTT as at the Valuation Date.

9. Valuation Result

Based on discussion with Management, the Target Companies is expected to be sold to a single buyer as a package deal, the net liabilities of YTS would be offset with the Market value of YTT which is shown as follows:

S\$ million, unless otherwise specified	
Net liabilities of YTS	S\$ 2.9 million to S\$3.2 million
Market Value of YTT	S\$1.0 million to S\$1.4 million
Target Companies	S\$ nil

10. Confidentiality

Our valuation is confidential to you, for your sole use and for the specific purpose stated. We will not accept responsibility to any third party in respect of its contents.

11. Disclosure and Publication

You must not disclose the contents of the Report and/or Full Report to a third party in any way without first obtaining our written approval to the form and context of the proposed disclosure. You must obtain our consent, even if we are not referred to by name or the Report and/or Full Report is to be combined with others. We will not approve any disclosure that does not refer sufficiently to any special assumptions or departures that we have made.

12. Limiting Conditions

This report is prepared subject to the Limiting Conditions in Appendix 1 of the Report.

13. Valuer’s Credential

The valuation is performed by Richard Yap who is a senior corporate advisory executive with more than 10 years of experience in M&A, valuation of business, financial instruments and intangible assets and has worked extensively throughout Asia Pacific. He has demonstrable success across Valuations, Advisory and Capital Markets. Currently based in Singapore, Richard leads the Business Valuation team for C&W throughout Singapore and South East Asia. Richard is a Chartered Financial Analyst (CFA), Chartered Accountant (CA Singapore) as well as Chartered Valuer and Appraiser (CVA).

Signed for and on behalf of C&W.

Richard Yap
CFA, CA (Singapore), CVA
Senior Director

Appendix 1 Limiting Conditions

The Report and/or Full Report is prepared subject to the following terms and conditions: -

- 1) The report is:
 - a. restricted to the use by the client to whom this report is addressed;
 - b. for the specific purpose stated therein; and
 - c. for the sole purpose for which it was commissioned.

Any reliance on its contents shall be made within a reasonable time from the Valuation Date. We disclaim any liability arising from any reliance on the valuation report by any other person or for any other purpose or beyond a reasonable time.

- 2) Neither the whole nor any part of this valuation report or any reference to it may be included in any document, circular, statement, correspondence nor publication in any way without our prior written approval of the form and context in which it may appear. We bear no responsibility for any unauthorised inclusion or publication.
- 3) Where it is stated in the report that information has been supplied to us by you or another party, this information is believed to be complete, reliable and accurate and we disclaim all responsibility if this information should later prove not to be so. Where information is given without being attributed directly to another party, it shall be taken that this information has been obtained by our own search of records and examination of documents, or by our enquiry from Government or quasi-Government departments.
- 4) The values assessed in the report for the subject property and any allocation of values between parts of the property apply strictly on the terms of and for the purpose of this valuation (where applicable). The values assessed should not be used in conjunction with any other assessment, as they may prove incorrect if so used.
- 5) While due care is taken in the course of inspection to note serious building defects, no structural survey has been made and no guarantee is given that the building is free from rot, termite, pest infestation or other hidden defects (where applicable). We have also not made any test on the building services such as air-conditioning, fire-fighting systems, lifts, escalators, plumbing and lighting etc. and the services are presumed to be in good working order (where applicable).
- 6) Our valuation assumes that the title(s) is (are) in good order and are marketable, free from any liens, mortgages, encumbrances, restrictions and other legal impediments (where applicable). We accept no responsibility for investigations into title(s), searches, legal requisitions, legal validity of title or any charges, claims, liabilities registered against the title(s). The client is advised to consult his solicitors on any matter concerning the title(s) (where applicable).
- 7) Any plans that are included in the report are meant for identification purposes and to assist the client in visualising the subject property (where applicable). The plans should not be treated as certified true copies of areas or other particulars contained therein. We have not made any survey of the property and assume no responsibility in connection with such matters (where applicable).
- 8) We have not taken into account of any plant and machinery in our valuation.

- 9) We have not made any requisition for the Road Line Plan or for drainage proposal (where applicable). We have also not made any application for information/document in respect of Building Control Records. Such requisitions/applications will not be made unless specifically instructed by our client (where applicable).
- 10) As matters concerning compulsory Disposals by the Government are confidential, we are unable to provide information relating to Government Disposals unless the subject property has already been gazette for Disposal (where applicable).
- 11) Our valuation assumes that the subject property, as currently used, is in compliance with the existing land use zoning and is not in contravention of any planning rules or regulations (where applicable).
- 12) Our valuation assumes that all development charges and maintenance/ service/ conservancy charges, if any, whether outstanding or payable as at the date of valuation, have already been fully paid (where applicable).
- 13) Our valuation further assumes that, as at the date of valuation, there are no outstanding liabilities or charges attached to the property (ies) (where applicable).
- 14) Subject at all times to the provisions in these terms and conditions and in the letter of engagement, we shall not be liable to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services in respect of:
 - a) any direct loss of profit;
 - b) any indirect, special or consequential loss whatsoever howsoever caused including without limitation (i) indirect loss of profit; (ii) loss of business; (iii) loss of goodwill; (iv) loss of use of money; (v) loss of opportunity, and the parties agree that the sub-clauses of this clause shall be severable.
- 15) Subject at all times to the provisions in these terms and conditions and in the letter of engagement, we shall not be liable to you in negligence for pure economic loss arising in connection with the performance or contemplated performance of our services.
- 16) Where you or a third party has caused or contributed to the losses, damages, costs, claims or expenses, we shall not be liable to make any contribution in respect of such liability.
- 17) Save in respect of third parties directly instructed by us and not on your behalf, we shall not be liable for the services or products provided by other third parties, nor shall we be required to inspect or supervise such third parties, irrespective of the third party services or products being incidental to or necessary for the provision of our services to you (where applicable).
- 18) Subject to the provisions in these terms and conditions and in the letter of engagement, our total aggregate liability (including that of our partners and employees) to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services shall be limited to (i) an aggregate sum not exceeding the fee paid for each instruction accepted; or (ii) SGD500,000.00, whichever is lower.

- 19) We shall be released from our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond our reasonable control (examples being a strike, act of God or act of terrorism). On becoming aware of any circumstance which gives rise, or which is likely to give rise, to any failure or delay in the performance of our obligations, we will notify you by the most expeditious method then available.
- 20) Our pricing structure has been established by reference to these limitations on our liability and our level of professional indemnity insurance in respect of the services we provide. If you feel that it is necessary to discuss with us a variation in these levels, then please raise the issue with your client partner who will be able to let you have proposals for a revised pricing structure to reflect the agreed level of our liability and/or professional indemnity cover.
- 21) Responsibility for our valuation extends only to the party(ies) to whom it is addressed. However, in the event of us being asked by you to re-address our report to another party or other parties or permit reliance upon it by another party or other parties, we will give consideration to doing so, to named parties, subject to payment of additional fees.
- These fees are exclusive of GST & expenses (including the cost of re-addressing the report) and are subject to a minimum fee of SGD1,000. Should additional work be involved, over and above that undertaken to provide the initial report, we may make a further charge although we will agree this with you before commencing the work.
- 22) Where we consent to reliance on our report by another party or other parties, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/they had been a party to the original letter of engagement between us. Where we consent to such reliance, you agree to furnish the addressee with a copy of any reliance letter issued by us and/or a copy of these terms and conditions.
- 23) Where you provide a copy of and/or permit another party or parties to rely upon our valuation report without obtaining our express written consent (in accordance with clauses 21 and 22 above), you agree to indemnify and us, our affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including reasonable attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the valuation report by any such unauthorised person or entity.
- 24) Save where we have consented to another party or other parties relying on the valuation report in accordance with clauses 21 and 22, where a valuation report is prepared or where we consent to a valuation report being used for the purpose of a public offering in accordance with any stock exchange listing rules, you agree to indemnify us for any liability whatsoever that we have to any party or parties which exceeds our aggregate cap on liability (referred to in clause 18) which arises from their use and/or reliance on the valuation report.
- 25) Where reference is made to "Reinstatement Cost for Insurance Values", such insurance value is the value of property on the appropriate basis as defined in the insurance contract or policy (where applicable).
- 26) Where reference is made to "Forced Sale Value", such value is the amount that may reasonably be received from the sale of a property under (forced sale) conditions that do not

meet all the criteria of a normal market transaction. Such Forced Sale Value is not a representation of the market value (where applicable).

- 27) The report is prepared on the basis that we are not required to give testimony or appear in court or any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and we are properly reimbursed.
- 28) We retain ownership of the intellectual property rights in the valuation report and we provide you with an irrevocable, non-transferrable and royalty-free license (with no right to sub-licence) to use the intellectual property for the purpose or purposes stated in the valuation report.
- 29)
- a) In connection with performance of this agreement, each party represent and warrant to the other party that they comply with, will comply with, and will not cause the other Party to violate, all applicable laws related to anti-bribery or anti-corruption (“**Anti-Corruption Laws**”), including, but not limited to, the U.S. Foreign Corrupt Practices Act (15 U.S.C. §§ 78dd-1 et seq.), and the UK Bribery Act of 2010.
 - b) You represent and warrant that:
 - (i) in connection with performance of this agreement, you and your shareholders, directors, officers, or employees comply with, will comply with, and will not cause us to violate applicable laws related to the import and export of goods, technology and services, economic or financial sanctions, trade embargoes, or other restrictions on trade (“**Sanctions & Trade Controls**”), including, but not limited to, sanctions laws and regulations of the United States (as administered and enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“**OFAC**”) and U.S. Department of State), the U.S. Export Administration Regulations (31 C.F.R. Parts 730-774), the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130), U.S. antiboycott regulations (as administered and enforced by the U.S. Department of Commerce’s Office of Antiboycott Compliance and the U.S. Department of the Treasury’s Internal Revenue Service), and sanctions laws and regulations of the United Kingdom (as administered and enforced by Her Majesty’s Treasury), provided that the representations and warranties contained in this Clause b(i) are given only to the extent that they would not result in a violation of or conflict with Council Regulation (EC) No. 2271/96, as amended (or any law or regulation implementing such Regulation in any member state of the European Union or any equivalent law or regulation in the United Kingdom), the German Foreign Trade Act or any similar, applicable anti-boycott or blocking law or regulation;
 - (ii) in connection with performance of this agreement, you and your shareholders, directors, officers, or employees comply with, will comply with, and will not cause us to violate applicable laws related to money laundering, terrorist financing, or related financial recordkeeping and reporting requirements (“**AML Laws**”), including, but not limited to, the Bank Secrecy Act (31 U.S.C. §§ 5311 et seq.), Money Laundering

Control Act of 1986 (18 U.S.C. §§ 1956 et seq.), USA PATRIOT Act, EU Money Laundering Directives, UK Prevention of Terrorism Act 2005, UK Serious Organised Crime and Police Act 2005, UK Money Laundering Regulations 2003, UK Proceeds of Crime Act 2002, and UK Anti-Terrorism, Crime and Security Act 2001;

- (iii) neither you nor any of your shareholders, directors, officers, or employees (i) is blocked, debarred, designated, excluded, sanctioned, or denied import or export privileges under applicable Sanctions & Trade Controls and/or AML Laws; (ii) located in, resident in or organized under the laws of a country or territory which is a subject of country-wide or territory-wide Sanctions and Trade Controls at the date of the this Agreement, Crimea, Cuba, Iran, Syria or North Korea); or (iii) owned (with a 20% or greater interest) or controlled by any person identified in (i) (collectively, “**Restricted Persons**”); and
- (iv) in connection with performance of this agreement, you are not engaged in, and will not knowingly engage in, any dealings or transactions or be otherwise associated with Restricted Persons in violation of Applicable Law or provided that, if a person is considered a Restricted Person solely based on its inclusion in a relevant list, but its inclusion on that list is limited to a specific purpose or purposes, that person would be considered a Restricted Person only with respect to that specific purpose or purposes and not any other purpose or purposes.

c) Notice

If, at any time, you become aware that any of the representations set out in Clause b are no longer accurate, you will notify us immediately in writing.

d) Termination

We will have the unilateral right, exercisable immediately upon written notice, to terminate this agreement and will be entitled to receive payment of the fees for services rendered pursuant to this agreement together with any and all reasonable additional costs incurred due to such early termination in the event that:

- (i) in connection with performance of this agreement, you violate, or causes us to violate, applicable Anti-Bribery Laws and Rules or Sanctions and AML Laws;
- (ii) we believe in good faith that you have acted in a way that may subject us to liability under applicable Anti-Bribery Laws and Rules or Sanctions and AML Laws; or
- (iii) you or any of your direct or indirect shareholders becomes a Restricted Person.

APPENDIX B – IFA LETTER

7 February 2022

TOTM TECHNOLOGIES LIMITED

20 Collyer Quay #09-02
Singapore 049319

Attention: The Recommending Directors (as defined herein)

Dear Recommending Directors

LETTER FROM XANDAR CAPITAL PTE. LTD. TO THE RECOMMENDING DIRECTORS OF TOTM TECHNOLOGIES LIMITED IN RESPECT OF THE PROPOSED DISPOSAL OF SHAREHOLDING INTERESTS IN YINDA TECHNOLOGY SINGAPORE PTE. LTD. AND YINDA TECHNOLOGY (THAILAND) CO., LTD. TO YINDA PTE. LTD. BEING AN INTERESTED PERSON TRANSACTION UNDER CHAPTER 9 OF THE LISTING MANUAL (SECTION B: RULES OF CATALIST) OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “CATALIST RULES”)

Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter which are not defined shall have the same meaning ascribed to them in the circular to shareholders of the Company dated 7 February 2022 (the “Circular”).

1. INTRODUCTION

On 10 December 2021, TOTM Technologies Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announced that the Company had entered into a sale and purchase agreement dated 10 December 2021 (the “**SPA**”) with Yinda Pte. Ltd. (“**YPL**”) for the sale of the following by the Company to YPL:

- (a) 500,000 ordinary shares in Yinda Technology Singapore Pte. Ltd. (“**Yinda Technology Singapore**”) (the “**YTS Shares**”), constituting 100.0% of the issued and paid up share capital of Yinda Technology Singapore; and
- (b) 572,700 ordinary shares in Yinda Technology (Thailand) Co., Ltd. (“**Yinda Technology Thailand**”, together with Yinda Technology Singapore, the “**Target Companies**”) (the “**YTT Shares**”, together with the YTS Shares, the “**Sale Shares**”), constituting 77.9% of the issued ordinary share capital of Yinda Technology Thailand (with the remaining 22.1% of the issued ordinary share capital in Yinda Technology Thailand being held by Yinda Technology Singapore and 100.0% of the preferred share capital in Yinda Technology Thailand being held by Ms Nattaya Promsatawong),

the “**Proposed Disposal**”.

YPL is wholly-owned by Shanghai Yinda Science and Technology Industrial Co Ltd (“**Shanghai Yinda**”). Mdm. Song Xingyi (“**Mdm. Song**”), the Non-Executive Non-

Independent Chairman of the Company, together with her spouse, Mr. Wang Zhijun, and her son, Mr. Wang Hua, hold 99.00% in Shanghai Yinda Technology Group Co Ltd, which in turn holds 97.09% in Shanghai Yinda. Accordingly, YPL is an 'associate' of a Director under the Catalist Rules and an 'interested person' as defined under Chapter 9 of the Catalist Rules, and the Proposed Disposal constitutes an 'interested person transaction' under Chapter 9 of the Catalist Rules. In addition, Ms. Shao Lifang, the Executive Director of the Company, holds 1.00% in Shanghai Yinda Technology Group Co Ltd.

The aggregate consideration for the sale of the Sale Shares shall be the amount of S\$1,001.00 (the "**Total Consideration**") with S\$1.00 and S\$1,000.00 attributable to Yinda Technology Singapore and Yinda Technology Thailand, respectively.

In addition, as a condition to the SPA and pursuant to a novation and set-off deed entered into on 10 December 2021 amongst the Company, YPL, Yinda Technology Singapore and Yinda Technology Thailand (the "**Novation and Set-Off Deed**"), an outstanding aggregate amount of S\$3,235,166 owed by the Company to YPL as at 30 November 2021 net of the Total Consideration (the "**Existing YPL Loan**") shall be set-off against the outstanding shareholder's loans aggregating S\$4,246,501 owed by the Target Companies to the Company as at 30 November 2021 (the "**Existing Shareholder's Loans**"), resulting a difference of S\$1,011,335 amounts due from the Target Companies to the Company to be waived by the Company upon completion of the Proposed Disposal (the "**Loan Waiver**").

The aggregate amount at risk to the Company in connection with the Proposed Disposal, being the sum of the Total Consideration and the Loan Waiver, is S\$1,012,336 and represents approximately 10.9% of the Group's latest audited net tangible assets of S\$9,277,000 as at 31 May 2021. Accordingly, under Rule 906(1) of the Catalist Rules, the Proposed Disposal is an 'interested person transaction' which is subject to the approval of the shareholders of the Company (the "**Shareholders**") other than YPL and its associates (the "**Independent Shareholders**").

The Company is convening the extraordinary general meeting to seek Independent Shareholders' approval for the Proposed Disposal, and pursuant to Rule 921(4)(a) of the Catalist Rule, the Company is required to obtain an opinion from an independent financial advisor ("**IFA**") on whether the Proposed Disposal (and all other transactions which are the subject of aggregation pursuant to Rule 906 of the Catalist Rules) is on normal commercial terms, and whether the terms of the Proposed Disposal (and all other transactions which are the subject of aggregation pursuant to Rule 906 of the Catalist Rules) is prejudicial to the interests of the Company and its minority Shareholders.

Xandar Capital Pte. Ltd. ("**Xandar Capital**") has been appointed by the Company to act as the IFA to advise the directors of the Company who are deemed independent for the purposes of the Proposed Disposal, namely Mr. Prunier Pierre Olivier Marc Yves, Mr. Tan Chee Bun Gordon, Mr. Ngo Yit Sung, Mr. Cheam Heng Haw, Howard, Mr. Aw Eng Hai, Mr. Chua Hoe Sing, Mr. Low Chai Chong (collectively, the "**Recommending Directors**") as to (i) whether the Proposed Disposal is normal commercial terms; and (ii) whether the terms of the Proposed Disposal is prejudicial to the interests of the Company and its minority shareholders.

This letter, which is prepared pursuant to Rule 921(4)(a) of the Catalist Rules, sets out our evaluation of, and our opinion to, the Proposed Disposal (this “**IFA Letter**”), and forms part of the Circular issued by the Company in connection with the Proposed Disposal.

2. TERMS OF REFERENCE

Xandar Capital has been appointed as the IFA to opine on (i) whether the Proposed Disposal is normal commercial terms; and (ii) whether the terms of the Proposed Disposal is prejudicial to the interests of the Company and its minority shareholders.

We are not and were not involved in any aspect of the negotiations pertaining to the Proposed Disposal, nor were we involved in the deliberations leading up to the decisions on the part of the Recommending Directors to undertake the Proposed Disposal. Accordingly, we do not, by this IFA Letter, warrant the merits of the Proposed Disposal.

Our terms of reference do not require us to express, evaluate or comment on the rationale for, strategic or commercial merits and/or risks of the Proposed Disposal, or the future performance or prospects of the Group. We are, therefore, not expressing any opinion herein as to the future financial or other performance (including share price performance) of the Company or the Group, whether with or without the Proposed Disposal.

As with other business transactions of the Company, the merit and/or associated risk, whether commercial, financial or otherwise, of the Proposed Disposal, are solely the responsibility of the Directors. We are also not addressing the relative merits of the Proposed Disposal, as compared to any alternative transaction of the Group or that otherwise may become available to the Group in the future. Such evaluations or comments remain the responsibility of the Directors and the management of the Group.

In the course of our evaluation and for the purpose of providing our opinion in respect of the Proposed Disposal, we have held discussions with certain Directors and the management of the Group and have examined information provided by the Directors and the management of the Group and other publicly available information collated by us, upon which our view is based. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have nevertheless made reasonable enquiries and exercised our judgment as we deemed necessary or appropriate in assessing such information and are not aware of any reason to doubt the accuracy or reliability of the information.

We have not made any independent evaluation and appraisal on the assets and liabilities of the Target Companies, the Company and/or the Group. The Company has commissioned Cushman & Wakefield VHS Pte. Ltd. as the independent valuer (the “**Independent Valuer**”) to assess and determine the market value of 100.0% equity interests in the capital of the Target Companies as at 30 September 2021. The full valuation report dated 7 February 2022 (the “**Valuation Report**”) issued by the Independent Valuer is a document available for inspection at the Company’s registered office for three (3) months from the date of the Circular while a summary valuation report dated 7 February 2022 (the “**Summary Valuation Report**”) is reproduced as Appendix A to the Circular. Save for the Valuation Report (and the Summary Valuation Report), we have not been furnished with any other evaluation or

appraisal of the assets and/or liabilities of the Target Companies. With respect to the Valuation Report (and the Summary Valuation Report), we are not experts in the evaluation or appraisal of the subject concerned and we have placed sole reliance on the Valuation Report (and the Summary Valuation Report) for such appraisal.

We have relied upon the assurance of the Directors that the Directors collectively and individually accept full responsibility for the accuracy of the information given in the Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context. In relation to this IFA Letter, the Directors have confirmed that the facts stated, with respect to the Group, the Proposed Disposal, are to the best of their knowledge and belief, fair and accurate in all material aspects.

Our opinion is based upon prevailing market, economic, industry, monetary and other conditions (where applicable) and the information made available to us contained in the Circular as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our view in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcements relevant to their consideration of the Proposed Disposal, which may be released by the Company after the Latest Practicable Date.

In arriving at our opinion, we did not consider the specific investment objectives, financial situation, tax consequences, risk profile or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment objectives or portfolios should consult his or their legal, financial, tax or other professional advisors immediately.

Our opinion is for the use and benefit of the Recommending Directors in their deliberation of the Proposed Disposal, and the recommendation made by the Recommending Directors shall remain the responsibility of the Recommending Directors.

The Company has been separately advised by its own advisors in the preparation of the Circular (other than this IFA Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this IFA Letter).

Our opinion, in relation to the Proposed Disposal, should be considered in the context of the entirety of this IFA Letter and the Circular.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor the Shareholders may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purposes other than the Proposed Disposal at any time and in any manner without our prior written consent.

We recommend that the Directors advise the Independent Shareholders to read these pages carefully.

3. ABOUT THE PROPOSED DISPOSAL

3.1 THE PROPOSED DISPOSAL AS A PACKAGED DEAL

As set out in Section 2.2(e) of the Circular, both Yinda Technology Singapore and Yinda Technology Thailand will be sold as a packaged deal.

We extract as follows:

- (i) *both Yinda Technology Singapore and Yinda Technology Thailand will be sold as a packaged deal (noting that the Management of the Company had approached YPL in early October 2021 on its interest in acquiring the Target Companies given that the Board was considering the divestment of the Telecommunications Business). This freed up time, effort, costs and resources which would otherwise be required should the Company have commenced a formal process to look for a buyer for the Target Companies; and*

We note that the Company has commissioned the Independent Valuer to provide an independent valuation of the Target Companies on a combined basis. Accordingly, our IFA Letter will evaluate the Proposed Disposal on a packaged deal combined basis.

3.2 ABOUT THE TARGET COMPANIES

Yinda Technology Singapore is a wholly-owned subsidiary of the Company, while Yinda Technology Thailand is a 77.9%-owned subsidiary of the Company with the remaining 22.1% held by Yinda Technology Singapore. Yinda Technology Thailand also has preference shares, all of which are held by Ms Nattaya Promsatawong, an employee of Yinda Technology Thailand.

Further information on the Target Companies can be found in Section 2.3 of the Circular. We extract certain details in *italics* as follows:

Yinda Technology Singapore was incorporated in Singapore on 10 April 2003 and has an issued and paid up share capital of S\$500,000 comprising 500,000 shares. The principal activities of Yinda Technology Singapore are for investment holding, installation and implementation of telecommunication related products and services.

Yinda Technology Thailand was incorporated in Thailand on 14 December 2001 and has an issued and paid up capital of THB8.2 million (approximately S\$0.3 million) comprising

765,000 preference shares and 735,000 ordinary shares. The principal activity of Yinda Technology Thailand is providing telecommunication network services.

The businesses of the Target Group shall be hereinafter referred to as the “**Telecommunications Business**”.

We further note the following as disclosed in Section 2.2(b) of the Circular:

Due to the loss-making position of the Target Companies and their inability to make payment in the foreseeable future, the Company had fully written down its investment in Yinda Technology Singapore of S\$8.8 million during FY2019 and its investment in Yinda Technology Thailand by S\$1.0 million during FY2021 to S\$1.3 million as at 31 May 2021. The Company had also written down the Existing Shareholders’ Loans from Yinda Technology Singapore to zero recoverable value.

3.2.1 The financial performance of the Target Companies

The following combined income statement numbers of the Target Companies for the financial year ended 31 May (“FY”) 2019, 2020 and 2021 are provided by the Company:

S\$’000	FY2019	FY2020	FY2021
Revenue	15,653	9,858	4,811
Profit / (Loss) before tax	408	(2,508)	(2,723)

The Target Companies made combined losses before tax of S\$2.5 million in FY2020 and S\$2.7 million in FY2021. Specifically, as disclosed in Section 2.2 of the Circular, Yinda Technology Singapore recorded a net loss of S\$2.1 million while Yinda Technology Thailand recorded a net loss of approximately S\$0.7 million for FY2021.

As disclosed in Section 2.2 of the Circular, the Company believes that the slowdown in the Telecommunications Business was evident before the COVID-19 pandemic, and further deteriorated during the COVID-19 pandemic as reflected by the decrease of the Target Companies’ revenue on a year-on-year basis from FY2019 to FY2021. Additionally, as disclosed in Section 2.2 of the Circular, as at 30 September 2021, representing four (4) months of unaudited financial performance from 1 June 2021 to 30 September 2021, Yinda Technology Singapore recorded losses of S\$0.1 million while Yinda Technology Thailand recorded losses of approximately S\$0.3 million.

We also note the following from the combined income statement provided by the Company:

- (a) project related employee benefits expense was a major operating expense of the Target Companies for FY2021. Despite a slight decrease from S\$3.6 million in FY2020 to S\$3.5 million in FY2021, project related employee benefits expense represented 72.3% of the Target Companies’ revenue for FY2021;
- (b) changes in inventories, materials consumed and subcontractor cost was another major operating expense of the Target Companies. Changes in inventories, materials

consumed and subcontractor cost represented 36.0% and 33.0% of the Target Companies' revenue for FY2020 and FY2021 respectively;

- (c) the Target Companies did not have management fee expenses for FY2021. The Target Companies had management fee expenses amounting to S\$0.8 million for FY2019 and S\$0.7 million for FY2020; and
- (d) the Target Companies had received government grants totalling S\$340,000 for FY2021.

It was further noted from Section 2.2 of the Circular that, based on the projects on hand and the project status, it was anticipated that the Target Companies have a significant shortfall of at least S\$2.8 million to have achieved a break even result for FY2021.

Earnings before interest, tax, depreciation and amortisation (“EBITDA”)

Given the losses reported by the Target Companies as set out above, we calculate if the Target Companies registered any EBITDA for the same period as presented above.

We note that the Target Companies had negative EBITDA for FY2020 and FY2021 after adding back interest expenses as well as depreciation and amortisation expenses to its loss before tax.

3.2.2 The financial position of the Target Companies

The following combined balance sheet numbers of the Target Companies as at 31 May 2021 are provided by the Company:

S\$'000	As at 31 May 2021
Current assets	6,068
Current liabilities	(7,812)
Net working capital	(1,744)
Non-current assets	956
Non-current liabilities	(638)
Net asset value (“NAV”)	(1,426)

The current assets of the Target Companies comprised mainly contract assets of S\$4.0 million as well as trade and other receivables of S\$1.1 million.

The current liabilities of the Target Companies comprised mainly amount due to holding company of S\$3.9 million as well as trade and other payables of S\$2.8 million.

The non-current assets of the Target Companies comprised mainly property, plant and equipment of S\$0.5 million and other receivables of S\$0.3 million.

The non-current liabilities of the Target Companies comprised lease liabilities of S\$0.3 million and employee benefit liabilities of S\$0.2 million.

Adjustments to the NAV of the Target Companies

As mentioned in paragraph 1 of this IFA Letter and Section 2.5 of the Circular, as a condition to the SPA and pursuant to the Novation and Set-Off Deed, an amount of S\$1,011,335 due from the Target Companies to the Company will be waived under the Loan Waiver.

Based on the negative NAV of the Target Companies of S\$1.4 million as at 31 May 2021, the Target Companies will still have a negative NAV of S\$0.4 million after the Loan Waiver.

3.3 THE BASIS OF THE TOTAL CONSIDERATION

We extract the following from Section 2.5(a) of the Circular:

The Total Consideration was arrived at after arm's length negotiations, on a willing-buyer, willing-seller basis and taking into account: (a) the indicative market value provided by the Independent Valuer of S\$nil as elaborated on in section 2.4 (Independent valuation of the Target Companies); (b) the continued loss-making positions of Yinda Technology Singapore and Yinda Technology Thailand since FY2020; (c) the net liability value of Yinda Technology Singapore amounting to approximately S\$3.0 million offset by the net asset value of Yinda Technology Thailand amounting to approximately S\$1.6 million; (d) the indebtedness between the Target Companies, the Group and YPL which is further elaborated on in section 2.5(b) (Conditions precedent); and (e) applicable market conditions.

3.4 NO CASH PROCEEDS TO BE RECEIVED BY THE COMPANY

As disclosed in Section 2.5(a) of the Circular, no cash proceeds will be received by the Company from the Proposed Disposal as the Total Consideration of S\$1,001.00 will be set-off against the amount due from the Company to YPL.

3.5 LOAN WAIVER

As disclosed in paragraph 1 of this IFA Letter and Section 2.5(b) of the Circular, as a condition to the SPA and pursuant to the Novation and Set-Off Deed, a balance amount of S\$1,011,335 (being the difference between the Existing YPL Loan and the Existing Shareholder's Loan) due from the Target Companies to the Company will be waived under the Loan Waiver.

(a) The Existing YPL Loan

The Existing YPL Loan comprises the following:

	As at 30 November 2021
Singapore dollars denominated loan from YPL - principal	2,226,253
United States dollars denominated loan from YPL - principal	692,138 ⁽¹⁾
Interest accrued on the above loan	<u>317,776</u>
Total	3,236,167
Less: Total Consideration	<u>(1,001)</u>
	<u><u>3,235,166</u></u>

Note:

(1) being US\$511,180 converted at an agreed exchange rate of US\$1.00 to S\$1.354.

We note from the Company's public documents that

- (i) YPL first extended interest-bearing working capital loans to the Group on 23 June 2017 after YPL completed a mandatory unconditional cash offer for the Company on 20 June 2017;
- (ii) as at 7 December 2020, the total amount owing by the Company to YPL is S\$4,771,548, comprising a principal sum of S\$4,559,784 and accrued interest thereon of S\$211,764. On 30 December 2020, the Company convened an extraordinary general meeting and received independent shareholders' approval for the conversion of S\$1.5 million due to YPL into 20,833,333 new ordinary shares ("**Debt Conversion Shares**"), fractional entitlements to be disregarded, at the issue price of S\$0.072 for each Debt Conversion Share. On 6 January 2021, the Company announced the completion of the allotment and issue of the Debt Conversion Shares to YPL;
- (iii) the loans extended by YPL have always been unsecured and bear interest at rates between 2.5% and 3.25% per annum;
- (iv) in FY2021, the Company drawn down additional S\$248,000 but also made repayment of S\$342,000;
- (v) in FY2021, YPL has waived the interest on a S\$200,000 loan to the Company which bear interest at 2.5% per annum; and
- (vi) pursuant to a renewed loan agreement dated 4 June 2021, the aggregate of the principal and interest amounts to YPL shall be payable on 31 May 2022 or such earlier date as mutually agreed by YPL and the Company.

Pursuant to the Novation and Set-Off Deed, interest on the Existing YPL Loan up to 10 December 2021 (being the date of the Novation and Set-Off Deed) will be waived by YPL upon the completion of the Proposed Disposal.

(b) The Existing Shareholder's Loans

The Existing Shareholder's Loan refers to outstanding amounts owing by Yinda Technology Singapore and Yinda Technology Thailand to the Company. The amounts outstanding as at the end of the last few financial years are as follows:

	Amount outstanding (S\$'000)
As at 31 May 2016	254
As at 31 May 2017	1,008
As at 31 May 2018	3,988
As at 31 May 2019	4,135
As at 31 May 2020	4,530
As at 31 May 2021	570

The Company has fully written down the amounts due from Yinda Technology Singapore as at 31 May 2021.

As at 30 November 2021, the amounts due from Yinda Technology Singapore and Yinda Technology Thailand were S\$3,648,630 (which is no longer reflected in the accounts of the Group after the write-down in FY2021) and S\$597,871, respectively.

These amounts are unsecured, interest-free, and repayable on demand.

3.6 OTHER KEY TERMS OF THE SPA

3.6.1 Key Terms of the SPA (other than the Total Consideration, no cash proceeds and the Loan Waiver)

The key terms of the SPA (other than the terms summarised in paragraphs 3.3 to 3.5 of this IFA Letter) are set out in Section 2.5 of the Circular and we highlight certain terms as follows:

- (a) the Long Stop Date means four (4) months after the date of the SPA (dated 10 December 2021) or such other date as the parties to the SPA may agree in writing; and
- (b) the SPA may be terminated in certain events. Further details of the termination events are set out in Section 2.5(e) of the Circular.

3.6.2 Conditions Precedent

The conditions precedent are set out in Section 2.5(b) of the Circular and we extract certain conditions in *italics* as follows:

Section 2.5(b)(ix): the release and cancellation of the corporate guarantees extended by the Company under the relevant loans of Yinda Technology Singapore and Yinda Technology Thailand, as the case may be;

Section 2.5(b)(x): the completion of an audit on the Target Companies for the period commencing 1 June 2021 to the date of the SPA, as required by the Company;

As at the Latest Practicable Date, the parties to the SPA were still in the process of fulfilling the conditions precedent.

3.7 ABOUT YPL

Information on YPL is set out in Section 2.3(c) of the Circular and we set out certain information in *italics* as follows:

YPL is wholly owned by Shanghai Yinda Science and Technology Industrial Co Ltd (“Shanghai Yinda”). Shanghai Yinda is in turn 97.09% held by Shanghai Yinda Technology Group Co Ltd (“Shanghai Yinda Group”), and 2.91% held by Ms. Yang Xulan, an employee of Shanghai Yinda. Shanghai Yinda Group is in turn 51.48% held by Mdm. Song Xingyi (“Mdm. Song”), the Non-Independent, Non-Executive Chairman of the Company, 33.66% held by Mr. Wang Hua, 13.86% held by Mr. Wang Zhijun and 1.00% held by Ms. Shao Lifang. Mdm. Song is the spouse of Mr. Wang Zhijun and mother of Mr. Wang Hua. Ms. Shao Lifang is the Executive Director of the Company.

The Shanghai Yinda Group is engaged in the information technology, telecommunications and related business mainly in the People’s Republic of China. YPL is an investment holding company in information technology and computer service activities.

We also note from public documents of the Company that:

- (a) YPL became a controlling shareholder of the Company after it acquired 113,104,000 Shares, representing 74.41% interest in the Company on 7 May 2017;
- (b) YPL increased its shareholding in the Company to 79.23% after the completion of a mandatory general offer on 20 June 2017;
- (c) YPL sold 76,000,000 Shares and reduced its shareholding in the Company to 29.23% on 14 August 2020;
- (d) on 6 January 2021, YPL was allotted and issued 20,833,333 Debt Conversion Shares;
- (e) on 29 January 2021, the Company completed the disposal of Yinda Technology Malaysia Sdn. Bhd. and Yinda Communications (Philippines), Inc. to YPL at the sale consideration of S\$1 and S\$500 respectively. Shareholders may refer to the Company’s circular dated 15 December 2020 (a copy of which is available on the

website of the SGX-ST at www.sgx.com) for further details of the disposal of Yinda Technology Malaysia Sdn. Bhd. and Yinda Communications (Philippines), Inc. to YPL; and

- (f) YPL sold 65,270,513 Shares and ceased to be a Shareholder of the Company on 12 April 2021.

3.8 AGGREGATE VALUE OF INTERESTED PERSON TRANSACTIONS

Pursuant to Rule 921(4)(a) of the Catalist Rules, the IFA needs to opine on whether the Proposed Disposal and all other transactions which are the subject of aggregation pursuant to Rule 906 of the Catalist Rules are on normal commercial terms, and whether the Proposed Disposal and all other transactions which are the subject of aggregation pursuant to Rule 906 of the Catalist Rules is prejudicial to the interest of the Company and its minority Shareholders.

The loans from YPL as disclosed in paragraph 3.5(a) of this IFA Letter and Section 4.3 of the Circular are interested person transaction with the same interested person, being YPL. However, as at the Latest Practicable Date, the amount at risk for the loans from YPL for the current financial year ending 31 May 2022 (being the interest payable to YPL) amounted to less than S\$100,000. Accordingly, the loans from YPL, specifically, the interest payable to YPL are not transactions which are subject of aggregation with the Proposed Disposal pursuant to Rule 906 of the Catalist Rules.

Nevertheless, given that the Existing YPL Loan will be set-off against the Existing Shareholder's Loans and the Total Consideration, we have compared the interest rates on the loans from YPL with the interest rates of the Group's borrowings from other parties in paragraph 4.3 of this IFA Letter.

Save as disclosed, the Group did not have any interested person transaction which are subject of aggregation with the Proposed Disposal pursuant to Rule 906 of the Catalist Rules.

4. EVALUATION OF THE PROPOSED DISPOSAL

The following are factors which we consider to be pertinent and to have a significant bearing on our evaluation of the Proposed Disposal:

- (a) the rationale for the Proposed Disposal;
- (b) the Valuation Report;
- (c) the Total Consideration and the Loan Waiver;
- (d) the financial ratios of the Proposed Disposal;
- (e) the pro forma financial effects of the Proposed Disposal; and
- (f) other considerations.

These factors are discussed in greater detail in the ensuing paragraphs.

4.1 THE RATIONALE FOR THE PROPOSED DISPOSAL

While it is not within our terms of reference to express, evaluate or comment on the rationale for the Proposed Disposal, we have reviewed the rationale for the Proposed Disposal set out in Section 2.2 of the Circular and note the following:

- (a) the Proposed Disposal is in line with the Company's diversification into the business of development and provision of identity management biometric technology solutions earlier in April 2021 (the "**Biometrics Business**") and the intention to reduce the Group's reliance on the Telecommunications Business.

As set out in paragraph 3.2.1 of this IFA Letter and Section 2.2 of the Circular, the Target Companies reported losses for FY2020 and FY2021. In addition, as disclosed in Section 2.2 of the Circular, the Board and Management do not expect the Telecommunications Business to turn around in the near future due to depressed margins and a shortage of skilled workers.

The Biometrics Business refers to the business of development and provision of identity management biometric technology solutions operated by International Biometrics Pte Ltd and its Indonesian-subsiary, PT International Biometrics Indonesia. The Company completed the acquisition of 51.0% interest in International Biometrics Pte Ltd on 6 April 2021. As disclosed by the Company in Section 2.2 of the Circular, the Biometrics Business contributed operating profit amounting to S\$0.5 million to the Group despite only have recorded two (2) months of revenue contribution.

- (b) the Target Companies in need of working capital

As set out in paragraph 3.2.2 of this IFA Letter, the Target Companies had negative working capital of S\$1.8 million as at 31 May 2021.

The following is extracted from Section 2.2 of the Circular:

Based on the projects on hand and the project status, it was anticipated that the Target Companies have a significant shortfall of at least S\$2.8 million to have achieved a break even result in FY2021. Upon the completion of an internal strategic review of the Group's business, the Board is of the view that instead of continuing to provide working capital to fund the Telecommunications Business, the best course of action for the Group would be to undertake the Proposed Disposal of the Target Companies, to ease the strain caused by the financial requirements of the telecommunications projects which are capital intensive. The Proposed Disposal will also allow the Group to consolidate its financial and capital resources to further develop the biometrics business, which the Group diversified into in April 2021.

While the Group had total cash and cash equivalents of S\$12.7 million as at 31 May 2021, it is not commercial for the Company to continue to extend loans to the Target Companies given that (i) the Company has fully written down the S\$3.6 million due from Yinda Technology Singapore in FY2021; (ii) the Company has fully written down

its investment in Yinda Technology Singapore in FY2019; and (iii) the Company has written down its investment in Yinda Technology Thailand by S\$1.0 million to S\$1.3 million in FY2021.

- (c) the Proposed Disposal as a packaged deal

We extract the following in italic from Section 2.2 of the Circular:

Taking into consideration the terms and conditions of the Proposed Disposal, even though the Total Consideration is of a nominal amount of S\$1,001.00, with S\$1.00 and S\$1,000.00 attributable to Yinda Technology Singapore and Yinda Technology Thailand, respectively, the terms of the Proposed Disposal are unique and beneficial to the Company as:

- (i) both Yinda Technology Singapore and Yinda Technology Thailand will be sold as a packaged deal (noting that the Management of the Company had approached YPL in early October 2021 on its interest in acquiring the Target Companies given that the Board was considering the divestment of the Telecommunications Business). This freed up time, effort, costs and resources which would otherwise be required should the Company have commenced a formal process to look for a buyer for the Target Companies;*
- (ii) it allowed the Company to novate to YPL an outstanding aggregate amount owed under the Existing Shareholder's Loans by the Target Companies, to be set-off against S\$3,235,166 of the Existing YPL Loan (with the remaining of the Existing YPL Loan set off by the Consideration); and*
- (iii) having considered the nature of the key assets in the Target Companies, being mainly contract assets and trade and other receivables, which are operating assets linked directly with the business, it would be more meaningful for the Company to find a buyer to purchase the Target Companies as a whole, including taking over the operating liabilities.*

On the other hand, if the Company was to sell the Target Companies to third parties on a standalone or combined basis, the consideration is unlikely to be sufficient to repay the full amount of the Existing YPL Loan as the net liability value of YTS was approximately S\$3.0 million and the net asset value of YTT was approximately S\$1.6 million as at 31 May 2021, with a net negative value on a combined basis. At the same time, it is also unlikely that the majority of the Existing Shareholder's Loans of approximately S\$4.2 million will be recoverable due to the Target Companies' financial situation.

Given the considerations above and in view that a sale to other third parties is unlikely to offer such similar terms (whether on a combined or standalone basis) which would allow the Group to repay the Existing YPL Loan, the Board and Management did not reach out to any third party as it deemed the offer from YPL to be favourable to the Group and the Board viewed the Proposed Disposal to YPL to be in the best interests of the Company and the minority shareholders under current circumstances.

4.2 THE VALUATION REPORT

The Company has commissioned the Independent Valuer to assess and determine the market value of 100.0% equity interests in the capital of the Target Companies as at 30 September 2021 for the Proposed Disposal. Shareholders are advised to read the Summary Valuation Report carefully, in particular, the valuation methodology as well as the key assumptions and risk factors which may materially affect the indicative valuation of the Target Companies.

Valuation approach adopted by the Independent Valuer

Valuation methodology: Cost/ Asset approach

We extract certain details in *italics* as follows:

We have considered the 3 valuation approaches namely Cost/ Asset Approach, Income Approach and Market Approach and have adopted Cost / Asset Approach as our primary approach as there is no reliable information nor feasible future business plan provided that may suggest the ability to generate future income.

The Income Approach is not adopted as the Target Companies is not expected to generate future economic benefit in the foreseeable future.

Under Market Approach, we have considered enterprise value to sales (“EV/S”) and price to book (“P/B”) multiples (as the case may be). Based on our analysis, the volatilities from the multiples of comparable companies make it difficult to conclude a reliable amount for the valuation by adopting the result from a single market multiple approach and no single company was comparable in size, capital nature of business and operations. Further, limited market multiples are applicable as the Target Companies are presently loss making.

Accordingly, we have relied solely on Cost / Asset Approach in assessing the equity value of the Target Companies and the Market Approach as a reference.

Key assumptions highlighted by the Independent Valuer

We extract certain assumptions in *italics* as follows:

- *The financial information provided accurately reflects the Target Companies’ financial and operating position and performance.*
- *The Management has provided us the financial projections from the financial period between 1 October 2021 and 31 May 2022 (“FPMay2022”) to financial year ending 31 May (“FY”) 2027. To its best knowledge, the Management is solely responsible for the contents, estimation and the assumptions used in the projections.*
- *The Target Companies shall continue to operate as a going concern and they have sufficient liquidity to achieve the financial forecasts and projections.*
- *The Target Companies is expected to be transacted as a package deal on a combine basis.*

The Independent Valuer further highlighted certain key value drivers that are critical to its valuation, in *italics* as follows:

- *The Target Companies continues to operate as a going concern and is able to meet all its financial obligations;*
- *The Target Companies' sales, costs, and net profit continue to grow according to the forecast. Their capital expenditure and working capital requirements are estimated accurately in the projections;*
- *The Target Companies has sufficient operational resources to support the projected turnover and profitability; and*
- *The Target Companies continues to maintain costs in accordance with the forecast.*

In respect of the financial projections of the Target Companies for FPMay2022 to FY2027 provided to the Independent Valuer, we have enquired and the Company confirms that the financial projections provided to the Independent Valuer have been prepared after due and careful enquiry.

Market value as opined by the Independent Valuer

We extract as follows:

Based on discussion with Management, the Target Companies is expected to be sold to a single buyer as a package deal, the net liabilities of YTS would be offset with the Market value of YTT which is shown as follows:

S\$ million, unless otherwise specified	
<i>Net liabilities of YTS</i>	<i>S\$2.9 million to S\$3.2 million</i>
<i>Market Value of YTT</i>	<i>S\$1.0 million to S\$1.4 million</i>
<i>Target Companies</i>	S\$ nil

The Total Consideration of S\$1,001.00 is above the market value as opined by the Independent Valuer.

4.3 THE TOTAL CONSIDERATION AND THE LOAN WAIVER

As mentioned in paragraph 1 of this IFA Letter and Section 2.5 of the Circular, as a condition to the SPA and pursuant to the Novation and Set-Off Deed, an amount of S\$1,011,335 due from the Target Companies to the Company will be waived under the Loan Waiver.

The S\$1,011,335 represents a surplus of the Existing Shareholder's Loans extended by the Company to the Target Companies as compared to the working capital loan extended by YPL to the Company as at 30 November 2021, net of the Total Consideration.

(a) Loans from YPL to the Group

As set out in paragraph 3.5(a) of this IFA Letter, YPL first extended loans to the Group in FY2017. Since then, the Group has repaid some in cash and some by the allotment and issue of Debt Conversion Shares to YPL. YPL has also waived some of the interests on the loans extended by it to the Group in the past.

We compare the interest rates of the loans extended by YPL to the Group against the interest rates of the Group's other borrowings as disclosed in its annual report for FY2021 as follows:

	Amount outstanding as at 31 May 2021 (S\$'000)	Interest rate (per annum)	Tenure	Security
Short term Thai baht denominated loan	277	4.45% - 5.10%	Two years (including six months grace period) from date of drawdown	Secured by corporate guarantees from the Company
The loans from YPL	3,151	2.5% - 3.25%	Due on 31 May 2022	No security

Given that the only comparable third-party borrowings of the Group as at 31 May 2021 is a foreign currency denominated borrowing, we also compare the interest rates of the loans extended by YPL to the Group against the prime lending rate of the three Singapore banks as follows:

	Prime lending rate ⁽¹⁾
DBS Bank Ltd	4.25%
Oversea-Chinese Banking Corporation Limited	5.00%
United Overseas Bank Limited	5.00%

Note:

(1) Extracted from the website of The Association of Banks in Singapore on the Latest Practicable Date.

The interest rate on the loans from YPL of 2.5% to 3.25% per annum are lower than the prime lending rate of all three Singapore banks, which are generally offered by bank on loans extended to its customers with good credit records.

(b) The Existing Shareholder's Loans

As set out in paragraph 3.5(b) of this IFA Letter, the Existing Shareholder's Loans refer to amounts owing by the Target Companies to the Company.

As mentioned in paragraph 3.5(b) of this IFA Letter, the Company has fully written down the loans due from Yinda Technology Singapore. While the Company has not written down the loans due from Yinda Technology Thailand, the Company has written down its investment in Yinda Technology Thailand by S\$1.0 million to S\$1.3 million in FY2021.

Should the Proposed Disposal not proceed, the Company is unlikely to recover any of the Existing Shareholder's Loans from the Target Companies, at least for the current FY2022, given the financial performance of the Target Companies for FY2021 and for the period from 1 June 2021 to 30 September 2021 as set out in the financial information of the Target Companies provided by the Company to the Independent Valuer for purposes of the Valuation Report.

(c) The Loan Waiver

The Loan Waiver is beneficial to the Company as follows:

- (i) the Loan Waiver allows the Company to set-off the Existing Shareholder's Loan (which are largely written down and low recoverability) against its loans due to YPL and the Company does not have to incur additional interest on the Existing YPL Loan for the period since 1 December 2021 upon the completion of the Proposed Disposal; and
- (ii) the Existing YPL Loan of S\$3,236,167 represents 25.8% of the Group's cash and cash equivalents of S\$12.6 million as at 31 May 2021. The Group's cash and cash equivalents as at 31 May 2021 comprised mainly proceeds from the allotment and issue of new ordinary shares for the period between October 2020 and April 2021. These proceeds are allocated for working capital purposes and for new business opportunities, and not for reduction of the Group's indebtedness. As the Group generated negative operating cash flow for FY2020 and FY2021, the Group is unlikely to generate sufficient operating cash flow to repay the Existing YPL Loan on or before 31 May 2022 without the set-off arrangement.

4.4 THE FINANCIAL RATIOS OF THE PROPOSED DISPOSAL

- (a) The Total Consideration represents a premium to the aggregate net liability position of the Target Companies. Given the aggregate net liability position of the Target Companies, had the Company effected a liquidation process or disposal of the Target Companies individually, the proceeds raised by the Company from the sale of Yinda Technology Thailand will not be sufficient to repay the liabilities of Yinda Technology Singapore. The Company confirms that it has not received any other offer for either of the Target Companies.
- (b) As set out in paragraph 3.2.1 of this IFA Letter, the Target Companies reported aggregate losses for FY2020 and FY2021. We also calculate that the Target Companies would report negative EBITDA for FY2020 and FY2021. The aggregate

liability position of the Target Companies is S\$1.4 million as at 31 May 2021, and S\$1.9 million as at 30 September 2021 according to the Valuation Report.

Accordingly, a comparison of valuation statistics such as price-earnings ratio, enterprise value-to-EBITDA ratio and price to book value of the Target Companies against listed comparable companies will not be meaningful.

Given the negative earnings and assets position of the Target Companies, we note that the Independent Valuer has adopted the enterprise value-to-sales ratio to determine the value under the market approach. As the Target Companies generate revenue mainly on project-by-project basis, we believe that the enterprise value-to-sales ratio is not meaningful in the assessment of the Total Consideration. In addition, the Independent Valuer has also highlighted that the results of the valuation based on market approach are purely for reference purposes only and do not reflect market value of 100% equity interest in the capital of the Target Companies as at 30 September 2021.

4.5 THE PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The pro forma financial effects of the Proposed Disposal on the Group can be found in Section 7 of the Circular.

We extract certain details in *italics* as follows from Section 3.2 of the Circular:

The Company expects to recognise a gain from the reversal of the net liabilities attributable to the Target Companies of S\$1,426,000, offset by a loss of S\$1,011,335 as a result of the Novation and Set-Off Deed. Accordingly, the Company expects to recognise a net gain on disposal of approximately S\$415,000 from the Proposed Disposal.

We note the Group's NTA as at 31 May 2021 would improve from S\$9,277,000 to S\$9,692,000 and its loss per share would improve from 0.99 Singapore cents per share to 0.61 Singapore cents per share after the Proposed Disposal.

4.6 OTHER CONSIDERATIONS

In determining whether the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its Shareholders, we have also considered the following:

4.6.1 No alternative buyers

Given that the aggregate losses of the Target Companies from FY2020 and the aggregate net liability position of the Target Companies as at 31 May 2021 and 30 September 2021, it is difficult for the Company to find a third party purchaser for the Target Companies whether as a standalone transaction or as a packaged deal. The Company confirms that it has not received any other offer for either of the Target Companies.

4.6.2 Abstention from recommendation and voting

Mdm. Song and Ms. Shao Lifang have, in their capacity as Directors, abstained from making any recommendation to the Shareholders on the Proposed Disposal.

As set out in Section 4.4 of the Circular, Mdm. Song and Ms. Shao Lifang and their associates, including YPL shall abstain from exercising their voting rights in respect of all existing issued Shares owned by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the resolutions to approve the Proposed Disposal.

4.6.3 Remaining business of the Group

The Proposed Disposal is the disposal of the remaining Telecommunications Business of the Group following the disposal of Yinda Technology Malaysia Sdn. Bhd. and Yinda Communications (Philippines), Inc. to YPL at the sale consideration of S\$1 and S\$500 respectively in January 2021.

Upon the completion of the Proposed Disposal, the Telecommunications Business will cease to be part of the Group and the Group's sole business segment will be the Biometrics Business which the Company diversified into in April 2021.

Shareholders are advised to refer to the Company's circular to shareholders dated 16 March 2021 for further information on, *inter alia*, the Biometrics Business, a copy of which is available on the website of the SGX-ST at www.sgx.com.

5. OUR OPINION

Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Proposed Disposal. We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out below a summary of the key factors we have taken into our consideration:

- (a) the rationale for the Proposed Disposal, namely, to exit from loss-making business segment which is facing challenging business environment. The Proposed Disposal will allow the Group to focus fully on the Biometrics Business and offer an opportunity to dispose the Target Companies as a packaged deal;
- (b) the Total Consideration is higher than the nil value of the Target Companies as opined by the Independent Valuer;
- (c) the Total Consideration represents a premium to the aggregate net liability position of the Target Companies;

- (d) the Loan Waiver allows the Company to set-off the Existing Shareholder's Loan (which are largely written down and low recoverability) against its loans due to YPL;
- (e) the positive pro forma financial effects of the Proposed Disposal; and
- (f) the other consideration as set out in paragraph 4.6 of this IFA Letter.

Accordingly, after taking into account the above factors and the information made available to us as at the Latest Practicable Date, we are of the opinion that, the Proposed Disposal (and the Loan Waiver) is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders.

This IFA Letter, which is prepared pursuant to Rule 921(4)(a) of the Catalist Rules, is addressed to the Recommending Directors for their benefit, in connection with and for the purpose of their consideration of the Proposed Disposal, and the recommendation made by them to the Shareholders shall remain the responsibility of the Recommending Directors. Neither the Company, the Directors nor the Shareholders may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose, except for the Proposed Disposal, at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

NOTICE OF EXTRAORDINARY GENERAL MEETING

TOTM TECHNOLOGIES LIMITED

(Company Registration No. 201506891C)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of Totm Technologies Limited (the “**Company**”) will be held by way of electronic means on 22 February 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions:

Please refer to the paragraph titled “IMPORTANT INFORMATION” below for details.

All capitalised terms in this Notice which are not defined herein shall have the same meaning as ascribed to them in the Company's circular dated 7 February 2022 (the “Circular”).

AS ORDINARY RESOLUTIONS:

ORDINARY RESOLUTION 1

THE PROPOSED DISPOSAL OF SHAREHOLDING INTERESTS IN YINDA TECHNOLOGY SINGAPORE PTE. LTD. AND YINDA TECHNOLOGY (THAILAND) CO., LTD. TO YINDA PTE. LTD., BEING AN INTERESTED PERSON TRANSACTION UNDER THE CATALIST RULES

THAT:

- (a) the Proposed Disposal (including the novation of S\$3,235,166 and set-off against the full remaining amount of the Existing YPL Loan (after the set-off from the Total Consideration) and the waiver of S\$1,011,335 owed under the Existing Shareholder's Loans) be and is hereby approved and that authority be and is hereby granted to the Directors to carry out and implement the Proposed Disposal on the terms and subject to the conditions set out in the SPA; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 1 and implement any of the foregoing as they think fit and in the interests of the Company.

ORDINARY RESOLUTION 2

THE PROPOSED CHANGE OF THE AUDITORS FROM BAKER TILLY TFW LLP TO MAZARS LLP

THAT:

- (a) Mazars LLP, having consented to act, be and are hereby appointed as auditors of the Company in place of Baker Tilly TFW LLP and to hold office until the conclusion of the next AGM of the Company, at such remuneration and on such terms to be agreed between the Directors and Mazars LLP; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 2 and implement any of the foregoing as they think fit and in the interests of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

By Order of the Board
TOTM TECHNOLOGIES LIMITED

Mr. Pierre Prunier
Chief Executive Officer and Executive Director
Singapore
7 February 2022

NOTICE OF EXTRAORDINARY GENERAL MEETING

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the extraordinary general meeting of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the extraordinary general meeting of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the extraordinary general meeting of the Company (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. The member's personal data and its proxy(ies)'s and/or representative(s)'s personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member of the Company and/or its proxy(ies) or representative(s) (such as his/her name, his/her presence at the EGM and any questions he/ she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

IMPORTANT INFORMATION

1. The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice will accordingly be sent to members by electronic means via publication on the Company's website at the URL: <https://totmtechnologies.com/news-announcements/> and on the SGXNet website at the URL: <https://www.sgx.com/securities/company-announcements>.

2. Alternative arrangements relating to:

- (a) attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream);
- (b) submission of questions to the Chairman of the Meeting in advance of, or "live" at, the EGM, and addressing of substantial and relevant questions in advance of, or "live" at, the EGM; and
- (c) voting at EGM (i) "live" by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on the member's behalf at the EGM,

are set out in the Circular. The Circular may be accessed at the Company's website at the URL: <https://totmtechnologies.com/news-announcements/> and on the SGXNet website at the URL: <https://www.sgx.com/securities/company-announcements>.

3. **To minimise physical interactions and COVID-19 transmission risks, a member will not be able to attend the EGM in person. A member who wishes to exercise his/her/its voting rights at the EGM may:**

- (a) (where the member is an individual) vote "live" via electronic means at the EGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the EGM on his/her/its behalf; and
- (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM.

The accompanying proxy form for the EGM may be downloaded from the Company's website at the URL: https://conveneagm.sg/totmtechnologies_egm1 and on the SGXNet website at the URL: <https://www.sgx.com/securities/company-announcements>. A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/totmtechnologies_egm1.

4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument; and (b) a member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore,

5. A proxy need not be a member of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
- (a) if submitted by post, be lodged with the Company's registered office at 20 Collyer Quay #09-02 Singapore 049319; and
 - (b) if submitted electronically, the instrument must be submitted (i) via email to proxy@totmtechnologies.com; or (ii) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm1.

in each case, by **10.00 a.m. on 19 February 2022 (not less than 72 hours before the time appointed for holding the EGM)**.

A member who wishes to submit an instrument appointing a proxy(ies) by post or via email can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from the Company's website and SGXNet, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. A member may also appoint a proxy(ies) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm1.

In view of the current COVID-19 measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email or appoint a proxy(ies) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm1.

7. CPF Investors and SRS Investors:
- (a) may vote "live" via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; and
 - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **10.00 a.m. on 11 February 2022**.
8. This Notice, the Circular and the Proxy Form will be sent to the members solely by electronic means via publication on the Company's website and will also be made available on SGXNet. Printed copies of these documents will not be sent to Shareholders. Please refer to the SGXNet at the URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL: <https://totmtechnologies.com/news-announcements/> for the (a) Circular; (b) Notice of EGM; and (c) Proxy Form:

As the COVID-19 pandemic continues to evolve, further measures and/or changes to the EGM arrangements may be made on short notice in the ensuing days, even up to the day of the EGM. Members are advised to closely monitor announcements made on SGXNet and the Company's website at the URL: <https://totmtechnologies.com/news-announcements/> for updates on the EGM.

The Company would like to thank all members for their patience and co-operation in enabling it to hold the EGM with the optimum safe distancing measures amidst the current COVID-19 situation. The Company also seeks the understanding and cooperation of all members to minimise the risk of community spread of COVID-19.

PROXY FORM

<p>TOTM TECHNOLOGIES LIMITED (Company Registration No. 201506891C) (Incorporated in the Republic of Singapore)</p> <p>PROXY FORM EXTRAORDINARY GENERAL MEETING <i>(Please see notes overleaf before completing this Proxy Form)</i></p>			<p>IMPORTANT:</p> <ol style="list-style-type: none"> The Extraordinary General Meeting ("EGM") of Totm Technologies Limited will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. An investor who holds shares under the Central Provident Fund Investment Scheme (the "CPF Investor") and/or the Supplementary Retirement Scheme (the "SRS Investor") (as may be applicable) may attend and cast his vote(s) at the EGM. CPF Investors and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS approved nominees to appoint the Chairman of the EGM to act as their proxy. In which case, the CPF Investors and SRS Investors shall be precluded from attending the EGM. This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purported to be used by them. 		
*I/We,		(Name)		(NRIC / Passport / Company Registration Number)	
of					(Address)
being a shareholder/shareholders* of TOTM TECHNOLOGIES LIMITED (the "Company"), hereby appoint:					
Name:	Address:	NRIC / Passport Number	Email Address⁽¹⁾	Proportion of Shareholdings (%)	
				No of Shares	%
and/or*					
Name:	Address:	NRIC / Passport Number	Email Address⁽¹⁾	Proportion of Shareholdings (%)	
				No of Shares	%
<p>the Chairman of the Extraordinary General Meeting (the "EGM")* as *my/our *proxy to vote for *me/us on *my/our behalf at the EGM to be convened and held by electronic means on 22 February 2022 at 10.00 a.m. and at any adjournment thereof. I/We* direct my/our* proxy to vote for, vote against or abstain from voting on the resolution to be proposed at the EGM as indicated hereunder.</p> <p>If no specific direction as to voting is given, in respect of a resolution, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.</p>					

The resolution put to the vote at the EGM shall be decided by way of poll.

	Ordinary Resolutions relating to:	No. of Votes For ⁽²⁾	No. of Votes Against ⁽²⁾	No. of Votes Abstain ⁽³⁾
1.	The Proposed Disposal			
2.	The Proposed Change of Auditors			

PROXY FORM

⁽¹⁾ Compulsory for registration purposes. Only provided email address in the submitted Proxy Form will receive a confirmation email for the EGM.

⁽²⁾ Voting will be conducted by poll. If you wish for your proxy to cast all your votes "For" or "Against" a resolution, please tick (✓) within the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of the resolution.

⁽³⁾ If you wish for your proxy to abstain from voting on the resolution, please tick (✓) within the "Abstain" box provided in respect of the resolution. Alternatively, please indicate the number of votes that your proxy is directed to abstain from voting in the "Abstain" box provided in respect of the resolution.

Dated this day of 2022

Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

Total Number of Shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

** Delete where inapplicable*

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by the member.
2. **To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the EGM in person.** A member who wishes to exercise his/her/its voting rights at the EGM may:
 - (a) (where the member is an individual) vote "live" via electronic means at the EGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the EGM on his/her/its behalf; and
 - (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM.

This Proxy Form may be downloaded from the Company's website at the URL: <https://totmtechnologies.com/news-announcements/> and on the SGXNet website at the URL: <https://www.sgx.com/securities/company-announcements>. A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/totmtechnologies_egm1.

3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument; and (b) a member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

4. A proxy need not be a member of the Company.
5. This instrument appointing a proxy(ies) must be submitted to the Company in the following manner.
 - (a) if submitted by post, be lodged with the Company's registered office at 20 Collyer Quay #09-02 Singapore 049319; and
 - (b) if submitted electronically, the instrument must be submitted (i) via email to proxy@totmtechnologies.com; or (ii) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm1.

in each case, by **10.00 a.m. on 19 February 2022 (not less than 72 hours before the time appointed for holding the EGM).**

A member who wishes to submit an instrument appointing a proxy(ies) by post or via email can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from the Company's website and SGXNet, and complete and sign this Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. A member may also appoint a proxy(ies) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm1.

In view of the current COVID-19 measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email or appoint a proxy(ies) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm1.

6. Completion and return of the instrument appointing a proxy(ies) does not preclude a member from attending, speaking and voting at the EGM. A member who accesses the "live" webcast of the EGM proceedings may revoke the appointment of a proxy(ies) at any time before voting commences and in such an event, the Company reserves the right to terminate the proxy(ies)' access to the EGM proceedings.
7. The instrument appointing a proxy(ies) must, if submitted by post or electronically via email, be signed under the hand of the appointor or of his/her attorney duly authorised in writing or, if submitted electronically via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/totmtechnologies_egm1, be authorised by the appointor via the online process through the website. Where the instrument appointing a proxy(ies) is executed by a corporation, it must, if submitted by post or electronically via email, be executed either under its common seal or under the hand of its attorney or a duly authorised officer or, if submitted electronically via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/totmtechnologies_egm1, be authorised via the online process through the website.
8. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney

PROXY FORM

or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.

9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM (i.e. 10.00 a.m. on 19 February 2022), as certified by CDP to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the extraordinary general meeting of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the extraordinary general meeting of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the extraordinary general meeting of the Company (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. The member's personal data and its proxy(ies)'s and/or representative(s)'s personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member of the Company and/or its proxy(ies) or representative(s) (such as his/her name, his/her presence at the EGM and any questions he/ she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.