

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

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**PROPOSED ACQUISITION OF THE REMAINING 49.0% SHAREHOLDING  
IN THE TOTAL ORDINARY SHARE CAPITAL OF INTERNATIONAL BIOMETRICS PTE. LTD.**

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**1. INTRODUCTION**

- 1.1. The board of directors (the “**Board**” or the “**Directors**”) of Totm Technologies Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements dated 26 January 2021, 6 April 2021 and 5 June 2021 as well as the circular dated 16 March 2021 (the “**Previous Announcements**”) in relation to the acquisition by the Company of 51.0% shareholding in the total ordinary share capital of International Biometrics Pte. Ltd. (“**InterBio**”) (the “**Initial InterBio Acquisition**”). The Initial InterBio Acquisition was completed on 6 April 2021.
- 1.2. In relation thereto, the Board wishes to announce that the Company has entered into a sale and purchase agreement (the “**SPA**”) with the Seller Shareholders (as defined in paragraph 2.3 (*Existing shareholding structure of InterBio*)) and the Sellers (as defined in paragraph 2.3 (*Existing shareholding structure of InterBio*)) (each of the Company, Seller Shareholders and Sellers, a “**Party**”) for the proposed acquisition by the Company of the remaining 49.0% shareholding in the total ordinary share capital of InterBio (the “**Sale Shares**”) for an aggregate purchase consideration of up to US\$46,060,000 (equivalent to S\$65,865,800)<sup>1</sup> (the “**Total Consideration**”) to be satisfied via the allotment and issue of up to 470,470,000 new ordinary shares in the capital of the Company (the “**Shares**”) at the fixed issue price of S\$0.14 per such Share (the “**Total Consideration Shares**”), in the manner as further described in paragraph 4.1 (*Total Consideration*) (the “**Proposed Acquisition**”).
- 1.3. The Proposed Acquisition constitutes:
- (a) a “discloseable transaction” under Chapter 10 of Section B: Rules of Catalist of the Listing Manual (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Please refer to paragraph 7 (*Catalist Rule 1006 figures for the Proposed Acquisition*) for further details on the relative figures in respect of the Proposed Acquisition computed on the bases set out in Catalist Rule 1006; and
  - (b) an “interested person transaction” as defined under Chapter 9 of the Catalist Rules. Please refer to paragraph 8 (*The Proposed Acquisition as an interested person transaction*) for further details on the Proposed Acquisition as an interested person transaction.
- 1.4. The Proposed Acquisition is subject to the approval of the shareholders of the Company (the “**Shareholders**”) who are deemed independent under the Catalist Rules in respect of the Proposed Acquisition (the “**Independent Shareholders**”). Additionally, the allotment and issue of the Total Consideration Shares by the Company in satisfaction of the Total Consideration will require approval from Shareholders under Chapter 8 of the Catalist Rules, including approval to allot and issue the Total Consideration Shares to certain of the Seller Shareholders. The Company intends to convene an extraordinary general meeting (an “**EGM**”) to seek such required approvals and further information on, *inter alia*, the Proposed Acquisition will be provided in a circular to be issued by the Company to its Shareholders in due course (the “**Circular**”).

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<sup>1</sup> Based on the exchange rate of US\$1.00:S\$1.43, agreed by the Parties.

## 2. INFORMATION ON THE TARGET GROUP

### 2.1. Business

InterBio is a private limited company established in 2017 in Singapore and is an investment holding company holding 99.0%<sup>2</sup> of PT International Biometrics Indonesia (“PT IBI”, collectively with InterBio, the “**Target Group**”, each a “**Target Group Company**”). PT IBI is a leading identity management biometric software solutions company with strong execution experience and robust technology platforms. PT IBI’s platforms are based on core technologies licensed from strategic technology partners, including Tech5 SA (“**Tech5**”) like face, finger and iris biometrics listed in the top tier in NIST benchmarks. PT IBI currently serves mainly ministries and government agencies.

### 2.2. Financial information

Based on the audited consolidated financial statements of the Target Group, which is in turn based on the audited financial statements of PT IBI, the Target Group recorded a net profit after tax of approximately IDR12.34 billion (S\$1,149,000) for the financial year ended 31 December 2021 and a net asset of approximately IDR80.24 billion (S\$7,469,000) as at 31 December 2021.

As at 31 December 2021, the Target Group has a net tangible asset value of IDR 76.25 billion (S\$7,098,000).

### 2.3. Existing shareholding structure

As at the date of this announcement, the shareholding structure of InterBio is as follows:

Name of Shareholder	Legal Owner(s) of Shareholder	Number of shares held in InterBio	Proportion of shares held in InterBio
Professional Calibre Limited (“PCL”)	Steven Japutra (56.0%)	2,669,359	26.70%
	Chan Hiang Ngee (21.0%)		
	Pedro Flames Omarrementeria (23.0%)		
No Ka Oi Private Ltd (“NKO”)	Pierre Oliver Marc Yves Prunier (“ <b>Mr. Pierre Prunier</b> ”) (100.0%)	1,616,309	16.17%
Sies Investech Inc (“SIES”)	Low Choon Hui (30.0%)	259,590	2.60%
	Andy Utama (30.0%)		
	Selina Loh (40.0%)		
Brandneu Investment Ltd. (“Brandneu”)	Laika Saputra Rudianto (25.0%)	254,691	2.55%
	Jonathan Santoso (75.0%)		

<sup>2</sup> The remaining 1% is owned by an Indonesian national, Mr. Achmad Wijaya who is an unrelated third party of the Company, its directors and substantial shareholders.

Name of Shareholder	Legal Owner(s) of Shareholder	Number of shares held in InterBio	Proportion of shares held in InterBio
Prundjaya Capital Pte. Ltd. (“Prundjaya”)	Pierre Oliver Marc Yves Prunier (100.0%)	97,958	0.98%
The Company	-	5,097,822	51.00%

Accordingly, PCL, NKO, SIES, Brandneu and Prundjaya are the “**Sellers**” and the shareholders of the Sellers are the “**Seller Shareholders**”, in respect of the Proposed Acquisition.

Upon completion of the Proposed Acquisition (the “**Completion**”), the Company’s shareholdings in InterBio will increase from 51.0% to 100.0% and InterBio will become a wholly-owned subsidiary of the Company.

#### 2.4. **Information on the Seller Shareholders and the Sellers**

Please refer to **Appendix A** for further information on the Seller Shareholders and the Sellers of the Sale Shares.

Save as disclosed publicly in the Company’s announcements (including but not limited to the Previous Announcements)<sup>3</sup>, none of the Seller Shareholders and the Sellers, have had any previous business, commercial, trade dealings or any other connection and are independent of the Group, the Directors and the controlling shareholders of the Company.

The Seller Shareholders and Sellers have confirmed that they are unrelated parties save for being shareholders of InterBio and that they will not be acting in concert with each other or with any other parties to obtain or consolidate control of the Company for the purpose of the Singapore Code on Take-overs and Mergers upon allotment and issue of the Total Consideration Shares.

Save for Mr. Pierre Prunier, none of the other Seller Shareholders and Sellers are persons who fall within the categories set out in Catalist Rule 812(1). Accordingly, none of the Total Consideration Shares will be placed by the Company to any person who is a Director or substantial shareholder of the Company, or any other person in the categories set out in Catalist Rule 812(1), save for Mr. Pierre Prunier.

#### 2.5. **Independent valuation of the Target Group**

The Company will commission an independent valuer (the “**Valuer**”) to further ascertain the market value of the 49.0% equity interest in the capital of the Target Group prior to the completion of the Proposed Acquisition and the finalised valuation report will be issued by the Valuer and included in the Circular.

<sup>3</sup> Mr. Rahul Parthe is a substantial Shareholder who currently holds Shares constituting 6.81% of the total ordinary share capital of the Company and he is the co-founder and chairman of Tech5, a company which the Company holds 16.27% shareholding interest in. Mr. Pierre Prunier is the Chief Executive Officer and Executive Director and a substantial Shareholder who currently holds Shares constituting 5.68% of the total ordinary share capital of the Company. Please refer to the Previous Announcements and subsequent announcements dated 14 May 2021, 15 September 2021, 22 October 2021 and 25 October 2021 for further information thereto.

### 3. RATIONALE FOR THE PROPOSED ACQUISITION

The Company had in March 2021, obtained the approval of its Shareholders to diversify into the development and provision of identity management biometric technology solutions (the “**Biometrics Business**”) (the “**Diversification**”). This move stems from efforts to control cost and restructure the business of the Group away from the provision of telecommunications solutions and services in Singapore and Thailand which were affected by Covid-19 (the “**Telecommunications Business**”). Since obtaining Shareholders’ approval for the Diversification into the Biometrics Business, the Group took concrete steps to build the architecture for a successful and sustainable Biometrics Business through acquisitions and investments into complementary businesses and technologies, which have been announced by the Company.

Looking forward and subsequent to the Group’s exit from the Telecommunications Business in April 2022, the Group seeks to consolidate its various biometrics units to better capture market opportunities. Accordingly, the Group wishes to undertake the Proposed Acquisition for the following key reasons:

(a) *Provides the Group full control over Target Group*

In early 2021, as the entry into the Biometrics Business was in its nascent steps, the Group had decided to acquire only an effective 51.0% of InterBio and consequently, PT IBI as a prudent first step into the Biometrics Business.

Since the Initial InterBio Acquisition, the Target Group has proven to be pivotal to the Biometrics Business of the Group. The Target Group’s management team brings core project design and management, business development and industry networking capabilities which provides synergies and value-adds to the Group’s other businesses including but not limited to GenesisPro Pte. Ltd. (“**GenesisPro**”) and Tech5. The Target Group works closely with GenesisPro in utilising its key biometrics technologies, specifically Facial Liveness Detection, Age Detection, and e-KYC platforms, to reach out to and service a wider customer base in Southeast Asia. The Target Group has also been instrumental in incorporating the key core biometrics technologies of Tech5 when building potential projects in Indonesia, Africa and rest of Southeast Asia.

Full control over the Target Group would allow for the business objectives of the Target Group to be completely aligned with that of the Group’s long-term strategic goals which would enhance the efficiency and effectiveness of the Group as a whole. The ability to make decisions more efficiently would allow the Group to react quicker to available market opportunities in the fast-developing biometrics space.

(b) *Allows the Group to fully capture future potential of the Target Group*

Since the Initial Interbio Acquisition, the Target Group has made steady contributions to the Group’s topline revenue from its mainstay provision of technical support to Indonesia’s Ministry of Home Affairs and maintenance of Indonesia’s current biometric national identity database. Such revenues amounted to approximately S\$1.0 million for two (2) months for the financial year ended 31 May 2021 (“**FY2021**”) (due to the completion of the Initial InterBio Acquisition in early April 2021) and approximately S\$11.1 million for the full year ended 31 May 2022 (“**FY2022**”). These contributions, coming from the back of existing Indonesian government related projects, underlie the steady contributions from the Target Group, despite short term challenges in projects’ closing and execution in Indonesia due to the COVID-19 pandemic. In 2021, the Target Group was also instrumental in providing system integration service for a security platform to the Indonesian government.

The Proposed Acquisition shall allow the Group to take in the remaining 49.0% equity stake in the Target Group at a reasonable and current valuation and enjoy future profit contributions as well as value appreciation in the Target Group.

- (c) *Alignment of interests of the Seller Shareholders with that of the Group and elimination of future interested person transactions*

Currently, the shareholders of InterBio include Mr. Pierre Prunier, the Chief Executive Officer, Executive Director and a substantial shareholder of the Company.

An interested person, as defined under Catalist Rule 904 shall mean (i) a director, chief executive officer or controlling shareholder of the issuer; or (ii) an associate of any such director, chief executive officer or controlling shareholder. An associate of a director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (1) his immediate family; (2) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (3) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.

While Mr. Pierre Prunier's shareholdings in InterBio is less than 30.0% and InterBio is not deemed his associate by virtue of definition under Catalist Rule 904, having considered the objective of Chapter 9 of the Catalist Rules and Catalist Rule 915(3)<sup>4</sup>, the Company has in the past, prudently disclosed the transactions between the Target Group and the Group to be interested person transactions.

The Proposed Acquisition shall effectively resolve the aforementioned interested person transaction situation and at the same time align the interests of the existing 49.0% shareholders of InterBio with that of the Group, particularly in this case of an all-shares-deal nature of the Proposed Acquisition.

#### 4. SALIENT TERMS OF THE PROPOSED ACQUISITION

##### 4.1. Total Consideration

The Total Consideration for the acquisition of the Sale Shares the amount of up to US\$46,060,000 (equivalent to S\$65,865,800), and shall be satisfied in the following manner:

- (a) a base consideration amount of US\$35,770,000 (equivalent to S\$51,151,100), to be paid through the allotment and issue of 365,365,000 new Shares (at the fixed issue price of S\$0.14 per such Share) (the "**Base Consideration Shares**") on the Completion Date (as defined below) to the Seller Shareholders and/or their nominees in accordance with the respective shareholding proportions in InterBio; and
- (b) an earn-out consideration amount of up to US\$10,290,000 (equivalent to S\$14,714,700) (the "**Earn-out Consideration**") to be paid through the allotment and issue of up to 105,105,000 new Shares (at the fixed issue price of S\$0.14 per such Share) (the "**Earn-out Consideration Shares**"), which shall be determined and paid to the Seller Shareholders and/or their nominees in accordance with the respective shareholding proportions in InterBio, subject to meeting the earn-out milestones as set out in **Appendix B** to this announcement.

The Total Consideration was arrived at after arm's length negotiations between the Company and the Seller Shareholders and on a willing-buyer and willing-seller basis, taking into account, *inter alia*, the Company's analysis of the value of Sale Shares as at 31 July 2022, the financial position and performance of the Target Group for FY2022 as well as the payout structure of the Total Consideration.

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<sup>4</sup> Rule 915(3) of the Catalist Rules states, amongst others, "a transaction between an entity at risk and an investee company, where the interested person's interest in the investee company, other than held through the issuer, is less than 5%" is not required to comply with Rules 905, 906 and 907 of the Catalist Rules. As Mr. Pierre Prunier's shareholdings in InterBio exceeds 5.0%, transactions between the Group and InterBio do not fall within the exception under Rule 915(3) of the Catalist Rules.

In conducting an analysis of the value of the Sale Shares, the Company's management had considered the 5-year financial projection and forecast of the Target Group covering the financial years ending 31 December 2022 to 31 December 2026. Based on the analysis performed by the Company's management, the range of value for the 49.0% equity interest in the Target Group (excluding the E-Identification Business<sup>5</sup>) was between US\$32.4 million and US\$36.0 million as at 31 July 2022.

After performing a scenario analysis including the E-Identification Business, the range of value for the 49.0% equity interest in the Target Group was between US\$42.8 million and US\$46.9 million as at 31 July 2022. The Company's management decided to prudently place the E-identification Business under an earn-out structure as key E-identification Business components are relatively new developments and has put in place an incentive for the Target Group to prove themselves.

In the event that the minimum range of values of the Sale Shares as set out in the valuation report issued by the independent valuer to be appointed by the Company (the "**Valuation Report**") is below US\$40,000,000 (equivalent to S\$57,200,000), the Parties shall enter into discussions on potential adjustment to the Total Consideration and any such adjustments shall be agreed in writing by the Parties. Save for the above, the Total Consideration shall not be adjusted and shall be capped at US\$46,060,000 (equivalent to S\$65,865,800).

#### 4.2. **Conditions**

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

- (a) the completion of the due diligence and the rectification, or the procurement of such rectification, to the satisfaction of the Company (acting reasonably) by the Seller Shareholders, the Sellers and/or the Target Group Companies, of all issues or irregularities uncovered by the Company and/or its appointed advisors pursuant to the due diligence;
- (b) the receipt of the Valuation Report, subject to any adjustments as may be required as stated above under paragraph 4.1 (*Total Consideration*);
- (c) the receipt of the opinion from an independent financial adviser appointed by the Company that the acquisition of the Sale Shares on the terms and conditions of the SPA is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders;
- (d) the delivery of the disclosure letters in respect of the warranties provided as at the date of the SPA and as at Completion Date from the Seller Shareholders and the Sellers to the Company, in a form which is satisfactory to the Company;
- (e) the approval of the board of directors of each of the Sellers having been obtained for the entry into the SPA and all transactions contemplated in the SPA (and in connection herewith), and such approval not having been revoked or amended;
- (f) the delivery to the Company of any necessary written consents, approvals, waivers and/or notifications (in terms reasonably satisfactory to the Company) from and/or to (a) third parties, including without limitation, any government authority having jurisdiction over the transactions contemplated in the SPA (and in connection herewith); and (b) the counterparties in respect of any agreements entered into by the Seller or any Target Group Company, in relation to such third parties' and/or counterparties' consent to all

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<sup>5</sup> E-Identification Business means the Target Group's business activities with any customer or partner that involves the use of electronic and/or digital technology, including but not limited to data capture, validation, storage, and transfer; credential management; object identification; behavioural detection; artificial intelligence solutions; identify lifecycle solutions; and identity verification and authentication; for either public or commercial services.

transactions contemplated in the SPA (and in connection herewith) and agreement not to exercise any right of termination arising by reason of any transactions contemplated in the SPA (and in connection herewith), where such consents, approvals, waivers and/or notifications are required, and such consents, approvals and/or waivers not having been amended (to terms not reasonably satisfactory to the Company), withdrawn or revoked before Completion and if consents, approvals and/or waivers are obtained subject to any conditions and where such conditions affect any Parties, such conditions being reasonably acceptable to the Party concerned, and if such conditions are required to be fulfilled on or before Completion, they are so fulfilled in all material respects;

- (g) the approval of the Board having been obtained for the entry into the SPA and all transactions contemplated in the SPA (and in connection herewith);
- (h) the receipt of a waiver from the SGX-ST by the Company in relation to Catalist Rule 1015 and such waiver not having been amended, withdrawn or revoked before Completion and if such waiver is obtained subject to any conditions and where such conditions affect any Party, such conditions being reasonably acceptable to the Party concerned, and if such conditions are required to be fulfilled on or before Completion, they are so fulfilled in all material respects;
- (i) the approval of the shareholders of the Company, having been obtained at an extraordinary general meeting to be convened in respect of, amongst others: (a) all transactions contemplated in the SPA (and in connection herewith) on the terms set out in the SPA as an interested person transaction under Chapter 9 of the Catalist Rules; (b) the allotment and issue of the Total Consideration Shares as satisfaction of the Total Consideration as required under Chapter 8 of the Catalist Rules;
- (j) the allotment and issue of the Total Consideration Shares not being prohibited by any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority in Singapore or in any other jurisdiction affecting the Parties;
- (k) the receipt of the listing and quotation notice in respect of the Base Consideration Shares on the Catalist of the SGX-ST being obtained;
- (l) no Material Adverse Event<sup>6</sup> having occurred on or before Completion;
- (m) each of the warranties given by the Seller Shareholders and Sellers remaining true and accurate in all respects as at Completion; and
- (n) each of the covenants, agreements, undertakings and obligations that the Seller Shareholders and the Sellers are required to perform or to comply with pursuant to the SPA at or prior to Completion having been duly performed and complied with.

If any Condition has not been satisfied (or waived in accordance with the terms of the SPA) by the Long Stop Date (as defined below), each Party may agree or disagree to the extension of the Long Stop Date in its sole discretion. If the Parties do not agree to an extension of the Long Stop Date, and any Condition has not been satisfied (or waived in accordance with the terms of the SPA) by the Long Stop Date (as defined below) on or before the Long Stop Date, then the SPA shall terminate with immediate effect (other than the Surviving Provisions (as defined in the SPA), which shall remain in full force and effect) and no Party (or any of their respective representatives) shall have any liability or further obligation to any other Party, except in respect of rights and liabilities which have accrued before termination of the SPA.

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<sup>6</sup> Material Adverse Event means any change, development, fact, event or circumstance (each an "Event"), other than Events due to or resulting from matters generally affecting companies carrying on the same business as the Group (except in the event, and to the extent, that such Events have had a materially disproportionate effect on the Group, as compared to other similar businesses), that has had or would reasonably be expected to have, either alone or in combination with one (1) or more other Events, an effect of having a cost to the Target Group to remedy or involving a liability of the Target Group, which is in excess of S\$1,000,000, where such arises directly from the gross negligence, wilful default and fraud of a Seller Shareholder and/or Seller.

#### 4.3. **Long Stop Date**

The long stop date shall be six (6) months from the date of the SPA, or such other date as may be agreed in writing between the Parties to the SPA (the “**Long Stop Date**”).

#### 4.4. **Completion**

Completion shall take place remotely (or at such other place as the Parties may mutually agree) on the date which is five (5) business days after the date on which all of the Conditions are satisfied (or waived in accordance with the terms of the SPA) (the “**Completion Date**”).

#### 4.5. **Termination**

**Company’s right to terminate:** If at any time after the date of the SPA and prior to Completion, either (a) any event, matter or circumstance which constitutes one (1) or more material breaches of the SPA by any Seller Shareholder or Seller, including one (1) or more breaches of any of the warranties given by the Seller Shareholders and the Sellers, or any of the obligations of the Seller Shareholders and Sellers, that has had or would reasonably be expected to have, either alone or in combination, an effect of having a cost to the Group to remedy or involving a liability of the Group, which is in aggregate in excess of S\$1,000,000; or (b) any Material Adverse Event (as defined in paragraph 4.2(l) above) shall occur, the Company may, by written notice to the Seller Shareholders and the Sellers, terminate the SPA without any liability on the Company’s part.

**Seller Shareholders’ and Sellers’ right to terminate:** If at any time after the date of the SPA and prior to Completion, the Company is unable to fulfil or commits a breach of, its payment obligations under the SPA or the Company’s warranties and undertakings as set out in the SPA, the Seller Shareholders and the Sellers may together, by written notice to the Company, terminate the SPA without any liability on each of the Seller Shareholders’ and Sellers’ part.

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

#### 4.6. **Non-competition and non-solicitation**

The Seller Shareholders and the Sellers (and shall use reasonable endeavours to procure that none of its affiliates or related undertakings) are subject to non-compete and non-solicit restrictions for a period of 18 months after the Completion Date.

#### 4.7. **Intellectual property**

All Business Intellectual Property (as defined in the SPA) and Registered Intellectual Property (as defined in the SPA) is and shall remain the exclusive property of the Target Group; and the Seller Shareholders and the Sellers, as the case may be, hereby irrevocably assign to the Target Group all rights, title and interest in and to the Business Intellectual Property that they may have.

The Seller Shareholders and the Sellers shall not (and shall procure that none of its affiliates or related undertakings shall):

- (a) use the Business Intellectual Property without the prior written consent of the Target Group;
- (b) enter into any agreement under which they purport to grant to any third party any rights or interest in relation to the Business Intellectual Property;



- (c) register, or take any steps towards the registration of, any Intellectual Property (as defined in the SPA) which may conflict with the Target Group's ownership of the Business Intellectual Property; or
- (d) contest the Target Group's rights in respect of the Business Intellectual Property.

4.8. **Seller indemnities**

The Sellers (failing which, the relevant Seller Shareholders) shall fully indemnify (and keep indemnified) and save harmless on demand the Company, each member of the Group and the Target Group (at the Company's direction) in respect of any foreseeable losses, costs, damages, charges or expenses (including reasonable legal costs), liabilities, claims, demands, actions, proceedings, or judgments howsoever arising sustained, suffered or incurred by the Company, each member of the Group and/or the Target Group as a result of or arising from:

- (a) any breach of Anti-Corruption Laws (as defined in the SPA) by any Target Group Company (or any person for whose actions any Target Group Company may be liable) at any time before Completion;
- (b) any non-compliance with any licensing requirement and mandatory reporting under any Applicable Law (as defined in the SPA) for the conduct of the Business (as defined in the SPA) by any Target Group Company (or any person for whose actions any Target Group Company may be liable); and
- (c) any trademark and/or copyright infringement claim brought by third parties for the use of the logos and inventions of software in Indonesia before obtaining the trademark and/or copyright certificates from the relevant Government Authority by any Target Group Company (or any person for whose actions any Target Group Company may be liable).

4.9. **Limitation on Seller liability**

Each Seller (and its relevant Seller Shareholder) is not liable in respect of any Relevant Claim (as defined in the SPA) unless the aggregate amount of all Relevant Claims for which the Sellers (and their relevant Seller Shareholders) would be liable but for this paragraph exceeds in aggregate S\$800,000, in which case the Sellers (and their relevant Seller Shareholders) shall (subject to the other provisions of the SPA) be liable for the whole amount claimed and not only the excess.

The Sellers' (and relevant Seller Shareholders') maximum aggregate liability in respect of:

- (a) all Relevant Claims (other than a Relevant Claim for breach of a Fundamental Warranty (as defined in the SPA) or Seller Indemnity (as defined in the SPA)) shall in any event (i) be in the relevant Seller Proportion (as defined in the SPA) (or the relevant Seller Shareholder Proportion (as defined in the SPA), as the case may be); and (ii) not, in aggregate exceed 33.33% of the amount of the Total Consideration paid by the Company (through the allotment and issue of the relevant number of Total Consideration Shares);
- (b) all other Relevant Claims (being a Relevant Claim for breach of a Fundamental Warranty or a Seller Indemnity), shall in any event: (i) be in the relevant Seller Proportion (or the relevant Seller Shareholder Proportion, as the case may be); and (ii) not, in aggregate, exceed the amount of the Total Consideration paid by the Company (through the allotment and issue of the relevant number of Total Consideration Shares),

provided that any Relevant Claim shall be satisfied through the transfer to the Company of the relevant number of Total Consideration Shares received by the Seller Shareholders (and/or its nominee(s)) or the cancellation of such Total Consideration Shares, in accordance with Applicable Law, on a pro rata basis.

#### 4.10. **Governing law and jurisdiction**

The SPA and all non-contractual obligations arising out of it is governed by, and construed in accordance with, Singapore law, and the Parties submit to the non-exclusive jurisdiction of the Singapore courts.

### 5. **ALLOTMENT AND ISSUE OF TOTAL CONSIDERATION SHARES**

#### 5.1. **Principal terms of the allotment and issue of the Total Consideration Shares**

The issue price of S\$0.14 per Total Consideration Share represents a premium of approximately 14.29% to the volume weighted average price (“**VWAP**”) of S\$0.1225 for each Share based on trades done on the SGX-ST on 14 October 2022, being the last full market day when the Shares of the Company were traded prior to the execution of the SPA on 17 October 2022.

The Total Consideration Shares shall be allotted and issued as fully-paid shares, free from encumbrances, and shall rank *pari passu* in all respects with and carry all rights similar to the ordinary shares of the Company in issue then, except that they will not rank for any dividend, right, allotment or other distributions, the record dates for which falls on or before the dates of issue of the such shares.

#### 5.2. **Rationale for the allotment and issue of the Total Consideration Shares**

The Board is of the view that satisfaction of the Total Consideration through the allotment and issue of the Total Consideration Shares is in line with the Seller Shareholders’ interests to continue with the development of the business for the Target Group jointly and would also allow the Company to conserve such equivalent cash reserves and provide the Company with greater financial flexibility in the future. Please refer to **Appendix C** for a breakdown of the shareholding interests of Directors and substantial shareholders of the Company both prior to and immediately after completion of the Proposed Acquisition.

#### 5.3. **Issue size**

The total number of the Total Consideration Shares to be allotted by the Company is 470,470,000, representing approximately 53.3% of the existing share capital of the Company of 882,703,716 Shares and approximately 34.1% of the enlarged share capital of the Company (taking into consideration the allotment and issue of the Total Consideration Shares and the Introducer Shares (as defined below)) of 1,381,401,916 Shares.

#### 5.4. **Authority to allot and issue the Total Consideration Shares**

The Total Consideration Shares will not be allotted and issued pursuant to the general share issue mandate to issue Shares, as passed by the Shareholders at the annual general meeting held by the Company on 30 September 2021. Accordingly, the Company will be seeking specific Shareholders’ approval for the proposed allotment and issue of the Total Consideration Shares at the EGM.

### 6. **ALLOTMENT AND ISSUE OF INTRODUCER SHARES**

#### 6.1. **Background**

Pursuant to an agreement entered into on 1 November 2020 between Precious Glory Enterprises Limited (the “**Introducer**”) and the Company, it has been commercially agreed for the Company to pay the Introducer a fee amounting to 6.0% of the total consideration in respect of any acquisition and/or partnership with InterBio for assisting to introduce InterBio. This introducer arrangement had paved the way for the Company to make a successful diversification into the Biometrics Business, which had become the Company’s core business after the exit from the Telecommunications Business. Hence, an introducer fee was paid for the Initial InterBio Acquisition and will be paid in respect of the Proposed Acquisition.

Accordingly, the Introducer shall be paid up to US\$2,763,600 (equivalent to S\$3,951,948) (the “**Introducer Fee**”) via the allotment and issue of up to 28,228,200 new Shares (the “**Introducer Shares**”).

As disclosed in the Company’s announcement dated 30 January 2021, as far as the Company is aware, introduction fees are generally not industry specific and there are no established norms or market practices. At the time of entering into the aforementioned agreement with the Introducer, the Company had considered the following factors pertinent to the Group and the COVID-19 environment then:

- (a) the need to identify new businesses to support the Telecommunications Business was urgent given that the Group’s projects in Singapore and Thailand then continue to be affected and delayed due to measures implemented by the respective governments to curb COVID-19; and
- (b) it had posed the Introducer a challenging target to locate new businesses amidst the COVID-19 pandemic. In addition, the new businesses identified should not be materially and adversely affected by the COVID-19 pandemic and should also be reasonably expected to thrive in or benefit from a post COVID-19 environment.

Hence, the Company is of the overall view that the introducer fees are reasonable given that the Initial Interbio Acquisition and Proposed Acquisition had met the unique strategic needs of the Group set out above.

The Introducer carries on the business of investments and provision of business advisory and consultancy services. The directors and shareholders of the Introducer are Mr. Tan Chin Tuan and Ms. Li Jingjing. Both Mr. Tan Chin Tuan and Ms. Li Jingjing are not related to the Directors and controlling shareholders of the Company, and their respective associates. As at the date of this announcement, both Mr. Tan Chin Tuan and Ms. Li Jingjing do not hold any Shares in the Company.

The Company will include as a separate resolution at the EGM for Shareholders to vote on the payment of introducer fees via the Introducer Shares.

## 6.2. **Issue terms and size**

The issue price of S\$0.14 per Introducer Share represents a premium of approximately 14.29% to the VWAP of S\$0.1225 for each Share based on trades done on the SGX-ST on 14 October 2022, being the last full market day when the Shares of the Company were traded prior to the execution of the SPA on 17 October 2022.

The Introducer Shares shall be allotted and issued in tandem with that of the Total Consideration Shares as fully-paid shares, free from encumbrances, and shall rank *pari passu* in all respects with and carry all rights similar to the ordinary shares of the Company in issue then, except that they will not rank for any dividend, right, allotment or other distributions, the record dates for which falls on or before the dates of issue of the such shares.

The total number of the Introducer Shares to be allotted by the Company is up to 28,228,200, representing approximately 3.2% of the existing share capital of the Company of 882,703,716 Shares and approximately 2.0% of the enlarged share capital of the Company (taking into consideration the allotment and issue of the Total Consideration Shares and the Introducer Shares) of 1,381,401,916 Shares.

## 6.3. **Authority to allot and issue the Introducer Shares**

The Introducer Shares will not be allotted and issued pursuant to the general share issue mandate to issue Shares, as passed by the Shareholders at the annual general meeting held by the Company on 30 September 2021. Accordingly, the Company will be seeking specific

Shareholders' approval for the proposed allotment and issue of the Introducer Shares at the EGM.

For the avoidance of doubt, the Introducer is not an entity which falls within the categories set out in Catalyst Rule 812(1). Accordingly, none of the Introducer Shares will be placed by the Company to any person who is a Director or substantial shareholder of the Company, or any other person in the categories set out in Catalyst Rule 812(1).

## 7. CATALIST RULE 1006 FIGURES FOR THE PROPOSED ACQUISITION

- 7.1. As Mr. Rahul Parthe, a shareholder and founder of Tech5 is also the Chief Technical Officer of InterBio, the further equity investment of US\$8.0 million in Tech5 which was completed on 22 October 2021 (the "**Further Tech5 Investment**") (within the last 12 months) will be aggregated with the Proposed Acquisition for the purposes of computing the relevant bases pursuant to Catalyst Rule 1006.
- 7.2. The relative figures computed on the bases set out in Catalyst Rule 1006 are based on the unaudited financial statements of the Group for the full year ended 31 May 2022 and are as follows:

Rule 1006	Bases of calculation	Relative figure for the Proposed Acquisition	Relative figure for the Further Tech5 Investment	Total relative figure
(a)	Net asset value of the assets to be disposed of or aggregate value of the financial assistance given, compared with the Group's net asset value.	N.A. <sup>(1)</sup>	N.A. <sup>(2)</sup>	N.A.
(b)	Net profits/losses attributable to the assets acquired or disposed of, compared with the Group's net profits/losses.	(1.73%) <sup>(3)</sup>	1.57% <sup>(4)</sup>	(0.16)% <sup>(5)</sup>
(c)	Aggregate value of the consideration given or aggregate value of the financial assistance given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares <sup>(6)</sup> .	64.57% <sup>(7)</sup>	9.84% <sup>(8)</sup>	74.41% <sup>(9)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	56.50% <sup>(10)</sup>	N.A. <sup>(11)</sup>	56.50% <sup>(10)</sup>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the	N.A. <sup>(12)</sup>	N.A. <sup>(13)</sup>	N.A.

<b>Rule 1006</b>	<b>Bases of calculation</b>	<b>Relative figure for the Proposed Acquisition</b>	<b>Relative figure for the Further Tech5 Investment</b>	<b>Total relative figure</b>
	aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets			

**Notes:**

- (1) Not applicable as this is relating to an acquisition and there is no provision of financial assistance.
- (2) Not applicable as this is relating to an equity investment and there is no provision of financial assistance.
- (3) Computed based on the net profits before tax attributable to the Sale Shares (being 49.0% of InterBio) amounting to S\$234,000 for FY2022 and losses before tax from continuing operations of the Group of approximately S\$13,524,000 for FY2022.
- (4) Computed based on 16.27% of the net losses before tax of Tech5 amounting to CHF153,000 (approximately S\$213,000) for FY2021 and losses before tax from continuing operations of the Group of approximately S\$13,524,000 for FY2022. Tech5 is treated as an associate of the Company.
- (5) Computed based on the net profits before tax attributable to the Sale Shares (being 49.0% of InterBio) amounting to S\$234,000 for FY2022 and 16.27% of the net losses before tax of Tech5 amounting to S\$213,000 for FY2022 and FY2021 respectively, and losses before tax from continuing operations of the Group of approximately S\$13,524,000 for FY2022.
- (6) Based on the market capitalisation of the Company of S\$108,131,205, which is computed based on 882,703,716 Shares (in issue and the weighted average price of S\$0.1225), as at 14 October 2022, being the last full market day when the Shares of the Company were traded prior to the execution of the SPA.
- (7) Computed based on the Total Consideration amounting to S\$65,865,600 and the Introducer Fee amounting to S\$3,951,948.
- (8) Computed based on the investment amount of US\$8.0 million (approximately S\$10,640,000) for the Further Tech5 Investment (the "**Further Tech5 Investment Amount**").
- (9) Computed based on the Total Consideration amounting to S\$65,865,600, the Introducer Fee amounting to S\$3,951,948 and the Further Tech5 Investment Amount amounting to S\$10,640,000.
- (10) Computed based on 470,470,000 Total Consideration Shares and 28,228,200 Introducer Shares compared to the existing share capital of the Company of 882,703,716 Shares.
- (11) Not applicable as there were no equity securities were issued in respect of the Further Tech5 Investment.
- (12) Not applicable as the Proposed Acquisition is not of mineral, oil or gas assets by a mineral, oil and gas company.
- (13) Not applicable as the Further Tech5 Investment is not of mineral, oil or gas assets by a mineral, oil and gas company.

### 7.3. **Approvals for Proposed Acquisition**

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

Having considered paragraph 4.4(b) of Practice Note 10A of the Catalist Rules, as the relative figures computed under Catalist Rule 1006(c) and Catalist Rule 1006(d) does not exceed 75.0%, and the net profit attributable to the Sale Shares (being 49.0% of InterBio) does not exceed 5.0% of the Group's consolidated net loss for FY2022, the Proposed Acquisition is considered a "Discloseable Transaction".

Notwithstanding, as the Proposed Acquisition will result in changes to the shareholding structure of the Company as illustrated in **Appendix C** to this announcement, the Company had sought for a waiver from Catalyst Rule 1015 from the SGX-ST through its sponsor that the Proposed Acquisition constitutes a “Reverse Takeover” (the “**Waiver**”) (“the **Waiver Application**”). For the avoidance of doubt, Shareholders’ approval will be sought for the Proposed Acquisition.

#### 7.4. **Waiver Application**

The main reasons for seeking the Waiver are set out below:

(a) Specific Shareholders’ approval has been sought for the Diversification

As the Biometrics Business involves a new business area which is materially different from its original Telecommunications Business, the Group had, in the circular dated 16 March 2021 set out the risk factors in relation to the Biometrics Business for shareholders to make an informed judgement on the Diversification. Shareholder’s approval was received for the Diversification on 31 March 2021.

(b) The initial 51.0% acquisition of InterBio, being the first major transaction in respect of the Biometrics Business has been approved by Shareholders

The Company had sought and obtained the approval of Shareholders on 31 March 2021 for the Initial InterBio Acquisition.

In addition, as a practice of good corporate governance, the Company had also sought and obtained the approval of Shareholders for the Further Tech5 Investment at an extraordinary general meeting held on 14 October 2021. More details are set out in the circular dated 29 September 2021 released by the Company.

(c) No change in risk profile of the Group

The Proposed Acquisition is an expansion of the Group’s existing Biometrics Business which has been reported as a specific reporting operating segment in the Group’s audited financial statements for FY2021 and FY2022.

Based on the Rule 1006 relative bases disclosed under paragraph 7.2, should the Group’s shareholdings in InterBio increase from 51.0% to 100.0%, none of the relative figures calculated under Rule 1006(c) or 1006(d) would be 100.0% or more. The Proposed Acquisition will also not have a significant adverse impact on the Group’s earnings, working capital and gearing or result in an expansion of the Group’s business to a new geographical market or to a new business sector.

As InterBio is already a subsidiary of the Group prior to the Proposed Acquisition, its financials have been consolidated into the Group’s financial results for FY2022. The impact of the Proposed Acquisition would only affect the non-controlling interests disclosures of the Group. Please refer to paragraph 9 (*Pro Forma Financial Effects of the Proposed Acquisition*) for more details on the financial effects of the Proposed Acquisition.

(d) No change in the Board and Management in the Company

The Proposed Acquisition when completed will not result in changes to the Board or management of the Company.

The Board of Directors will continue to comprise three (3) Executive Directors and four (4) Independent Directors, with the Chairman of the Board being independent. The key management team comprises the three (3) Executive Directors, including Mr. Pierre Prunier, the Chief Executive Officer and the Company’s Deputy Chief Financial Officer.

(e) Changes to shareholding structure

As at the date of this announcement, the Company does not have a controlling shareholder. The largest shareholder of the Company is Mr. Hing Chow Yuen, who holds 80,104,800 shares representing 9.07% in the capital of the Company. Mr. Rahul Parthe and Mr. Pierre Prunier are the second and third largest Shareholders of the Company holding 60,149,693 Shares (6.81% in the capital of the Company) and 50,166,550 Shares (5.68% in the capital of the Company), respectively.

Subsequent to the Proposed Acquisition and assuming all Earn-out Consideration Shares are issued, Mr. Pierre Prunier will hold 214,831,050 shares representing 15.55% of the enlarged share capital of the Company. Notwithstanding, the Company is of the view that there is no change in control of the Company as there will not be any changes to the Board and Management of the Company. Mr. Pierre Prunier will remain the largest Shareholder who is active in the management of the Group, being the Company and its subsidiaries which includes the Target Group. Mr. Pierre Prunier will continue to manage the business of the Group in his capacity as Chief Executive Officer and Executive Director of the Company. Save for Mr. Pierre Prunier, the other Seller Shareholders are not involved in the management of the Group nor InterBio.

Further, Mr. Pierre Prunier, as well as the other Seller Shareholders have confirmed that they are unrelated parties save for being shareholders of InterBio and they are not acting in concert with each other or with any other parties to obtain or consolidate control of the Company upon issue and allotment of the Total Consideration Shares.

The Company will seek separate resolutions for the issue of shares to Mr. Pierre Prunier in accordance with Rule 803 and 812 of the Catalist Rules.

(f) Appointment of an independent valuer

The Company will commission an independent valuer to further ascertain the market value of the Sale Shares prior to the completion of the Proposed Acquisition. The finalised independent valuation report will be included in the Circular to be issued in due course.

(g) Appointment of an independent financial adviser

The Proposed Acquisition is deemed an “interested person transaction” as elaborated upon in paragraph 8 (*The Proposed Acquisition as an interested person transaction*). The Company will appoint an independent financial adviser to state whether, in its opinion, the Proposed Acquisition is on normal commercial terms and prejudicial to the interests of the Company and its minority shareholders. The opinion of the independent financial adviser will be included in the Circular to be issued in due course.

(h) Abstention from voting

Mr. Pierre Prunier and his associates will abstain from voting on the all resolutions relating to the Proposed Acquisition as well as the allotment and issue of the Total Consideration Shares at the general meeting.

Pursuant to the Waiver Application, the SGX-ST had, on 14 October 2022, advised the Company that it has no objection to granting the Waiver, subject to the following conditions:

- (i) Shareholders' approval being obtained for, amongst others, the Proposed Acquisition, issuance of the Total Consideration Shares and issuance of the Introducer Shares. The resolutions for issuance of the Introducer Shares must be separate and not inter-conditional with other resolutions;
- (ii) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Catalist Rule 106 and if the Waiver conditions have been

satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;

- (iii) the Board's confirmation that the Waiver will not be in contravention of any laws and regulations governing the Company and its constitution (or the equivalent in the Company's country of incorporation); and
- (iv) the Company's confirmation that it is not aware of any other information (including but not limited to financial information) with respect to the Group that may have a material bearing on investors' decisions which was not formally disclosed to the investors.

As at the date of this announcement, save for paragraph (i) above, all of the other conditions have been met.

## **8. THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION**

### **8.1. Interested person transaction**

Pursuant to Catalyst Rule 906, an issuer must obtain shareholders' approval for an interested person transaction<sup>7</sup> of a value equal to, or more than 5.0% of the Group's latest audited net tangible assets ("NTA") value.

Mr. Pierre Prunier<sup>8</sup>, Chief Executive Officer and Executive Director of the Company, currently holds 1,714,268 shares, or 17.15% in the total ordinary share capital of InterBio by virtue of his 100.0% shareholdings in NKO and Prundjaya.

Catalist Rule 915(3) states, amongst others, "a transaction between an entity at risk<sup>9</sup> and an investee company, where the interested person's interest in the investee company, other than held through the issuer, is less than 5.0%" is not required to comply with Rules 905, 906 and 907 of the Catalist Rules. As Mr. Pierre Prunier's shareholdings in InterBio exceeds 5.0%, transactions between the Group and InterBio do not fall within the exception under Catalist Rule 915(3).

While Mr. Pierre Prunier's shareholdings in InterBio is less than 30.0% and InterBio is not deemed his associate by virtue of definition under Catalist Rule 904, having considered the objective of Chapter 9 of the Catalist Rules and Catalist Rule 915(3), the Company is prudently considering the Proposed Acquisition to be an interested person transaction.

### **8.2. Value of the interested person transaction**

Having considered Catalist Rule 909, which considers the value of the transaction to be the amount at risk to the Group, the Company has considered the value of the interested person transaction to be the Total Consideration of US\$46,060,000 (equivalent to S\$65,865,800) which represents 253.5% of the audited NTA of the Group for the financial year FY2022

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<sup>7</sup> "transaction" includes: (a) the provision or receipt of financial assistance; (b) the acquisition, disposal or leasing of assets; (c) the provision or receipt of goods or services; (d) the issuance or subscription of securities; (e) the granting of or being granted options; and (f) the establishment of joint ventures or joint investments; whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

<sup>8</sup> An interested person, as defined under Catalist Rule 904 shall mean (a) a director, chief executive officer or controlling shareholder of the issuer; or (b) an associate of any such director, chief executive officer or controlling shareholder. An associate of a director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.

<sup>9</sup> An entity at risk as defined under Catalist Rule 904 shall mean (a) the issuer; (b) a subsidiary of the issuer that is not listed on the Exchange or an approved exchange; or (c) an associated company of the issuer that is not listed on the Exchange or an approved exchange, provided that the listed group or the listed group and its interested person(s), has control over the associated company



amounting to approximately S\$25,986,000. This is on the basis that the Proposed Acquisition can only complete with all the Seller Shareholders and the Sellers proceeding collectively.

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

### 8.3. **Total value of interested person transactions for the financial year**

As at date of this announcement and save for the Proposed Acquisition, the total value of interested person transactions entered into by the Group for the financial year ending 31 May 2023 is relating to cost recharge by TOTM Tech India Private Limited, a fully-owned subsidiary of the Company ("**TOTM India**") for design and support work with respect to biometrics services on behalf of and as instructed by PT IBI amounting to S\$403,000.

For FY2022, the total value of interested person transactions entered into by the Group are in relation to:

- (a) TOTM India providing services, including but not limited to design and support work with respect to biometrics services on behalf of and as instructed by PT IBI, amounting to approximately S\$256,000; and
- (b) PT IBI providing biometrics-related project-based consultancy services to the Group amounting to S\$115,000 in FY2022.

The interested person transactions for FY2022 had been disclosed in the announcement dated 1 June 2022, the annual report for FY2022 and the results announcement dated 13 January 2022 and 28 July 2022.

### 8.4. **Appointment of an independent financial adviser**

The Company will appoint an independent financial adviser (the "**IFA**") to provide an opinion to Directors who are considered independent for the purposes of the Proposed Acquisition, that the Proposed Acquisition on the terms and conditions of the SPA is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

### 8.5. **Audit Committee statement**

The Audit Committee of the Company will obtain an opinion from the IFA before forming its view in relation to the interested person transaction, which will be included in the circular to be issued to the Shareholders.

### 8.6. **Abstention from voting**

Pursuant to Catalist Rule 919, Mr. Pierre Prunier and his associates shall abstain from exercising their voting rights in respect of all existing issued Shares owned by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the resolutions to approve the (a) Proposed Acquisition as an interested person transaction; and (b) allotment and issue of the relevant Total Consideration Shares to Mr. Pierre Prunier.

## 9. **PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION**

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

The pro forma financial effects have been prepared based on the latest audited financial results of the Group for the FY2022, on the following bases and assumptions:

- (a) that the Proposed Acquisition had been completed on 1 June 2021 respectively for the purposes of illustrating the financial effects on the LPS;
- (b) that the Proposed Acquisition had been completed on 31 May 2022 respectively for the purposes of illustrating the financial effects on the NTA;
- (c) the issued and paid up share capital of the Company as at the date of this announcement comprising 882,703,716 Shares;
- (d) the computation takes into account the allotment and issue of the Introducer Shares to be issued on the completion of the Proposed Acquisition; and
- (e) the computation does not take into account any expenses that may be incurred in relation to the Proposed Acquisition.

### 9.2. NTA per Share

Assuming that the Proposed Acquisition were completed on 31 May 2022, the pro forma financial effects on the Group's NTA per Share would be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA of the Company (S\$)	14,903,000	25,379,000
Number of issued ordinary shares in the capital of the Company	882,703,716	1,381,401,916
NTA per Share (Singapore cents)	1.69	1.84

### 9.3. LPS

Assuming that the Proposed Acquisition were completed on 1 June 2021, the pro forma financial effects on the Group's LPS would be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
(Loss) after income tax (S\$)	(10,539,000)	(11,970,000)
Number of issued ordinary shares in the capital of the Company	882,703,716	1,381,401,916
LPS (Singapore cents)	(1.19)	(0.87)

## **10. EXTRAORDINARY GENERAL MEETING TO BE CONVENED**

- 10.1. The Company will convene an EGM in due course to seek the relevant approvals required for the Proposed Acquisition.
- 10.2. In compliance with the Catalist Rules, the Circular containing, *inter alia*, further details on the Proposed Acquisition (as an interested person transaction under Chapter 9 of the Catalist Rules), the allotment and issue of the Total Consideration Shares and the Introducer Shares (as required under Chapter 8 of the Catalist Rules), an opinion from the IFA, the valuation report issued by the Valuer and together with a notice of EGM to be held, will be issued to the Shareholders in due course to seek the relevant approvals.

## **11. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed in this announcement, none of the Directors, controlling shareholders or their associates have any interest, direct or indirect, in the Proposed Acquisition (other than through their respective interests arising by way of their directorships and/or shareholdings in the Company).

## **12. DIRECTORS' SERVICE CONTRACTS**

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

## **13. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the SPA will be available for inspection during normal business hours for a period of three (3) months commencing from the date of this announcement at the registered office of the Company at 20 Collyer Quay #09-02 Singapore 049319.

## **14. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## **15. FURTHER ANNOUNCEMENTS**

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

## 16. CAUTIONARY STATEMENT

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

### BY ORDER OF THE BOARD

Mr. Ngo Yit Sung  
Executive Director  
17 October 2022

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*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

*The contact person for the Sponsor is Ms. Charmian Lim (telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*

**Appendix A**  
**Information on the Sellers and the Seller Shareholders**

**(a) The Sellers**

<b>Name of Seller</b>	<b>Relevant Seller Shareholder</b>	<b>Number of Sale Shares held</b>	<b>Proportion of Sale Shares</b>
PCL	Steven Japutra (56.0%) Chan Hiang Ngee (21.0%) Pedro Flames Omarrementeria (23.0%)	2,669,359	54.5%
NKO	Pierre Olivier Marc Yves Prunier (100.0%)	1,616,309	33.0%
SIES	Low Choon Hui (30.0%) Andy Utama (30.0%) Selina Loh (40.0%)	259,590	5.3%
Brandneu	Laika Saputra Rudianto (25.0%) Jonathan Santoso (75.0%)	254,691	5.2%
Prundjaya	Pierre Olivier Marc Yves Prunier (100.0%)	97,958	2.0%

**(b) The Seller Shareholders**

<b>Name of Seller</b>	<b>Information on Seller Shareholder</b>
Steven Japutra	Businessman and private investor.
Chan Hiang Ngee	Private investor.
Pedro Flames Omarrementeria	Board director of InterBio and several technology companies. Former director of Credit Suisse Singapore and London. Director General of Investment Bank ACF.
Pierre Olivier Marc Yves Prunier	Existing Chief Executive Officer, Executive Director, board director of InterBio, former chief executive officer and director within a large Asian conglomerate. Angel investor in several tech startups.
Low Choon Hui	Experienced investor and board director in several technology companies.
Andy Utama	Board director of SIES Investech Inc and investor in technology companies.

Name of Seller	Information on Seller Shareholder
Selina Loh	Board director of SIES Investech Inc and Sign in.
Laika Saputra Rudianto	Private equity investor and board member of several Indonesian companies.
Jonathan Santoso	Board director of Brandneu and director of other Indonesian companies.

## Appendix B Earn-out Payments

For the purposes of interpretation of this Appendix B:

**“2023 E-Identification Business Contracts”** means any contracts and/or purchase orders entered into with any customer or partner of the Group<sup>10</sup> in FY2023 for the E-Identification Business;

**“Cumulative Contracted E-Identification Revenues”** means the cumulative contracted revenues that are expected to be recognised from the 2023 E-Identification Business Contracts;

**“Earn-out Revenues”** means cumulative revenues that are recognised on the relevant financial statements of the Group<sup>11</sup> for FY2023 under the E-Identification Business, in accordance with generally accepted accounting practices and the Group’s policies;

**“FY2023”** means the 12-months period ending 31 December 2023; and

**“Relevant Earn-out Payment Date”** means the date on which each Earn-out Payment is to be paid by the Company.

1. As part of the Total Consideration, the Company shall make the following payments in relation to the Earn-out Consideration (the **“Earn-out Payments”**), to the Seller Shareholders and/or their nominees in accordance with the respective shareholding proportions in InterBio:
  - (a) upon the Target Group achieving Earn-Out Revenues equivalent to or exceeding US\$2,450,000 during FY2023, the Company shall pay a first Earn-out Payment of US\$5,145,000 (equivalent to S\$7,357,350) through the allotment and issue of 52,552,500 Earn-out Consideration Shares (**“Milestone 1”**);
  - (b) upon the Target Group achieving Earn-Out Revenues equivalent to or exceeding US\$2,950,000 during FY2023, the Company shall pay an additional Earn-out Payment of US\$1,050,000 (equivalent to S\$1,501,500), to be paid through the allotment and issue of 10,725,000 Earn-out Consideration Shares (**“Milestone 2”**);
  - (c) upon the Target Group achieving Earn-Out Revenues equivalent to or exceeding US\$3,450,000 during FY2023, the Company shall pay an additional Earn-out Payment of US\$1,050,000 (equivalent to S\$1,501,500), to be paid through the allotment and issue of 10,725,000 Earn-out Consideration Shares (**“Milestone 3”**);
  - (d) upon the Target Group achieving Earn-Out Revenues equivalent to or exceeding US\$3,950,000 during FY2023, the Company shall pay an additional Earn-out Payment of US\$1,050,000 (equivalent to S\$1,501,500), to be paid through the allotment and issue of 10,725,000 Earn-out Consideration Shares (**“Milestone 4”**);
  - (e) upon the Target Group achieving Earn-Out Revenues equivalent to or exceeding US\$4,450,000 during FY2023, the Company shall pay an additional Earn-out Payment of US\$1,050,000 (equivalent to S\$1,501,500), to be paid through the allotment and issue of 10,725,000 Earn-out Consideration Shares (**“Milestone 5”**); and
  - (f) upon the Target Group achieving Earn-Out Revenues equivalent to or exceeding US\$4,900,000 during FY2023, the Company shall pay an additional Earn-out Payment of US\$945,000 (equivalent to S\$1,351,350), to be paid through the allotment and issue of 9,652,500 Earn-out Consideration Shares (**“Milestone 6”**).

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<sup>10</sup> If it is deemed beneficial to the Group for the relevant contracts and/or purchase orders to be entered into and related revenues to be recognised in any other company within the Buyer Group (as defined in the SPA) (within the same CGU (Cash Generating Units)), instead of the Target Group, revenues relating to such contracts and/or purchase orders shall be considered to be captured within these definitions.

<sup>11</sup> See footnote 10.

A table setting out the Base Consideration Shares to be allotted and issued to each Seller Shareholder on Completion and the Earn-out Consideration Shares to be allotted and issued to each Seller Shareholder for achieving each of Milestone 1, Milestone 2, Milestone 3, Milestone 4, Milestone 5 and Milestone 6 (collectively, the “**Milestones**”) has been set out below for reference.

2. The relevant Earn-out Payments shall be paid through the allotment and issue of the relevant Earn-out Consideration Shares to the Seller Shareholders and/or their nominees in accordance with the respective shareholding proportions in InterBio (refer to table below), within 30 business days from the date on which the Target Group submits the relevant financial statements and supporting documentation for review and determination by the Board<sup>12</sup> and the evaluation committee<sup>13</sup> established by the Company on whether the relevant thresholds for the Earn-out Payments have been met.

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<sup>12</sup> Excluding Mr. Pierre Prunier.

<sup>13</sup> Comprising the executive directors (excluding Mr. Pierre Prunier) and the chief financial officer of the Company.



<b>Name of Seller Shareholder</b>	<b>Base Consideration Shares</b>	<b>Earn-out Consideration Shares to be received upon achieving Milestone 1</b>	<b>Earn-out Consideration Shares to be received upon achieving Milestone 2</b>	<b>Earn-out Consideration Shares to be received upon achieving Milestone 3</b>	<b>Earn-out Consideration Shares to be received upon achieving Milestone 4</b>	<b>Earn-out Consideration Shares to be received upon achieving Milestone 5</b>	<b>Earn-out Consideration Shares to be received upon achieving Milestone 6</b>	<b>Total Earn-out Consideration Shares to be received upon hitting all Milestones</b>
Steven Japutra	111,509,398	16,039,023	3,273,270	3,273,270	3,273,270	3,273,270	2,945,944	32,078,047
Pedro Flames Omarrementeria	45,798,503	6,587,456	1,344,379	1,344,379	1,344,379	1,344,378	1,209,940	13,174,911
Chan Hiang Ngee	41,816,024	6,014,633	1,227,476	1,227,476	1,227,476	1,227,477	1,104,729	12,029,267
Pierre Olivier Marc Yves Prunier	127,877,750	18,393,375	3,753,750	3,753,750	3,753,750	3,753,750	3,378,375	36,786,750
Low Choon Hui	5,809,304	835,585	170,527	170,528	170,527	170,528	153,474	1,671,169
Andy Utama	5,809,304	835,584	170,528	170,527	170,528	170,527	153,475	1,671,169
Selina Loh	7,745,737	1,114,114	227,370	227,370	227,370	227,370	204,633	2,228,227
Laika Saputra Rudianto	4,749,745	683,182	139,425	139,425	139,425	139,425	125,483	1,366,365
Jonathan Santoso	14,249,235	2,049,548	418,275	418,275	418,275	418,275	376,447	4,099,095

**Appendix C**  
**Changes in Shareholding Information**

	Before Proposed Acquisition, as at the Latest Practicable Date <sup>1</sup>				Upon completion of Proposed Acquisition <sup>2</sup>			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Directors</b>								
Low Chai Chong	-	-	-	-	-	-	-	-
Pierre Olivier Marc Yves Prunier	-	-	50,166,550	5.68	-	-	214,831,050	15.55
Aw Eng Hai	-	-	-	-	-	-	-	-
Chua Hoe Sing								
Cheam Heng Haw, Howard	-	-	-	-	-	-	-	-
Tan Chee Bun Gordon	-	-	-	-	-	-	-	-
Ngo Yit Sung	-	-	-	-	-	-	-	-
<b>Substantial shareholders</b>								
Rahul Ganpat Parthe <sup>3</sup>	60,149,693	6.81	-	-	60,149,693	4.35	-	-
Hing Chow Yuen	80,104,800	9.07	-	-	80,104,800	5.80	-	-

	Before Proposed Acquisition, as at the Latest Practicable Date <sup>1</sup>				Upon completion of Proposed Acquisition <sup>2</sup>			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Pierre Olivier Marc Yves Prunier	-	-	50,166,550	5.68	-	-	214,831,050	15.55
Steven Japutra <sup>4</sup>	-	-	-	-	143,587,445	10.39	-	-
<b>Public:</b>	692,282,673	78.44	-	-	942,878,621	68.26	-	-
<b>Total:</b>	882,703,716	100	-	-	1,381,401,916	100	-	-

**Notes:**

- (1) Based on the existing share capital of the Company as at the date of this announcement of 882,703,716 Shares.
- (2) The enlarged share capital of the Company of 1,381,401,916 Shares includes 470,470,000 Total Consideration Shares and 28,228,200 Introducer Shares.
- (3) Rahul Ganpat Parthe will cease being a substantial Shareholder based on the maximum number of Total Consideration Shares which he receive post-completion of the Proposed Acquisition
- (4) Steven Japutra will become a substantial Shareholder based on the maximum number of Total Consideration Shares which he will receive post-completion of the Proposed Acquisition.