

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

PROPOSED PLACEMENT OF UP TO 33,400,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE PLACEMENT PRICE OF S\$0.12 (“PROPOSED PLACEMENT”)

– RESPONSES TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”)

1. INTRODUCTION

- 1.1. The board of directors (the “**Board**” or the “**Directors**”) of Totm Technologies Limited (the “**Company**”, together with the subsidiaries, the “**Group**”) refers to the announcement dated 5 August 2022 (the “**Announcement**”) in respect of the Proposed Placement.
- 1.2. Unless otherwise defined in this announcement, all capitalised terms and references used herein shall bear the same meanings as ascribed to them in the Announcement.

2. RESPONSES TO QUERIES FROM THE SGX-ST

- 2.1. The Company had on 8 August 2022 received the following queries from the SGX-ST and sets out its responses below:

S/No.	Query from the SGX-ST	Response from the Company																		
1.	<p>The Proposed Placement will raise net proceeds of approximately S\$3.858 million, which are intended to be used for working capital. The Group still has S\$2.62 million remaining from the June 2021 Placement Exercise, which are also intended to be used for working capital.</p> <p>Please provide a breakdown on the proposed use of proceeds for working capital, and provide reasons for such use taking into account its current working capital position.</p>	<p>A breakdown on the proposed use of Net Proceeds are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Breakdown of expenses under working capital</th> <th style="text-align: right;">Amounts</th> <th style="text-align: right;">% of Net Proceeds</th> </tr> </thead> <tbody> <tr> <td>Staff Cost and Director Fees</td> <td style="text-align: right;">S\$1,157,000</td> <td style="text-align: right;">30%</td> </tr> <tr> <td>Professional Fees</td> <td style="text-align: right;">S\$772,000</td> <td style="text-align: right;">20%</td> </tr> <tr> <td>Administrative Expenses</td> <td style="text-align: right;">S\$772,000</td> <td style="text-align: right;">20%</td> </tr> <tr> <td>Projects related expenditure (including purchases from supplier)</td> <td style="text-align: right;">S\$1,157,000</td> <td style="text-align: right;">30%</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">S\$3,858,000</td> <td style="text-align: right;">100%</td> </tr> </tbody> </table>	Breakdown of expenses under working capital	Amounts	% of Net Proceeds	Staff Cost and Director Fees	S\$1,157,000	30%	Professional Fees	S\$772,000	20%	Administrative Expenses	S\$772,000	20%	Projects related expenditure (including purchases from supplier)	S\$1,157,000	30%	Total	S\$3,858,000	100%
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2.	<p>The Group still has S\$2.62 million remaining from the June 2021 Placement Exercise, which are also intended to be used for working</p>	<p>The balances from the June 2021 Placement Exercise of S\$2,618,000, together with the Net Proceeds of S\$3,858,000 totals S\$6,476,000 (“Available Proceeds”). A</p>																		

	<p>capital. It was announced that the Proposed Placement will further strengthen the Company's financial position and improve its cash flow to support the working capital requirements of the Group. Further, the Proposed Placement will provide additional resources and funding for the Group to pursue new projects with potential customers in its existing business on turnkey solutions for national identity and digital identity systems as well as for the Group's digital onboarding business.</p> <p>Please explain why the Company requires about S\$6.5 million for its current working capital needs, including the capital requirement for its business segments.</p>	<p>breakdown on the Available Proceeds are as follows:</p> <table border="1" data-bbox="853 302 1402 958"> <thead> <tr> <th>Breakdown of expenses under working capital</th> <th>Amounts</th> <th>% of Available Proceeds</th> </tr> </thead> <tbody> <tr> <td>Staff Cost and Director Fees</td> <td>S\$2,591,000</td> <td>40%</td> </tr> <tr> <td>Professional Fees</td> <td>S\$1,295,000</td> <td>20%</td> </tr> <tr> <td>Administrative Expenses</td> <td>S\$1,295,000</td> <td>20%</td> </tr> <tr> <td>Projects related expenditure (including purchases from supplier)</td> <td>S\$1,295,000</td> <td>20%</td> </tr> <tr> <td>Total</td> <td>S\$6,476,000</td> <td>100%</td> </tr> </tbody> </table> <p>The breakdown above has taken into consideration cash flow requirements of the Group for the upcoming financial year ending 31 May 2023, which includes the Group's recurring expenses and planned pipeline projects in Indonesia for the first half of FY2023.</p>	Breakdown of expenses under working capital	Amounts	% of Available Proceeds	Staff Cost and Director Fees	S\$2,591,000	40%	Professional Fees	S\$1,295,000	20%	Administrative Expenses	S\$1,295,000	20%	Projects related expenditure (including purchases from supplier)	S\$1,295,000	20%	Total	S\$6,476,000	100%
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3.	<p>How does the AC safeguard the assets of the Company, including the funds from the recent fund-raising exercises? It is disclosed in the Company's FY2021 Annual Report that the scope of internal audit for FY2021 included a review of the</p>	<p>a) The AC is updated on a regular basis, on the use of proceeds raised from subscription or placement exercises. Where there are material disbursements to a single recipient, such disbursements will be highlighted to the AC on a prompt basis and requires approval from a majority of</p>																		

<p>internal controls over Cash Management by BDO Advisory Pte Ltd (“BDO”), and the Company is working on implementing the material matters highlighted by the agreed target implementation date.</p> <p>(a) Did the internal auditors review the Group’s internal controls for cash management for FY2022 as well?</p> <p>(b) What are the material matters highlighted by BDO for FY2021 and FY2022?</p> <p>(c) Did the Company implement the recommendations put forth by BDO?</p>	<p>the AC. The internal auditors have performed a review of the Group’s internal controls for cash management for FY2022.</p> <p>b) No high risk findings have been highlighted by BDO for FY2021 and FY2022 in relation to the internal controls for cash management.</p> <p>c) Yes, the Company has implemented the recommendations put forth by BDO in FY2021 and will continue to adopt and implement the recommendations put forth by BDO for FY2022.</p>
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3. FURTHER ANNOUNCEMENTS

The Company will make the appropriate announcements as and when there are material developments on the Proposed Placement.

4. CAUTIONARY STATEMENT

Shareholders should note that the Proposed Placement remains subject to, amongst others, the fulfilment of the conditions precedent under the Placement Agreement. There is no certainty or assurance that the conditions precedent for the Proposed Placement can be fulfilled or that the Proposed Placement will be undertaken at all. Shareholders, securityholders and investors are advised to read this announcement and any past (including the Announcement) and future announcements by the Company carefully when dealing with the Shares and securities of the Company. Shareholders, securityholders, and investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their Shares or securities of the Company.

BY ORDER OF THE BOARD

Mr. Pierre Prunier
Chief Executive Officer and Executive Director
11 August 2022

This announcement has been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “Sponsor”). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “Exchange”) and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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.