An
rep

A bold vision of tomorrow

www.totmtechnologies.com

2021-2022 Annual Report

TOTM TECHNOLOGIES

Our Vision

To be a leading digital identity management solutions provider while delivering best in class competence in biometric technology.

Our Mission

To lead, deliver quality services and create innovative solutions that enhance the quality of our customers' experience and ensure seamless connectivity in the region.

Contents

Corporate Profile

TOTM Technologies Limited (formerly known as Yinda Infocomm Limited) ("TOTM Technologies" or the "Company" and together with its subsidiaries, the "Group") provides end-to-end identity management and biometric products regionally, powering digital identity management and digital onboarding solutions.

The Group's in-house experts of innovators, disruptors and technologists have delivered full technology suites in biometrics, such as multimodal technologies (face, finger, iris), eKYC, real-time liveness detection, age-classification system, and patented cryptography that stores biometrics-encrypted data. TOTM Technologies multimodal technologies are based on core technologies licensed from strategic technology partners, and includes biometrics matching software listed in the top tier in the National Institute of Standards and Technology ("NIST") standards, and has been proven effective in ultra-large scale identity deployments.

Leveraging on its strong execution experience and the robust technology platforms from its own subsidiaries and strategic technology partners, the Group's Digital Identity and Biometrics Business Unit currently serves mainly ministries and government agencies. The Group's solutions have processed over 207 million IDs worldwide, facilitating some of the world's largest national ID programs and immigration proceedings.

The Group's market presence stretches across North America and Asia Pacific. From June 2022, the Company partnered with Presight.AI Ltd, a G42 company, to develop and deploy their combined proprietary technologies to promote and enhance digital transformation and deliver unparalleled high-performance biometrics, AI capabilities and solutions to their partners and clients in the Middle East, North Africa (MENA) and Southeast Asia, allowing TOTM Technologies to further grow its presence globally in the digital identity space.

The Group is looking to expand its coverage to more commercial sectors such as medical insurance, healthcare, banking electronic payments, transport, and telecommunications-related applications.

In February 2022, TOTM Technologies was awarded "Top Public Sector Solutions Provider 2022" by CIO REVIEW APAC. This award recognises the top companies that provide solutions to guide government agencies and companies to match the industry's current trends and expectations.

The Company was listed in August 2015 on the Catalist Board of the SGX-ST. In December 2021, TOTM Technologies was included in the MSCI Singapore Micro Cap Index, designed to measure the performance of the micro-cap segment of the Singapore Market.

Letter to Shareholders

Dear Shareholders,

On behalf of the Board, we are pleased to present the annual report of TOTM Technologies Limited ("**TOTM**") for the financial year ended 31 May 2022 ("**FY2022**").

FY2022 BUSINESS REVIEW

Yinda Infocomm Limited was rebranded as TOTM Technologies Limited in October 2021. This reflects a strengthening of our identity management business, to ride the wave of the technological innovations in biometrics and artificial intelligence that are set to transform the digital ID and digital onboarding arena.

Our vision is to accelerate digital transformation for governments, and empower citizens and businesses. The use of biometric technologies (face, finger and iris recognition) would create efficiencies for our customers; and their own customers would benefit from more secure and convenient transaction pathways. Indeed, our biometric solutions have become integral to the operations of some of the largest national identity programmes in the world.

FY2022 saw us orienting ourselves strongly towards that vision. Even as we divested our telecommunications units, we forged ahead with targeted acquisitions and established strategic partnerships that would bolster our portfolio of products and expertise in the identity management space, while also boosting our own R&D efforts.

As we enter FY2023, we are pleased to report that our efforts to establish the groundwork have given us a competitive edge. We are seeing positive growth in sales leads, and a ready pipeline of government and private-sector of eKYC and digital ID projects.

FINANCIAL PERFORMANCE

Our financial report reflects our relentless focus on becoming a leader in biometric technology and digital ID platforms. FY2022 saw us take concrete steps towards building our technology stack in this area, through investments in **TECH5**, GenesisPro Pte Ltd ("**GenesisPro**") and PT Cakrawala Data Integrasi ("**CDI**"), and the divestment of our telecommunications business units, YTS and YTT.

FY2022 revenues were $11.1 million, up from $1.0 million in FY2021, from our Identity Management and Biometrics business. The revenues were derived from the provision of technical support to Indonesia's Ministry of Home Affairs, maintenance of Indonesia's national identity system, and the supply of a security platform to the Indonesian government.

Legal and professional fees increased to $4.7 million in FY2022, from $4.1 million in FY2021. These were largely one-off in nature, due to corporate exercises related to our investments and divestments.

Our net asset position reflects the same activities. The disposal of YTS and YTT contributed to a reduction in total assets and total liabilities of $4.5 million and $4.6 million respectively, and led to a decrease in current assets to $11.4 million in FY2022, from $24.6 million at end of FY2021. Non-current assets increased to $64.4 million in FY2022, from $50.1 million at end of FY2021, mainly due to the investments in TECH5 and CDI.

Current liabilities decreased, to $2.1 million in FY2022, compared to $15.9 million at end of FY2021. This was mainly due to repayment of other payables on the second cash consideration payable to shareholders of PT International Biometric Indonesia ("InterBio") during the year, as well as the settlement of borrowings of $3.7 million due to former shareholders as a result of the disposal of the telecommunication business.

In FY2022, net cash flows used in operating activities amounted to approximately $7.7 million. Net cash flows used in investing activities of $24.7 million was mainly due to the investments mentioned earlier. Net cash flow generated from financing activities amounted to approximately $24.8 million, mainly due to net proceeds from the issuance of new ordinary shares ($26.3 million) and government-supported financing received by a subsidiary in Thailand ($1.1 million). As at 31 May 2022, the Group had cash and cash equivalents of $4.9 million, and recorded a net loss attributable to shareholders of $10.5 million for FY2022.

POISED FOR GROWTH

FY2022 was a pivotal year in terms of acquisitions and investments to build the ecosystem of technologies and expertise required to create powerful, secure and user-friendly identity management platforms.

In August 2021, TOTM converted a note of $370,000 into shares in PT Pattra Aksa Jaya ("**PAJ**"). PAJ is involved in the digitalisation of payment systems. Among its projects are a digital transactions system for Bank DKI, Indonesia, and a parking payment system in Medan, Indonesia.

In September 2021, TOTM entered into agreements with the Institute of Machine Learning GmbH ("**IML**"), acquiring 70% of the enlarged capital of GenesisPro, which would in turn acquire IML's assets, including all intellectual property and software relating to Facial Liveness Detection, Age Classification and KYC Platform and contracts with key customers and resellers. IML is a significant acquisition, as it has developed biometrics software solutions that have been piloted in the banking, mobility and online gaming sectors.

Letter to Shareholders

In October 2021, TOTM completed the investment amounting to US$8.0 million, and exercised a US$2.5 million convertible loan into new shares in TECH5 cementing a technology and business partnership. TECH5, known for its disruptive biometric and digital ID solutions developed using artificial intelligence and machine learning technologies, would give TOTM certain licensing, distribution and reseller rights in Southeast Asia, China, Japan and worldwide.

In December 2021, TOTM entered into a convertible loan agreement with CDI worth US$3.75 million to support its Joint Platform venture with the Ministry of Home Affairs, Indonesia, for the provision of ID services and biometrics. The impact of these investments are already being seen in our FY2022 revenues.

In June 2022, TOTM announced a strategic teaming agreement with Presight AI Ltd to develop and deploy the two parties' proprietary technologies in high-performance biometrics and artificial intelligence to clients in the Middle East, Africa and Southeast Asia.

Recent developments demonstrate the inroads TOTM has made into the high-growth Indonesian market. In September 2022, TOTM secured a US$4.9 million project to supply biometric identification and surveillance systems to a law enforcement agency in Indonesia. Slated for completion by end 2022, this project will contribute positively to TOTM's performance in FY2023.

Also in September 2022, TOTM formed a strategic partnership with Incode Technologies, Inc. ("**Incode**"), a Fintech Power 50 company that is a global powerhouse in privacy-centric identity solutions. This partnership will offer Incode Omni to the Indonesian market allowing the company to advance its position as a leading provider of identity solutions in Indonesia and beyond.

Exciting opportunities that we have been cultivating since TOTM's rebranding are bearing fruit. With the creation of our partnership ecosystem, we are pleased to report that we have made inroads with organic sales leads generation, where a pipeline of government and private-sector based eKYC and digital ID projects are anticipated to come online.

RECOGNISED FOR EXCELLENCE

December 2021 proved a milestone for us, with TOTM being for the first time included in the MSCI Singapore Micro Cap Index which measures the performance of the micro cap segment of the Singapore market.

We were also honoured to be awarded Top Public Sector Solutions Provider 2022 by CIO Review APAC. The award recognises top companies that provide solutions to guide government agencies and companies to match the industry's current latest trends and expectations.

On 6 & 7 September 2022, TOTM was a platinum sponsor at Identity Week Asia, one of the largest in-person conference and exhibition in Asia-Pacific.

FUTURE PROSPECTS

Looking ahead, the demand from governments, and, increasingly, the private sector, for robust identity management solutions would only increase.

Almost 1 billion people around the world currently lack any form of legally-recognised identification, an additional 3.4 billion have some type of legally-recognised identification but have limited ability to use it in the digital world, while 3.2 billion have a legally-recognised identity but may not be able to use that ID effectively and efficiently online[1].

These gaps represent huge opportunities for TOTM and our associates. In fact, according to MarketsandMarkets, the global digital identity solutions market size will go from US$23.3 billion in 2021 to US$49.5 billion in 2026, recording a CAGR of 16.2% from 2021 to 2026[2].

As seen from our FY2022 report, we have positioned ourselves to be a strong partner to governments and businesses through well-considered acquisitions and partnership ecosystems. Going forward, we will continue to explore opportunities in domestic as well as international projects. And, on the heels of the synergistic ventures we developed in FY2022, we will proactively identify and pursue new identity management capabilities, products and markets.

[1] Digital Identification: A Key to Inclusive Growth: https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/digital-identification-a-key-to-inclusive-growth

[2] Digital Identity Solutions Market –Global Forecast to 2027, https://www.marketsandmarkets.com/Market-Reports/digital-identity-solutions-market-247527694.html

TOTM Technologies at Identity Week Asia

More than 2,500 registered global and regional guests thronged Suntec Convention Centre, as TOTM is proud to unveil its corporate branding & colours at its first flagship Singapore event.

Identity Week Asia is APAC's premier biometrics and identity management exhibition cum conference, bringing together the brightest minds in the identity sector to promote innovation, new thinking, and more effective identity solutions. Representing TOTM's domain experts, our global team members comprising Adam Martin, TOTM's VP of Engineering, Anthony Hay, VP & Head of Business Development as well as External Lead Eric Welton, presented and took part in Identity Week's Conferences and Panel Discussion over the 2 days.

ACKNOWLEDGEMENTS

On behalf of the Board, we would like to thank our outgoing Executive Director, Ms Shao Lifang, and our Non-Executive and Non-Independent Chairman of the Board, Ms Song Xingyi, for their stewardship and contributions to the Company.

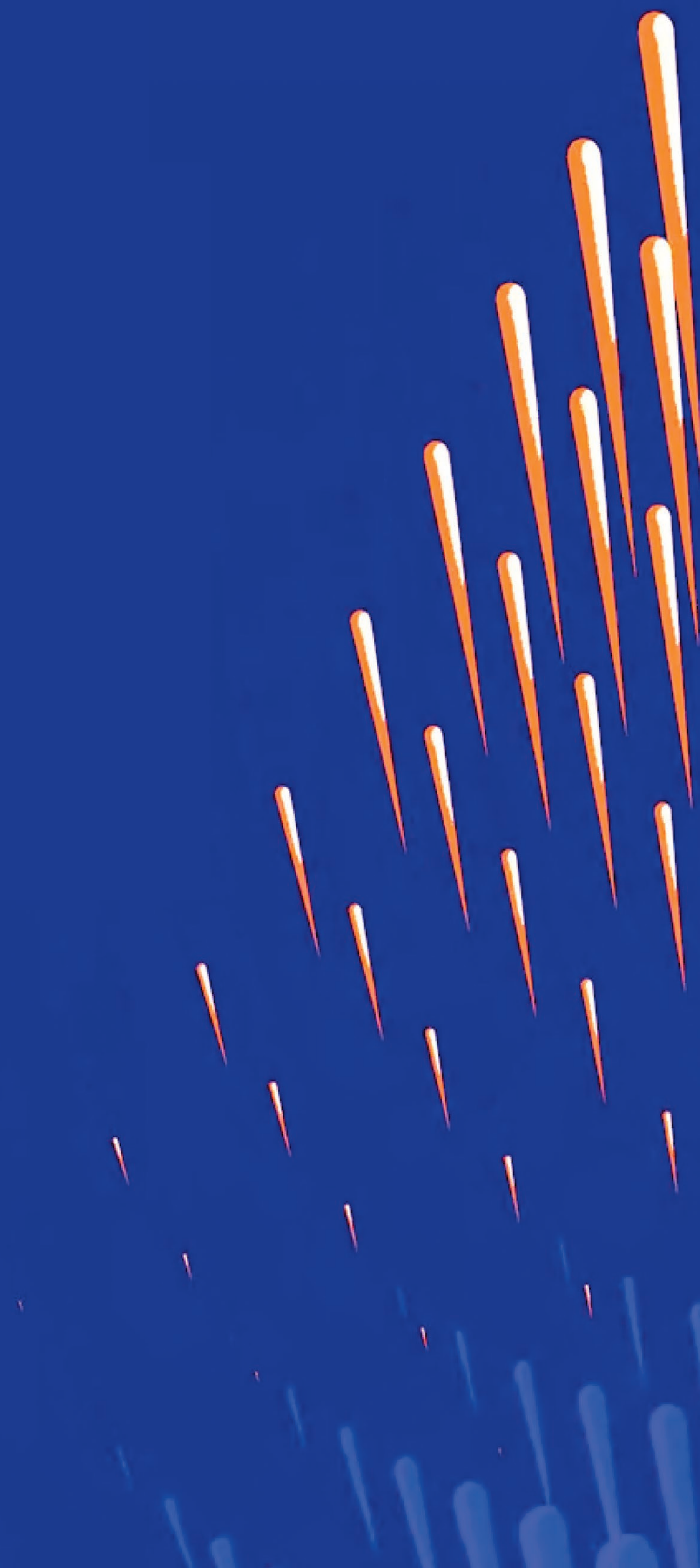
Our gratitude also goes to the Board for their steadfast guidance as we emerge from the covid-19 pandemic, and their insights as we keep a close eye on the evolving opportunities in the identity management space. Thanks also to our employees, who have been steadfast in their commitment to our business, our vision and our values.

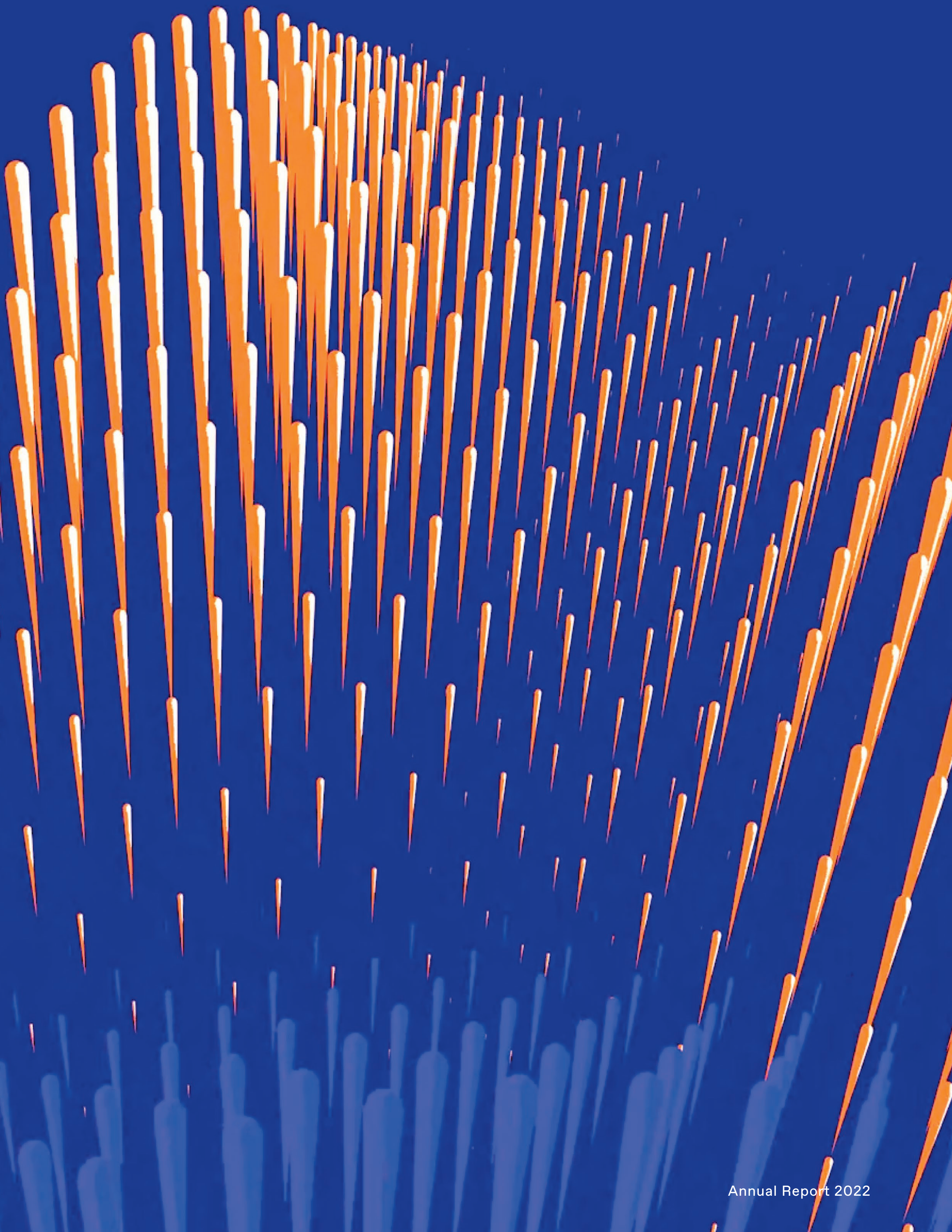
Lastly, we are encouraged by the support of our shareholders, business partners and customers, and we look forward to continuing to bring innovative products, solutions and services to the identity management market as part of holistic, user-oriented solutions.

Low Chai Chong
Independent Non-Executive Chairman

Singapore
9 September 2022

Foresight in Action





Regional Presence

Our presence expanded into these markets enables us to secure projects on providing end-to-end identity management and biometrics products, powering digital identity and digital onboarding solutions at a global level.

Worldwide Presence

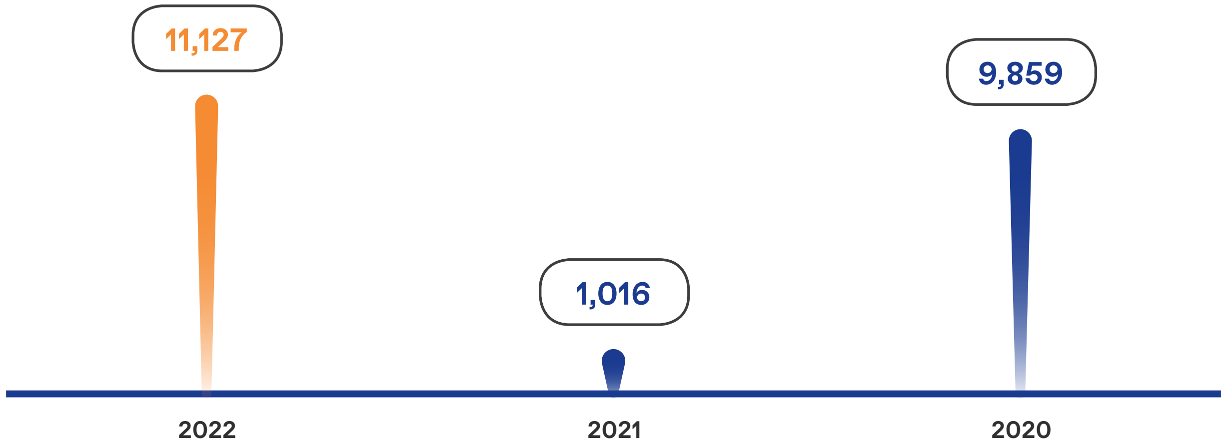
Headquartered in Singapore, we have offices in Indonesia, US and India.

TOTM TECHNOLOGIES

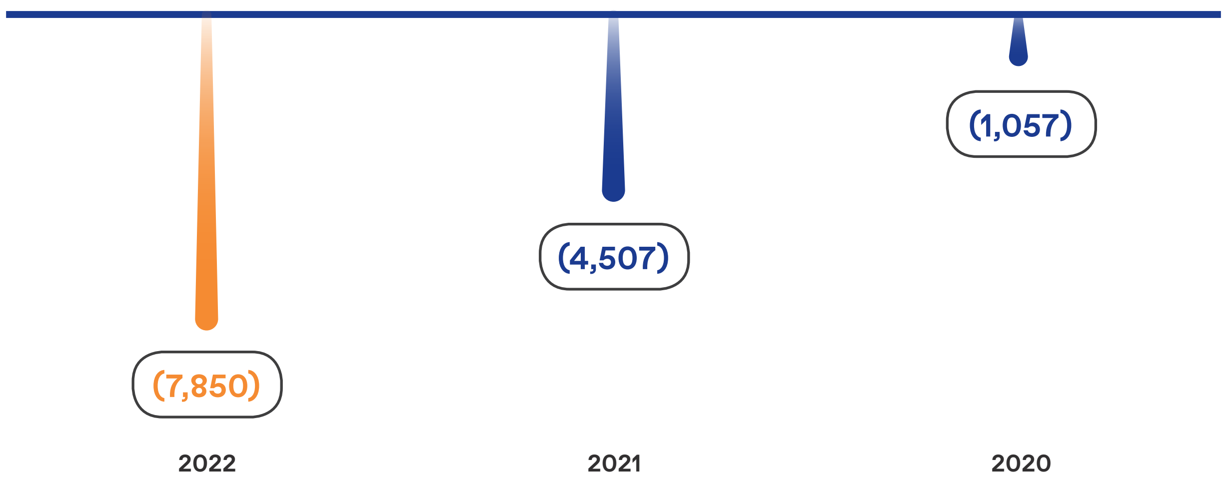
Financial Highlights

For the Year ($'000)	2022	2021 (Restated)	2020 (Restated)
Revenue	11,127	1,016	9,859
Loss before interest, tax, depreciation & amortisation (EBITDA)	(7,850)	(4,507)	(1,057)
Loss before tax	(13,524)	(5,498)	(1,976)
Loss for the year from continuing operation	(12,817)	(5,476)	(2,141)
Loss for the year from discontinued operation, net of tax	495	(2,931)	(1,015)
	(12,322)	(8,407)	(3,156)
At Year End ($'000)			
Current assets	11,376	24,647	12,156
Total assets	75,731	74,733	13,556
Current liabilities	2,083	15,854	12,393
Total liabilities	7,372	22,248	13,147
Total debts (Including shareholder's loan)	1,903	3,714	6,314
Equity attributable to owners of the company	57,276	40,632	409
Total equity	68,359	52,485	409
Number of shares as at 31 May	849,303,716	647,266,333	152,000,000
Profitability Ratios			
Return on shareholders' equity (%)	(18.0)	(16.0)	(771.6)
Return on total assets (%)	(16.3)	(11.2)	(23.3)
Leverage Ratios			
Long-term debt to equity ratio (times)	0.02	0.03	0.64
Total debts to equity ratio (times)	0.03	0.11	15.44
Liquidity Analysis Ratios			
Current ratio (times)	5.46	1.55	0.98
Net asset value per share (cents)	8.05	8.11	0.27

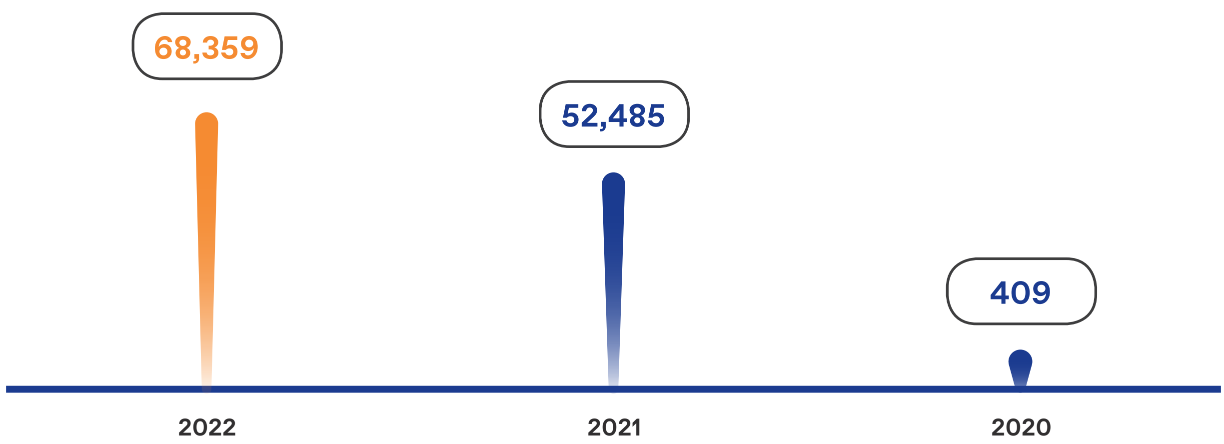
REVENUE



EBITDA



SHAREHOLDER'S EQUITY



Financial Review

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The comparative figures for FY2021 are solely relating to 2 months of revenue generated from the Biometrics business following the Group's acquisition of International Biometrics Pte Ltd and its subsidiary, PT International Biometrics Indonesia in April 2021. The financial performance of the Group's Telecommunication business, including those reported in 1H2022, have been restated under the discontinued operation as disclosed in Note 11.

The Group recorded total revenue of approximately $11.1 million in the financial year ended 31 May ("FY") 2022. Revenues from the Biometrics business segment of approximately $6.2 million and $4.9 million were derived from Indonesia and Singapore respectively. The revenue was mainly derived from:

(i) provision of technical support to Indonesia's Ministry of Home Affairs and maintenance of Indonesia's current biometric national identity system which contributed $6.2 million; and

(ii) a project to provide system integration service for a security platform to the Indonesian government, which contributed $4.9 million.

The subcontractor costs and direct costs represent the costs related to abovementioned projects and these costs amounted to approximately $6.8 million in FY2022 as compared to only $0.1 million in FY2021, in which there were only 2 months of Biometric business direct operating costs. The direct cost includes technical services fee, back-end support fees, and cost of acquiring servers and equipments.

The employee benefits expenses for both project and administrative represent the total staff costs incurred during the year. Employee benefit expenses for project staff were approximately $0.5 million while employee benefit expenses for administrative staff were $4.6 million for FY2022, an increase by approximately $0.4 million and $3.1 million respectively for project and administrative staff from FY2021.

The overall increase in employee benefits expenses during FY2022 were mainly due to full year contribution of PT IBI as opposed to 2 months contribution in FY2021.

The increase in depreciation of property plant and equipment was mainly due to an additional lease entered into for the new office space in the Central Business District area since January 2021. The increase in amortisation was mainly due to the amortisation of intangibles mainly resulting from the acquisition of InterBIO and GenesisPro, amounting to $4.6 million for FY2022. The amortisation relates to technology and customer relationships attributed to InterBIO of approximately $4.5 million and to GenesisPro of approximately $0.1 million.

Legal and professional fees which were mainly incurred by the Company and paid to professional firms increased to $4.7 million in FY2022 from $4.1 million in FY2021. These expenses were mainly incurred for various corporate exercises undertaken since the beginning of FY2022, including the disposal of Telecommunication business units, and investment in TECH5 SA ("TECH5"), GenesisPro Pte Ltd ("GenesisPro"), and PT. Cakrawala Data Integrasi ("CDI").

Other expenses incurred was approximately $1.7 million for FY2022 as compared to $0.3 million for FY2021. This was mainly due to the increase in operating cost for the business expansion of the Company and full year expenses of PT International Biometrics Indonesia ("PT IBI") of $0.8 million and $0.7 million respectively, and other subsidiaries at approximately $0.2 million. These expenses include meals and entertainment, traveling and accommodations, and office expenses.

Interest expenses comprise mainly of the interest component on the adoption of SFRS(I) 16 Leases throughout the Group and the increase related mainly to the office space in Central Business District area, which had not existed in FY2021.

Income tax credit comprised mainly from current taxation of $0.2 million, and deferred taxation of $0.9 million in FY2022.

The results of discontinued operations were contributed by Telecommunication business units, Yinda Technology Singapore Pte. Ltd ("YTS"), Yinda Technologies (Thailand) Co., Ltd. ("YTT"), Yinda Communications (Philippines), Inc. ("YCP") and Yinda Technology Malaysia Sdn. Bhd. ("YTM") with approximately $0.5 million of profit in FY2022 and $2.9 million of losses in FY2021. These results were partially offset with the gain on disposal of investments in subsidiaries at approximately $3.6 million in FY2022 and $1.4 million in FY2021.

STATEMENTS OF FINANCIAL POSITION

Overall, the disposal of YTS and YTT contributed to a reduction in total assets and total liabilities of $4.5 million and $4.6 million respectively.

Non-current assets increased by approximately $14.3 million to $64.4 million as at 31 May 2022 from $50.1 million as at 31 May 2021, mainly due to the investment in an associate company, TECH5 totalling $14. 7 million, and investment at fair value through profit or loss for CDI at $5.1 million which was completed in October 2021 and December 2021 respectively. The goodwill and intangibles recognised on the acquisition of GenesisPro of approximately $3.8 million, was offset by amortisation recognised on intangible assets of $4.6 million. Financial asset at fair value through profit and loss increased by $1.3 million as a result of investment of CDI and offset by the conversion of convertible loan in TECH5 to an investment in associate for TECH5. In addition, increase in property, plant and equipment were due to additions during the year of ROU assets, partially offset with depreciation during the year, and trade and other receivables (non-current) in prior year relating to balances of YTT which was disposed in current year.

Current assets decreased by approximately $13.2 million to $11.4 million as at 31 May 2022 from $24.6 million as at 31 May 2021. The changes mainly resulted from the disposal of YTS and YTT during the financial year. Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed, for those relating to the Biometric business, contact assets had reduced by $3.1 million to $2.5 million as at 31 May 2022 from $5.6 million as at 31 May 2021. These decreases were mainly due to projects billed during the year. The remaining $4.0 million decrease relates to projects related to the Telecommunications business of YTS and YTT. Trade and other receivables increased by $2.2 million to $3.9 million as at 31 May 2022 from $1.7 million as at 31 May 2021, mainly resulting from the increase in revenue billed of approximately $1.9 million towards the end of the financial year. Cash and bank balances decreased by $7.7 million to $4.9 million as at 31 May 2022 from $12.6 million as at 31 May 2021 mainly due to net operating cash used by the Company as well as for investments in GenesisPro and TECH5.

Non-current liabilities decreased by approximately $1.3 million to $5.3 million as at 31 May 2022 from $6.4 million as at 31 May 2021, mainly due to the changes of lease liabilities and reversal of deferred tax liabilities.

Current liabilities decreased by approximately $13.8 million to $2.1 million as at 31 May 2022 from $15.9 million as at 31 May 2021. This was mainly due to repayment of other payables on the second cash consideration payable to InterBIO's shareholders during the year, as well as the settlement of borrowings of $3.7 million due to former shareholders as a result of the disposal of Telecommunication business.

Increase in total equity was mainly due to an issuance of new ordinary shares which resulted in an increase in the share capital, which was partially offset by an increase in accumulated losses.

Face Verification with TOTM's digital onboarding application

CONSOLIDATED STATEMENT OF CASH FLOWS

In FY2022, net cash flows used in operating activities amounted to approximately $7.7 million. This included operating cash outflows before changes in working capital of $8.2 million, outflow in trade and other receivables of $4.7 million, trade and other payables of $0.4 million and contract liabilities of $0.2 million respectively, which were offset by an increase in contract assets and inventories of $5.6 million and $0.2 million respectively.

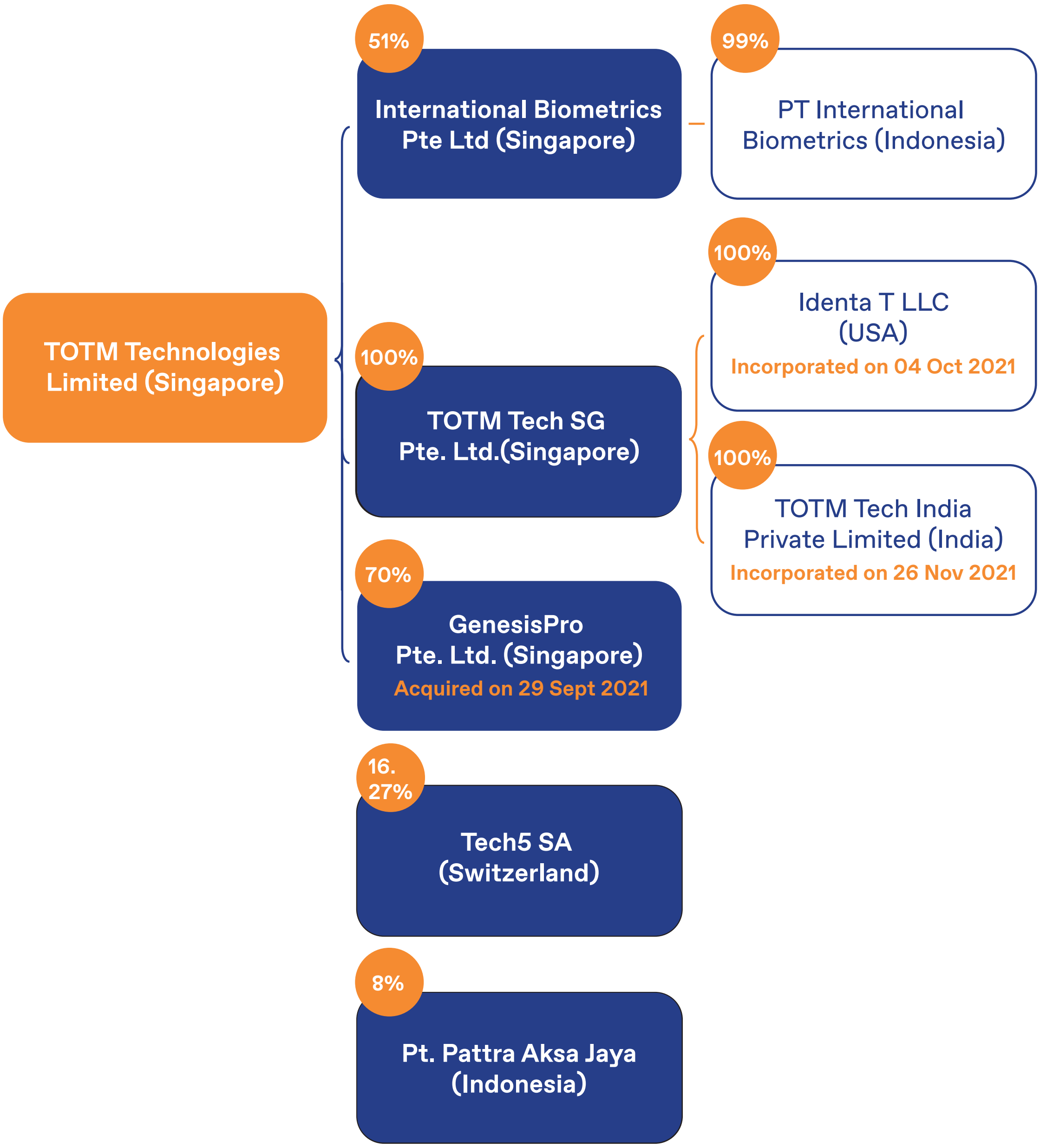
Net cash flows used in investing activities of $24.7 million was mainly due to 50% of the cash consideration payable to the InterBio's shareholders which amounted to $6.7 million as recorded in other payable in FY2021, investment in a subsidiary, an associate company, and financial assets at fair value through profit or loss namely, GenesisPro,TECH5 and CDI respectively.

Net cash flows generated from financing activities amounted to approximately $24.8 million, mainly due to net proceeds from issuance of new ordinary shares by way of a placement exercise amounting to $26.3 million and government supported financing arrangements received by subsidiary in Thailand amounting to $1.1 million, which were offset by the share issue expenses and repayment of borrowings and lease liabilities.

As a result of the above, there was a net decrease of approximately $7.6 million in cash and cash equivalents during the period. As at 31 May 2022, the Group as cash and cash equivalent of $4.9 million.

Corporate Structure

For the year ended 31 May 2022



Corporate Information

BOARD OF DIRECTORS

Non-Executive

Low Chai Chong (Independent Chairman)
Aw Eng Hai (Independent Director)
Cheam Heng Haw, Howard (Independent Director)
Chua Hoe Sing (Independent Director)

Executive

Pierre Prunier (Executive Director and CEO)
Tan Chee Bun Gordon (Executive Director)
Ngo Yit Sung (Executive Director)

AUDIT COMMITTEE

Aw Eng Hai (Chairman)
Cheam Heng Haw, Howard
Chua Hoe Sing
Low Chai Chong

NOMINATING COMMITTEE

Low Chai Chong (Chairman)
Cheam Heng Haw, Howard
Aw Eng Hai

REMUNERATION COMMITTEE

Low Chai Chong (Chairman)
Cheam Heng Haw, Howard
Chua Hoe Sing

REGISTERED OFFICE AND BUSINESS ADDRESS

20 Collyer Quay #09-02
Singapore 049319
Tel: +65 6970 1971

CATALIST SPONSOR

SAC Capital Private Limited
1 Robinson Rd, #21-00 AIA Tower
Singapore 048542

SHARE REGISTRAR

B. A. C. S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

EXTERNAL AUDITOR

Mazars LLP
135 Cecil Street #10-01
Singapore 069536
Partner-in-charge: Chin Chee Choon
(appointed since financial year ended 31 May 2022)

INTERNAL AUDITOR

BDO Advisory Pte Ltd
600 North Bridge Rd, #23-01 Parkview Square
Singapore 188778

COMPANY SECRETARY

Sim Yok Teng

Board of Directors & Key Management

Low Chai Chong

Non-Executive Independent Chairman

Pierre Prunier

Executive Director and CEO

Tan Chee Bun Gordon

Executive Director (Finance & Corporate)

Ngo Yit Sung

Executive Director (Marketing & Communications)

Cheam Heng Haw, Howard

Independent Director

Aw Eng Hai

Independent Director

Chua Hoe Sing

Independent Director

Frederick Lau

Deputy Chief Financial Officer

Low Chai Chong

Non-Executive Independent Chairman

Bachelor of Laws (Honours),
National University of Singapore, 1986

Advocate and solicitor of
the Supreme Court of Singapore, 1987

Mr. Low Chai Chong was appointed to the Board as our Independent Director on 1 July 2021, he was later re-designated on 25 April 2022 as our Independent Non-Executive Chairman. He is the Chairman of Nominating Committee and Remuneration Committee as well as a member of Audit Committee.

Mr. Low is an advocate and solicitor of the Supreme Court of Singapore. He joined Dentons Rodyk & Davidson LLP in 1986, and has been with the same firm his entire career. He has many years of legal experience, representing MNCs, financial institutions and listed companies in a wide array of commercial and corporate matters regionally, including dispute resolution

Pierre Prunier

Executive Director and CEO

Bachelor of Arts, Economics,
Boston University, 2003

Mastering Alternative Investments,
INSEAD Singapore, 2006

Mr. Pierre Prunier is our Executive Director and Chief Executive Officer and was appointed on 6 April 2021. He is also the Director and Chief Strategy Officer of InterBIO, overseeing the strategic planning of InterBIO. Prior to this, Mr. Prunier was President Director and CEO of PT Manambang Muara Enim, a thermal coal producing company with mining concessions in South Sumatra, Indonesia. Mr. Prunier also concurrently held the title of Head of Strategic Planning and Business Development for PT Central Proteina Prima Tbk, a global leader in aquaculture with farms based in Indonesia and listed on the Jakarta stock exchange.

Mr. Prunier has over eighteen years of working experience in the investment management industry. He was previously Head of Direct Investments at Oclaner Asset Management Pte Ltd, a Singapore based multi-family office. At Oclaner, Mr. Prunier was in charge of sourcing real estate investment opportunities and also responsible for the launch of OclamonReal Estate Fund, a $20 million real estate fund.

Prior to this, Mr. Prunier was the Executive Director of Seekers Advisors Pte Ltd, a hedge fund manager with offices in Hong Kong and Singapore. Mr. Prunier's responsibilities included identifying and evaluating suitable investment themes and sourcing for investment targets. Prior to joining Seekers Advisors, Mr. Prunier was a Director and Corporate Officer for the CME Group, the world's largest derivatives exchange. Mr. Prunier led their Hedge Fund business for Asia-Pacific. Prior to that, Mr Prunier was the Director of Business Development and Head of Sales at Eurekahedge Pte Ltd where he was responsible for all client facing and revenue generating aspects of the business. Mr. Prunier currently sits on the board of several private investment firms and has substantive experience in private equity, venture capital and real estate.

Board of Directors & Key Management

Tan Chee Bun Gordon

Executive Director (Finance & Corporate)

Bachelor of Accountancy,
National University of Singapore, 1990

Fellow Chartered Accountant of Singapore

Mr Tan Chee Bun Gordon is our Executive Director and was appointed to our Board on 16 September 2020. He is responsible for the management of the Group's financial and corporate matters. Mr Tan began his career at Ernst & Young LLP, an international accounting firm where he undertook the audit of various companies. Between February 1993 and June 1996, Mr Tan worked in Wepco Ltd as Group Accountant and subsequently, as Finance Manager of its subsidiaries. In July 1996, Mr Tan became the Financial Controller of Omni Mold Ltd where he was responsible for the financial, taxation and management accounting functions. In August 2000, Mr Tan joined Fischer Tech Ltd as Financial Controller and was one of the key management personnel who assisted the Company in obtaining a Main Board listing on the Singapore Stock Exchange in July 2001.

In January 2004, he was promoted to the position of Chief Financial Officer. In November 2017, he oversaw the divestment of Fischer Tech Ltd to a private equity fund and its subsequent delisting. Between August 2018 and November 2019, Mr Tan worked in Rigel Technology (S) Pte Ltd as its Group Chief Financial Officer, responsible for the full spectrum of financial reporting, taxation, treasury and regulatory function of the Group, including information technology and evaluation of potential business opportunities.

Ngo Yit Sung

Executive Director (Marketing & Communications)

Bachelor of Engineering in Electrical – Mechatronics (First Class Honours), Universiti Teknologi Malaysia, 2005

Ph.D.: Electrical and Computer Engineering,
National University of Singapore, 2012

Mr. Ngo is our Executive Director and was appointed to our Board on 15 April 2021. He is responsible for the Group's overall business development, corporate communications, as well as executing strategic corporate initiatives for the Group. He was the Business Development Manager of the Company and was responsible for researching and pursuing new business leads for the growth of the Company.

Mr. Ngo was a Director at Sino-Lion Communications Pte. Ltd., a financial communications advisory firm, from 2012 to 2021. He was an Investor Relations Manager of Dukang Distillers Holdings Limited from 2008 to 2012. Prior to that, he was a product engineer at Altera Corporation (Malaysia) Sdn Bhd.

Cheam Heng Haw, Howard

Independent Director

Bachelor's Degree of Law from King's College,
University of London, 1999

Member of the Law Society of Singapore

Mr. Howard Cheam is our Independent Director and was appointed to our Board on 30 September 2017. He is currently a member of the Audit Committee, Nominating Committee and Remuneration Committee. Mr. Cheam is an equity partner at Rajah & Tann Singapore LLP. He currently practices in the specialised field of Capital Markets and Mergers and Acquisitions. He has been involved in many initial public offerings and reverse takeovers.

He has also been involved in both public and private M&A transactions within and outside of Singapore. His experience includes various fund-raising exercises for listed and unlisted companies such as the issue of bond instruments, convertible instruments and placements. In addition, he also handles general corporate and advisory work, such as joint ventures, trade transactions and investments.

Aw Eng Hai

Independent Director

Bachelor of Business Administration (Honours), National University of Singapore, 1992

Fellow Chartered Accountant of Singapore

Mr. Aw Eng Hai is our Independent Director and was appointed to our Board on 29 October 2020. He currently chairs the Audit Committee and is a member of the Nominating Committee.

Mr. Aw is a public accountant and a partner of Foo Kon Tan LLP where he is in charge of the various departments providing specialist advisory services. He has more than 19 years of experience providing business advisory services to companies. Prior to joining the commercial sector, Mr. Aw was an investigator in the Commercial Affairs Department (CAD) where he was involved in complex commercial fraud investigation. Mr. Aw is a practising member of the Institute of Singapore Chartered Accountants (ISCA), a Fellow of the Association of Chartered Certified Accountants (ACCA), a Fellow of Insolvency Practitioners Association of Singapore (IPAS) and a member of INSOL International.

Chua Hoe Sing

Independent Director

Master of Business Administration (Accountancy), Nanyang Technological University, 1994

Bachelor of Electrical & Electronics Engineering (First Class Honours), National University of Singapore, 1986

Mr. Chua Hoe Sing is our Independent Director and was appointed to our Board on 12 November 2020. He is currently the member of the Audit Committee and Remuneration Committee.

Mr. Chua is the Managing Director of HSC Glaston Pte. Ltd. and GS Packaging & Design Pte Ltd. He has more than 34 years of industrial experience covering various aspects of corporate governance, company structuring and restructuring, merger and acquisition, and human capital management for multinational corporations, as well as family and privately held organizations across various industries. He has held various senior corporate roles in the past including Regional Director for Prudential Corporation Asia, Chief Human Resource Officer for Citic-Prudential China, Group Executive Vice President of Corporate Services & HR for Mediacorp, Asia Pacific Regional Director for Citigroup, Divisional Director for Cathay Organisation. He was also a Board Remuneration Committee member for Singapore National Kidney Foundation from 2006 to 2017, President of Singapore Swimming Club from 2012 to 2016, and was a lecturer on Strategic Management for Nanyang Technological University from 2014 to 2016.

Board of Directors & Key Management

Frederick Lau

Deputy Chief Financial Officer

Bachelor's of Degree of Accountancy,
University of Hertfordshire, 2001

Fellow member of the Association of
Chartered Certified Accountants

Member of the Institute of
Singapore Chartered Accountants

Mr. Frederick Lau is our Deputy Chief Financial Officer. He joined our Group in April 2018 and is in charge of managing the accounting and finance function of our Group including supervising the preparation of accounts as well as consolidation of financial results and reporting. Prior to joining our Group, Mr. Lau was an auditor with more than 15 years' experience in various international firms, including audit senior in Arthur Andersen and Ernst & Young Malaysia (after business combination up to 2005), audit manager in Deloitte & Touche LLP Singapore (2012) and audit senior manager in BDO LLP Singapore (2018).

Corporate Governance Report

TOTM Technologies Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance. The Company understands that good corporate governance is an integral element of a sound corporation and enables it to be more transparent and forward-looking. In addition, sound corporate governance is an effective safeguard against fraud and dubious financial engineering, and hence helps to protect shareholders' interests. This also helps the Company to create long-term value and returns for its shareholders.

The Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Catalist Rules**") requires all listed companies to describe in their annual reports, their corporate governance practices, with specific reference to each of the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**") pursuant to Rule 710 of the Catalist Rules.

Statement of Compliance

The Board of Directors of the Company (the "**Board**" or "**Directors**") confirms that for the financial year ended 31 May 2022 ("**FY2022**"), the Company has generally adhered to the framework outlined in the Code. Where there were any deviations from any provisions of the Code, appropriate disclosures and explanations are provided.

BOARD MATTERS

THE BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Provision 1.1: Directors are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board is collectively responsible for the long-term success of the Group and is accountable to its shareholders. The principal functions of the Board, in addition to carrying out its statutory responsibilities, *inter alia*, are as follows:

- overseeing and approving the formulation of the Group's overall long-term strategic objectives and directions as well as providing entrepreneurial leadership, taking into consideration sustainability issues and ensuring the necessary financial and human resources are in place for the Company to meet its objectives;
- overseeing and reviewing the management of the Group's business affairs and financial controls, performance and resource allocation;
- establishing a framework of prudent and effective controls to assess and manage risks and safeguard shareholders' interests and the Group's assets;
- reviewing Management's performance;
- identify the key stakeholder groups and recognise that their perceptions affect the Group; and
- setting the Group's values and standards (including ethical standards) and ensuring that obligations to shareholders and other stakeholders are understood and met.

Corporate Governance Report

All Directors exercise due diligence and independent judgement and are obliged to act in good faith and consider at all times as fiduciaries in the interests of the Group. Although the Board has yet to adopt a Code of Conduct and Ethics, all Board members recognise the importance of conducting themselves and carrying out their duties in the best interest of the Company and to avoid placing themselves in any situation where conflict of interest may arise. All Board members are expected to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. When an actual, potential and/or perceived conflict of interest situation arises, the concerned Director must disclose such interest, recuse himself/herself from discussions and decisions involving the matter, abstain from voting on resolutions regarding the matter and refrain from exercising any influence over other members of the Board, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. On an annual basis, each Director is also required to submit details of his/her associates for the purpose of monitoring interested person transactions.

Provision 1.2: Directors understand the Company's business as well as their directorship duties (including their roles as Executive, Non-Executive and Independent Directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. The induction, training and development provided to new and existing Directors are disclosed in the Company's annual report.

The Board comprises the following members, all of whom have the appropriate core competencies and diversity of experience needed to enable them to effectively contribute to the Group. The composition of the Board as at the date of this Annual Report is as follows:

<u>Name of Director</u>

Mr Low Chai Chong	-	Independent Non-Executive Chairman of the Board
Mr Pierre Prunier	-	Executive Director and Chief Executive Officer ("**CEO**")
Mr Tan Chee Bun Gordon	-	Executive Director
Mr Ngo Yit Sung	-	Executive Director
Mr Cheam Heng Haw, Howard	-	Independent Director
Mr Aw Eng Hai	-	Independent Director
Mr Chua Hoe Sing	-	Independent Director

The duties and obligations of each Director are set out in writing upon his/her appointment. Apart from keeping the Board informed of all relevant new laws and regulations, the Company has an orientation programme for new Directors to ensure that the incoming Director is familiar with the Company's business and governance practices. The new Director will be given briefings by the Management on the business structure and activities of the Group, its strategic and growth directions, corporate governance practices, and an overview of the more significant business risks, issues and challenges it faces. Corporate materials and documents such as the latest Annual Report, and upon request by the Director, minutes of recent Board and Board Committee meetings and the Constitution of the Company, will also be given to him/her to facilitate his/her understanding of the structure and operations of the Group.

In accordance with Rule 406(3)(a) of the Catalist Rules, the Nominating Committee will ensure that any new Director appointed to the Board, who has no prior experience as a director of a listed company will undergo mandatory training in the roles and responsibilities of a director as prescribed by the SGX-ST.

To keep the Directors abreast of the latest development in the Company and the Group, the Board is briefed by the Management on the development and progress of the Group's key operations. During FY2022, outside of the mandatory full and half-yearly Board meetings, the Board had communications with the Management via teleconferences and emails and were provided with periodic updates on the Group's operations and business.

Where necessary, the Directors regularly update themselves on their duties and responsibilities as directors, changes to any relevant laws and regulations such as the Catalist Rules, the Code, the Companies Act 1967 of Singapore (the "**Companies Act**"), etc. and changing commercial risks.

Corporate Governance Report

If regulatory changes have a material impact on either the Group or the Directors, the Management will update the Directors during the Board meetings. The Company Secretary, Ms Sim Yok Teng (and/or her representative) and the Company's sponsor, SAC Capital Private Limited also brief the Directors on key regulatory changes, while Mazars LLP, the Company's external auditor (the "**External Auditor**" or "**Mazars**") briefs the Audit Committee on key amendments to the accounting standards.

The Board recognises the importance of ongoing training and development for the Directors so as to enable them to serve effectively and contribute to the Board. Every Director is provided with opportunities to attend additional training to further enhance their skills in performing their duties as a director, including attending appropriate courses and/or seminars at the Company's expense.

Trainings and/or seminars attended by the Directors during FY2022 are listed below:

Name of Directors	Title of Trainings / Seminars
• Pierre Prunier	LED 1 - Listed Entity Director Essentials LED 2 - Board Dynamics LED 3 - Board Performance LED 4 - Stakeholder Engagement
• Ngo Yit Sung	LED 5 - Audit Committee Essentials LED 8 - Remuneration Committee Essentials
• Tan Chee Bun Gordon	- Financial Reporting: Analysis from a Managerial Perspective - Global Economic & Investment Outlook - Business Ethics – Real World Applications – Recommended Solutions - FRS Updates 2021 - The Imperatives of ESG and getting ahead of ESG reporting - Preparation of Financial Statements: Essential FRSs - Ethics: Exercising Judgement in Financial Reporting (The 'Should and Should Not')

Provision 1.3: The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the Company's annual report.

The Board has adopted a set of guidelines on matters that requires its approval. The following types of material transactions are specifically reserved for the Board:

1. Approval of corporate strategies, business plans and budgets of the Group;

2. Approval of material acquisitions and disposal of assets;

3. Approval of capital related matters including corporate or financial restructuring, investment or expenditure exceeding certain threshold limits;

4. Approval and authority to issue new shares in the capital of the Company that effect changes in the capital structure;

5. Approval of financial statements and financial results announcement;

6. Declaration of dividends and other returns to shareholders; and

7. Authorisation of interested person transactions.

Corporate Governance Report

Provision 1.4: Board Committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the Committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each Committee's activities, are disclosed in the Company's annual report.

To assist in the execution of its responsibilities, the Board has established three Board Committees, comprising an Audit Committee (the "**AC**"), a Nominating Committee (the "**NC**") and a Remuneration Committee (the "**RC**"). These Board Committees function within clearly defined written terms of reference and operating procedures. While these Board Committees have the authority to examine particular issues and report to the Board with their decisions and recommendations, the ultimate responsibility on all matters lie with the Board.

All Board Committees are chaired by Independent Directors and each of the Board Committees has its own terms of reference setting out the scope of its duties and responsibilities, the rules and regulations and procedures governing the manner in which it is to operate and how decisions are to be taken.

The Board Committees are actively engaged and play an important role in ensuring good corporate governance of the Group. All recommendations of the Board Committees are subsequently reviewed and approved by the Board.

More details on each of the Board Committees, including the names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions and a summary of their activities, are set out in the further sections of this Corporate Governance Report.

Provision 1.5: Directors attend and actively participate in Board and Board Committee meetings. The number of such meetings and each individual Director's attendances at such meetings are disclosed in the Company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

The Board meets regularly and at least on a half-yearly basis. Ad-hoc Board or Board Committee meetings are convened from time to time when they are deemed necessary. The Constitution of the Company provides for meetings of the Board to be held by way of telephone conference or other simultaneous communication methods in the event when Directors are unable to attend the meetings in person. The Board and Board Committees may also make decisions by way of written resolutions.

Dates of Board, Board Committees' meetings and shareholders' general meetings (i.e. annual general meeting and extraordinary general meeting) are scheduled in advance in consultation with all of the Directors. For those Directors who are unable to attend the scheduled meeting in person, they are invited to participate in the meeting via telephone or video conference. During FY2022, the Board, Board Committee Meetings and Shareholders' general meetings were held by electronic means in line with the safe-distancing measures and regulations imposed by the Singapore Government to mitigate the transmission of COVID-19. Even as the measures are progressively eased, the Company may continue to hold or conduct its meetings via electronic means, depending on the prevailing situation.

The number of Board, Board Committees and Shareholders' general meetings held in FY2022 as well as the record of attendance of each Director during their terms Directors and members of the respective Board Committees of the Company are set out below:

Corporate Governance Report

Board of Directors and Board Committees' Meetings

	Board of Directors		Board Committees: Audit Committee		Board Committees: Remuneration Committee		Board Committees: Nominating Committee	
	No. of Meetings held	No. of Meetings attended	No. of Meetings held	No. of Meetings attended	No. of Meetings held	No. of Meetings attended	No. of Meetings held	No. of Meetings attended
Name of Current Director								
Low Chai Chong (1)	5	5	2	2	1	1	1	1
Pierre Prunier	5	5	N/A	N/A	N/A	N/A	N/A	N/A
Tan Chee Bun Gordon	5	5	N/A	N/A	N/A	N/A	N/A	N/A
Ngo Yit Sung	5	5	N/A	N/A	N/A	N/A	N/A	N/A
Cheam Heng Haw, Howard	5	5	2	2	1	1	1	1
Aw Eng Hai	5	5	2	2	N/A	N/A	1	1
Chua Hoe Sing	5	5	2	2	1	1	N/A	N/A
Name of Former Director								
Song Xingyi (2)	4	–	N/A	N/A	N/A	N/A	N/A	N/A
Shao Lifang (3)	4	2	N/A	N/A	N/A	N/A	N/A	N/A

N/A: Not applicable as he or she is not a member of the respective Board Committees.

Notes:

(1) Mr Low Chai Chong was re-designated from Independent Director to Independent Non-Executive Chairman on 25 April 2022.
(2) Mdm Song Xingyi resigned as Non-Executive and Non-Independent Chairman on 24 April 2022.
(3) Ms Shao Lifang resigned as Executive Director of the Company on 24 April 2022.

Shareholders' General Meetings

	Extraordinary General Meeting held on 21 June 2021	Annual & Extraordinary General Meetings held on 30 September 2021	Extraordinary General Meeting held on 14 October 2021	Extraordinary General Meeting held on 22 February 2022
Name of Current Director				
Low Chai Chong (1)	✓	✓	✓	✓
Pierre Prunier	✓	✓	✓	✓
Tan Chee Bun Gordon	✓	✓	✓	✓
Ngo Yit Sung	✓	✓	✓	✓
Cheam Heng Haw, Howard	✓	✓	✓	✓
Aw Eng Hai	✓	✓	✓	✓
Chua Hoe Sing	✓	✓	✓	✓
Name of Former Director				
Song Xingyi (2)	X	X	X	X
Shao Lifang (3)	X	✓	✓	✓

Notes:

(1) Mr Low Chai Chong was re-designated from Independent Director to Independent Non-Executive Chairman on 25 April 2022.
(2) Mdm Song Xingyi resigned as Non-Executive and Non-Independent Chairman on 24 April 2022.
(3) Ms Shao Lifang resigned as Executive Director of the Company on 24 April 2022.

Corporate Governance Report

Provision 1.6: Management provides Directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

The Management plays a pivotal role in providing Board members with complete, adequate and timely information to assist the Board in the fulfilment of its responsibilities for the long-term success of the Group.

Prior to each Board and Board Committees' meeting, the members of the Board and Board Committees are each provided with complete, adequate and timely information for them to comprehensively understand the matters to be discussed and deliberated during the meetings and allow them to make informed decisions thereon.

The Management will also inform the Board of all significant events as and when they occur and circulate Board papers and supporting information on significant transactions or corporate actions to facilitate a robust discussion before the transactions are entered into or the corporate actions take place. Management personnel, if required, will attend Board and/or Board Committee meetings to address queries from the Directors. The Directors also have unrestricted access to the Management. Requests for the Company's information by the Board are dealt with promptly. As a general rule, notices and Board papers are sent to the Directors as soon as possible in advance of Board and Board Committees' meetings, in order for the Directors to be adequately prepared for the meetings.

The Board also receives regular updates from the Management on any significant developments on business initiatives, and industry developments concerning the Group's business. Additional information, documents and materials are provided to the Directors as and when required to enable them to make informed decisions and discharge their duties and responsibilities.

Provision 1.7: Directors have separate and independent access to Management, the Company Secretary, and external advisers (where necessary) at the Company's expense. The appointment and removal of the Company Secretary is a decision of the Board as a whole.

The Board has separate and independent access to the Management and the Company Secretary at all times. The Company Secretary (and/or her representative) attends all Board and Board Committee meetings and ensures that all Board procedures are followed. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

The Directors may seek independent professional advice, as and when necessary in furtherance of their duties, either individually or as a group. Any cost of obtaining such professional advice will be borne by the Company.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provision 2.1: An "independent" Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

As set out under the Catalist Rules and the Code, an Independent Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. The NC is responsible for reviewing the independence of each Director based on the guidelines set out in both the Catalist Rules and the Code. The NC assesses and reviews annually the independence of a Director bearing in mind the salient factors as set out under the Code, the Catalist Rules as well as all other relevant circumstances and facts.

Corporate Governance Report

Each Independent Director is required to complete a Director's Independence Checklist annually to confirm his independence based on the guidelines provided in the Catalist Rules and the Code. The Directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code. Based on the confirmation of independence submitted by the Independent Directors of the Company, the NC is of the view that Mr Low Chai Chong, Mr Cheam Heng Haw, Howard, Mr Aw Eng Hai, and Mr Chua Hoe Sing and are independent on the following basis:

(a) The Independent Directors: (i) are not employed by the Company or any of its related corporations for the current or any of the past three financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the RC.

(b) None of the Independent Directors have served on the Board beyond nine years as at 31 May 2022 since their initial appointment as Director of the Company.

(c) None of the Independent Directors and their immediate family member had in the current or immediate past financial year (i) provided or received significant payments or material services aggregated over any financial year in excess of S$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organization which provided or received significant payments or material services aggregated over any financial year in excess of S$200,000 for services rendered.

(d) None of the Independent Directors are directly associated with a substantial shareholder of the Company.

Provision 2.2: Independent directors make up a majority of the Board where the Chairman is not independent.

As at the date of this Annual Report, the Board comprises seven members, three of whom are Executive Directors and the remaining four are Independent Directors. The Chairman of the Board, Mr Low Chai Chong is an Independent Director of the Company.

Mr Low Chai Chong	(Independent Non-Executive Chairman of the Board)
Mr Pierre Prunier	(Executive Director and CEO)
Mr Tan Chee Bun Gordon	(Executive Director)
Mr Ngo Yit Sung	(Executive Director)
Mr Cheam Heng Haw, Howard	(Independent Director)
Mr Aw Eng Hai	(Independent Director)
Mr Chua Hoe Sing	(Independent Director)

In FY2022, Mdm Song Xingyi resigned as Non-Executive and Non-Independent Chairman of the Board on 24 April 2022 following the completion of the disposal of the Company's shareholding interest in Yinda Technology Singapore Pte. Ltd. and Yinda Technology (Thailand) Co., Ltd.

Following the re-designation of Mr Low Chai Chong as Independent Non-Executive Chairman, Independent Directors of the Company make up a majority of the Board and the Chairman is independent.

As such, the Company is of the opinion that the Board has an appropriate level of independence and is able to exercise independent judgement on corporate affairs and ensure that the decision making process are not dominated by one individual or groups of individuals. The NC and the Board will continue to assess its independence, Board composition and diversity to ensure the decisions made are in the best interests of the Company and shareholders.

Provision 2.3: Non-Executive Directors make up a majority of the Board

Four out of seven members of the Board are Non-Executive Directors, which satisfies the requirements of Provision 2.3 of the Code.

Corporate Governance Report

Provision 2.4: The Board and Board Committees are of an appropriate size, and comprise Directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The Board Diversity Policy and progress made towards implementing the Board Diversity Policy, including objectives, are disclosed in the Company's annual report.

Name of Director	Board of Directors	Audit Committee	Nominating Committee	Remuneration Committee
Low Chai Chong	Independent Non-Executive Chairman	Member	Chairman	Chairman
Pierre Prunier	Executive Director & Chief Executive Officer	–	–	–
Tan Chee Bun Gordon	Executive Director	–	–	–
Ngo Yit Sung	Executive Director	–	–	–
Cheam Heng Haw, Howard	Independent Director	Member	Member	Member
Aw Eng Hai	Independent Director	Chairman	Member	–
Chua Hoe Sing	Independent Director	Member	–	Member

The composition of the Board is reviewed on an annual basis by the NC and the Board to ensure that it has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Board as a group comprises members with core competencies in legal, accounting and finance, business and management experience, industry knowledge, strategic planning and customer-based experience and knowledge. This enables the Management to benefit from the external and expert perspectives of the Directors who collectively possess the core competencies relevant to the direction and growth of the Group. The profiles of our Directors such as academic professional qualification, background are set out in the "Board of Directors and Key Management" section on pages 16 to 19 of this Annual Report.

The Board concurred with the NC that the existing board size and composition is adequate for effective debate and decision making, taking into account the scope and nature of the current operations of the company and the business requirements. The NC with the concurrence of the Board, is of the opinion that the Board composition provide an appropriate balance and diversity of skills, experience and gender to discharge its responsibilities.

The Company currently does not have a formal Board Diversity Policy. However, the Company recognises the benefits of having an effective and diverse Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. In reviewing the Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including functional and domain skills, knowledge, experience, cultural and educational background, gender, age, tenure and other relevant aspects of diversity of perspectives appropriate to its business, so as to avoid groupthink, foster constructive debate, and enable the Board to make decisions in the best interests of the Company. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments will be based on merit, in the context of the skills, knowledge, experience and independence which the Board as a whole requires to be effective, having due regard for the benefits of diversity on the Board.

With the introduction of Rule 710(A) of the Catalist Rules effective from 1 January 2022, the Board will endeavour to maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity, and describe such policy in its Annual Report for the financial year ending 31 May 2023.

Corporate Governance Report

Provision 2.5: Non-Executive Directors and/or Independent Directors, led by the Independent Chairman or other Independent Director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

Where necessary or appropriate, the Non-Executive Directors (including the Independent Directors) will meet without the presence of the Management so as to facilitate a more effective check on Management. During FY2022, the Non-Executive Directors (including the Independent Directors) communicated regularly to discuss matters related to the Group, including the performance of the Management and the direction and growth of the Group.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1: The Chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

Provision 3.2: The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

The positions of Chairman of the Board and CEO are held by separate individuals, who are not immediate family members, to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for objective decision-making.

Mr Low Chai Chong, who was re-designated as Independent Non-Executive Chairman on 25 April 2022, oversees the overall strategic directions and expansion plans for the growth and development of the Group. With the assistance of the Company Secretary, he is also responsible for, *inter alia*, ensuring that (i) Board meetings are held as and when required and sets the agenda for the Board meetings, (ii) ensuring the quality, quantity and timeliness of the flow of information between the Management, the Board and the shareholders and (iii) ensuring effective communication with shareholders as well as promotes high standards of corporate governance.

Mr Pierre Prunier, Executive Director and CEO of the Company is responsible for the Group's strategic direction and oversees the overall business and activities of the Group.

The Board is of the view that with the current executive management team and the establishment of the three Board Committees, as well as having Non-Executive and Independent Directors making up the majority of the Board, there are adequate safeguards in place to ensure unfettered decision-making, as well as to prevent an uneven concentration of power and authority in a single individual.

Provision 3.3: The Board has a Lead Independent Director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The Lead Independent Director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

As the Chairman of the Board is independent, there is no lead independent director appointed as at the date of this report.

Corporate Governance Report

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for the progressive renewal of the Board.

Provision 4.1: The Board establishes a NC to make recommendations to the Board on relevant matters relating to:

(a) the review of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(b) the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;

(c) the review of training and professional development programmes for the Board and its directors; and

(d) the appointment and re-appointment of Directors (including alternate directors, if any).

Provision 4.2: The NC comprises at least three Directors, the majority of whom, including the NC Chairman, are independent. The Lead Independent Director, if any, is a member of the NC.

The NC is responsible for making recommendations on all Board appointments and re-nominations, having regard to the contribution and performance of the Director seeking re-election.

The NC currently comprises three members, all of whom, including the NC Chairman, are Independent Directors.

Name of NC Member	
Low Chai Chong	(Chairman, Independent)
Cheam Heng Haw, Howard	(Member, Independent)
Aw Eng Hai	(Member, Independent)

The written terms of reference of the NC include the following:

(a) developing and maintaining a formal and transparent process and making recommendations to the Board for the appointment and nomination for the re-election of Directors (including alternate Directors, if any), having regard to their competencies, contribution, performance and ability to commit time and attention to the aff airs of the Group, taking into account their respective commitments outside the Group including their principal occupation and board representations in other companies, if any;

(b) reviewing Board succession plans for the Directors;

(c) determining the composition of the Board, taking into account the future requirements of the Company, as well as the need for directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Group, and other considerations such as those set out in the Code;

(d) reviewing and approving any new employment of related persons and the proposed terms of their employment;

(e) determining on an annual basis whether or not a Director is independent having regard to the Code and any other salient factors;

(f) review and decide, in respect of a Director who has multiple board representations on other companies (if any), whether or not such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Directors serving on multiple boards and discharging his duties towards other principal commitments;

Corporate Governance Report

(g) reviewing training and professional development programs for the Board; and

(h) developing a process for evaluating the performance of the Board, its committees and the individual Directors and propose objective performance criteria, as approved by the Board, that allows comparison with its industry peers, and address how the Board has enhanced long-term shareholders' value.

The NC reviews the succession plans for Directors, CEO and key management personnel and where appropriate, review contingency arrangements for any unexpected and sudden and unforeseen changes relating to the key management team in charge of the business operations.

Provision 4.3: The Company discloses the process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new Directors and channels used in searching for appropriate candidates in the Company's annual report.

The Company does not have a formal selection criteria for the appointment of new Directors to the Board. When an existing Director chooses to retire or the need for a new Director arises, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the NC, in consultation with the Board, will determine the selection criteria and will identify candidates with the appropriate expertise and experience for the position. In its search and nomination process for new Directors, the NC may rely on search companies, personal contacts and recommendations for the right candidates. The NC will interview the shortlisted candidates and assess them based on objective criteria approved by the Board such as integrity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and eff ort to carry out his/her responsibilities, effective decision making track record, relevant experience and financial expertise. The NC then nominates the most suitable candidate to the Board for approval.

Pursuant to the Constitution of the Company and Rule 720(4) of the Catalist Rules, each Director is required to retire at least once every three years by rotation. Newly appointed Directors who are appointed by the Board are required to retire at the next annual general meeting following their appointment. The retiring Directors are eligible to offer themselves for re-election. In the NC's review and recommendation of the selection, appointment and re-appointment of directors, the NC also takes into consideration the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour).

As at the date of this Annual Report, the dates of initial appointment and last re-election of the Directors, together with their directorships in other listed companies, are set out below:

Director	Date of Initial Appointment	Date of Last Re-election	Current Directorships in other Listed Companies	Past Directorships in Listed Companies (in Last Five Years)	Shareholding in the Company and/or related corporations
Low Chai Chong (Independent Non-Executive Chairman of the Board)	1 July 2021	30 September 2021	1. Eneco Energy Limited 2. Moya Holdings Asia Limited 3. Capital World Limited	1. OIO Holdings Limited 2. Pollux Properties Ltd	–
Pierre Prunier (Executive Director and CEO)	6 April 2021	30 September 2021	–	–	Deemed interested in 50,166,500 ordinary shares of the Company [1]

Corporate Governance Report

Director	Date of Initial Appointment	Date of Last Re-election	Current Directorships in other Listed Companies	Past Directorships in Listed Companies (in Last Five Years)	Shareholding in the Company and/or related corporations
Tan Chee Bun Gordon (Executive Director)	16 September 2020	29 October 2020	–	–	–
Ngo Yit Sung (Executive Director)	15 April 2021	30 September 2021	–	–	–
Cheam Heng Haw, Howard (Independent Director)	30 September 2017	29 October 2020	–	–	–
Aw Eng Hai (Independent Director)	29 October 2020	30 September 2021	Tritech Group Limited	Capital World Limited	–
Chua Hoe Sing (Independent Director)	12 November 2020	30 September 2021	–	–	–

Note:

(1) Mr Pierre Prunier is deemed to be interested in 50,166,500 ordinary shares (representing 5.68%) of the Company, registered in the name of a nominee account of DBS Nominees Pte. Ltd.

At the forthcoming AGM, the following Directors who will be subject to retirement ("**Retiring Directors**") in accordance with Regulation 104 of the Company's Constitution are as follows:

(1) Mr Cheam Heng Haw, Howard
(2) Mr Tan Chee Bun Gordon
(3) Mr Chua Hoe Sing

Please refer to Disclosure of Information on Directors seeking Re-election set out on pages 50 to 56 of this Annual Report for details.

Each member of the NC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his/her performance and independence or re-nomination as Director. Accordingly, Mr Cheam Heng Haw, Howard (being the NC Member) has abstained from deliberating and recommending on his own re-election.

Provision 4.4: The NC determines annually, and as and when circumstances require, if a Director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such Directors are independent notwithstanding the existence of such relationships, the Company discloses the relationships and its reasons in its annual report.

As set out in the Company's practices in Principle 2 above, the NC determines, on an annual basis, the independence of Directors. Each Independent Director is required to complete a checklist annually to confirm his independence. Further, an Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company. Following its annual review, the NC has assessed and affirmed that the Independent Directors, namely, Mr Low Chai Chong, Mr Cheam Heng Haw, Howard, Mr Aw Eng Hai, and Mr Chua Hoe Sing are independent (within the meaning of the Code and the Catalist Rules).

Corporate Governance Report

Provision 4.5: The NC ensures that new Directors are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his or her duties as a Director of the Company. The Company discloses in its annual report the listed company directorships and principal commitments of each Director, and where a Director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the Director to diligently discharge his or her duties.

When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his/her duties as a Director of the Company. The NC is satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations. The NC is of the view that the matter relating to multiple board representations should be left to the judgement of each Director given that time requirements for different board representations vary. As such, the NC and the Board have decided that there is no necessity to determine the maximum number of listed company board representations which a Director may hold.

The Board provides for appointment of alternate directors only in exceptional cases such as when a Director has a medical emergency. The alternate director bears all the duties and responsibilities of a Director. The Board will take into consideration the same criteria applied to the selection of directors to the appointment of alternate directors, taking into account, amongst others, his qualifications and competencies. There is currently no alternate Director on the Board.

Key information regarding the Directors, including their shareholdings in the Company, is set out on pages 31 to 32 of this Annual Report.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of its board committees and individual directors.

Provision 5.1: The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.

Provision 5.2: The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.

The Board's performance is linked to the overall performance of the Group. The Board ensures that the Company is in compliance with the applicable laws, and members of our Board are required to act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

The NC is responsible for assessing the effectiveness of the Board as a whole and the Board Committees, and for assessing the contribution of the Chairman and each individual Director to the effectiveness of the Board. The NC has established a review process and has proposed objective performance criteria set out in assessment checklists which are approved by the Board. The NC assesses the Board's effectiveness as a whole by completing a Board Assessment Checklist, which takes into consideration factors such as the Board's structure, conduct of meetings, corporate strategy and planning, risk management and internal control, measuring and monitoring performance, recruitment and evaluation, compensation, financial reporting, communicating with shareholders and the Board's relationship with the Management as well as the effectiveness of the respective Board Committees. The NC also assesses the Board and Board Committee's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance. The NC assesses the individual Directors' performance by completing an Individual Director Assessment Checklist, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors. The assessment of the Board as a whole and the individual Directors are conducted annually. No external facilitator was engaged by the Board for this purpose in FY2022. The completed assessment checklists were collated by the Company Secretary and the results of the evaluation exercise were subsequently considered by the NC, before making recommendations to the Board, with the aim of assisting the Board to discharge its duties more effectively.

Corporate Governance Report

Following the review of the assessment checklists of the Board as a whole, Board Committees and each Director for FY2022, the NC with the concurrence of the Board, is of the view that the performance of the Board as a whole and the respective Board Committees are overall satisfactory and that each member of the Board has effectively and efficiently contributed to the Board and the Group during the year.

The performance criteria are not subject to changes from year to year. Nonetheless, where circumstances deem it necessary for any of the criteria to be changed, the Board will justify such changes.

The Board and the NC have endeavoured to ensure that Directors appointed to the Board possess the background, experience, business knowledge, finance and management skills critical to the Group's business. They have also ensured that each Director, with his special contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

REMUNERATION MATTERS

PROCEDURE FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.

Provision 6.1: The Board establishes a RC to review and make recommendations to the Board on:

(a) a framework of remuneration for the Board and key management personnel; and

(b) the specific remuneration packages for each Director as well as for the key management personnel.

Provision 6.2: The RC comprises at least three Directors. All members of the RC are Non-Executive Directors, the majority of whom, including the RC Chairman, are independent. The RC currently comprises of three members, all of whom, including the RC Chairman, are Independent Directors.

Name of RC Member	
Low Chai Chong	(Chairman, Independent)
Cheam Heng Haw, Howard	(Member, Independent)
Chua Hoe Sing	(Member, Independent)

The RC will meet at least once a year. The RC carries out its duties in accordance with a set of terms of reference which includes the following:

(a) reviewing and recommending for endorsement by the entire Board a framework of remuneration for the Directors and Executive Officers and determining specific remuneration packages of each Executive Director and key management personnel. The RC shall cover all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;

(b) reviewing annually the remuneration, bonuses, pay increase and/or promotions of employees who are related to the Directors or substantial shareholders of the Company to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;

(c) reviewing the Company's obligations arising in the event of termination of service contracts entered into between the Group and its Executive Directors or key management personnel, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly onerous to the Group;

Corporate Governance Report

(d) if necessary, seeking expert advice within and/or outside the Company on remuneration matters, ensuring that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants; and

(e) reviewing annually the remuneration package in order to maintain their attractiveness to retain and motivate the Directors and key management personnel and to align the interests of the Directors and Executive Officers with the long-term interests of the Company.

Provision 6.3: The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

The RC considers all aspects of remuneration, including but not limited to, Directors' fees, salaries, allowances, bonuses, options, share-based incentives, awards and benefits-in-kind in the review of remuneration packages for the Directors and the key management personnel with an aim to be fair and to avoid rewarding poor performance, before making any recommendation to the Board. The RC also reviews the fairness and reasonableness of the termination clauses of the service agreements of the Executive Director and key management personnel. The RC's recommendations will be submitted for endorsement by the Board. No Director is involved in deciding remuneration, compensation or any form of benefit to be granted to himself, his associates or employees who are related to him.

As part of its review, the RC ensures that the Directors and key management personnel are adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies. This is also to ensure that the compensation is suitable to attract, retain and motivate Directors and key management personnel to successfully manage the Group in the long-term success.

The members of the RC are familiar with executive compensation matters as they manage their own businesses and/or are holding other directorships. The RC has access to expert advice regarding executive compensation matters, if required, and shall ensure that any relationship between the appointed consultant and any of its Director or the Company will not affect the independence and objectivity of the remuneration consultant.

Provision 6.4: The Company discloses the engagement of any remuneration consultants and their independence in the Company's annual report.

The Board did not engage any external remuneration consultant to advise on remuneration matters for FY2022.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Provision 7.1: A significant and appropriate proportion of Executive Directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and key management personnel. The remuneration package is designed to allow the Company to better align the interests of the Executive Director and key management personnel with those of shareholders and link rewards to corporate and individual performance.

Corporate Governance Report

Provision 7.2: The remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The fees of the Independent and Non-Executive Directors are determined by the Board according to the level of contribution, and taking into account factors such as the effort and time spent, and their respective responsibilities. The Independent Directors shall not be over-compensated to the extent that their independence may be compromised. Payments of Directors' fees are subject to shareholders' approval at each AGM. Except as disclosed, the Independent and Non-Executive Directors do not receive any other remuneration from the Company and do not have any service agreements with the Company.

Provision 7.3: Remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

The review of the remuneration of the Executive Directors and key management personnel takes into consideration the performance and the contributions of the officer to the Company and gives due regard to the financial and business performance of the Group. The Group seeks to offer a competitive level of remuneration to attract, motivate and retain senior management of the required competency to run the Group successfully.

The Company has entered into service agreements with the Executive Directors of the Company. The notice period of the said service agreements is three months or six months. The service agreement of the CEO includes contractual provisions that would allow the Company to reclaim incentive components of remuneration from the CEO. In exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company and the Group, the Company believes that there are alternative legal avenues that will enable the Company to recover financial losses arising from such exceptional events from the other Executive Directors and key management personnel. The RC would review such contractual provisions as and when necessary. The RC aims to be fair and avoid rewarding poor performance.

The Company had adopted the TOTM Technologies Performance Share Plan 2021 ("**PSP 2021**") and the TOTM Technologies Employee Option Scheme 2021 ("**ESOS 2021**") at its extraordinary general meeting held on 30 September 2021. The PSP 2021 and ESOS 2021 help retain employees, Directors and Controlling Shareholders, whose contributions are crucial to the long-term growth and profitability of the Group and to give recognition to employees and Directors of the Group who have contributed to the growth of the Group. The details of PSP 2021 and ESOS 2021 are set out in the circular to Shareholders dated 8 September 2021. No share options and share awards have been granted under PSP 2021 and ESOS 2021 in FY2022.

DISCLOSURE OF REMUNERATION

Principle 8: **The Company is transparent on its remuneration policies, level and mix of remuneration, the procedures for setting remuneration, and the relationships between remuneration, performance and value creation.**

Provision 8.1: The Company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual Director and the CEO; and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than $250,000 and in aggregate the total remuneration paid to these key management personnel.

The Board is of the view that full disclosure of the exact or aggregate remuneration of each individual Director and key management is not in the best interests of the Company, taking into account the sensitive nature of remuneration, the competitive business environment the Group operates in and the potential negative impact such disclosure will have on the Group. Regarding the Code's recommendation to fully disclose the remuneration amount and breakdown of each individual Director and Management, the Company believes that disclosing their remuneration in the bands of S$250,000 provides a sufficient overview of the Directors' and Management's remuneration.

Corporate Governance Report

The level and mix of remuneration paid or payable to the Directors and key management personnel for FY2022 are set out as follows:

(a) Remuneration bands of Directors and CEO of the Company

Name of Directors	Salary & CPF (%)	Bonus & CPF (%)	Director's Fee (%)	Other Benefits (%)	Total (%)
Executive Directors and CEO					
Below $250,000					
Shao Lifang [(1)]	100	–	–	–	100
From S$250,001 to S$500,000					
Tan Chee Bun Gordon	92	8	–	–	100
Ngo Yit Sung	92	8	–	–	100
From S$750,001 to S$1,000,000					
Pierre Prunier	51	5	–	44	100
Non-Executive Directors					
Below $250,000					
Song Xingyi [(2)]	–	–	100	–	100
Low Chai Chong	–	–	100	–	100
Cheam Heng Haw, Howard	–	–	100	–	100
Aw Eng Hai	–	–	100	–	100
Chua Hoe Sing	–	–	100	–	100

Notes:

(1) Ms Shao Lifang resigned as Executive Director of the Company on 24 April 2022.

(2) Mdm Song Xingyi resigned as Non-Executive and Non-Independent Chairman of the Company on 24 April 2022.

No shares have been issued under the PSP 2021 and ESOS 2021 during FY2022.

(b) Remuneration bands of Key Management Personnel of the Company

Key Management Personnel [(1)]	Salary & CPF (%)	Bonus & CPF (%)	Director's Fee (%)	Other Benefits (%)	Total (%)
Below $250,000					
Frederick Lau Si Kah	92	8	–	–	100

Note:

(1) The Company had only one key management personnel (who is not a Director or CEO) in FY2022.

There are no termination, retirement or post-employment benefits that are granted to the Directors, CEO and the key management personnel of the Group.

No shares have been issued under the PSP 2021 and ESOS 2021 during FY2022. As the Group only has 1 key management personnel for FY2022, disclosures on the total remuneration paid to key management personnel will not be included due to confidentiality reasons.

Corporate Governance Report

Provision 8.2: The Company discloses the names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant Director or the CEO or substantial shareholder.

There were no employees of the Company or its subsidiaries who were immediate family members of any Director or the CEO and whose remuneration exceeded S$100,000 during FY2022.

Provision 8.3: The Company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to Directors and key management personnel of the Company. It also discloses details of employee share schemes.

Please refer to the table disclosing the breakdown of all forms of remuneration and other payments and benefits of Directors and key management personnel in Provision 8.1.

The PSP 2021 and the ESOS 2021 were approved by the shareholders on 30 September 2021 at the EGM of the Company. Both PSP 2021 and ESOS 2021 are administered by the Remuneration Committee or such other committee comprising Directors duly authorised and appointed by the Board, and contemplate award of shares and the award of options to subscribe for shares of the Company at a certain subscription price, as the case maybe, when or after prescribed performance targets are achieved by the selected employees of the Group.

As at the date of this Annual Report, no shares or options have been awarded/granted under the PSP 2021 and ESOS 2021, respectively, since its implementation in FY2022.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensure that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Provision 9.1: The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board, assisted by the AC, reviews annually and ensures that a sound system of risk management and internal controls is maintained by the Group to safeguard shareholders' interests and the Group's assets and determines the nature and extent of the significant risks which the Group is willing to take in achieving its strategic objectives. The Group has implemented a system of internal controls designed to provide reasonable but not absolute assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board, with the assistance of the AC, oversees the Management in the design, implementation and monitoring of the risk management and internal control systems, and reviews the adequacy and effectiveness of such systems at least annually.

The Company appoints internal auditors to conduct annual reviews, based on the internal audit plan approved by the AC, of the effectiveness of the Group's key risk management and internal control systems, including financial, operational, compliance and information technology controls. Any material non-compliance or lapses in internal controls, together with recommendations for improvement, are reported to the AC and the Board. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

The External Auditor, during the conduct of their normal audit procedures, will also report on matters relating to internal controls relevant to the audit. Any material non-compliance and recommendation for improvement will be reported to the AC.

Corporate Governance Report

Provision 9.2: The Board requires and discloses in the Company's annual report that it has received assurance from: (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The Board has received assurance from the Executive Directors (including the CEO), and Deputy CFO, Mr Frederick Lau that (a) the financial records have been properly maintained and the financial statements for FY2022 give a true and fair view of the Company's operations and finances; and (b) the Company's risk management and internal control systems are adequate and effective.

Based on the internal controls established and maintained by the Group, work performed by the Internal Auditors and External Auditors of the Company, the reviews performed by the Management, and the various Board Committees, the Board, with the concurrence of the AC, was of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective with room for improvement.

The Board concurred with the AC's opinion that risk management and internal controls systems should be further enhanced with the expansion of the Group's business and will endeavour to enhance and improve the Company's internal controls and risk management systems at the relevant time.

More details on the Group's risk management is set out on pages 38 to 43 of this Annual Report.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Provision 10.1 The duties of the AC include:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(b) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of independent auditors; and (ii) the remuneration and terms of engagement of the independent auditors;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function; and

(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

Provision 10.2: The AC comprises at least three Directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

Provision 10.3: The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

Corporate Governance Report

The AC currently comprises four members, all of whom, including the AC Chairman, are Non-Executive and Independent Directors.

Name of Member

Aw Eng Hai	(Chairman, Independent)
Cheam Heng Haw, Howard	(Member, Independent)
Chua Hoe Sing	(Member, Independent)
Low Chai Chong	(Member, Independent)

No former partner or director of the Company's existing audit firm or auditing corporation is a member of the AC. The members of the AC have sufficient accounting or financial management expertise, as interpreted by the Board in its business judgement, to discharge the AC's functions. The Board is of the view that the AC members are appropriately qualified and have sufficient accounting and/or related financial management expertise and experience to discharge the AC's responsibilities.

The AC meets on a half-yearly basis. The written terms of reference of the AC have been approved and adopted. The main duties and powers of the AC include, amongst others:

(a) reviewing the audit plans and scope of work of the external auditors and the internal auditors, including the results of the external and internal auditors' review and evaluation of the Group's system of internal controls, the Management letters on the internal controls and the Management's response;

(b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management system (such review may be carried out internally or with the assistance of any competent third parties) prior to the incorporation of such results in the Company's Annual Report;

(c) reviewing the annual consolidated financial statements and the external auditors' report on those financial statements, and discussing any significant adjustments, major risk areas, changes in accounting policies and practices, significant financial reporting issues and judgements, compliance with Singapore Financial Reporting Standards as well as compliance with the Catalist Rules and other statutory or regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management to ensure the integrity of the financial statements of the Group and any announcements relating to the Company's financial performance, where necessary, before submission to the Board for approval;

(d) reviewing and discussing with the external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;

(e) reviewing and ensuring the co-ordination between internal auditors, external auditors and the Management, including the assistance given by the Management to the auditors;

(f) considering the appointment and re-appointment of the external auditors, including their independence and objectivity, taking into account the non-audit services provided by the external auditors;

(g) reviewing any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules, and approving interested person transactions where the value thereof amount to 3% or more of the latest audited net tangible assets of the Group (either individually or as part of a series or are aggregated with other transactions involving the same interested person during the same financial year), or any agreement or arrangement with an interested person that is not in the ordinary course of business of the Group, prior to the Group's entry into the transaction, agreement or arrangement;

(h) making recommendations to the Board on the proposals to the shareholders with regard to the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

Corporate Governance Report

(i) reviewing and approving the Group's foreign exchange hedging policies (if any), and conducting periodic reviews of foreign exchange transactions and hedging undertaken by the Group;

(j) reviewing the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time; and

(k) ensuring that the internal audit function is adequately resourced and has appropriate standing within the Group and reviewing the adequacy and effectiveness of the internal audit function at least annually.

The AC has full authority to investigate any matter within its terms of reference, full access to and cooperation from the Management, and full discretion to invite any Director, Executive Officer or other employee of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly and effectively.

The Group has implemented a whistle-blowing policy. The policy aims to provide an avenue for employees and external parties to raise concerns about misconduct or improprieties in the Group and at the same time assure them that they will be protected from victimisation for whistle-blowing in good faith. Cases that are significant are reviewed by the AC for adequacy of investigation actions and resolutions. The Company has provided the email address – whistleblow@totmtechnologies.com which is accessible by the members of AC on the Company's website to allow external parties to raise any concerns they may have.

There were no whistle-blowing reports received during FY2022.

In the selection of suitable audit firms, the AC takes into account several considerations such as the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the audit. The selected auditing firm based in Singapore is engaged as auditors for the Company as well as Singapore-incorporated subsidiary corporations of the Company.

On 22 February 2022, the Company changed its external auditor from Baker Tilly TFW LLP to Mazars LLP for the audit of the financial statements for FY2022. Mazars did not provide any non-audit services to the Group since the date of its appointment. The Group's significant subsidiary corporations are audited by the same auditing firm of the Company, Mazars and its member firms. Mr Chin Chee Choon is currently the engagement partner-in-charge from Mazars LLP for the first year. Accordingly, the Company is in compliance with Rules 712, 713 and 715 of the Catalist Rules.

The external auditors update the AC on any changes in accounting standards impacting the financial statements of the Group before an audit commences.

The AC considered the report from the external auditors, including their findings on the key areas of audit focus. Significant matters that were discussed with the Management and external auditors have been included as key audit matters ("**KAMs**") in the external auditors' report for FY2022 on page 61 of this Annual Report. In assessing each KAM, the AC considered the approach and methodology applied including the estimates and key assumptions used. The AC concluded that management's accounting treatment and estimates adopted in each of the KAMs were appropriate.

Significant matters	**How does the Audit Committee address the matter**
Assessment of impairment of intangible assets	The Audit Committee had reviewed Management's approach and judgement in assessing the reasonableness of the key assumptions used in the cash flow forecasts from management, in determining recoverable amount of the CGU. The Audit Committee was satisfied that the approach was appropriate. The independent auditor has included this item as a key audit matter in the audit reporting for FY2022. Please refer to page 61 of this annual report.

Corporate Governance Report

In compliance with Rule 1204(6)(b) of the Catalist Rules, the AC undertook the annual review of the independence and objectivity of the external auditor by reviewing the non-audit services provided and the fees paid to them. It is the opinion of the AC that the nature and extent of non-audit services provided by Mazars LLP do not affect the independence and objectivity of Mazars LLP. The aggregate amount of fees paid or payable to the Mazars LLP, broken down into audit and non-audit services during FY2022 are as follows:

(i)	Audit Fees	:	$110,000
(ii)	Non-Audit Fee	:	NIL

The AC is satisfied with the independence and objectivity of Mazars LLP and has recommended to the Board that Mazars LLP be nominated for re-appointment as the external auditors of the Company at the Company's forthcoming AGM.

Provision 10.4: The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Company.

The Board recognises the importance of maintaining a system of internal controls to safeguard the shareholders' investments and the Group's assets. The Company outsources the internal audit ("**IA**") function to the internal auditors to perform the review and test of controls of the Group's processes. The AC approves the appointment, removal, evaluation and compensation of the internal auditors. The internal auditors report directly to the AC Chairman and has unfettered access to the Company's documents, records, properties and personnel, including access to the AC. The internal auditors assist the AC in ensuring that the Company maintains a sound system of internal controls through regular monitoring of key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC, and conducting regular audits of high-risk areas.

The Internal Auditor plans its internal audit schedules in consultation with, but independent of the Management. The IA plan is submitted to the AC for approval prior to the commencement of the IA. The AC will review the activities of the internal auditors, including overseeing and monitoring of the implementation of improvements required on internal control weaknesses identified. Improvements implemented to address control weaknesses are further reviewed by the internal auditors based on implementation dates agreed with Management.

The Company appointed BDO Advisory Pte Ltd (the "**Internal Auditor**"), an external risk advisory consultancy firm to undertake the IA functions of the Group. BDO Advisory Pte Ltd is an international auditing firm and they perform their work based on the BDO Internal Audit Methodology which references to the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors ("**IIA**"). The BDO Advisory Pte Ltd engagement team comprises four members and is headed by a Risk Advisory Partner who has more than twenty years of experience in audit and advisory services and is a Chartered Accountant of the Institute of Singapore Chartered Accountants and Certified Internal Auditor of the IIA. Members of the IA team also have relevant academic qualifications and internal audit experience. The AC is hence satisfied that the outsourced IA function is adequately staffed by suitably qualified and experienced professionals based on the IA conducted in FY2022.

For FY2022, the scope of internal audit comprised a review of the internal controls over General Controls / Period-end Closing, Procurement and Payments, Cash and Bank Management, Human Resource and Payroll Management. No high risk matters were highlighted by the Internal Auditor. The Company is working on implementing the material matters highlighted by the agreed target implementation date.

The AC reviewed the independence, adequacy and effectiveness of the Internal Auditors as required under Rule 1204(10C) of the Catalist Rules and determined that the Internal Auditors are independent, effective and adequately resourced and accordingly the internal audit function has the appropriate standing within the Group and is able to perform its functions effectively and objectively.

The AC reviews, at least annually, the adequacy and effectiveness of the IA function.

Corporate Governance Report

Provision 10.5: The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

The AC meets with the external and internal auditors without the presence of the Management, at least annually, so that any concern and/or issue can be raised directly and privately.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHT AND CONDUCT OF SHAREHOLDER MEETINGS

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions 11.1: The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

The Company recognizes and accepts the principle that all shareholders are treated fairly and equitably and that they have been accorded certain rights under the Companies Act and the Company's Constitution. Information to all shareholders is disclosed in a timely and transparent manner and in compliance with SGX-ST disclosure requirements.

Shareholders are given ample opportunity to attend, participate and vote at the Company's general meetings. Shareholders are also informed of the voting procedures prior to the commencement of voting by poll at such general meetings.

The Company strives for timeliness and consistency in its disclosures to shareholders. It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNet. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable. Shareholders are informed of general meetings through reports or circulars sent to all shareholders. The Company encourages shareholders' participation during the general meetings.

However, in line with the safe-distancing measures and regulations imposed by the Singapore Government amidst the current COVID-19 situation, the Company strongly encourages shareholder's participation at the forthcoming AGM for FY2022 which is to be held via 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 (the "**Alternative Arrangements Order**").

Instead of the regulatory requirements for the physical delivery of the notice of general meeting of shareholders, i.e. AGM and Extraordinary General Meeting ("**EGM**") (including where the notice of AGM / EGM is published in local newspapers) and the accompanying annual report / circular and proxy form, the notice of AGM/EGM are sent by electronic means under the Alternative Arrangements Order (i.e. no physical copies of the Notice of AGM/EGM and accompanying annual report / circular and proxy form will be mailed to shareholders).

The Company has specified in the Notice of AGM / EGM the detailed information on attending the AGM / EGM by electronic means, such as instructions to shareholders on how they may (i) participate to observe and/or listen to the AGM / EGM proceedings (ii) access the annual report / circular and proxy form, (iii) submit their questions in advance of the AGM / EGM electronically, and (iv) vote by appointing the Chairman of the AGM / EGM as proxy and indicate how he wishes to vote for or vote against (or abstain from voting on) the resolutions.

Corporate Governance Report

Provision 11.2: The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

Resolutions are passed through a process of voting and shareholders are entitled to vote in accordance with established voting rules and procedures. The Company appoints an independent external party as scrutineer ("**Scrutineer**") for the poll voting process at the general meetings of the Company. The Scrutineer will explain the poll voting procedures to shareholders at the general meetings of the Company before the resolutions are put to vote. The Company also ensures that there are separate resolutions at general meetings on each distinct issue.

The Company will put all resolutions to vote by poll and announce the detailed results, including the number of votes cast for and against each resolution and the respective percentages, after the conclusion of the AGM.

Provision 11.3: All Directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the Company's annual report.

The Directors have been and will be present at the AGMs and EGMs to answer queries raised by shareholders at these meetings. The external auditors are invited to attend the AGMs to address any shareholders' queries during general meetings, including queries on the conduct of audit and the preparation and content of the auditors' report.

The Board welcomes the view of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad-hoc basis. The Directors have been and will be present at the AGMs and EGMs to answer queries raised by shareholders at these meetings. The external auditors are invited to attend the AGMs to address any shareholders' queries during general meetings, including queries on the conduct of audit and the preparation and content of the auditors' report.

Due to the safe-distancing measures and regulations imposed by the Singapore Government amidst the COVID-19 situation in the mid-year of 2020, the Company has since then conducted the AGM / EGM by electronic means under the Alternative Arrangements Order and the shareholders are able to attend the AGM / EGM by observing and listening to the proceedings of the AGM / EGM by electronic means. In light of the Alternative Arrangements Order, shareholders may submit questions relating to the business of the AGM / EGM to the Company in advance and the responses to questions from shareholders will then be posted on the SGXNet.

In view of the COVID-19 situation, the Company's forthcoming annual general meeting for FY2022 will be held through electronic means. Although Shareholders will not be able to raise questions during the live webcast at the annual general meeting, the Company encourages Shareholders to register and submit their questions in advance of the meetings. Shareholders will be given at least 7 calendar days to submit their questions after the publication of the Company's notice of annual general meeting, and they may raise questions or share their views regarding the proposed resolutions as well as the Company's businesses and affairs with the Company.

A table showing a list of the Directors and the number of Board and Board Committees meetings and the general meetings of shareholders held during FY2022 along with the record of attendance of each Director during their terms as Directors and members of the respective Board Committees of the Company are set out on page 25 of this Annual Report.

Provision 11.4: The Company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

Shareholders (other than a shareholder who is a relevant intermediary) may vote in person or by appointing up to two proxies to attend and vote on their behalf at the general meetings of the Company. A shareholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the general meetings of the Company. All shareholders have the opportunity to participate effectively in and vote at general meetings.

Corporate Governance Report

The Company has not amended its Constitution to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of shareholders' identities through the web are not compromised. The Company will employ electronic polling if necessary.

Due to the safe-distancing measures and regulations imposed by the Singapore Government amidst the COVID-19 situation in the mid-year of 2020, the Company has since then conducted the AGM / EGM by electronic means under the Alternative Arrangements Order and the shareholders are able to attend the AGM / EGM by observing and listening to the proceedings of the AGM / EGM by electronic means. In light of the Alternative Arrangements Order, shareholders who wish to vote at the AGM / EGM must submit a proxy form to appoint the Chairman of the AGM / EGM to cast votes on their behalf and indicate how he/she wishes to vote for or vote against (or abstain from voting on) the resolutions.

Similarly, this year's forthcoming AGM in respect of FY2022 will be held by electronic means under the Alternative Arrangements Order. For more information on attending the AGM in respect of FY2022 by electronic means, voting and submission of questions, please refer to the Company's Notice of AGM dated 13 September 2022.

Provision 11.5: The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The proceedings of AGM and EGM of the Company are properly recorded and detailed in the minutes of general meetings, including relevant substantial comments or queries from shareholders relating to the agenda of the meeting and responses from the Board or the Management, are available to shareholders upon their request at the registered office during office hours.

The minutes of all shareholders' general meeting(s) of the Company held since the enactment of the Alternative Arrangements Order are posted on the SGXNet and the Company's corporate website at URL https://totmtechnologies.listedcompany.com/home.html within one month after the date of the general meeting(s).

Provision 11.6: The Company has a dividend policy and communicates it to shareholders.

The Company does not have a formal dividend policy. The form, frequency and amount of dividends will depend on the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate. The Board has not recommended any dividend for FY2022 due to the subdued financial position of the Group and the Board wishes to conserve cash for working capital purposes.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its shareholders and facilities the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1: The Company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

The Company recognises that effective communication leads to transparency and enhances accountability. The Company regularly conveys pertinent information, gathers views or input, and addresses shareholders' concerns. In this regard, the Company provides timely information to its shareholders via SGXNet announcements and news releases and ensures that price-sensitive information is publicly released and is announced within the mandatory period. The Company does not practice selective disclosure of material information.

Corporate Governance Report

Provision 12.2: The Company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, eff ective and fair communication with shareholders.

Provision 12.3: The Company's investor relations policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

The Company currently does not have an investor relations policy in place. Mr Ngo Yit Sung takes the lead and is responsible for the Company's investor relations function such as facilitating communications with shareholders and analysts and attending to their queries or concerns. Accordingly, the Board is of the view that the current communication channels are sufficient and cost effective.

The Board's policy is that all shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, which is in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Companies Act. The Company's half-yearly financial results, annual reports, and sustainability report are announced on the SGXNet within the stipulated period.

Shareholders, investors or analysts may also send their queries or concerns to the Management, via the Company's contact details which can be found on the Company's website and press releases. The Company will consider use of other forums as and when applicable.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interest of the Company are served.

Provision 13.1: The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

The Company recognises the importance of close collaboration with its key stakeholders such as employees, investors and media, suppliers and service providers, customers, etc., in order to achieve sustainable business goals. The Company has in place a process to identify its various stakeholders and understand their viewpoints as well as actively communicating with them to align the Company's expectation and goals. The Group engages with the key stakeholders through various platforms.

Provision 13.2: The Company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

Details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholder, including frequency of engagement by type and by stakeholder group and key feedback or issues that have been raised though stakeholder engagement can be found in the Company's Sustainability Report 2022, which will be published as a standalone report by 31 October 2022.

The Company ensures that all material information relating to the Company and its financial performance is disclosed in a timely manner via SGXNet and the Company's corporate website.

Provision 13.3: The Company maintains a current corporate website to communicate and engage with stakeholders.

The Company maintains its corporate website, at https://totmtechnologies.com, providing information about the Company such as Board of Directors and Key Executives, product or services, as well as announcements of the Company released on the SGXNet.

Corporate Governance Report

OTHER CORPORATE GOVERNANCE MATTERS

1. **Material Contracts**
[Rule 1204(8) of the Catalist Rules]

There were no material contracts entered into by the Company and its subsidiaries involving the interests of the chief executive officer, each director or controlling shareholder, either still subsisting at the end of the financial year 31 May 2022 or if not then subsisting, entered into since the end of the previous financial year.

2. **Interested Person Transactions**
[Rule 1204(17) of the Catalist Rules]

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC, and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

Other than the following, the information required pursuant to Catalist Rule 920 regarding interested person transactions during FY2022 was less than S$100,000:-

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
PT International Biometrics Indonesia	Subsidiary	$371,000(1)	Nil

Note:

(1) In the period under review, the Group entered into transactions with PT International Biometrics Indonesia ("**PT IBI**") relating to the provision of biometrics-related services amounting to $115,000, and wholly-owned subsidiary, TOTM Tech India Private Limited has provided design and support work with respect to biometrics services on behalf of and as instructed by PT IBI amounting to $256,000. Mr Pierre Prunier, Chief Executive Officer and Executive Director of the Group, currently holds 17.15% in InterBIO, the parent company of PT IBI, by virtue of his shareholdings in No Ka Oi Private Limited and Prundjaya Capital Pte. Ltd.. Hence, it is disclosed on a prudent basis for transactions between the Group and PT IBI to be interested person transactions.

Corporate Governance Report

3. **Dealings in Securities**
[Rule 1204(19) of the Catalist Rules]

The Company has adopted policies in line with the requirements of Rule 1204(19) of the Catalist Rules on dealings in the Company's securities.

The Company prohibits its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company shall not deal in and shall prohibit dealings in its shares by its Directors, officers and employees during the period commencing one month before the announcement of the Company's half-year and full-year financial statements, and ending on the date of the announcement of the results. Directors and employees of the Company are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods.

4. **Non-Sponsor Fees**
[Rule 1204(21) of the Catalist Rules]

For FY2022, SAC Capital Private Limited, the Company's sponsor, received S$789,750 as placement commission in respect of the June 2021 Placement Exercise (as defined below).

5. **Update on Use of Proceeds**
[Catalist Rule 1204(22)]

Update on use of proceeds from placements

(i) share subscription of 76,000,000 Shares that was completed on 16 October 2020 (the "**October 2020 Subscription Exercise**");

(ii) placement of 195,000,000 Shares that was announced on 11 May 2021 and completed on 25 June 2021 (the "**June 2021 Placement Exercise**").

(iii) placement of 33,400,000 Shares that was announced on 5 August 2022 and completed on 17 August 2022 (the "**August 2022 Placement Exercise**").

As at the date of this Annual Report, remaining net proceeds and the intended use of net proceeds from the Subscription and Placement Exercises are as follows:

S$'000	October 2020 Subscription Exercise	June 2021 Placement Exercise	August 2022 Placement Exercise
Net proceeds utilised for working capital since 30 June 2022 to the date of this Annual Report	–	(1,883)[3]	–
Net proceeds remaining for working capital as at the date of this Annual Report	–	1,301	3,858
Net proceeds utilised for new business opportunities since 30 June 2022 to the date of this Annual Report	–	–	–
Net proceeds remaining for new business opportunities as at the date of this Annual Report	510[2]	–	–

Notes:

(1) Please refer to the announcement dated 30 June 2022 by the Company for more details on the reallocated proceeds from the June 2021 Placement Exercise for working capital.

(2) The investment amount of S$510,000 in respect of the joint venture with International Biometrics Pte. Ltd. has been earmarked to be funded from the net proceeds from the October 2020 Subscription Exercise. Please refer to the announcement dated 2 December 2020 by the Company for more details.

Corporate Governance Report

(3) A breakdown of the net proceeds from the June 2021 Placement Exercise that were utilised for working capital since 30 June 2022 for working capital are:

Summary of expenses:	**Working Capital ($'000)**
Listing fee	23
Staff cost and Director fees	578
Professional Fees	574
Administrative Expenses	448
Purchases from Supplier	260
	1,883

Disclosure of Information on Directors Seeking Re-Election

Mr Tan Chee Bun Gordon, Mr Cheam Heng Haw, Howard, and Mr Chua Hoe Sing are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 September 2022 ("**AGM**") (collectively, the "**Directors**" and each a "**Director**"). Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating to the Directors as set out in Appendix 7F of the Catalist Rules of the SGX-ST is disclosed below:

	Tan Chee Bun Gordon	**Cheam Heng Haw, Howard**	**Chua Hoe Sing**
Date of Appointment	16 September 2020	30 September 2017	12 November 2020
Date of last re-appointment	29 October 2020	29 October 2020	30 September 2021
Age	56	47	60
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Tan Chee Bun Gordon as Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Cheam Heng Haw, Howard as Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Chua Hoe Sing as Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr. Tan is responsible for management of the Group's financial and corporate matters	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	• Independent Director • Member of the Audit Committee • Member of the Remuneration Committee • Member of the Nominating Committee	• Independent Director • Member of the Audit Committee • Member of the Remuneration Committee

Disclosure of Information on Directors Seeking Re-Election

	Tan Chee Bun Gordon	Cheam Heng Haw, Howard	Chua Hoe Sing
Professional qualifications	• Fellow Chartered Accountant (Singapore) • Bachelor of Accountancy in National University of Singapore	• Bachelor of Law, King's College, University of London • Member of the Law Society of Singapore	• Master of Business Administration (Accountancy), Nanyang Technological University • Bachelor of Electrical Engineering (1st Class Honors), National University of Singapore • Member of Singapore Institute of Directors(SID)
Working experience and occupation(s) during the past 10 years	• Sep 2020 to Present: Executive Director of TOTM Technologies Limited • Aug 2018 to Nov 2019: Chief Financial Officer of Rigel Technology (S) Pte Ltd • Aug 2000 to Feb 2018: Chief Financial Officer of Fischer Tech Ltd	• 2004 to Present: Partner in Rajah & Tann Singapore LLP	• Jul 2010 to Present: Managing Director of GS Packaging & Design Pte Ltd • Apr 2010 to Present: Managing Director of HSC Glaston Pte. Ltd.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

Disclosure of Information on Directors Seeking Re-Election

	Tan Chee Bun Gordon	Cheam Heng Haw, Howard	Chua Hoe Sing
Other Principal Commitments (Including Directorships)			
Past (for the last 5 years)	Directorship ● Fischer Tech (Thailand) Co., Ltd ● M-Fischer Tech Sdn Bhd Other Principal Commitments Nil	Directorship Nil Other Principal Commitments Nil	Directorship ● AB Technology Holdings Pte. Ltd. ● AB Capital International Limited (Mauritius) ● Adamas Technology Engineering Pte. Ltd. ● E-Smart Marine Singapore Pte. Ltd. ● JSM Restaurant International Pte. Ltd ● Kusang Lanka Pte. Ltd ● Kyros Technologies Pte. Ltd. ● KD Sports Co Pte. Ltd. ● Lornie International Limited (BVI) ● Oro Negro International Pte. Ltd. ● Oro Negro Impetus Pte. Ltd. ● Oro Negro Vastus Pte. Ltd. ● Oro Negro Decus Pte. Ltd ● Oro Negro Fortius Pte. Ltd. ● Oro Negro Offshore Drilling Pte. Ltd ● Oro Negro Laurus Pte. Ltd. ● Oro Negro Primus Pte. Ltd ● Oro Negro Drilling Pte. Ltd. Other Principal Commitments Nil

Disclosure of Information on Directors Seeking Re-Election

	Tan Chee Bun Gordon	Cheam Heng Haw, Howard	Chua Hoe Sing
Present	Directorship • GenesisPro Pte. Ltd. • International Biometrics Pte. Ltd. • TOTM Tech SG Pte. Ltd. Other Principal Commitments Nil	Directorship • R & T Corporate Services Pte. Ltd. • R&T Asia (Thailand) Limited • RTA Collab Capital Pte. Ltd. • Cool Link & Marketing Pte Ltd Other Principal Commitments Nil	Directorship • Ba Feng Trading Limited (HK) • GS Packaging and Design Pte Ltd • Glastonbury Productions Pte. Ltd. • HSC Glaston Pte. Ltd. • Ismart Synergy Pte. Ltd. • Quinnteus Pte. Ltd • Topchain Capital Pte. Limited • Tong Man Pte. Ltd. Other Principal Commitments Nil
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No

Disclosure of Information on Directors Seeking Re-Election

	Tan Chee Bun Gordon	Cheam Heng Haw, Howard	Chua Hoe Sing
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given (cont'd)			
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

Disclosure of Information on Directors Seeking Re-Election

	Tan Chee Bun Gordon	Cheam Heng Haw, Howard	Chua Hoe Sing
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given (cont'd)			
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: –			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No

Disclosure of Information on Directors Seeking Re-Election

	Tan Chee Bun Gordon	Cheam Heng Haw, Howard	Chua Hoe Sing
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given (cont'd)			
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Disclosure applicable to the appointment of Director only			
Any prior experience as a director of a listed company?	Not applicable, as this relates to the re-appointment of Mr Tan Chee Bun Gordon as a Director of the Company.	Not applicable, as this relates to the re-appointment of Mr Cheam Heng Haw, Howard as a Director of the Company.	Not applicable, as this relates to the re-appointment of Mr Chua Hoe Sing as a Director of the Company.

Directors' Statement

The directors present their statement to the members together with the audited financial statements of TOTM Technologies Limited (formerly known as Yinda Infocomm Limited) (the "Company") and its subsidiaries (collectively, the "Group"), and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 May 2022.

1. Opinion of the directors

In the opinion of the directors,

(a) the financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date, in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Tan Chee Bun Gordon
Cheam Heng Haw, Howard
Aw Eng Hai
Chua Hoe Sing
Prunier Pierre Olivier Marc Yves
Ngo Yit Sung
Low Chai Chong

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of whose objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interest in the share capital and debentures of the Company and related corporations, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as disclosed below:

	Deemed interest	
Name of director	**As at 1 June 2021**	**As at 31 May 2022**
	Number of ordinary shares	
The Company		
Prunier Pierre Oliver Marc Yves	50,166,550	50,166,550

Directors' Statement

4. Directors' interests in shares or debentures (Continued)

Prunier Pierre Olivier Marc Yves is deemed to have an interest in 50,166,550 shares registered in the name of a nominee account of DBS Nominees Pte. Ltd..

There was no change in any of the above-mentioned interests between the end of the financial year and 21 June 2022.

5. Share options

No options to take up unissued shares of the Company or its subsidiary corporations were granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

6. Audit Committee

The Audit Committee of the Company comprises four members, all of whom are independent directors. The members of the Audit Committee at the date of this statement are:

Aw Eng Hai
Cheam Heng Haw, Howard
Chua Hoe Sing
Low Chai Chong

The Audit Committee has convened two meetings during the year with Key Management and the internal and external auditors of the Company.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act, the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and the Code of Corporate Governance. In performing those functions, the Audit Committee:

- Reviewed the audit plans of the internal and independent auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Group's and the Company's system of internal accounting controls and the assistance given by the Group's and the Company's management to the independent and internal auditors;

- Reviewed the announcements and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;

- Reviewed effectiveness of the Group's and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;

- Met with internal and independent auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

Directors' Statement

6. Audit Committee (Continued)

- Reviewed the cost effectiveness and the independence and objectivity of the independent auditor;
- Reviewed the nature and extent of non-audit services provided by the independent auditor;
- Recommended to the Board of Directors the independent auditor to be nominated, approved the compensation of the independent auditor, and reviewed the scope and results of the audit;
- Reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual Section B: Rules of Catalist.

The Audit Committee, having reviewed all non-audit services provided by the independent auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the independent auditor. The Audit Committee is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board of Directors that Mazars LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

7. Auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Prunier Pierre Olivier Marc Yves
Director

Tan Chee Bun Gordon
Director

Singapore

9 September 2022

Independent Auditors' Report

To the Members of TOTM Technologies Limited (formerly known as Yinda Infocomm Limited)

Report on the Audit of Financial Statements

Opinion

We have audited the consolidated financial statements of TOTM Technologies Limited (formerly known as Yinda Infocomm Limited) (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 May 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group, and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 64 to 143.

In our opinion, the accompanying consolidated financial statements of the Group, and the statement of financial position of the Company and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2022 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSA"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

Scope of audit

For the audit of the current financial year's financial statements, we identified 3 significant components which required a full scope audit of their financial information, either because of their size or/and their risk characteristics.

Out of the 3 significant components, 1 was audited by other Mazars office as component auditors under our instructions and the remaining 2 were audited by us. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

Independent Auditors' Report

To the Members of TOTM Technologies Limited (formerly known as Yinda Infocomm Limited)

Report on the Audit of Financial Statements (Continued)

Area of Focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatements, including areas which involve significant accounting estimates and critical judgements to be made by directors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters include the salient areas of focus in our audit and do not represent all the risks identified by our audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Matter	Audit response
Impairment assessment on intangible assets (refer to Note 3.2 and Note 14 to the financial statements)	
As at 31 May 2022, the Group's intangible assets was $42.4 million (2021: $43.2 million), which are significant balances in the consolidated statement of financial position. These intangible assets had been allocated to cash generating units ("CGU") that are expected to benefit from that business combination as disclosed in Note 14. SFRS(I) 1-36 Impairment of Assets ("SFRS(I) 1-36") requires that a CGU to which intangible assets have been allocated must be tested for impairment annually, and whenever there is an indication of potential impairment. The recoverable amount of the CGU is determined based on estimates of forecasted revenue growth rate, terminal growth rate and discount rates. These estimates are inherently subject to estimation uncertainties and hence management's determination of the recoverable amount is a key audit matter for our audit.	Our audit procedures included, and were not limited to, the following: ● Assessed management's identification of CGU based on our understanding of the Group's business and obtained an understanding of management's forecasts of the business; ● Obtained the cash flow forecasts from management and involved our internal specialist in reviewing the valuation methodology used by management in determining the valuation of the CGU, and assessed the reasonableness of the key assumptions used; and ● Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the CGU subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.

Other matters

The financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 May 2021 were audited by another firm of auditors who expressed an unmodified opinion on the report dated 14 September 2021.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

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

Independent Auditors' Report

To the Members of TOTM Technologies Limited (formerly known as Yinda Infocomm Limited)

Report on the Audit of Financial Statements (Continued)

Other Information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

Independent Auditors' Report

To the Members of TOTM Technologies Limited (formerly known as Yinda Infocomm Limited)

Report on the Audit of Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Chin Chee Choon.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore

9 September 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 May 2022

	Note	Group 2022 $'000	2021[1] $'000 (Re-presented)
Revenue	4	**11,127**	1,016
Other income	5	**229**	521
Expenses			
Changes in inventories, materials consumed and sub-contractor costs		**(6,810)**	(122)
Staff costs			
- Project related	6	**(463)**	(26)
- Administrative	6	**(4,566)**	(1,515)
Depreciation and amortisation expenses		**(5,493)**	(857)
Legal and professional expenses		**(4,726)**	(4,059)
Other expenses	7	**(1,728)**	(322)
Finance costs	8	**(181)**	(134)
Share of losses from equity-accounted for associate		**(913)**	–
Loss before income tax	9	**(13,524)**	(5,498)
Income tax credit	10	**707**	22
Loss for the year from continuing operations, net of tax		**(12,817)**	(5,476)
Discontinued operations			
Profit/(Loss) for the year from discontinued operations, net of tax	11	**495**	(2,931)
Loss for the year		**(12,322)**	(8,407)
Other comprehensive income/(loss):			
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences arising on consolidation		**22**	(16)
Items that will not be reclassified subsequently to profit or loss			
Actuarial loss on measurement of post-employment benefit plan, net of tax		**21**	(4)
Other comprehensive income/(loss) for the year, net of tax		**43**	(20)
Total comprehensive loss for the year		**(12,279)**	(8,427)
Loss for the year attributable to:			
Equity holders of the Company			
- continuing operations		**(11,034)**	(5,385)
- discontinued operations		**495**	(2,931)
Non-controlling interests			
- continuing operations		**(1,783)**	(91)
		(12,322)	(8,407)
Total comprehensive loss for the year attributable to:			
Equity holders of the Company		**(10,549)**	(8,338)
Non-controlling interests		**(1,730)**	(89)
		(12,279)	(8,427)
Loss per share			
Basic and diluted (cents per share)			
- continuing operations	12	**(1.32)**	(1.67)
- discontinued operations		**0.06**	(0.91)
Total		**(1.26)**	(2.58)

(1) The comparative figures have been re-presented to report separately profit or loss items for continuing or discontinued operation (refer to Note 11).

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Statements of Financial Position

As at 31 May 2022

	Note	Group 2022	Group 2021	Company 2022	Company 2021
		$'000	$'000	**$'000**	$'000
Assets					
Non-current assets					
Property, plant and equipment	13	**2,652**	2,137	**1,535**	1,328
Intangible assets	14	**42,373**	43,208	**4**	–
Investments in subsidiaries	15	**–**	–	**35,267**	33,957
Investment in an associate	16	**13,757**	–	**14,670**	–
Financial assets at fair value through profit or loss	17	**5,506**	4,208	**5,506**	4,208
Deferred tax assets	18	**67**	37	**–**	–
Amount due from a subsidiary	19	**–**	–	**883**	–
Trade and other receivables	22	**–**	496	**–**	–
Total non-current assets		**64,355**	50,086	**57,865**	39,493
Current assets					
Inventories	20	**–**	641	**–**	–
Contract assets	21	**2,496**	9,611	**–**	–
Amounts due from subsidiaries	19	**–**	–	**614**	570
Trade and other receivables	22	**3,941**	1,739	**323**	209
Cash and cash equivalents	23	**4,939**	12,656	**4,156**	12,220
Total current assets		**11,376**	24,647	**5,093**	12,999
Total assets		**75,731**	74,733	**62,958**	52,492
EQUITY AND LIABILITIES					
Equity					
Share capital	24	**90,225**	63,003	**90,225**	63,003
Other reserves	25	**43**	(8,388)	**–**	–
Accumulated losses		**(32,992)**	(13,983)	**(29,374)**	(22,866)
Equity attributable to equity holders of the Company		**57,276**	40,632	**60,851**	40,137
Non-controlling interests		**11,083**	11,853	**–**	–
Total equity		**68,359**	52,485	**60,851**	40,137
Non-current liabilities					
Lease liabilities	27	**1,155**	1,407	**963**	1,060
Employee benefit liabilities	28	**268**	397	**–**	–
Deferred tax liabilities	18	**3,866**	4,590	**–**	–
Total non-current liabilities		**5,289**	6,394	**963**	1,060
Current liabilities					
Contract liabilities	21	**15**	179	**–**	–
Trade and other payables	29	**1,320**	11,342	**502**	8,026
Borrowings	26	**–**	3,714	**–**	2,903
Lease liabilities	27	**748**	619	**642**	366
Total current liabilities		**2,083**	15,854	**1,144**	11,295
Total liabilities		**7,372**	22,248	**2,107**	12,355
Total equity and liabilities		**75,731**	74,733	**62,958**	52,492

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Statement of Changes in Equity

For the financial year ended 31 May 2022

Group	Note	Share capital	Other reserves	Accumulated losses	Total	Non–controlling interests	Total equity
		Attributable to owners of the Company					
		$'000	$'000	$'000	$'000	$'000	$'000
At 1 June 2021		63,003	(8,388)	(13,983)	40,632	11,853	52,485
Loss for the year		–	–	(10,539)	(10,539)	(1,783)	(12,322)
Other comprehensive loss:							
Currency translation differences arising on consolidation		–	(21)	–	(21)	43	22
Actuarial loss on measurement of post–employment benefit plan, net of tax		–	–	11	11	10	21
Total comprehensive loss for the year		–	(21)	(10,528)	(10,549)	(1,730)	(12,279)
Issue of ordinary shares	24	26,325	–	–	26,325	–	26,325
Shares issue expenses	24	(862)	–	–	(862)	–	(862)
Issue of ordinary shares (acquisition of a subsidiary)	15(i),24	1,759	–	–	1,759	960	2,719
Disposal of subsidiaries		–	8,452	(8,481)	(29)	–	(29)
At 31 May 2022		90,225	43	(32,992)	57,276	11,083	68,359
At 1 June 2020		14,542	(8,468)	(5,665)	409	–	409
Loss for the year		–	–	(8,316)	(8,316)	(91)	(8,407)
Other comprehensive loss:							
Currency translation differences arising on consolidation		–	(20)	–	(20)	4	(16)
Actuarial loss on measurement of post-employment benefit plan, net of tax		–	–	(2)	(2)	(2)	(4)
Total comprehensive loss for the year		–	(20)	(8,318)	(8,338)	(89)	(8,427)
Issue of ordinary shares	24	50,108	–	–	50,108	–	50,108
Shares issue expenses	24	(1,647)	–	–	(1,647)	–	(1,647)
Acquisition of a subsidiary	15(iii)	–	–	–	–	11,942	11,942
Disposal of subsidiaries		–	100	–	100	–	100
At 31 May 2021		63,003	(8,388)	(13,983)	40,632	11,853	52,485

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Statement of Changes in Equity

For the financial year ended 31 May 2022

Company	Share capital	Accumulated losses	Total equity
	$'000	$'000	$'000
At 1 June 2020	14,542	(13,218)	1,324
Loss and total comprehensive loss for the year	–	(9,648)	(9,648)
Issue of ordinary shares (Note 24)	50,108	–	50,108
Shares issue expenses (Note 24)	(1,647)	–	(1,647)
At 31 May 2021	63,003	(22,866)	40,137
Loss and total comprehensive loss for the year	–	(6,508)	(6,508)
Issue of ordinary shares (Note 24)	26,325	–	26,325
Shares issue expenses (Note 24)	(862)	–	(862)
Issue of ordinary shares (acquisition of a subsidiary) (Note 15(i), Note 24)	1,759	–	1,759
At 31 May 2022	90,225	(29,374)	60,851

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 May 2022

	Note	Group 2022 $'000	2021 $'000
Cash flows from operating activities			
Loss before income tax from continuing operations		**(13,524)**	(5,498)
Profit/(loss) before income tax from discontinued operations		**495**	(2,835)
Adjustments for:			
Depreciation and amortisation expenses		**5,650**	1,601
Allowance/(Reversal) for expected credit loss of financial and contract assets		**1,198**	(1)
Contract assets written off		**–**	1,746
Impairment loss on property, plant and equipment		**110**	159
Gain on disposal of subsidiaries		**(3,518)**	(1,355)
Fair value gain on financial assets a fair value through profit or loss		**–**	(459)
Loss on disposal of property, plant and equipment		**–**	7
Loss on foreign exchange		**155**	43
Defined benefits plans		**112**	65
Reversal of retirement benefit obligation		**–**	(34)
Rent concession from lessor		**–**	(35)
Interest expenses		**256**	180
Interest income		**–**	(2)
Transaction costs on acquisition of a subsidiary		**–**	2,516
Share of losses from equity accounted associate		**913**	–
Total operating cash flows before movements in working capital		**(8,153)**	(3,902)
Changes in working capital:			
- Inventories		**209**	447
- Contract assets		**5,605**	(533)
- Trade and other receivables		**(4,712)**	2,780
- Contract liabilities		**(164)**	(226)
- Trade and other payables		**(324)**	(359)
Cash used in operations		**(7,539)**	(1,793)
Interest received		**–**	2
Income tax paid		**(179)**	(169)
Net cash used in operating activities		**(7,718)**	(1,960)
Cash flows from investing activities			
Purchase of property, plant and equipment	13(b)	**(829)**	(51)
Purchase of intangible assets		**(13)**	–
Acquisition of a subsidiary, net of cash acquired	15(i)(a)/15(iii)(a)	**(877)**	(6,607)
Transaction costs paid on acquisition of a subsidiary	15(iii)(b)	**–**	(2,111)
Disposal of subsidiaries, net of cash disposed	11(iii)	**(368)**	(6)
Proceeds from disposal of property, plant and equipment		**100**	–
Purchase of financial assets at fair value through profit or loss		**(5,158)**	(3,749)
Repayment of deferred cash consideration	15(iii)(c)	**(6,750)**	–
Acquisition of investment in associate		**(10,832)**	–
Net cash used in investing activities		**(24,727)**	(12,524)

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 May 2022

	Note	Group	
		2022	2021
		$'000	$'000
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**26,325**	29,402
Shares issue expenses		**(862)**	(1,647)
Proceeds from borrowings		**1,079**	2,617
Proceeds from former shareholder's loan		**–**	248
Repayment of former shareholder's loan		**(279)**	(342)
Repayment of lease liabilities		**(826)**	(485)
Repayment of borrowings		**(470)**	(2,921)
Repayment of factoring		**–**	(102)
Interest paid		**(139)**	(54)
Net cash generated from financing activities		**24,828**	26,716
Net (decrease)/increase in cash and cash equivalents		**(7,617)**	12,232
Cash and cash equivalents at the beginning of year		**12,556**	326
Effect of exchange rate fluctuation on cash and cash equivalents		**–**	(2)
Cash and cash equivalents at the end of financial year	23	**4,939**	12,556

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the Financial Statements

For the financial year ended 31 May 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

TOTM Technologies Limited (formerly known as Yinda Infocomm Limited) (the "Company") (Registration Number 201506891C) is incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The address of the registered office and principal place of business is at 20 Collyer Quay #09-02, Singapore 049319.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are disclosed in Note 15 to the financial statements.

The consolidated financial statements of TOTM Technologies Limited (formerly known as Yinda Infocomm Limited) and its subsidiaries (collectively, the "Group") for the financial year ended 31 May 2022, and the statement of financial position and the statement of changes in equity of the Company for the financial year ended 31 May 2022 were authorized for issue by the Board of Directors on 9 September 2022.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group, and the statement of financial position and statement of changes in equity of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)") including related Interpretations of SFRS(I) ("SFRS(I) INT") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are expressed in Singapore dollar ("$"), which is the Company's functional currency and all financial information presented in Singapore dollar are rounded to the nearest thousand ("$'000") except when otherwise indicated.

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for annual periods beginning on or after 1 June 2021. The adoption of these new or revised SFRS(I)s and SFRS(I)s INT did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

Notes to the Financial Statements

For the financial year ended 31 May 2022

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

SFRS(I) and SFRS(I) INT issued but not yet effective

At the date of authorisation of these financial statements, the following SFRS(I) and SFRS(I) INT were issued but not yet effective:

SFRS(I)	**Title**	**Effective date (annual periods beginning on or after)**
SFRS(I) 3	Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*	1 January 2022
SFRS(I) 1-16	Amendment to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
SFRS(I) 1-37	Amendment to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non- current*	1 January 2023
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*	1 January 2023
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Various	Annual Improvements to SFRS(I)s 2018-2021	1 January 2022

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group and the Company do not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned new/revised standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) over which the Group has power and the Group is able to use such power to affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Notes to the Financial Statements

For the financial year ended 31 May 2022

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup assets and liabilities, equity, income, expenses and cash flows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

The Group has the option to apply a "concentration test" as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Notes to the Financial Statements

For the financial year ended 31 May 2022

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* ("SFRS(I) 3") are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* ("SFRS(I) 5"), which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Notes to the Financial Statements

For the financial year ended 31 May 2022

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

2.4 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to the customer.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Continuing operations

Revenue from biometrics business

The Group is in the business of:

- Provision of technical support services for identity management biometrics.
- Supply and integration of IT Systems.

Technical support services for identity management biometrics

Revenue from technical support services for identity management biometrics is compensated for its services through a monthly fee earned based on the promised consideration in the relevant agreements. Revenue from these services are recognised as a performance obligation satisfied over time as the customers simultaneously receives and consumes the benefits of the services as the Group performs.

A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Notes to the Financial Statements

For the financial year ended 31 May 2022

2. Summary of significant accounting policies (Continued)

2.4 Revenue recognition (Continued)

Supply and integration of IT systems

Revenue from the provision of supply and integration of IT systems is recognised when the entity satisfies the performance obligation at a point in time generally when completed and when transfer of control occurs, revenue is recognised as the services are provided. A corresponding receivable is recognised for consideration that is unconditional when only the passage of time is required before payment is due.

Discontinued operations

Revenue from telecommunication business

The Group was in the business of:

- Provision of full turnkey services from planning and designing to construction and implementation of customer's outdoor and indoor mobile network infrastructure.

- Provision of telecommunication implementation work for the installation and commissioning of radio base transceiver stations.

The Group principally operates fixed price contracts. Revenue is recognised over time by measuring the progress towards complete satisfaction of performance obligations. The Group has determined that the output method reflects the over-time transfer of control to customers as the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

The Group recognises revenue over time from contracts by reference to the stage of completion of each individual contract at the end of each reporting period, when the outcome of the contract can be estimated reliably. The stage of completion is measured by reference to assessment of actual work completed to-date based on internal survey of performance completed to-date or milestones reached and customer's acknowledgement of work completed.

Management has determined that an activity-based output method provides a faithful depiction of the Group's performance in transferring control of the goods delivered and services performed to customers, as it reflects the value of the activities performed to-date, relative to the total value of the activities promised in the contracts. The related costs are recognised in profit or loss when they are incurred, unless they relate to future performance obligations.

Payments are due from customers based on the agreed billing milestone stipulated in the contracts or based on the amount certified by the customers.

A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

The period between the transfer of the promised service and advance payment by the customer may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the performing entity from the customers' failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Notes to the Financial Statements

For the financial year ended 31 May 2022

2. Summary of significant accounting policies (Continued)

2.4 Revenue recognition (Continued)

Discontinued operations (Continued)

Revenue from maintenance services

The Group provides corrective and preventive maintenance services to ensure network reliability and minimal network disruption.

Maintenance revenue is recognised at point in time when the services are performed.

Interest income

Interest income is recognised using the effective interest method.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

Such state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefits plans

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

Indonesia

Post-employment benefits, such as pension, severance pay, service pay and other benefits, are calculated in accordance with the "Company Regulation" which is in line with Labor Law No. 13/2003 ("Law 13/2003").

Notes to the Financial Statements

For the financial year ended 31 May 2022

2. Summary of significant accounting policies (Continued)

2.6 Employee benefits (Continued)

Defined benefits plans (Continued)

Thailand

The subsidiary in Thailand operates an unfunded benefit scheme, Legal Severance Pay Plan ("LSP"), for qualifying employees. The LSP scheme is a defined benefit plan which pays employees a lump sum benefit computed based on their number of years of service and their basic salary upon retirement or early termination of their employment contracts.

The obligation for post-employment benefits is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods by the projected unit credit method determined by an independent actuary. The present value of the defined benefit obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the government bonds.

Past service cost is recognised immediately in profit or loss. Actuarial gains and losses from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income as incurred.

Employee leave entitlement

Employee entitlements to annual leave and long-service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the end of the reporting period.

2.7 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to the Financial Statements

For the financial year ended 31 May 2022

2. Summary of significant accounting policies (Continued)

2.7 Income tax (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2.8 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity through other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Notes to the Financial Statements

For the financial year ended 31 May 2022

2. Summary of significant accounting policies (Continued)

2.9 Property, plant and equipment

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment initially recognised includes its purchase price, and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on a straight-line basis to allocate the depreciable amounts of all property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

Tools and test equipment	5 years
Computer equipment	3 to 5 years
Office equipment	3 to 5 years
Motor vehicles	4 years
Leasehold properties	2 to 5 years
Renovation	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.10 Intangible assets

Goodwill on acquisition

Goodwill represents the excess of the cost of an acquisition over the net fair value of the Group's interest in the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity carried at the date of acquisition. Goodwill is at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

Notes to the Financial Statements

For the financial year ended 31 May 2022

2. Summary of significant accounting policies (Continued)

2.10 Intangible assets (Continued)

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets are not capitalised and the expenditure is recognised in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. Amortisation for intangible assets with finite lives is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

The estimated useful lives are as follows:

Customer relationships	7.7 to 10 years
Technology	4.7 to 5 years

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

2.11 Investments in associates

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of these policies, and generally accompanying a shareholding of 20% or more of the voting power.

On acquisition of the associate, any excess of the cost of the investment over the Group's share of the net fair value of the associate identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the reporting period in which the investment is acquired. Investments in associates are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

The results and assets and liabilities of an associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for under SFRS(I) 5 from the date on which the investee become an associate. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. The Group's share of losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Distributions received from the associate reduce the carrying amount of the investment. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see above).

Notes to the Financial Statements

For the financial year ended 31 May 2022

2. Summary of significant accounting policies (Continued)

2.11 Investments in associates (Continued)

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Company has accounted for its investments in associates at cost in its separate financial statements.

2.12 Impairment of non-financial assets excluding goodwill

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.13 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 Revenue from Contracts with Customers in Note 2.4.

The classification of the financial assets at initial recognition as subsequently measured at amortised cost and fair value through profit or loss ("FVTPL") depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Notes to the Financial Statements

For the financial year ended 31 May 2022

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial assets (Continued)

Initial recognition and measurement (Continued)

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVTOCI, or is irrevocably elected at initial recognition to be designated FVTPL if, by designating the financial asset as FVTPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost and debt instruments measured at FVTOCI. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on financial assets has not increased significantly since initial recognition.

Notes to the Financial Statements

For the financial year ended 31 May 2022

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group applies the simplified approach to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

While they are not financial assets, contract assets arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 32.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Notes to the Financial Statements

For the financial year ended 31 May 2022

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Equity instruments (Continued)

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Group commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs in Note 2.5. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Notes to the Financial Statements

For the financial year ended 31 May 2022

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity:

(a) Currently has a legally enforceable right to set off the recognised amounts; and

(b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs, other direct costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.15 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to insignificant risk of change in value and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and excludes pledged fixed deposits.

2.16 Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and

(a) Represents a separate major line of business or geographical area of operations; or

(b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) Is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

2.17 Leases

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

Notes to the Financial Statements

For the financial year ended 31 May 2022

2. Summary of significant accounting policies (Continued)

2.17 Leases (Continued)

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented within "property, plant and equipment".

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

Notes to the Financial Statements

For the financial year ended 31 May 2022

2. Summary of significant accounting policies (Continued)

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

2.19 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

2.20 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

3. Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Group's accounting policies

Other than the key sources of estimation uncertainty as disclosed in 3.2 below, the Directors and the management are of the opinion that there is no critical judgement that management has made in the process of applying the Group's accounting policies which have the most significant effect on the amounts recognised in the financial statements.

Notes to the Financial Statements

For the financial year ended 31 May 2022

3. Significant accounting estimates and judgements (Continued)

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Purchase price allocation

As disclosed in Note 15(i), the Group acquired a 70% equity interest in GenesisPro Pte. Ltd. ("Genesis") at total purchase consideration at fair value of $2,636,000 during the financial year. SFRS(I) 3 Business Combinations requires the Group to recognise and measure the identifiable assets (including intangible assets) acquired, the liabilities assumed and any non-controlling interest in the acquiree at their fair values at the date of acquisition. Any excess of the fair value of the consideration transferred and the amount of the non-controlling interest in the acquiree, over the fair value of the net identifiable assets acquired is recorded as goodwill.

The Group engaged an external professional valuer to perform the purchase price allocation exercise, which involves the fair valuation of assets acquired and liabilities assumed and the identification and valuation of intangible assets. The identification of such assets acquired and liabilities assumed and their measurement at fair value and the determination of the resulting goodwill is inherently judgemental and require significant amount of management estimation. The fair values of the identifiable assets acquired and liabilities assumed of the Genesis and the resulting goodwill are disclosed in Notes 15(i)(a) and 14.

Impairment of property, plant and equipment and intangible assets with finite useful lives

At the end of each reporting period, the Group and the Company assess whether there are any indications of impairment for all non-financial assets. If any such indication exists, the Group and the Company estimate the recoverable amount of that asset. An impairment loss exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

Where value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate in order to determine the present value of the cash flows. The carrying values of the Group's and the Company's property, plant and equipment are disclosed in Note 13. The carrying values of the Group's intangible assets with finite useful lives are disclosed in Note 14.

Impairment assessment of goodwill

Management performs an annual impairment assessment of goodwill or more frequently if there are indications that goodwill might be impaired. Valuation model based on discounted cash flow analysis of the cash-generating unit is used by management to determine the value in use for the purposes of the impairment assessment.

Forecasting and discounting future cash flows for the impairment assessment involves an element of judgement and requires management to make certain assumptions and apply estimates. Details of the impairment assessment and the carrying values of the Group's goodwill at the end of the reporting period are disclosed in Note 14. Any changes in the assumptions made and discount rate applied could affect the impairment assessment.

Notes to the Financial Statements

For the financial year ended 31 May 2022

3. Significant accounting estimates and judgements (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Allowance for expected credit losses of trade receivables and contract assets

The Group applies the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets. Trade receivables and contract assets that shared the same credit risk characteristics and days past due are grouped together in measuring the expected credit losses.

The provision matrix is initially based on the Group's historical observed default rates. The Group will assess the historical credit loss experience by considering current and forecast economic conditions with consideration on how these conditions will affect the Group's ECL assessment. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 32(b).

The carrying amounts of the Group's trade receivables and contract assets as at 31 May 2022 amounted to $1,992,000 (2021: $649,000) and $2,496,000 (2021: $9,611,000) respectively.

Impairment of investment in subsidiaries

At the end of each reporting period, the Company assesses whether there are any indications of impairment for investment in subsidiaries. The Company also assesses whether there is any indication that an impairment loss recognised in prior periods for investment in subsidiaries may no longer exist or may have decreased.

If any such indication exists, the Company estimates the recoverable amount of that asset. An impairment loss exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. An impairment loss recognised in prior periods shall be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate in order to determine the present value of the cash flows. The value in use calculation involves significant judgement in the forecast projection of sales and operating cash flows for the next five years. Details of the key assumptions applied in the Company's impairment assessment of its investments in subsidiaries and the carrying amounts of the investments in subsidiaries are disclosed in Note 15. Changes in assumptions made and discount rate applied could affect the carrying values of these assets.

Fair value measurement of financial instruments

Where the fair values of financial instruments recorded in statements of financial position cannot be measured based on quoted prices in active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. Details of the valuation and key assumptions applied in the financial assets at fair value through profit or loss are disclosed in Note 17.

Notes to the Financial Statements

For the financial year ended 31 May 2022

4. Revenue

The following table provides a disaggregation disclosure of the Group's revenue by primary geographical market, major service lines and timing of revenue recognition.

	Group	
	2022	2021
	$'000	$'000 (Re-presented)
Primary geographical market		
Singapore	**4,915**	–
Indonesia	**6,212**	1,016
	11,127	1,016
Major service lines		
Technical support services for identity management biometrics (Over time)	**6,212**	1,016
Supply and integration of IT systems (Point in time)	**4,915**	–
	11,127	1,016

Transaction price allocated to the remaining performance obligations

The Group applies the practical expedient in SFRS(I) 15 and does not disclose information about its remaining performance obligation if:

- The performance obligation is part of a contract that has an original expected duration of one year or less; or
- The Group has a right to invoice a customer in an amount that corresponds directly with its performance to-date, and it recognises revenue in that amount.

5. Other income

	Group	
	2022	2021
	$'000	$'000 (Re-presented)
Government grants*	**205**	25
Interest income	**–**	1
Fair value gain on financial assets at fair value through profit or loss	**–**	459
Others	**24**	36
	229	521

* Included within government grants are grant income of $116,000 (2021: $25,000) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). Under the JSS, the Singapore Government will co-fund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees during the period of economic uncertainty. In determining the recognition of the JSS grant income, management has evaluated and concluded that the period of economic uncertainty commenced in April 2020 when the COVID-19 pandemic started affecting the Group's operations.

Notes to the Financial Statements

For the financial year ended 31 May 2022

6. Staff costs

	Group	
	2022	2021
	$'000	$'000 (Re-presented)
Wages and salaries	**3,920**	1,170
Contribution to defined contribution plans	**193**	71
Defined benefits plans	**103**	16
Other short-term benefits	**813**	284
	5,029	1,541

Employee benefits expenses allocated by function are as follows:

	Group	
	2022	2021
	$'000	$'000 (Re-presented)
Project related	**463**	26
Administrative	**4,566**	1,515
	5,029	1,541

Included in employee benefits expenses of the Group are director's fee amounting to $263,000 (2021: $197,000).

7. Other expenses

	Group	
	2022	2021
	$'000	$'000 (Re-presented)
Transport and travelling	**414**	12
Rental of office premises, warehouse and equipment	**45**	37
Rental of motor vehicle	**13**	–
Administrative expenses	**122**	24
Subscription	**1**	–
Entertainment expenses	**556**	106
Management fee expenses	**26**	–
Technical consultation services	**41**	7
Loss on foreign exchange	**104**	–
Donation	**107**	–
Others	**299**	136
	1,728	322

Notes to the Financial Statements

For the financial year ended 31 May 2022

8. Finance costs

	Group 2022 $'000	Group 2021 $'000 (Re-presented)
Interest expense:		
- Former shareholder's loans	**48**	68
- Lease liabilities	**123**	8
- Others	**10**	58
	181	134

9. Loss before income tax

Loss before income tax is arrived at after charging/(crediting):

	Group 2022 $'000	Group 2021 $'000 (Re-presented)
Audit fee payable to:		
- auditor of the Company	**110**	67
- other auditors	**50**	2
Amortisation of intangible assets (Note 14)	**4,620**	695
Depreciation of property, plant and equipment	**873**	162
Foreign exchange loss/(gain), net	**104**	(10)
Loss on disposal of property, plant and equipment	**–**	7
Operating lease expense – short-term leases	**58**	37

10. Income tax (credit)/expense

	Group 2022 $'000	Group 2021 $'000 (Re-presented)
Tax (credit)/expense attributable to profits is made up of:		
From continuing operations		
Current tax:		
- current year	**172**	121
	172	121
Deferred tax:		
- current year	**(879)**	(143)
- underprovision in respect of prior years	**–**	–
	(879)	(143)
	(707)	(22)

Notes to the Financial Statements

For the financial year ended 31 May 2022

10. Income tax (credit)/expense (Continued)

	Group	
	2022	2021
	$'000	$'000 (Re-presented)
From discontinued operations (Note 11)		
Current tax:		
- current year	**–**	1
- underprovision in respect of prior years	**–**	67
Deferred tax:		
- current year	**–**	28
	–	96
	(707)	74

The income tax credit on the results of the financial year differs from the amount of income tax determined by applying the domestic rates applicable to profit/(loss) in the countries where the Group operates due to the following factors:

	Group	
	2022	2021
	$'000	$'000 (Re-presented)
Loss before income tax		
- Continuing operations	**(13,524)**	(5,498)
- Discontinued operations	**495**	(2,835)
	(13,029)	(8,333)
Tax at the domestic rates applicable to loss in the countries where the Group operates	**(2,157)**	(1,659)
Income not subject to tax	**(57)**	(380)
Expenses not deductible for tax purposes	**591**	1,555
Deferred tax assets not recognised	**963**	615
Utilisation of deferred tax assets not recognised in prior years	**24**	(124)
(Over)/under provision of taxation in respect of prior years	**(71)**	67
	(707)	74

The above tax reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

The statutory income tax rate applicable is 17% (2021: 17%) for companies incorporated in Singapore. The income tax rates applicable to foreign subsidiaries are as follows:

	Group	
	2022	2021
	%	%
India	**22**	–
Indonesia	**22**	22
Thailand	**20**	20
United States	**21**	–
Malaysia	**–**	24
Philippines	**–**	30

Notes to the Financial Statements

For the financial year ended 31 May 2022

11. Discontinued operations

(i) The analysis of the profit/(loss) from discontinued operations are as follows:

FY2022

During the financial year, the Company disposed its 100% equity interest in subsidiaries, Yinda Technology Singapore Pte. Ltd. ("YTS") and Yinda Technology (Thailand) Co., Ltd. ("YTT") to Yinda Pte. Ltd. (former immediate holding company).

FY2021

In prior financial year, the Company disposed its 100% equity interest in subsidiaries, Yinda Communications (Philippines), Inc. ("YCP") and Yinda Technology Malaysia Sdn. Bhd. ("YTM") to Yinda Pte. Ltd. (former immediate holding company).

The financial performance of YTS and YTT were presented in a single amount separately on the consolidated statement of profit or loss and other comprehensive income as "Discontinued Operations". In addition, the Group has re-represented the financial performance of YTS and YTT as "Discontinued Operations" for the comparative figures.

	Group	
	2022	2021
	$'000	$'000
Revenue	**1,854**	5,343
Other income	**174**	681
Gain on disposal of subsidiaries	**3,518**	1,355
Expenses		
Changes in inventories, materials consumed and sub-contractor costs	**(1,506)**	(1,606)
Staff costs		
- Project related	**(1,091)**	(3,612)
- Administrative	**(343)**	(1,299)
(Allowance)/reversal for expected credit loss of financial and contract assets	**(1,198)**	1
Contract assets written off	**–**	(1,746)
Depreciation and amortisation expenses	**(157)**	(744)
Legal and professional expenses	**(60)**	(157)
Other expenses	**(621)**	(1,005)
Finance costs	**(75)**	(46)
Profit/ (loss) before tax	**495**	(2,835)
Income tax expense	**–**	(96)
Profit/ (loss) for the year from discontinued operations, net of tax	**495**	(2,931)
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss		
Currency translation differences arising on consolidation	**(60)**	(23)
Total comprehensive income/(loss) for the year	**435**	(2,954)

Notes to the Financial Statements

For the financial year ended 31 May 2022

11. Discontinued operations (Continued)

(i) The analysis of the profit/(loss) from discontinued operations are as follows (Continued):

(a) Revenue

	Group	
	2022	2021
	$'000	$'000
Revenue from telecommunication business – over time	**1,854**	5,343

(b) Other income

	Group	
	2022	2021
	$'000	$'000
Interest income	**–**	1
Government grants*	**104**	437
Rent concession from lessor (Note 27)	**–**	35
Others	**70**	208
	174	681

* Included within government grants are grant income of $66,000 (2021: $340,000) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). Under the JSS, the Singapore Government will co-fund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees during the period of economic uncertainty. In determining the recognition of the JSS grant income, management has evaluated and concluded that the period of economic uncertainty commenced in April 2020 when the COVID-19 pandemic started affecting the Group's operations.

(c) Staff costs

	Group	
	2022	2021
	$'000	$'000
Wages and salaries	**1,251**	4,272
Defined benefits plans	**171**	339
Other short-term benefits	**12**	300
	1,434	4,911

Employee benefits expenses allocated by function are as follows:

	Group	
	2022	2021
	$'000	$'000
Project related	**1,091**	3,612
Administrative	**343**	1,299
	1,434	4,911

Notes to the Financial Statements

For the financial year ended 31 May 2022

11. Discontinued operations (Continued)

(i) The analysis of the profit/(loss) from discontinued operations are as follows (Continued):

(d) Other expenses

	Group	
	2022	2021
	$'000	$'000
Transport and travelling	**19**	114
Rental of office premises, warehouse and equipment	**106**	211
Rental of motor vehicle	**–**	9
Administrative expenses	**89**	196
Subscription	**–**	44
Others	**407**	431
	621	1,005

(e) Finance costs

	Group	
	2022	2021
	$'000	$'000
Interest expense:		
- Lease liabilities	**12**	30
- Others	**63**	16
	75	46

(f) Profit/(loss) before tax

Profit/(loss) before tax is arrived at after charging/(crediting):

	Group	
	2022	2021
	$'000	$'000
Audit fee payable to:		
- auditor of the Company	**–**	39
- other auditors	**27**	30
Contract assets written off	**–**	1,746
Amortisation of intangible assets (Note 14)	**–**	49
Depreciation of property, plant and equipment	**157**	695
Allowance/ (reversal) for expected credit loss of financial and contract assets	**1,198**	(1)
Foreign exchange loss/ (gain), net	**25**	(21)
Impairment loss on property, plant and equipment	**110**	159
Inventories written down	**–**	9
Operating lease expense – short-term leases	**37**	58
Rental expenses - not a lease	**69**	162

Notes to the Financial Statements

For the financial year ended 31 May 2022

11. Discontinued operations (Continued)

(ii) The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group	
	2022	2021
	$'000	$'000
Operating cash flows	**(281)**	(40)
Investing cash flows	**(19)**	–
Financing cash flows	**454**	(2)
Total cash flows	**154**	(42)

(iii) The effects of the disposal of subsidiaries on the cash flows of the Group are as follows:

FY2022	**YTS**	**YTT**	**Group**
	$'000	**$'000**	**$'000**
Property, plant and equipment	**250**	**30**	**280**
Investment in associate	**80**	**–**	**80**
Inventories	**376**	**56**	**432**
Contract assets	**–**	**1,510**	**1,510**
Trade and other receivables	**235**	**1,576**	**1,811**
Amount due from related parties	**162**	**17**	**179**
Cash and cash equivalents	**303**	**66**	**369**
Total assets	**1,406**	**3,255**	**4,661**
Trade and other payables	**(2,059)**	**(756)**	**(2,815)**
Amounts due to related parties	**(4,008)**	**(767)**	**(4,775)**
Borrowings	**–**	**(866)**	**(866)**
Lease liabilities	**(426)**	**–**	**(426)**
Employee benefit liabilities	**–**	**(220)**	**(220)**
Total liabilities	**(6,493)**	**(2,609)**	**(9,102)**
Net liabilities/ assets disposed of	**(5,087)**	**646**	**(4,441)**
Investment in associate	**(80)**	**–**	**(80)**
Amount due from associate	**(145)**	**–**	**(145)**
Amount due to holding company	**3,581**	**750**	**4,331**
Reclassified from currency translation reserve	**–**	**54**	**54**
Offset amount due to Ultimate holding company	**(2,344)**	**(892)**	**(3,236)**
Gain/(loss) on disposal of subsidiaries	**4,076**	**(558)**	**3,518**
Proceeds from disposal of subsidiaries	**1**	**–***	**1**
Net cash outflow arising on disposal of subsidiaries:			
Proceeds from disposal (as above)	**1**	**–***	**1**
Less: cash and cash equivalents in subsidiaries disposed of	**(303)**	**(66)**	**(369)**
Net cash outflow arising on disposal of subsidiaries	**(302)**	**(66)**	**(368)**

Notes to the Financial Statements

For the financial year ended 31 May 2022

11. Discontinued operations (Continued)

(iii) The effects of the disposal of subsidiaries on the cash flows of the Group are as follows (Continued):

FY2021	YCP	YTM	Group
	$'000	$'000	$'000
Property, plant and equipment	93	–	93
Trade and other receivables	824	1	825
Contract assets	269	–	269
Cash and cash equivalents	6	1	7
Total assets	1,192	2	1,194
Trade and other payables	(1,285)	(15)	(1,300)
Amounts due to related parties	(1,510)	(109)	(1,619)
Contract liabilities	(372)	–	(372)
Tax payable	(533)	–	(533)
Deferred tax liabilities	(259)	–	(259)
Employee benefit liabilities	(47)	–	(47)
Total liabilities	(4,006)	(124)	(4,130)
Net liabilities disposed of	(2,814)	(122)	(2,936)
Amount due to holding company	1,361	121	1,482
Reclassified from currency translation reserve	101	(1)	100
Gain on disposal of subsidiaries	1,353	2	1,355
Proceeds from disposal of subsidiaries	1	–*	1
Net cash outflow arising on disposal of subsidiaries:			
Proceeds from disposal (as above)	1	–*	1
Less: cash and cash equivalents in subsidiaries disposed of	(6)	(1)	(7)
Net cash outflow arising on disposal of subsidiaries	(5)	(1)	(6)

* Amount less than $1,000

Notes to the Financial Statements

For the financial year ended 31 May 2022

12. Loss per share

Loss per share is calculated by dividing the Group's net loss attributable to the owners of the Company for the year by the weighted average number of ordinary shares in issue during the financial year as follows:

	2022	2021
Weighted average number of ordinary shares for purposes of basic earnings per share [(1)&(2)] ('000)	**834,168**	322,255
Attributable to the owners of the Company:		
Loss for the year from continuing operations ($'000)	**(11,034)**	(5,385)
Profit/(Loss) for the year from discontinued operations ($'000)	**495**	(2,931)
Total loss for the year ($'000)	**(10,539)**	(8,316)
Basic and Diluted (loss)/earnings per share (cents per shares)		
- Continuing operations	**(1.32)**	(1.67)
- Discontinued operations	**0.06**	(0.91)
Total	**(1.26)**	(2.58)

(1) The weighted average number of ordinary shares has been adjusted for the financial year ended 31 May 2022 to take into effect the new issuance of share capital of 195,000,000 and 7,037,383 on 25 June 2021 and 29 September 2021 (Note 24), respectively.

(2) The weighted average number of ordinary shares has been adjusted for the financial year ended 31 May 2021 to take into effect the new issuance of share capital of 495,266,333 in FY2020 (Note 24).

As there are no outstanding dilutive potential ordinary shares, the diluted earnings per ordinary share is accordingly the same as the basic earnings per ordinary share for the respective financial year

Notes to the Financial Statements

For the financial year ended 31 May 2022

13. Property, plant and equipment

Group	Tools and testing equipment	Computer and office equipment	Motor vehicles	Leasehold properties	Renovation	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Costs						
At 1 June 2020	1,289	1,133	536	1,258	–	4,216
Acquisition of a subsidiary (Note 15 (i))	–	319	–	109	–	428
Additions	20	51	2	1,653	–	1,726
Modification of lease liabilities	–	–	–	82	–	82
Disposals	–	(10)	–	–	–	(10)
Disposal of subsidiaries	(242)	(316)	–	(228)	–	(786)
Derecognition of right-of-use assets	–	(3)	–	(843)	–	(846)
Currency translation differences	(11)	(21)	–	(6)	–	(38)
At 31 May 2021	1,056	1,153	538	2,025	–	4,772
Additions	–	285	2	1,123	542	1,952
Disposal of subsidiaries	(1,045)	(800)	(538)	(430)	–	(2,813)
Derecognition of right-of-use assets	–	–	–	(17)	–	(17)
Currency translation differences	(11)	(12)	–	(11)	(3)	(37)
At 31 May 2022	**–**	**626**	**2**	**2,690**	**539**	**3,857**
Accumulated depreciation						
At 1 June 2020	998	964	260	758	–	2,980
Acquisition of a subsidiary (Note 15 (i))	–	123	–	62	–	185
Depreciation charge	97	98	130	532	–	857
Disposals	–	(3)	–	–	–	(3)
Disposal of subsidiaries	(230)	(312)	–	(151)	–	(693)
Derecognition of right-of-use assets	–	(2)	–	(812)	–	(814)
Currency translation differences	(10)	(21)	–	(5)	–	(36)
At 31 May 2021	855	847	390	384	–	2,476
Depreciation charge	29	139	48	781	33	1,030
Disposal of subsidiaries	(873)	(718)	(438)	(235)	–	(2,264)
Derecognition of right-of-use assets	–	–	–	(17)	–	(17)
Currency translation differences	(11)	(13)	–	4	–	(20)
At 31 May 2022	**–**	**255**	**–**	**917**	**33**	**1,205**
Impairment						
At 1 June 2020	–	–	–	–	–	–
Impairment during the year	58	73	28	–	–	159
At 31 May 2021	58	73	28	–	–	159
Impairment during the year	110	–	–	–	–	110
Disposal of subsidiaries	(168)	(73)	(28)	–	–	(269)
At 31 May 2022	**–**	**–**	**–**	**–**	**–**	**–**
Net carrying value						
At 31 May 2022	**–**	**371**	**2**	**1,773**	**506**	**2,652**
At 31 May 2021	143	233	120	1,641	–	2,137

Notes to the Financial Statements

For the financial year ended 31 May 2022

13. Property, plant and equipment (Continued)

Company	Leasehold properties	Computer and office equipment	Total
	$'000	**$'000**	**$'000**
Cost			
At 1 June 2020	–	7	7
Additions	1,429	39	1,468
At 31 May 2021	1,429	46	1,475
Additions	816	19	835
At 31 May 2022	**2,245**	**65**	**2,310**
Accumulated depreciation			
At 1 June 2020	–	6	6
Depreciation charge	138	3	141
At 31 May 2021	138	9	147
Depreciation charge	619	9	628
At 31 May 2022	**757**	**18**	**775**
Net carrying value			
At 31 May 2022	**1,488**	**47**	**1,535**
At 31 May 2021	1,291	37	1,328

a) Included in the Group's and the Company's property, plant and equipment are right-of-use assets of $1,790,000 (2021: $1,917,000) and $1,507,000 (2021: $1,311,000) respectively (Note 27).

b) Net cash outflows for purchase of property, plant and equipment.

	Group	
	2022	2021
	$'000	$'000
Aggregate cost of property, plant and equipment acquired	**1,952**	1,726
Less: Additions under new leases (Note 27)	**(1,123)**	(1,675)
Net cash outflows for purchase of property, plant and equipment	**829**	51

c) Impairment

During the financial year, a subsidiary carried out a review of the recoverable amount of its property, plant and equipment because the subsidiary incurred a net loss for the year. The recoverable amount of the property, plant and equipment was determined on the basis of its fair value less costs of disposal. The fair value of the property, plant and equipment was determined by reference to current market prices of similar assets. This fair value measurement is categorised in level 3 of the fair value hierarchy. As a result of the review, an impairment loss of $110,000 (2021: $159,000) was recognised in the Group's profit or loss for the financial year ended 31 May 2022. The subsidiary has been disposed in FY2022.

Notes to the Financial Statements

For the financial year ended 31 May 2022

14. Intangible assets

Group	Goodwill	Software	Technology	Customer relationships	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
At 1 June 2020	–	–	–	9,027	9,027
Acquisition of a subsidiary (Note 15 (iii))	20,255	2	13,709	9,937	43,903
Currency translation differences	–	–	–	(24)	(24)
At 31 May 2021	20,255	2	13,709	18,940	52,906
Acquisition of a subsidiary (Note 15 (i))	396	–	3,376	–	3,772
Additions	–	13	–	–	13
Disposal of subsidiaries	–	–	–	(8,986)	(8,986)
Currency translation differences	–	–	–	(18)	(18)
At 31 May 2022	**20,651**	**15**	**17,085**	**9,936**	**47,687**
Accumulated amortisation					
At 1 June 2020	–	–	–	8,978	8,978
Amortisation charge	–	–	481	263	744
Currency translation differences	–	–	–	(24)	(24)
At 31 May 2021	–	–	481	9,217	9,698
Amortisation charge	–	2	3,336	1,282	4,620
Disposal of subsidiaries	–	–	–	(8,986)	(8,986)
Currency translation differences	–	–	–	(18)	(18)
At 31 May 2022	**–**	**2**	**3,817**	**1,495**	**5,314**
Net carrying value					
At 31 May 2022	**20,651**	**13**	**13,268**	**8,441**	**42,373**
At 31 May 2021	20,255	2	13,228	9,723	43,208

Composition of intangible assets

(i) Goodwill arising on the acquisition of InterBio group and GenesisPro Pte. Ltd.

(ii) Software refers to the Windows and other finance related software purchased by the Group.

(iii) Technology refers to in-house developed software technology that has been copyrighted and know-how (i.e. experience in building and maintaining the Indonesia National ID Database) in relation to biometrics business.

The additions of technology during the financial year ended 31 May 2022 includes the front-end application for Know Your Customer ("KYC") admin console purchased during the acquisition of GenesisPro Pte. Ltd.

Notes to the Financial Statements

For the financial year ended 31 May 2022

14. Intangible assets (Continued)

Composition of intangible assets (Continued)

(iv) Customer relationships refer to the economic benefits that are expected to be derived from non-contractual existing and recurring relationships of the following cash-generating units and their existing customers:

i) Yinda Technology Singapore Pte. Ltd. ("YTS") and disposed during the year

ii) Yinda Technology (Thailand) Co., Ltd. ("YTT") and disposed during the year

iii) InterBio group

Impairment test for intangible assets

Goodwill and other intangible assets acquired in a business combination are allocated to the cash generating units (CGUs) that are expected to benefit from that business combination. The Group recognised goodwill, technology and customer relationships arising from acquisition of InterBio group and GenesisPro Pte. Ltd. These goodwill and intangible assets have been allocated to a CGU, being biometrics business.

Key assumptions used in value-in-use calculation

The recoverable amounts of the CGUs are determined from value-in-use calculations, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGU. The key assumptions used in the estimation of value-in-use calculations were as follows:

	Group	
	2022	2021
	%	%
Forecast revenue growth rate (compound annual growth rate over next five years)	**73**	49.8
Terminal growth rate	**2**	2
Pre-tax discount rate	**30.5**	30.5

The Group's value-in-use calculations used cash flow forecasts derived from the most recent financial budgets approved by management covering a five years period. Forecast revenue for the next five years was projected taking into account the average growth levels experienced over the past years, the impact arising from the anticipated changes in the business and economic environment for the next five years. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and which is adjusted for the risks specific to the CGU.

Sensitivity to changes in assumptions

Management is of the view that any reasonable possible change in any of the above key assumptions are not likely to materially cause the CGU's carrying amount to exceed its recoverable amount.

Impairment loss recognised

No impairment loss was recognised during the current financial year ended 31 May 2022 and 2021.

Notes to the Financial Statements

For the financial year ended 31 May 2022

15. Investments in subsidiaries

	Company	
	2022	2021
	$'000	$'000
Unquoted equity shares		
Cost		
At beginning of financial year	**43,742**	11,121
Acquisition	**2,646**	32,621
Disposals	**(11,121)**	–*
At end of financial year	**35,267**	43,742
Less: Impairment losses	**–**	(9,785)
	35,267	33,957

* amount less than $1,000

Movements in the Company's provision of impairment losses for its investments in subsidiaries as at 31 May are as follows:

	Company	
	2022	2021
	$'000	$'000
At beginning of financial year	**9,785**	8,785
Allowance made	**–**	1,000
Write off	**(9,785)**	–
At end of financial year	**–**	9,785

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Group's equity holding	
			2022	2021
			%	%
Held by the Company				
Yinda Technology Singapore Pte. Ltd. ("YTS") (4)	Singapore	Investment holding, supply and installation of machinery equipment and tools for telecommunication	**–**	100
Yinda Technology (Thailand) Co., Ltd. ("YTT") (4)	Thailand	Providing telecommunication network services	**–**	100
International Biometrics Pte. Ltd. ("InterBio") (1)	Singapore	Investment holding, information technology consultancy	**51**	51
TOTM Tech SG Pte. Ltd. ("TTS") (1),(6)	Singapore	Provision of identity management biometric technology solutions	**100**	–
GenesisPro Pte. Ltd. ("GenesisPro") (1),(5)	Singapore	Providing information technology and computer facility management services.	**70**	–

Notes to the Financial Statements

For the financial year ended 31 May 2022

15. Investments in subsidiaries (Continued)

Details of the subsidiaries are as follows (Continued):

Name of subsidiary	Country of incorporation	Principal activities	Group's equity holding	
			2022	2021
			%	%
Held by TOTM Tech SG Pte. Ltd.				
Identa T LLC ("Identa") [3],[6]	USA	Business development of identity management biometric technology solutions	**100**	–
TOTM Tech India Private Limited ("TTI")[3],[6]	India	Provision of technical consultancy services, training and software development related services.	**99.99**	–
Held by International Biometrics Pte. Ltd.				
PT International Biometrics Indonesia ("PTIB") [2]	Indonesia	Providing information technology consulting, computer and computer facility management services	**99**	99

(1) Audited by Mazars LLP.

(2) Audited by KAP Aria Kanaka & Rekan (Mazars Indonesia) for consolidation purposes.

(3) Not required to be audited by law of country of incorporation.

(4) Disposed during the financial year.

(5) Acquired during the financial year.

(6) Incorporated during the financial year.

In FY2021, management performed an impairment review for the Company's investments in subsidiaries as certain subsidiaries incurred net losses during current financial year. An impairment loss of $1,000,000 was recognised in the Company's profit or loss for the financial year ended 31 May 2021 to write down the cost of investment in YTT to its recoverable amount of $1,336,000. The recoverable amounts of the investments were determined based on value-in-use calculations using cash flow projections from forecast approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projection and the terminal growth rate used to extrapolate cash flow projections beyond the five-year period are 11.83% and 4.00% respectively.

In FY2022, the Company disposed its entire shareholdings in YTS and YTT and the gain on disposal of the subsidiaries is recorded as part of the profit for the year from discontinued operations in the statement of profit or loss and other comprehensive income (Note 11).

Notes to the Financial Statements

For the financial year ended 31 May 2022

15. Investments in subsidiaries (Continued)

(i) Acquisition of a subsidiary – GenesisPro

On 29 September 2021 (the "acquisition date"), the Company acquired a 70% equity interest in GenesisPro Pte. Ltd. ("GenesisPro") in order to further enhanced its digital identity management capabilities by adding a robust digital onboarding platform.

(a) The fair value of the identifiable assets and liabilities of the GenesisPro acquired as at the acquisition date were:

	2022
	$'000
Assets	
Amount due from shareholders	3
Intangible assets - Technology	3,376
	3,379
Liabilities	
Trade and other payables	(53)
Deferred tax liabilities	(126)
	(179)
Total identifiable net assets at fair value	3,200
Less: Non-controlling interest measured at the non-controlling's proportionate share of subsidiary's net assets	(960)
Net identifiable assets acquired	2,240
Goodwill (Note 14)	396
Total purchase consideration	2,636
Share consideration (Note 24)	(1,759)
Cash consideration	877

The fair value of the share consideration was derived from $0.25 per ordinary share based on the listed share price of the Company at 29 September 2021.

	2022
	$'000
Effect of the acquisition of the subsidiary on cash flows	
Total purchase consideration	2,636
Less: Share consideration	(1,759)
Consideration settled in cash	877
Less: Cash and bank balances of the subsidiary acquired	–
Acquisition of a subsidiary, net of cash acquired	877

Notes to the Financial Statements

For the financial year ended 31 May 2022

15. Investments in subsidiaries (Continued)

(i) Acquisition of a subsidiary – GenesisPro (Continued)

(b) Impact of the Acquisition on profit or loss

GenesisPro contributed a net loss of $1,093,000 to the Group from the date of acquisition of GenesisPro. The transaction costs related to the acquisition of $187,000 have been included in "legal and professional expenses" in the Group's profit or loss for the current financial year.

(c) Goodwill

The goodwill arising from the acquisition of $396,000 is attributable to new business opportunities expected to be provided to the Group and also additional and recurring revenue streams expected from the acquisition of GenesisPro.

(ii) Incorporation of subsidiaries

On 26 November 2021, the Company incorporated in India its 99.99% owned subsidiary namely TOTM Tech India Private Limited with issued and paid-up share capital of INR100,000.

On 27 September 2021, the Company incorporated in United States America its 100% owned subsidiary namely Identa T LLC with issued and paid-up share capital of US$10,000.

On 8 September 2021, the Company incorporated in Singapore its 100% owned subsidiary namely TOTM Tech SG Pte. Ltd. with issued and paid-up share capital of $10,000.

(iii) Acquisition of a subsidiary – InterBio

On 6 April 2021 (the "acquisition date"), the Company acquired a 51% equity interest in International Biometrics Pte. Ltd. and its subsidiary ("InterBio group") in order to diversify the Group's principal activities and to expand into the business of development and provision of identity management biometrics technology solution.

(a) The fair value of the identifiable assets and liabilities of the InterBio group acquired as at the acquisition date were:

	2021
	$'000
Assets	
Property, plant and equipment	243
Intangible assets	23,648
Contract assets	4,661
Trade and other receivables	1,707
Cash and bank balances	143
	30,402

Notes to the Financial Statements

For the financial year ended 31 May 2022

15. Investments in subsidiaries (Continued)

(iii) Acquisition of a subsidiary – InterBio (Continued)

(a) *The fair value of the identifiable assets and liabilities of the InterBio group acquired as at the acquisition date were: (Continued)*

	2021
	$'000
Liabilities	
Employee benefit liabilities	(146)
Trade and other payables	(306)
Loan from shareholder	(286)
Lease liabilities	(45)
Deferred tax liabilities	(4,697)
Tax payable	(614)
	(6,094)
Total identifiable net assets at fair value	24,308
Less: Non-controlling interest measured at the non-controlling's proportionate share of subsidiary's net assets	(11,942)
Net identifiable assets acquired	12,366
Goodwill (Note 14)	20,255
Total purchase consideration	32,621
Share consideration (Note 24)	(19,207)
Cash consideration	13,414

The fair value of the share consideration was derived from $0.134 per ordinary share based on the listed share price of the Company at 6 April 2021.

	2021
	$'000
Effect of the acquisition of the subsidiary on cash flows	
Total purchase consideration	32,621
Less: Deferred cash consideration	(6,664)
Less: Share consideration	(19,207)
Consideration settled in cash	6,750
Less: Cash and bank balances of the subsidiary acquired	(143)
Acquisition of a subsidiary, net of cash acquired	6,607

Notes to the Financial Statements

For the financial year ended 31 May 2022

15. Investments in subsidiaries (Continued)

(iii) Acquisition of a subsidiary – InterBio (Continued)

(b) Impact of the Acquisition on profit or loss

InterBio group contributed revenue of $1,016,000 and net loss of $188,000 to the Group for the two months ended 31 May 2021. If the acquisition had occurred on 1 June 2020, the Group's revenue would have been $11,152,000 and the net loss would have been $8,878,000. The transaction costs related to the acquisition of $2,516,000 have been included in "legal and professional expenses" in the Group's profit or loss for the previous financial year. The transaction costs of $2,111,000 were paid during the previous financial year and remaining amount of $405,000 was accrued under trade and other payables (Note 29).

(c) Deferred cash consideration

In accordance with the Sale and Purchase agreement ("SPA"), 50% of the cash consideration which amounted to $6,750,000, shall be payable, free of any interest, 3 months after the acquisition date. The fair value of the deferred cash consideration at the acquisition date was $6,664,000, which was computed by discounting the payment of cash consideration from the payment date using the discount rate of 5.25% per annum. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

The amortised cost of the deferred cash consideration as at 31 May 2021 is $6,721,000 (Note 29), which is approximate its fair value due to its short-term nature and where the effect of discounting is immaterial.

(d) Goodwill

The goodwill arising from the acquisition of $20,255,000 is attributable to new business opportunities expected to be provided to the Group and also additional and recurring revenue streams expected from the acquisition of InterBio group.

(iv) Summarised financial information of subsidiary with material non-controlling interests ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiary	Principal place of business/Country of incorporation	Ownership held by NCI	
		2022	2021
		%	%
International Biometrics Pte. Ltd.	Singapore	**49**	49
GenesisPro Pte. Ltd.	Singapore	**30**	–

Notes to the Financial Statements

For the financial year ended 31 May 2022

15. Investments in subsidiaries (Continued)

(iv) Summarised financial information of subsidiary with material non-controlling interests ("NCI") (Continued)

The following are the summarised financial information of the Group's subsidiary with NCI that is considered by management to be material to the Group. The financial information includes consolidation adjustments but before inter-company eliminations.

	InterBio group		GenesisPro	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Summarised Statement of Financial Position				
Non-current assets	**19,886**	23,408	**2,926**	–
Current assets	**6,634**	6,330	**220**	–
Non-current liabilities	**(4,155)**	(4,757)	**(993)**	–
Current liabilities	**(1,063)**	(859)	**(128)**	–
Net assets	**21,302**	24,122	**2,025**	–
Net assets attributable to NCI	**10,476**	11,853	**608**	–
Summarised Statement of Profit or Loss and Other Comprehensive Income				
Revenue	**6,326**	1,016	**–**	–
Loss before tax	**(3,620)**	(209)	**(1,191)**	–
Income tax credit	**698**	22	**17**	–
Loss after tax	**(2,922)**	(188)	**(1,174)**	–
Other comprehensive income	**53**	4	**–**	–
Total comprehensive loss	**(2,869)**	(184)	**(1,174)**	–
Loss allocated to NCI	**(1,431)**	(91)	**(352)**	–
Total comprehensive loss allocated to NCI	**(1,378)**	(89)	**(352)**	–

16. Investment in an associate

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Unquoted equity shares, at cost	**14,670**	–	**14,670**	–
Share of post-acquisition results	**(913)**	–	**–**	–
Carrying amount	**13,757**	–	**14,670**	–

Notes to the Financial Statements

For the financial year ended 31 May 2022

16. Investment in an associate (Continued)

The details of the associate are as follows:

Name of associate	Place of business /Country of incorporation	Principal activities	Proportion of ownership interest	
			2022	2021
			%	%
TECH5 SA [(i)]	Switzerland	Design, development, and distribution of biometrics-driven identity management solutions.	**16**	–

(i) Not required to be audited by law of country of incorporation.

Summarised financial information of the Group's associate

The summarised financial information in respect of TECH5 SA based on its SFRS(I) financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	2022	2021
	$'000	$'000
Assets and liabilities:		
Non-current assets	**2,802**	–
Current assets	**22,848**	–
Total assets	**25,650**	–
Current liabilities	**(1,910)**	–
Total liabilities	**(1,910)**	–
Net assets	**23,740**	–
Group's share of associate's net assets	**3,862**	–
Goodwill on acquisition	**10,458**	
Other adjustments	**(563)**	–
Carrying amount of the investment	**13,757**	–
Results:		
Revenue	**2,197**	–
Loss for the financial year	**(5,182)**	–
Group's share of associate' losses for the year	**(913)**	–

Notes to the Financial Statements

For the financial year ended 31 May 2022

16. Investment in an associate (Continued)

On 22 October 2021, the Company has completed the US$8.0 million (approximate $10.8 million) investment by way of subscription of new shares in the capital of TECH5 as well as exercise its rights to convert the US$2.5 million (approximate $3.8 million) convertible loan into new shares in TECH5. With the completion of these transactions, the Company's Chief Executive Officer and Executive Director, Mr Pierre Prunier, has been appointed as a director on the board of TECH5 and the Group holds 16.27% of TECH5 as at the date of this report. The management assessed that the Company demonstrated significant influence based on requirement of SFRS(I) 1-28 Investments in Associates and Joint Ventures ("SFRS(I) 1-28").

17. Financial assets at fair value through profit or loss ("FVTPL")

	Group and Company	
	2022	2021
	$'000	$'000
Investments measured at FVTPL:		
Convertible bond investment in Indonesia	**5,137**	–
Unquoted investment in Indonesia	**369**	369
Convertible bond investment in Switzerland	**–**	3,839
	5,506	4,208

Convertible bond investment in Indonesia

On 13 December 2021, the Group has entered into a convertible loan arrangement with PT. Cakrawala Data Integrasi ("CDI") whereby the Group agreed to subscribe for a convertible loan with principal amount of US$3,750,000 (equivalent to approximately $5,122,000 at 7.0% interest rate. The convertible loan has a maturity date of 2.5 years from the agreement date.

The Group has classified the investment as financial assets at fair value through profit or loss at initial recognition and at the end of the reporting period. The Group has determined the fair value of the investment based on the valuation performed by an external professional valuer by using Binomial model. The key inputs to the Binomial model is the market value of the share and conversion price. Management considered the appropriateness of the valuation technique and assumptions applied by the external valuer. The fair value measurement is categorised in Level 3 of the fair value hierarchy.

Unquoted investment in Indonesia

On 10 May 2021, the Group has entered into a convertible loan arrangement with PT Pattra Aksa Jaya ("PAJ") whereby the Group agreed to subscribe for a convertible loan with principal amount of $370,000 at 2.75% interest rate. The convertible loan has a maturity date of 3 months from the agreement date. In accordance with the convertible loan arrangement, the Group may elect to require PAJ to automatically issue 261 ordinary shares to the Group on the maturity date by giving PAJ at least 7 days prior notice in writing of such election. The Company has exercised its conversion right on 5 August 2021 to convert the total principal amount of the convertible loan to 261 shares in PAJ, representing approximately 8% of the enlarged issued shares capital of PAJ. The PAJ shares has been allotted and issued to the Company and the conversion was completed on 19 August 2021.

Notes to the Financial Statements

For the financial year ended 31 May 2022

17. Financial assets at fair value through profit or loss ("FVTPL")(Continued)

Unquoted investment in Indonesia (Continued)

The Group has classified the investment as financial assets at fair value through profit or loss at initial recognition and at the end of the reporting period. The Group has determined the fair value of the investment based on the valuation performed by an external professional valuer using the cost approach. The key inputs to the costs approach mainly include the adjustment of investment costs for changes in the equity markets. Management considered the appropriateness of the valuation technique and assumptions applied by the external valuer. The fair value measurement is categorised in Level 3 of the fair value hierarchy.

In FY2021, the Group has determined the fair value of the investment based on the valuation performed by an external professional valuer using the discounted cash flow method. The key inputs to the discounted cash flow method mainly include the discount rate, time to maturity, coupon rate and probability of conversion. Management considered the appropriateness of the valuation technique and assumptions applied by the external valuer. The fair value measurement is categorised in Level 3 of the fair value hierarchy.

Convertible bond investment in Switzerland

On 26 January 2021, the Group has entered into First Investment Agreement and Loan Agreement with TECH5 SA ("TECH5") and the founders of TECH5 to grant TECH5 an interest-free loan of US$ 2.50 million ("TECH5 Loan"). The loan has been disbursed to TECH5 on 1 April 2021 upon receiving the written request from TECH5 on 31 March 2021. Upon the full disbursement of the TECH5 Loan, the TECH5 Investment Agreement had come into effect on 1 April 2021. The repayment date is 36 months from 1 April 2021 if the early repayment option and conversion option included in the Loan Agreement were not exercised by the Group.

With the early repayment option included in the Loan Agreement, the Group has an option to request TECH5 to repay the loan (i) starting from the date falling 18 months from 1 April 2021 by giving 6 months prior written notice; or (ii) TECH5 completes an issuance of shares resulting in net proceeds of not less than US$ 7 million (the "Qualified Financing Round"). The right to early repayment is akin to a call option granted to the Group.

In accordance with the Investors' Agreement, the Group may exercise its right to convert the loan amount in full into TECH5 ordinary shares at the date of (i) Qualified Financing Round; or (ii) starting from the date falling 18 months from 1 April 2021 and ending on the maturity date of the Loan Agreement subject giving 6 months prior written notice. The number of TECH5 shares to be issued on conversion is determined by dividing the TECH5 Loan amount by the conversion price, which is at 12% discount to the fair market value of TECH5's ordinary share at the date of conversion.

On 14 May 2021, the Group had entered into an investment agreement with TECH5 and the founders of TECH5 whereby the Company will be subscribing 1,627,900 new registered shares in TECH5 for US$8.0 million and intends to exercise its rights to convert TECH5 Loan into 578,089 new shares in TECH5.

The Group has classified the investment as financial assets at fair value through profit or loss at initial recognition and at the end of the reporting period. The Group has determined the fair value of the investment based on the valuation performed by an external professional valuer by using Binomial model. The key inputs to the Binomial model is the market value of the share and conversion price. Management considered the appropriateness of the valuation technique and assumptions applied by the external valuer. The fair value measurement is categorised in Level 3 of the fair value hierarchy. In year 2021, the movements in fair value of $459,000 are recognised in profit or loss and presented in "other income".

On 22 October 2021, the Group exercised its right to convert the loan amount of US$2.5 million in TECH5 and had completed the investment of US$8.0 million in TECH5. As at the date of this report, the Group holds 2,205,989 shares constituting 16.27% shares in TECH5. Hence, TECH5 is now accounted for as an investment in an associate compared to an investment as financial assets at fair value through profit or loss. (Note 16).

Notes to the Financial Statements

For the financial year ended 31 May 2022

18. Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movements in the deferred tax account are as follows:

	Group	
	2022	2021
	$'000	$'000
Balance at beginning of financial year	**(4,553)**	(220)
Acquisition of subsidiary (Note 15(iii))	**(126)**	(4,697)
Tax charged to profit or loss (Note 10)	**879**	115
Disposal of subsidiaries (Note 11(iii))	**–**	259
Currency translation differences	**1**	(10)
Balance at end of financial year	**(3,799)**	(4,553)
Representing:		
Non-current		
Deferred tax assets	**67**	37
Deferred tax liabilities	**(3,866)**	(4,590)
	(3,799)	(4,553)
Deferred tax arising from:		
Fair value of intangible assets	**(3,866)**	(4,590)
Provisions	**1**	–
Employee benefits	**58**	37
Leases	**8**	–
	(3,799)	(4,553)

Unrecognised tax losses

At the end of the reporting period, the Group has unutilised tax losses of approximately $6,144,000 (2021: $2,313,000) that are available for offsetting against future taxable profits of the companies in which the tax losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Included within the unrecognised tax losses as at 31 May 2021 are losses of $4,089,000 attributable to discontinued operations that will expire in Year 2022 to 2023. Included in unrecognised deferred tax assets during the financial year is an additional tax losses of $533,000 attributable to discontinued operations. Other losses do not expire under current tax legislation.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is $1,118,000 (2021: $1,621,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

Notes to the Financial Statements

For the financial year ended 31 May 2022

19. Amount due from subsidiaries

Non-current

The amount due from a subsidiary presents the convertible loan extended by the Company to GenesisPro, which can be converted by the Company into new shares in the share capital of GenesisPro, at interest of 3% per annum.

Subject to the conversion right of the Company, GenesisPro shall repay the outstanding principal amount of the convertible loan, together with the outstanding accrued interest, without demand and without any deduction or withholding, within two years from the utilisation date of the convertible loan.

Current

The amounts due from subsidiaries are non-trade in nature, unsecured, interest-free, repayable on demand.

20. Inventories

	Group	
	2022	2021
	$'000	$'000
Equipment and raw materials	**–**	641

During the financial year ended 31 May 2022, inventories recognised as an expense in the consolidated statement of profit or loss and other comprehensive income under line item "Changes in inventories, materials consumed and sub-contractor costs" for the Group amounted to $Nil (2021: $1,383,000).

21. Contract assets and liabilities

The Group receives payments from customers based on the agreed billing milestone stipulated in the contracts or based on the amount certified by the customers. Contract assets relate to the Group's rights to consideration for work completed but not billed at the end of the reporting period on the Group's telecommunication and biometrics businesses. Contract liabilities relate to advance consideration received from customers, billings in excess of revenue recognised to-date and deferred revenue. Contract liabilities are recognised as revenue as (or when) the Group satisfies the performance obligations under its contracts.

The following table provides information about contract assets and contract liabilities from contracts with customers:

	Group	
	2022	2021
	$'000	$'000
Contract assets	**2,496**	9,611
Contract liabilities	**15**	179

Notes to the Financial Statements

For the financial year ended 31 May 2022

21. Contract assets and liabilities (Continued)

Significant changes in the contract assets and contract liabilities balances during the financial year are as follows:

	Group			
	Contract assets		Contract liabilities	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Contract assets reclassified to trade receivables	**10,912**	3,848	**–**	–
Services performed ahead of milestone payments	**6,594**	3,151	**–**	–
Disposal of a subsidiary	**1,510**	269	**–**	372
Acquisition of a subsidiary (Note 15(iii))	**–**	4,661	**–**	–
Impairment loss on contract assets	**1,090**	–		
Contract assets written off	**–**	1,746	**–**	–

22. Trade and other receivables

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Non-current:				
Deposits	**–**	177	**–**	–
Creditable withholding tax	**–**	319	**–**	–
	–	496	**–**	–
Current:				
Trade receivables – third parties	**1,992**	943	**–**	–
Retention amounts due from customers	**–**	24	**–**	–
	1,992	967	**–**	–
Less: Allowance for expected credit losses	**–**	(318)	**–**	–
	1,992	649	**–**	–
Other receivables and prepayments:				
Deposits	**190**	244	**143**	145
Sundry receivables	**267**	155	**98**	9
Staff advances	**–**	3	**–**	–
Prepayments	**132**	105	**82**	55
Input value added tax	**648**	329	**–**	–
Advance payment to suppliers	**712**	164	**–**	–
JSS grant receivable	**–**	84	**–**	–
Amounts due from related parties	**–**	6	**–**	–
	1,949	1,090	**323**	209
	3,941	1,739	**323**	209

Notes to the Financial Statements

For the financial year ended 31 May 2022

22. Trade and other receivables (Continued)

Trade receivables are non-interest bearing and the Group generally extend credit period of 30 (2021: 30) days from date of invoice. They are recognised at the transaction price which represent their fair value on initial recognition.

The amounts due from related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

23. Cash and cash equivalents

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**4,939**	12,556	**4,156**	12,220
Fixed deposits	**–**	100	**–**	–
	4,939	12,656	**4,156**	12,220
Less: pledged fixed deposits	**–**	(100)	**–**	–
Cash and cash equivalents per consolidated statement of cash flows	**4,939**	12,556	**4,156**	12,220

Fixed deposits are pledged as security with one of the subsidiary's banker's guarantee. The weighted average effective interest rate of these fixed deposits at the end of the reporting period is Nil% (2021: 0.05%) per annum.

24. Share capital

	Group and Company			
	2022	2021	**2022**	2021
	'000	'000	**$'000**	$'000
	Number of shares			
Issued and fully paid ordinary shares				
At beginning of financial year	**647,266**	152,000	**63,003**	14,542
Issue of ordinary shares	**202,038**	495,266	**28,084**	50,108
Shares issue expenses	**–**	–	**(862)**	(1,647)
At end of financial year	**849,304**	647,266	**90,225**	63,003

All issued shares are fully paid ordinary shares with no par value.

The Company allotted and issued 195,000,000 new ordinary shares in the capital of the Company pursuant to a placement exercise that was completed on 25 June 2021 (the "June 2021 Placement Exercise"). The June 2021 Placement Exercise raised gross proceeds of approximately $26.3 million.

The Company issued 7,037,383 Shares to the shareholders of GenesisPro Pte Ltd on 29 September 2021 as satisfaction of partial consideration amounting to €950,000 (approximately $1.8 million).

Notes to the Financial Statements

For the financial year ended 31 May 2022

24. Share capital (Continued)

The Company had, on 6 January 2021, issued 20,833,333 new ordinary shares in the capital of the Company ("Shares") to Yinda Pte. Ltd. pursuant to a debt conversion deed. Pursuant to the debt conversion deed, Yinda Pte. Ltd. agreed to convert an amount of $1.50 million owing by the Company into 20,833,333 Shares (Note 26).

The Company had conducted the following share subscription exercises (the "Subscription Exercises") in FY2021:

(i) share subscription of 76,000,000 Shares that was completed on 16 October 2020 (the "October 2020 Subscription Exercise"). The October 2020 Subscription Exercise raised gross proceeds of $3.80 million;

(ii) share subscription of 81,200,000 Shares of which 72,700,000 Shares were issued on 27 November 2020 while the remaining 8,500,000 Shares were issued on 6 January 2021 (the "November 2020 Subscription Exercise"). The November 2020 Subscription Exercise raised gross proceeds of approximately $5.85 million;

(iii) share subscription of 41,300,000 Shares that was completed on 23 December 2020 (the "December 2020 Subscription Exercise"). The December 2020 Subscription Exercise raised gross proceeds of approximately $3.18 million; and

(iv) share subscription of 132,600,000 Shares of which 99,000,000 Shares were issued on 15 February 2021 while the remaining 33,600,000 Shares were issued on 6 April 2021 ("January 2021 Subscription Exercise"). The January 2021 Subscription Exercise raised gross proceeds of approximately $16.57 million.

The Company issued 143,333,000 Shares to the shareholders of International Biometrics Pte. Ltd. ("InterBio") on 6 April 2021 as satisfaction of partial consideration amounting to $19.21 million in respect of the Company's acquisition of 51.0% of InterBio group (Note 15(iii)(a)).

The newly issued shares rank pari passu in all respects with the previously issued shares.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

25. Other reserves

	Group	
	2022	2021
	$'000	$'000
Foreign currency translation reserve	**43**	64
Capital reserve	**–**	1,890
Merger reserve	**–**	(10,397)
Statutory reserve	**–**	49
Others	**–**	6
	43	(8,388)

Notes to the Financial Statements

For the financial year ended 31 May 2022

25. Other reserves (Continued)

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of subsidiaries whose functional currencies are different from that of the Group's presentation currency.

Capital reserve

Capital reserve comprises the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attributed to the equity holders of the Company. Upon disposal of a subsidiary, the related capital reserve will be transferred to accumulated losses.

Merger reserve

Merger reserve represents the difference between the nominal value of shares issued by the Company in exchange for the nominal value of shares and capital reserve of subsidiaries acquired which is accounted for under the "pooling-of-interest" method. Upon disposal of a subsidiary, the related merger reserve will be transferred to accumulated losses.

Statutory reserve

Statutory reserve represents the fund set aside on the appropriation of net profit by the subsidiary in Thailand, in accordance with regulations governed in that country. Statutory reserve cannot be used for dividend payment. Upon disposal of a subsidiary, the related statutory reserve will be transferred to accumulated losses.

26. Borrowings

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Former shareholder's loans	**–**	3,151	**–**	2,903
Loan from a shareholder of a subsidiary	**–**	286	**–**	–
Short-term loan	**–**	277	**–**	–
	–	3,714	**–**	2,903

As at 31 May 2021, the Group's borrowings comprised:

1. Unsecured shareholder's loan from Yinda Pte. Ltd. amounting $3,151,000 (the Company $2,903,000) which were settled during the disposal of subsidiaries;

2. Government-supported loans, secured by a corporate guarantee provided by the Company amounting $277,000 which were transferred out from the Group with the disposal of subsidiaries.

Notes to the Financial Statements

For the financial year ended 31 May 2022

26. Borrowings (Continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Former shareholder's loans	Short-term loan	Lease liabilities (Note 27)	Loan from shareholder of a subsidiary	Total
	$'000	$'000	$'000	$'000	$'000
Group					
2022					
At beginning of financial year	3,151	277	2,026	286	5,740
Disposal of subsidiaries	(3,236)	(866)	–	–	(4,102)
Changes from financing cash flows:					
- Proceeds	–	1,079	–		1,079
- Repayments	–	(470)	(826)	(279)	(1,575)
- Interest paid	–	(4)	(135)	–	(139)
Non-cash changes:					
- Interest expense	48	4	135	–	187
- New leases	–	–	1,123	–	1,123
- Derecognition of lease liabilities	–	–	(419)	–	(419)
Effect of changes in foreign exchange rates	37	(20)	(1)	(7)	9
At end of financial year	–	–	1,903	–	1,903

Notes to the Financial Statements

For the financial year ended 31 May 2022

26. Borrowings (Continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities: (Continued)

	Former shareholder's loans	Short-term loan	Factoring	Lease liabilities (Note 27)	Loan from shareholder of a subsidiary	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
2021						
At beginning of financial year	4,790	593	102	829	–	6,314
Acquisition of subsidiary (Note 15(iii)(a))	–	–	–	45	286	331
Changes from financing cash flows:						
- Proceeds	248	2,617	–	–	–	2,865
- Repayments	(342)	(2,921)	(102)	(485)	–	(3,850)
- Interest paid	–	(16)	–	(38)	–	(54)
Non-cash changes:						
- Interest expense	68	16	–	38	–	122
- New leases	–	–	–	1,675	–	1,675
- Modification of lease liabilities	–	–	–	82	–	82
- Rent concession from lessor	–	–	–	(35)	–	(35)
- Conversion to ordinary shares (Note 24)	(1,500)	–	–	–	–	(1,500)
- Derecognition of lease liabilities	–	–	–	(100)	–	(100)
- Unpaid interest included in amount due to shareholder	(68)	–	–	–	–	(68)
Effect of changes in foreign exchange rates	(45)	(12)	–	15	–	(42)
At end of financial year	**3,151**	**277**	**–**	**2,026**	**286**	**5,740**

27. Lease liabilities

The Group's leasing activities comprise the following:

(a) The Group leases office, warehouse, staff accommodation, motor vehicles, computer and office equipment from non-related parties. The leases have an average tenure of between two to five years; and

(b) The Group leases certain office equipment and motor vehicles with contractual terms of 6 months to three years. These leases are either short-term and/or low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The maturity analysis of the lease liabilities is disclosed in Note 32 (b).

Notes to the Financial Statements

For the financial year ended 31 May 2022

27. Lease liabilities (Continued)

Information about leases for which the Group is a lessee is presented below:

Amounts recognised in statement of financial position

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Carrying amount of right-of-use assets				
Leasehold properties	**1,775**	1,641	**1,492**	1,291
Computer and office equipment	**15**	162	**15**	20
Motor vehicles	**–**	114	**–**	–
	1,790	1,917	**1,507**	1,311
Carrying amount of lease liabilities				
Current	**748**	619	**642**	366
Non-current	**1,155**	1,407	**963**	1,060
	1,903	2,026	**1,605**	1,426
Additions to right-of-use assets	**1,123**	1,675	**1,605**	1,450

Amounts recognised in profit or loss

	Group	
	2022	2021
	$'000	$'000
Depreciation charge for the financial year		
Leasehold properties	**781**	531
Computer and office equipment	**27**	36
Motor vehicles	**14**	107
	822	674

	Note	Group	
		2022	2021
		$'000	$'000
Lease expense not included in the measurement of lease liabilities:			
Lease expense – short term leases	**9 & 11**	**95**	95
Rent concession from lessor	**11**	**–**	(35)
Interest expense arising from lease liabilities	**8 & 11**	**135**	38

Total cash flows for leases during the financial year amounted to $826,000 (2021: $485,000).

Notes to the Financial Statements

For the financial year ended 31 May 2022

28. Employee benefits liabilities

As at 31 May 2022 and 2021, the Group has recorded estimated employee benefit liabilities based on the actuarial calculations prepared by independent firms of actuaries using the "Projected Unit Credit" method.

The subsidiary in Thailand operates an unfunded benefit scheme, Legal Severance Pay Plan ("LSP"), for qualifying employees.

The subsidiary in Indonesia's estimated liabilities for employee benefit is determined based on Labour Law No. 13 Year 2003, dated March 2003.

	Group	
	2022	2021
	$'000	$'000
Net benefit expense		
Current service cost	**107**	56
Interest cost on benefit liabilities	**12**	9
	119	65
Net actuarial loss recognised in the other comprehensive income	**(21)**	4

Movements in employee benefits liabilities are as follows:

	Group	
	2022	2021
	$'000	$'000
At beginning of financial year	**397**	272
Balance through acquisition of subsidiary (Note 15 (iii)(a))	**–**	146
Current service cost	**107**	56
Past service cost	**–**	(35)
Interest cost on benefit liabilities	**12**	9
Actuarial loss on obligation	**–**	4
Income tax effect	**(20)**	–
Disposal of subsidiary (Note 11 (iii))	**(220)**	(47)
Currency translation differences	**(8)**	(8)
At end of financial year	**268**	397

The principal assumptions used in determining the Group's employee benefits are as follows:

	Group	
	2022	2021
	%	%
Discount rates	**7.70**	1.57 – 7.15
Expected rate of salary increases	**9.00**	5.00 – 9.00
Mortality rates	**TMI 4***	3.00
Price inflation	**2.10**	2.50

* Indonesian Mortality Table TMI 4

Notes to the Financial Statements

For the financial year ended 31 May 2022

28. Employee benefits liabilities (Continued)

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation at the end of the reporting period, assuming if all other assumptions were held constant:

		Group	
	Increase / (decrease)	(Decrease) / increase in net employee benefit liabilities	
		2022	2021
	%	**$'000**	$'000
Discount rate	1.0	**(34)**	(32)
	(1.0)	**8**	27
Salary increase rate	1.0	**7**	31
	(1.0)	**(34)**	(31)

29. Trade and other payables

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Trade payables – third parties	**–**	1,745	**–**	–
Other payables	**124**	406	**51**	50
Indirect tax payable	**51**	290	**2**	29
Accrued liabilities	**1,094**	1,109	**449**	560
Accrued transaction cost on acquisition of a subsidiary (Note 15 (iii)(b))	**–**	405	**–**	405
Amount due to shareholder	**7**	272	**–**	261
Amount due to related party	**44**	310		–
Deferred cash consideration (Note 15(iii)(c))	**–**	6,721	**–**	6,721
Deferred grant income	**–**	84	**–**	–
	1,320	9,597	**502**	8,026
	1,320	11,342	**502**	8,026

The amounts due to shareholder and related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

Deferred grant income relates to "Job Support Scheme" ("JSS") provided by Singapore Government to help businesses retain their local employees during the period of economic uncertainly affected by the COVID-19 pandemic. Under the JSS, the Singapore Government will co-fund between 25% to 75% of the first $4,600 of gross monthly wages paid to each local employee in a ten-month period (up to August 2021) and 10% of the same in the subsequent seven-month period (September 2021 to March 2022) through cash subsidies. There are no unfulfilled conditions or contingencies attached to these grants. The deferred grant income will be recognised as grant income in financial year ending 31 May 2022.

Notes to the Financial Statements

For the financial year ended 31 May 2022

30. Contingent liabilities (unsecured)

In 2021, the Company had provided corporate guarantees of $5,569,000 to banks for banking facilities of $277,000 drawn down by subsidiaries (Note 26). There were no such corporate guarantees provided by the Group as at 31 May 2022.

As at the end of the financial year, the Company had given undertakings to certain subsidiaries to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at lease 12 months from the financial year end.

Corporate guarantees given by the Company will become due and payable on demand when an event of default occurs. No liability was recognised from the issuance of the corporate guarantees to a subsidiary as management has assessed the risk of default to be remote and therefore, the fair value of the corporate guarantee to be immaterial.

31. Related party transactions

(a) In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties, who are not members of the Group during the financial year on terms agreed by the parties concerned:

	Group	
	2022	2021
	$'000	$'000
Purchases of raw materials from a related party	**–**	90
Interest expense on former shareholder's loans	**48**	68
Technical service fee	**1,190**	4
Conversion of former shareholder's loan to ordinary shares	**–**	1,500
Disposal of subsidiaries to former immediate holding company	**1**	1

(b) Key management personnel

Total key management personnel compensation is analysed as follows:

	Group	
	2022	2021
	$'000	$'000
Salaries and remuneration	**1,132**	595
Employer's contribution to defined contribution plans	**45**	29
Fees and other benefits	**336**	197
	1,513	821
Comprise amounts paid to:		
Directors of the Company	**1,371**	636
Other key management personnel	**142**	185
	1,513	821

Notes to the Financial Statements

For the financial year ended 31 May 2022

32. Financial instruments

(a) Categories of financial instruments

Financial instruments at their carrying amounts at the end of the reporting period are as follows:

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Financial assets				
Financial assets at fair value through profit or loss	**5,506**	4,208	**5,506**	4,208
Financial assets at amortised cost	**7,388**	13,890	**5,894**	12,944
	12,894	18,098	**11,400**	17,152
Financial liabilities				
Financial liabilities at amortised cost	**3,172**	16,708	**2,105**	12,326

(b) Financial risks management

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, liquidity risk and credit risk. The Group's overall risk management strategy seeks to minimise adverse effects from these financial risks on the Group's financial performance.

The directors provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk and credit risk. Such written policies are reviewed annually.

There has been no change to the Group's exposure to these financial risks or the way in which it manages and measures credit risk and liquidity risk exposures are measured using sensitivity analysis indicated below.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group's trades only with recognised and creditworthy third parties. For customers who wish to trade on credit terms, the Group will take into account the quantity of the customer order, background and creditworthiness of the customer, payment history of the customer and relationship with the customer.

Maximum exposure and concentration of credit risk

At the end of the reporting period, 100% (2021: 78%) of the Group's trade receivables were due from 3 (2021: 5) major debtors.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position and the amount of $NIL (2021: $277,000) relating to corporate guarantees given by the Company to banks for the subsidiaries' bank borrowings (Note 30).

Notes to the Financial Statements

For the financial year ended 31 May 2022

32. Financial instruments (Continued)

(b) Financial risks management (Continued)

Credit risk (Continued)

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-months ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
Contractual payments are more than 365 days past due or there is evidence of credit impairment	Lifetime ECL – credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Written off

Significant increase in credit risk

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

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- Actual or expected significant change in the operating results of the customer;
- Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the Group and changes in operating results of the customer.

Notes to the Financial Statements

For the financial year ended 31 May 2022

32. Financial instruments (Continued)

(b) Financial risks management (Continued)

Credit risk (Continued)

Significant increase in credit risk (Continued)

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

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of “investment grade” as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers information developed internally or obtained from external sources that indicates that the customer is unlikely to pay its creditor, including the Group as constituting an event of default for internal credit risk management purpose. Based on historical experience, it indicates that receivables that meet the criteria are generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

Notes to the Financial Statements

For the financial year ended 31 May 2022

32. Financial instruments (Continued)

(b) Financial risks management (Continued)

Credit risk (Continued)

Movements in credit loss allowance

Movements in allowance for expected credit losses are as follows:

	Trade receivables	Contract assets	Total
	$'000	**$'000**	**$'000**
Group			
Balance at 1 June 2020	462	356	818
Loss allowance measured/(reversed):			
Lifetime ECL			
- simplified approach	(1)	–	(1)
Disposal of subsidiary	(143)	–	(143)
Balance at 31 May 2021	318	356	674
Loss allowance measured/(reversed):			
Lifetime ECL			
- simplified approach	108	1,090	1,198
Disposal of subsidiary	(426)	(1,446)	(1,872)
Balance at 31 May 2022	–	–	–

Trade receivables and contract assets

The Group has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets. The contract assets relate to unbilled work-in-progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. Trade receivables and contract assets that shared the same credit risk characteristics and days past due are grouped together in measuring the expected credit losses.

Under the simplified approach, for trade receivables and contract assets that do not contain a significant financing component, the loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL.

Notes to the Financial Statements

For the financial year ended 31 May 2022

32. Financial instruments (Continued)

(b) Financial risks management (Continued)

Credit risk (Continued)

Trade receivables and contract assets (Continued)

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions affecting the ability of the customers to settle the receivables. In view of the current COVID-19 pandemic, the Group has considered the impact of the pandemic on the performance and liquidity of its trade receivables and in particular, whether there are significant decline in the repayment ability of its debtors. There has been no change in the estimation techniques or significant assumptions made during the current financial year except for reassessments made of the current COVID-19 pandemic effects on the historical default rates of each past due category of its trade receivables and contract assets.

The Group has recognised a loss allowance of 100% against all credit-impaired trade receivables. A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor.

The Group's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 at the reporting date are set out in the provision matrix below:

	Not past due	Within 180 days	More than 180 days	Credit-impaired	Total
	$'000	$'000	$'000	$'000	$'000
2022					
Indonesia					
Weighted average expected loss rate	0%	0%	0%	0%	
Trade receivables	–	1,992	–	–	1,992
Contract assets	2,496	–	–	–	2,496
Loss allowance	–	–	–	–	–

Notes to the Financial Statements

For the financial year ended 31 May 2022

32. Financial instruments (Continued)

(b) Financial risks management (Continued)

Credit risk (Continued)

Trade receivables and contract assets (Continued)

The Group's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 at the reporting date are set out in the provision matrix below (Continued):

	Not past due	Within 180 days	More than 180 days	Credit-impaired	Total
	$'000	$'000	$'000	$'000	$'000
2021					
Singapore					
Weighted average expected loss rate	0%	0%	44.5%	100%	
Trade receivables	–	256	182	261	699
Contract assets	1,447	–	–	332	1,779
Loss allowance	–	–	81	593	674
Indonesia					
Weighted average expected loss rate	0%	0%	0%	100%	
Trade receivables	–	–	–	–	–
Contract assets	5,651	–	–	–	5,651
Loss allowance	–	–	–	–	–
Thailand					
Weighted average expected loss rate	0%	0%	0%	100%	
Trade receivables	221	47	–	–	268
Contract assets	2,537	–	–	–	2,537
Loss allowance	–	–	–	–	–
Total					
Weighted average expected loss rate	0%	0%	44.5%	100%	
Trade receivables	221	303	182	261	967
Contract assets	9,635	–	–	332	9,967
Loss allowance	–	–	81	593	674

Notes to the Financial Statements

For the financial year ended 31 May 2022

32. Financial instruments (Continued)

(b) Financial risks management (Continued)

Credit risk (Continued)

Other financial assets at amortised cost

The table below details the credit quality of the Group's and the Company's other financial assets at amortised cost at the reporting date:

	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
		$'000	$'000	$'000
Group				
2022				
Sundry receivables, deposits and staff advances	12-month ECL	**457**	**–**	**457**
Amounts due from related parties	12-month ECL	**–**	**–**	**–**
Cash and cash equivalents with financial institutions	N.A. Exposure limited	**4,939**	**–**	**4,939**
2021				
Sundry receivables, deposits and staff advances	12-month ECL	579	–	579
Amounts due from related parties	12-month ECL	6	–	6
Cash and cash equivalents with financial institutions	N.A. Exposure limited	12,656	–	12,656

	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
		$'000	$'000	$'000
Company				
2022				
Sundry receivables, deposits and staff advances	12-month ECL	**241**	**–**	**241**
Amounts due from subsidiaries	12-month ECL	**1,497**	**–**	**1,497**
Cash and cash equivalents with financial institutions	N.A. Exposure limited	**4,156**	**–**	**4,156**
2021				
Sundry receivables, deposits and staff advances	12-month ECL	154	–	154
Amounts due from subsidiaries	12-month ECL	570	–	570
	Lifetime ECL	3,368	(3,368)	–
Cash and cash equivalents with financial institutions	N.A. Exposure limited	12,220	–	12,220

Credit risk exposure in relation to financial assets at amortised cost (other than trade receivables and contract assets and amounts due from subsidiaries) are insignificant, and accordingly no credit loss allowance is recognised as at 31 May 2022 and 31 May 2021.

Notes to the Financial Statements

For the financial year ended 31 May 2022

32. Financial instruments (Continued)

(b) Financial risks management (Continued)

Credit risk (Continued)

Amounts due from subsidiaries

For the amounts due from subsidiaries where impairment loss allowance is measured using 12-month ECL, the Company assessed the latest performance and financial position of the respective subsidiaries, adjusted for COVID-19 pandemic impact consideration and the future outlook of the industry in which the subsidiaries operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

For the amounts due from subsidiaries where impairment loss allowance is measured using lifetime ECL, the subsidiary is considered credit-impaired, hence 100% allowance is provided on the outstanding amount due from this subsidiary as at 31 May 2021.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of the financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

In managing its liquidity, management monitors and reviews the Group's and the Company's forecasts of liquidity reserves (comprise cash and cash equivalents and available credit facilities) based on expected cash flows of the respective operating companies of the Group.

The table below summarises the maturity profile of the Group's and the Company's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	Within 1 year	1 to 5 years	After 5 years	Total
	$'000	$'000	$'000	$'000
Group				
2022				
Trade and other payables	1,269	–	–	1,269
Borrowings	–	–	–	–
Lease liabilities	834	1,215	–	2,049
	2,103	1,215	–	3,318

Notes to the Financial Statements

For the financial year ended 31 May 2022

32. Financial instruments (Continued)

(b) Financial risks management (Continued)

Liquidity risk (Continued)

	Within 1 year	1 to 5 years	After 5 years	Total
	$'000	**$'000**	**$'000**	**$'000**
Group				
2021				
Trade and other payables	10,997	–	–	10,997
Borrowings	3,823	–	–	3,823
Lease liabilities	642	1,538	–	2,180
	15,462	1,538	–	17,000
Company				
2022				
Trade and other payables	**500**	**–**	**–**	**500**
Borrowings	**–**	**–**	**–**	**–**
Lease liabilities	**706**	**1,004**	**–**	**1,710**
Financial guarantee contracts (Note 30)	**–**	**–**	**–**	**–**
	1,206	**1,004**	**–**	**2,210**
2021				
Trade and other payables	8,055	–	–	8,055
Borrowings	2,997	–	–	2,997
Lease liabilities	374	1,169	–	1,543
Financial guarantee contracts (Note 30)	277	–	–	277
	11,703	1,169	–	12,872

Foreign currency risk

The Group has currency exposures arising from transactions, assets and liabilities that are denominated in other than the respective functional currencies of entities in the Group. The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are mainly in USD and IDR.

Notes to the Financial Statements

For the financial year ended 31 May 2022

32. Financial instruments (Continued)

(b) Financial risks management (Continued)

Foreign currency risk (Continued)

At the end of the reporting period, the Group's and the Company's foreign currency exposure based on information provided by key management is as follows:

	USD	PHP	EUR	INR	IDR	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
2022						
Financial assets						
- Trade and other receivables	**4**	**–**	**4**	**24**	**2,220**	**2,252**
- Financial assets at FVTPL	**5,137**	**–**	**–**	**–**	**–**	**5,137**
- Cash and cash equivalents	**2,860**	**–**	**29**	**3**	**440**	**3,332**
	8,001	**–**	**33**	**27**	**2,660**	**10,721**
Financial liabilities						
- Trade and other payables	**(8)**	**–**	**(71)**	**(21)**	**(632)**	**(732)**
Net financial assets/(liabilities) denominated in foreign currencies	**7,993**	**–**	**(38)**	**6**	**2,028**	**9,989**
2021						
Financial assets						
- Trade and other receivables	165	–	–	–	142	307
- Financial assets at FVTPL	3,839	–	–	–	–	3,839
- Cash and cash equivalents	30	–	–	–	187	217
	4,034	–	–	–	329	4,363
Financial liabilities						
- Trade and other payables	(726)	(177)	–	–	(487)	(1,390)
Net financial assets/(liabilities) denominated in foreign currencies	3,308	(177)	–	–	(158)	2,973

Notes to the Financial Statements

For the financial year ended 31 May 2022

32. Financial instruments (Continued)

(b) Financial risks management (Continued)

Foreign currency risk (Continued)

	USD	**EUR**
	$'000	**$'000**
2022		
Company		
Financial assets		
- Financial assets at FVTPL	**5,137**	**–**
- Trade and other receivables	**35**	**–**
- Amount due from subsidiaries	**120**	**898**
- Cash and cash equivalents	**2,599**	**29**
	7,891	**927**
Financial liabilities		
- Trade and other payables	**–**	**–**
Net financial assets denominated in foreign currencies	**7,891**	**927**

	USD	EUR
	$'000	$'000
2021		
Company		
Financial assets		
- Financial assets at FVTPL	3,839	–
Financial liabilities		
- Trade and other payables	(707)	–
Net financial assets denominated in foreign currencies	3,132	–

Notes to the Financial Statements

For the financial year ended 31 May 2022

32. Financial instruments (Continued)

(b) Financial risks management (Continued)

Foreign currency risk (Continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of a reasonably possible change in the USD, PHP, EUR, INR and IDR exchange rates against Singapore dollar ("SGD"), with all other variables held constant, of the Group's and the Company's loss net of tax:

	Group (Decrease)/increase Loss net of tax		**Company** (Decrease)/increase Loss net of tax	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
USD/SGD				
- strengthened 10%	**(663)**	(275)	**(655)**	(260)
- weakened 10%	**663**	275	**655**	260
PHP/SGD				
- strengthened 10%	**–**	15	**–**	–
- weakened 10%	**–**	(15)	**–**	–
EUR/SGD				
- strengthened 10%	**3**	–	**(77)**	–
- weakened 10%	**(3)**	–	**77**	–
INR/SGD				
- strengthened 10%	**-***	–	**–**	–
- weakened 10%	**-***	–	**–**	–
IDR/SGD				
- strengthened 10%	**(168)**	13	**–**	–
- weakened 10%	**168**	(13)	**–**	–

* amount less than $1,000

Notes to the Financial Statements

For the financial year ended 31 May 2022

33. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(i) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Fair value measurements of assets and liabilities that are measured at fair value

The following table presents the level of fair value hierarchy for each class of assets and liabilities measured at fair value on the statements of financial position at the end of the reporting period:

	Group and Company			
	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
2022				
Recurring fair value measurements				
Financial assets				
Financial assets at FVTPL	**–**	**–**	**5,506**	**5,506**
2021				
Recurring fair value measurements				
Financial assets				
Financial assets at FVTPL	–	–	4,208	4,208

The valuation technique to determine fair values of the financial assets at FVTPL are disclosed in Note 17.

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of financial assets and financial liabilities recorded in the financial statements of the Group and the Company approximate their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period or that there are no significant changes in the interest borrowing rates available to the Group at the end of the reporting period.

Notes to the Financial Statements

For the financial year ended 31 May 2022

33. Fair value of assets and liabilities (Continued)

(d) Valuation process applied by the Group

The fair values of unquoted investments are determined by an external professional valuer having appropriate professional qualifications and experience in valuing such investments. For valuation performed by external valuers, management considers the appropriateness of the valuation technique and assumptions applied by the external valuers. The measurement of fair values of other assets and liabilities within Level 3 fair value hierarchy is performed by the Group's finance team on annual basis. If third party quotes or pricing information are used to measure fair value, the valuation team assesses the evidence obtained from the third parties to assess if such valuations meet the SFRS(I) and the fair value level hierarchy the measurement should be classified in. The valuation reports and changes in fair value measurements are analysed and reported to the Group's Deputy Chief Financial Officer and directors regularly. Significant valuation issues are reported to the Audit Committee.

34. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents.

		Group	
	Note	**2022**	2021
		$'000	$'000
Borrowings	26	**–**	3,714
Lease liabilities	27	**1,903**	2,026
Less: Cash and cash equivalents		**(4,939)**	(12,656)
Net debt		**(3,036)**	(6,916)
Total equity		**68,359**	52,485
Total capital		**65,323**	45,569
Gearing ratio		**N.M**	N.M

35. Segment information

The Group is in telecommunication and biometrics businesses. The telecommunication business is further organised into business units based on its geographical locations in Singapore, Thailand, Philippines and Malaysia. Biometrics business is in Indonesia. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

As disclosed in Note 11, the Company disposed its 100% equity interest in subsidiaries, YTS and YTT during the financial year. Accordingly, information about the profit or loss, assets and liabilities relating to YTS and YTT were presented under "Discontinued Operations". In addition, the Group has re-represented the information about the profit or loss, assets and liabilities relating to YTS and YTT as "Discontinued Operations" for the financial year ended 31 May 2021.

Notes to the Financial Statements

For the financial year ended 31 May 2022

35. Segment information (Continued)

The segment information provided to management for the reportable segments are as follows:

2022	Continuing operations				Discontinued operations			
	Singapore	Indonesia	India	USA	Singapore	Thailand	Adjustments and eliminations	Group
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Total segment revenue	4,915	6,327	256	–	1,092	762	(371)	12,981
Intersegment revenue	–	(115)	(256)	–	–	–	371	–
Total revenue from external parties	4,915	6,212	–	–	1,092	762	–	12,981
Operating (loss)/profit	(7,676)	527	(34)	(46)	(2,005)	(943)	(1,683)	(11,860)
Interest income	73	14	–	–	–	–	(87)	–
Finance costs	(205)	(60)	(3)	–	(64)	(11)	87	(256)
(Loss)/profit before tax	(7,808)	481	(37)	(46)	(2,069)	(954)	(1,683)	(12,116)
Share of losses of equity-accounted investees (net of tax)								(913)
Income tax credit								707
Loss for the year								(12,322)
Other significant non-cash items								
Depreciation and amortisation expenses	981	297	14	–	147	10	4,201	5,650
Allowance for expected credit loss of financial and contract assets	3,368	–	–	–	1,198	–	(3,368)	1,198
Impairment loss on property, plant and equipment	–	–	–	–	110	–	–	110
Gain/(loss) on disposal of subsidiaries	–	–	–	–	4,076	(558)	–	3,518
Assets								
Segment assets	66,098	8,039	130	14	–	–	1,450	75,731
Segment assets include additions to non-current assets	4,626	1,003	89	–	2	17	–	5,737
Liabilities								
Segment liabilities	3,990	1,137	171	46	–	–	2,028	7,372

Notes to the Financial Statements

For the financial year ended 31 May 2022

35. Segment information (Continued)

The segment information provided to management for the reportable segments are as follows (Continued):

2021	Continuing operations		Discontinued operations					
	Singapore	Indonesia	Singapore	Thailand	Philippines	Malaysia	Adjustments and eliminations	Group
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Total segment revenue	–	1,016	2,014	3,042	287	–	–	6,359
Intersegment revenue	–	–	–	–	–	–	–	–
Total revenue from external parties	–	1,016	2,014	3,042	287	–	–	6,359
Operating (loss)/profit	(9,547)	485	(2,039)	(375)	(1,834)	(10)	5,165	(8,155)
Interest income	87	–	–	–	1	–	(86)	2
Finance costs	(132)	(2)	(98)	(33)	(2)	–	87	(180)
(Loss)/profit before tax	(9,592)	483	(2,137)	(408)	(1,835)	(10)	5,166	(8,333)
Income tax expense								(74)
Loss for the year								(8,407)
Other significant non-cash items								
Depreciation and amortisation expenses	141	33	591	29	40	–	767	1,601
(Reversal)/allowance for expected credit loss of financial and contract assets	4,368	–	(1)	–	–	–	(4,368)	(1)
Contract assets written off	–	–	372	–	1,374	–	–	1,746
Impairment loss on property, plant and equipment	–	–	159	–	–	–	–	159
Gain on disposal of subsidiaries	–	–	–	–	1,353	2	–	1,355
Fair value gain on financial assets at fair value through profit and loss	459	–	–	–	–	–	–	459
Assets								
Segment assets	52,748	7,181	3,622	3,402	–	–	7,780	74,733
Segment assets includes additions to non-current assets	1,468	470	206	10	–	–	43,903	46,057
Liabilities								
Segment liabilities	12,649	733	6,640	1,748	–	–	478	22,248

Notes to the Financial Statements

For the financial year ended 31 May 2022

35. Segment information (Continued)

Segment results

Performance of each segment is evaluated based on segment profit or loss which is measured in a manner that is consistent with the net profit or loss before tax in the consolidated statement of profit or loss and other comprehensive income. Sales between operating segments are on terms agreed by Group entities concerned. Inter-segment revenues are eliminated on consolidation.

Segment assets

The amounts provided to management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments.

Inter-segment assets as included in the respective reportable segments are eliminated to arrive at the total assets reported in the consolidated statement of financial position.

Segment liabilities

The amounts provided to management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments.

Inter-segment liabilities as included in the respective reportable segments are eliminated to arrive at the total liabilities reported in the consolidated statement of financial position.

Information about major customer

Revenue is derived from 3 (2021: 3) external customer who individually contributed 10% or more of the Group's revenue.

	Attributable segments	**Group 2022 $'000**
Customer 1	Singapore	2,459
Customer 2	Singapore	2,459
Customer 3	Indonesia	5,996
		10,914

	Attributable segments	2021 $'000
Customer 1	Singapore	716
Customer 2	Thailand	898
Customer 3	Indonesia	982
		2,596

Notes to the Financial Statements

For the financial year ended 31 May 2022

36. Development of COVID-19 outbreak and its impact on the Group

COVID-19 outbreak has brought about an unprecedented challenge for many entities, with increased uncertainty in the global economy. As the situation is still evolving, the full effect of the outbreak is still uncertain and the Group is therefore unable to provide a quantitative estimate of the potential impact of this outbreak on the Group. The Group continues to monitor and evaluate any possible impact on the Group´s business and will consider implementation of various measures to mitigate the effects arising from the COVID-19 situation. Based on management's latest assessment, there is no indicator that the going concern assumption used by the Group in preparing the financial statement is inappropriate.

37. Subsequent events

On 17 August 2022, the Company allotted and issued 33,400,000 placement shares pursuant to the placement exercise announced on 5 August 2022. The placement shares are issued free from all claims, pledges, mortgages, charges, liens and encumbrances and rank in all respects *pari passu* with the then existing issued shares at the time of the issue except that the placement shares will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of the issue of the placement shares. Following the allotment and issue of the 33,400,000 placement shares at an issue price of $0.12 per share amounting to an aggregate consideration of $4,008,000, the share capital of the Company has increased from 849,303,716 ordinary shares to 882,703,716 ordinary shares.

Statistics of Shareholdings

As at 31 August 2022

ANALYSIS OF SHAREHOLDINGS AS AT 31 AUGUST 2022

ISSUED AND FULLY PAID-UP CAPITAL	:	S$99,205,667.96
NUMBER OF ISSUED SHARES	:	882,703,716
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	1 VOTE PER SHARE
TREASURY SHARES AND SUBSIDIARY HOLDINGS	:	NIL

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 31 August 2022, approximately 78.44% of the issued ordinary shares of the Company was held by the public. Accordingly, Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited has been complied with.

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	1	0.12	20	0.00
100 - 1,000	35	4.23	24,900	0.00
1,001 - 10,000	238	28.74	1,311,600	0.15
10,001 - 1,000,000	485	58.58	73,882,995	8.37
1,000,001 & above	69	8.33	807,484,201	91.48
TOTAL	828	100.00	882,703,716	100.00

TOP TWENTY SHAREHOLDERS AS AT 31 AUGUST 2022

S/No.	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	HING CHOW YUEN	80,104,800	9.07
2.	RAHUL GANPAT PARTHE	60,149,693	6.81
3.	DBS NOMINEES PTE LTD	59,572,420	6.75
4.	MAYBANK SECURITIES PTE. LTD.	56,526,700	6.40
5.	UOB KAY HIAN PTE LTD	39,225,116	4.44
6.	CHEE TUCK HONG	36,760,000	4.17
7.	IFAST FINANCIAL PTE LTD	36,085,000	4.09
8.	RAFFLES NOMINEES (PTE) LIMITED	34,973,483	3.96
9.	CHEE TAI CHIEW	32,756,400	3.71
10.	ESW MANAGE PTE LTD	31,726,230	3.59
11.	TAN KIM SING	25,000,000	2.83
12.	CITIBANK NOMINEES SINGAPORE PTE LTD	23,766,996	2.69
13.	TAN AH EE	22,409,100	2.54
14.	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	21,958,413	2.49
15.	PHILLIP SECURITIES PTE LTD	21,352,500	2.42
16.	WONG HONG ENG	20,850,000	2.36
17.	LIM AND TAN SECURITIES PTE LTD	14,640,500	1.66
18.	GAN HUAI SHEN	13,102,200	1.49
19.	TIGER BROKERS (SINGAPORE) PTE. LTD.	12,361,300	1.40
20.	KHOO THOMAS CLIVE	9,656,000	1.09
	TOTAL	652,976,851	73.97

Statistics of Shareholdings

As at 31 August 2022

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholder	Direct Interest Number of Shares	Direct Interest %	Deemed Interest Number of Shares	Deemed Interest %
Pierre Prunier [1]	–	–	50,166,550	5.68
Hing Chow Yuen	80,104,800	9.07	–	–
Rahul Ganpat Parthe	60,149,693	6.81	–	–

Note:

(1) Mr Pierre Prunier is deemed to be interested in 50,166,550 ordinary shares of the Company registered in the name of a nominee account of DBS Nominees Pte. Ltd.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of TOTM Technologies Limited (the "**Company**") will be held by way of electronic means on Wednesday, 28 September 2022 at 10.00 a.m. (the "**AGM**") to transact the following businesses: -

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 May 2022 together with the Independent Auditor's Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$246,000 for the financial year ending 31 May 2023, payable quarterly in arrears. **(Resolution 2)**

3. To re-elect the following Directors retiring pursuant to Regulation 104 of the Company's Constitution.

   (a) Mr Tan Chee Bun Gordon **(Resolution 3)**
   (b) Mr Cheam Heng Haw, Howard **(Resolution 4)**
   (c) Mr Chua Hoe Sing **(Resolution 5)**

   [See Explanatory Notes (i) to (iii)]

4. To re-appoint Messrs Mazars LLP as the Auditor of the Company to hold office until the next AGM of the Company, and to authorise the Directors to fix their remuneration. **(Resolution 6)**

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. Authority to allot and issue shares **(Resolution 7)**

   That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**"), and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") - Section B: Rules of Catalist (the "**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue and allot new shares ("**Shares**") in the capital of the Company whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

   (b) (notwithstanding that this authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force,

Notice of Annual General Meeting

provided that:

(1) the aggregate number of Shares to be issued pursuant to this authority (including the Shares to be issued in pursuance of Instruments, made or granted pursuant to this authority), shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), and provided further that where shareholders of the Company ("**Shareholders**") are not given the opportunity to participate in the same on a pro-rata basis, then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments, made or granted pursuant to this authority) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the issued Shares (excluding treasury shares and subsidiary holdings) at the time this authority was conferred, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from the exercise of share options or the vesting of share awards; and

(c) any subsequent bonus issue, consolidation or sub-division of the Shares;

Adjustments in accordance with (i) or (ii) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution of the Company for the time being; and

(4) (unless revoked or varied by the Company in a general meeting) this authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law and the Catalist Rules to be held, whichever is earlier.

[See Explanatory Note (iv)]

By Order of the Board

Sim Yok Teng
Company Secretary

Singapore,
13 September 2022

Notice of Annual General Meeting

Explanatory Notes:

(i) Mr Tan Chee Bun Gordon will, upon re-election as Director of the Company, remain as Executive Director of the Company. Detailed information required on Mr Tan Chee Bun Gordon pursuant to Rule 720(5) of the Catalist Rules set out on pages 50 to 56 in the Company's Annual Report 2022.

(ii) Mr Cheam Heng Haw, Howard will, upon re-election as a Director of the Company, remain as Independent Director of the Company and member of the Audit Committee, Remuneration Committee and Nominating Committee of the Company. He is considered independent by the Board of Directors of the Company for the purpose of Rule 704(7) of the Catalist Rules. Detailed information required on Mr Cheam Heng Haw, Howard pursuant to Rule 720(5) of the Catalist Rules set out on pages 50 to 56 in the Company's Annual Report 2022.

(iii) Mr Chua Hoe Sing will, upon re-election as a Director of the Company, remain as Independent Director of the Company and member of the Audit Committee and Remuneration Committee of the Company. He is considered independent by the Board of Directors of the Company for the purpose of Rule 704(7) of the Catalist Rules. Detailed information required on Mr Chua Hoe Sing pursuant to Rule 720(5) of the Catalist Rules set out on pages 50 to 56 in the Company's Annual Report 2022.

(iv) Ordinary Resolution 7 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is carried or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares in the Company and/or the Instruments (as defined above). The aggregate number of Shares (including Shares to be made in pursuance of Instruments, made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which the total number of Shares and convertible securities other than on a pro-rata basis to existing Shareholders, shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company.

NOTES:

The AGM will be held by 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.

Due to the various control and safe distancing measures put in place in Singapore to minimise the spread of COVID-19, the Company is arranging for a live webcast of the AGM proceedings (the "**Live AGM Webcast**") which will take place on Wednesday, 28 September 2022 at 10.00 a.m.. **Members will be able to watch the AGM proceedings through the Live AGM Webcast, and the Company will not accept any physical attendance by Members. Any Member seeking to attend the AGM physically in person will be turned away.**

Members will be able to participate in the AGM in following manner set out in the paragraphs below.

Registration

1. Members are entitled to watch the AGM proceedings via their mobile phones, tablets or computers.

2. Members will need to register at https://conveneagm.sg/totmagm2022 ("**AGM Webcast Registration**") for the Company to verify their status prior to the AGM.

3. Members must register via the AGM Webcast Registration by no later than 25 September 2022 ("**Registration Deadline**").

4. Following the verification, authenticated Members will receive an email by 26 September 2022, 12.00 p.m. containing a unique link, which you can click on to access the Live AGM Webcast.

5. Members must not forward the unique link to other persons who are not Members and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast.

6. Members who have registered by the Registration Deadline (being 25 September 2022) but do not receive an email response by 26 September 2022, 12.00 p.m. may contact the Company's Share Registrar, B.A.C.S. Private Limited, for assistance at (65) 6593 4848.

7. Person who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), including CPF and SRS investors, and who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings via live audio- visual webcast or live audio-only stream; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM should contact the relevant intermediary (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares by 5.00 p.m. on Monday, 19 September 2022, in order to make the necessary arrangement for them to participate in the AGM.

Notice of Annual General Meeting

Submission of Proxy Form to Vote

1. Members (whether individual or corporate) may only exercise their voting rights at the AGM via proxy voting and will not be able to vote during the Live AGM Webcast on the resolutions to be tabled for approval at the AGM.

2. A Member who wishes to vote at the AGM must submit an instrument appointing the Chairman of the AGM as his/her/its proxy ("**Proxy Form**") to cast votes on his/her/its behalf at the AGM.

3. Where a Member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

4. The Chairman of the AGM, as proxy, need not be a member of the Company.

5. The Proxy Form, duly completed and signed, must be deposited to the Company in the following manner:

   (i) If submitted by post (mail), be lodged at the Company's registered office, 20 Collyer Quay #09-02 Singapore 049319; or

   (ii) If submitted electronically by email, be sent to the Company at proxy@totmtechnologies.com,

   in either case, by 10.00 a.m. on 25 September 2022 (being not less than 72 hours before the time appointed for holding of the AGM).

6. A Member who wishes to submit a proxy form via email must first download, 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. **In view of the current COVID-19 situation and to minimise the spread of COVID-19, members are strongly encouraged to submit completed proxy forms electronically via email.**

7. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM, no later than 5.00 p.m. on Monday, 19 September 2022.

8. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to access the Live AGM Webcast and attend and vote by appointing the Chairman of the AGM as proxy at the AGM.

9. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

Submission of Questions

1. Members will not be able to raise questions during the Live AGM Webcast and therefore it is important for Members to pre-register and submit their questions in advance of the AGM.

2. Members must submit their questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM, in the following manner:

   (i) If submitted by post (mail), be deposited at the Company's registered office, 20 Collyer Quay #09-02 Singapore 049319; or

   (ii) If submitted electronically by email, be sent to the Company at ir@totmtechnologies.com,

   All questions submitted in advance of the AGM via any of the above channels must be received by 10.00 a.m. on 20 September 2022. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

3. The Company will endeavour to address the substantial questions received from Members prior by publishing the response to such questions on the SGXNet and the Company's website before 10.00 a.m. Friday, 23 September 2022 (being 48 hours prior to the closing date and time for the lodgement of Proxy Form).

4. The Company will publish the minutes of the AGM within 1 month after the date of AGM on SGXNet and on the Company's website.

Documents

The Annual Report, Notice of AGM and accompanying Proxy Form are sent to Members by electronic means via publication on the Company's website and the SGX Website. Printed copies of this Notice and Annual Report 2022 (including Proxy Form) will not be mailed to Members. These documents can be assessed and downloaded from the Company's website at the URL https://totmtechnologies.listedcompany.com/home.html and the SGX Website at the URL https://www.sgx.com/securities/company-announcements.

Notice of Annual General Meeting

IMPORTANT REMINDER:

As the COVID-19 situation is constantly evolving, the Company may be required to change its AGM arrangements at short notice. Members are advised to closely monitor announcements made by the Company on SGX website for updates on the AGM.

The Company would like to thank all Members for their patience and co-operation in enabling us to hold our AGM with the optimum safe distancing measures amidst the current COVID-19 situation.

PERSONAL DATA PRIVACY:

By (a) submitting a form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via the Live AGM Webcast or the Live AGM Audio Feed, or (c) submitting any question prior to the AGM in accordance with this notice, a Member of the Company consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);

(ii) processing of the registration for purpose of granting access to Members (or their corporate representatives in the case of Members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;

(iii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and

(iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data and its proxy's and/or representative'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 abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

*This notice 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 "**Exchange**") and the Exchange assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.*

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.

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

IMPORTANT
1. The Annual General Meeting (the "**AGM**") is being convened, and will be held by 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. Printed copies of the Notice of AGM will not be sent to members. Instead, it will be sent to members by electronic means via announcement on the SGXNet at the URL https://www.sgx.com/securities/company-announcements.
2. Due to the various control and to prevent the spread of COVID-19, members will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF/SRS investors should contact their respective Agent Banks/SRS Operations if they have any queries regarding their appointment as proxies.

PROXY FORM
ANNUAL GENERAL MEETING

I/We*, ______________________________ (Full Name)

NRIC/Passport/ Company Registration* No. ______________________________

of ______________________________ (Address)

being a member/members* of TOTM Technologies Limited (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting ("**AGM**") of the Company as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the AGM of the Company to be held by way of electronic means on Wednesday, 28 September 2022 at 10.00 a.m. and at any adjournment thereof to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.**

No.	Ordinary Resolutions	For**	Against**	Abstain**
Ordinary Business				
1.	To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 May 2022 together with the Independent Auditor's Report thereon.			
2.	To approve the Directors' fees of S$246,000 for the financial year ending 31 May 2023, payable quarterly in arrears.			
3.	To re-elect Mr Tan Chee Bun Gordon as Director pursuant to Regulation 104 of the Company's Constitution.			
4.	To re-elect Mr Cheam Heng Haw, Howard as Director pursuant to Regulation 104 of the Company's Constitution.			
5.	To re-elect Mr Chua Hoe Sing as Director pursuant to Regulation 104 of the Company's Constitution.			
6.	To re-appoint Messrs Mazars LLP as Auditor of the Company and to authorise the Directors to fix their remuneration.			
Special Business				
7.	To authorise Directors to allot and issue shares pursuant to Section 161 of the Companies Act 1967 of Singapore			

* Delete where inapplicable.
** Please indicate your vote "For", "Against" or "Abstain" with a tick [√] within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing the Chairman of the AGM not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this __________ day of ________________ 2022

Total number of Shares in	Number of Shares
(a) Depository Register	
(b) Register of Members	

____
Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Notes:

1. Due to the various control and to minimise the spread of COVID-19, members will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. This proxy form may be accessed at the Company's website at the URL https://totmtechnologies.listedcompany.com/home.html, and will also be made available on the SGXNet at the URL https://www.sgx.com/securities/company-announcements.

2. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

3. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM, no later than 5.00 p.m. on Monday, 19 September 2022.

4. The Chairman of the AGM, as proxy, need not be a member of the Company.

5. The Proxy Form, duly completed and signed, must be deposited to the Company in the following manner:

   (i) If submitted by post (mail), be lodged at the Company's registered office address, 20 Collyer Quay #09-02 Singapore 049319; or

   (ii) If submitted electronically by email, be sent to the Company at proxy@totmtechnologies.com,

   in either case, by 10.00 a.m. on 25 September 2022 (being not less than 72 hours before the time appointed for holding of the AGM).

6. A Member who wishes to submit a proxy form via email must first download, 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. **In view of the current COVID-19 situation and to minimise the spread of COVID-19, members are strongly encouraged to submit completed proxy forms electronically via email.**

7. The instrument appointing a proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

9. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to access the Live AGM Webcast and attend and vote by appointing the Chairman of the AGM as proxy at the AGM.

Personal Data Privacy:

By submitting this instrument appointing the Chairman of the AGM as proxy, the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of AGM of the Company dated 13 September 2022.