CIRCULAR DATED 29 NOVEMBER 2022

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

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

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

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

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

Please refer to section 12 (*Action to be taken by Shareholders*) of this Circular for further details, including the steps to be taken by Shareholders to participate at the Extraordinary General Meeting.

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

CIRCULAR TO SHAREHOLDERS
in relation to:

(1) THE PROPOSED ACQUISITION OF THE REMAINING 49.0% SHAREHOLDING IN THE TOTAL ORDINARY SHARE CAPITAL OF INTERNATIONAL BIOMETRICS PTE. LTD., BEING DEEMED AS AN INTERESTED PERSON TRANSACTION UNDER THE CATALIST RULES;

(2) THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 470,470,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S$0.14 PER NEW ORDINARY SHARE TO THE SELLER SHAREHOLDERS AND/OR THEIR NOMINEES AS SATISFACTION OF THE TOTAL CONSIDERATION FOR THE PROPOSED ACQUISITION;

(3) THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 164,664,500 TOTAL CONSIDERATION SHARES TO MR. PIERRE PRUNIER PURSUANT TO THE PROPOSED ACQUISITION;

(4) THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 28,228,200 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S$0.14 PER NEW ORDINARY SHARE TO PRECIOUS GLORY ENTERPRISES LIMITED AS SATISFACTION OF THE INTRODUCER FEES; AND

(5) THE PROPOSED GRANT OF OPTIONS UNDER THE TOTM TECHNOLOGIES EMPLOYEE SHARE OPTION SCHEME 2021 TO MR. PIERRE PRUNIER AND THE ALLOTMENT AND ISSUE OF NEW ORDINARY SHARES THEREUNDER.

Independent Financial Advisor in respect of the Proposed Acquisition

NOVUS CORPORATE FINANCE PTE. LTD.
(Company Registration No. 201723484W)
(Incorporated in the Republic of Singapore)

Important Dates and Times

Last date and time for lodgement of Proxy Form	:	11 December 2022 at 2.00 p.m.
Date and time of Extraordinary General Meeting	:	14 December 2022 at 2.00 p.m.

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

"**associate**"	:	(a) In relation to any individual, including a Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more. (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
"**Audit Committee**"	:	The audit committee of the Company, with its members as the Latest Practicable Date, being Mr. Aw Eng Hai, Mr. Cheam Heng Haw, Howard, Mr. Chua Hoe Sing and Mr. Low Chai Chong
"**Base Consideration Shares**"	:	Has the meaning ascribed to it in section 2.5(a) (*Total Consideration*) of this Circular
"**Biometrics Business**"	:	Has the meaning ascribed to it in section 2.2 (*Rationale for the Proposed Acquisition*) of this Circular
"**Board**"	:	The board of Directors of the Company
"**Brandneu**"	:	Has the meaning ascribed to it in section 2.3(c) (*Existing InterBio shareholding structure*) of this Circular
"**Business Day**"	:	Any day on which commercial banks are open for business in Singapore (as the case may be), other than Saturdays, Sundays and days which have been gazetted as public holidays in Singapore (as the case may be)
"**Catalist**"	:	The Catalist board of the SGX-ST
"**Catalist Rules**"	:	Section B: Rules of Catalist of the SGX-ST listing manual, as amended, modified or supplemented from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Chairman of the Meeting**"	:	The appointed chairman of the EGM
"**Circular**"	:	This circular to Shareholders dated 29 November 2022
"**Companies Act**"	:	The Companies Act 1967 of Singapore as amended, modified or supplemented from time to time
"**Company**"	:	Totm Technologies Limited (Company Registration No.

		201506891C) having its registered office at 20 Collyer Quay #09-02 Singapore 049319
"**Completion**"	:	Has the meaning ascribed to it in section 2.3(c) (*Existing InterBio shareholding structure*) of this Circular
"**Completion Date**"	:	Has the meaning ascribed to it in section 2.5(d) (*Completion*) of this Circular
"**Conditions**"	:	Has the meaning ascribed to it in section 2.5(b) (*Conditions*) of this Circular
"**Constitution**"	:	The Constitution of the Company, as amended, modified or supplemented from time to time
"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly 15.0% or more of all voting shares in the Company (subject to the SGX-ST determining that such a person is not a Controlling Shareholder); or (b) in fact exercises control over the Company
"**CPF Agent Banks**"	:	Has the meaning ascribed to it in section 12 (*Action to be taken by Shareholders*) of this Circular
"**CPF Investors**"	:	Has the meaning ascribed to it in section 12 (*Action to be taken by Shareholders*) of this Circular
"**Directors**"	:	The directors of the Company as at the Latest Practicable Date, and each a "**Director**"
"**Diversification**"	:	Has the meaning ascribed to it in section 2.2 (*Rationale for the Proposed Acquisition*) of this Circular
"**E-Identification Business**"	:	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
"**Earn-out Consideration**"	:	Has the meaning ascribed to it in section 2.5(a) (*Total Consideration*) of this Circular
"**Earn-out Consideration Shares**"	:	Has the meaning ascribed to it in section 2.5(a) (*Total Consideration*) of this Circular
"**EGM**" or "**Extraordinary General Meeting**"	:	The extraordinary general meeting of the Company in relation to the Proposed Resolutions to be held via electronic means on 14 December 2022 at 2.00 p.m., notice of which is set out in pages N-1 to N-5 of this Circular
"**ESOS 2021**"	:	The Totm Technologies Employee Share Option Scheme 2021 which was adopted and approved by Shareholders at an extraordinary general meeting held on 30 September 2021

"**Further Tech5 Investment**"	:	Has the meaning ascribed to it in section 2.6(a) of this Circular
"**Further Tech5 Investment Amount**"	:	Has the meaning ascribed to it in section 2.6(b) of this Circular
"**FY**"	:	The financial year ended or ending 31 May, as the case may be
"**GenesisPro**"	:	GenesisPro Pte. Ltd., a 70.0% subsidiary of the Company as at the Latest Practicable Date
"**Group**"	:	The Company and its subsidiaries
"**IFA**"	:	Novus Corporate Finance Pte. Ltd., the independent financial advisor to the Recommending Directors in respect of the Proposed Acquisition
"**IFA Letter**"	:	The letter dated 29 November 2022 from the IFA to the Recommending Directors in respect of the Proposed Acquisition as set out in **Appendix A** (*IFA Letter*) to this Circular
"**Independent Shareholders**"	:	Shareholders who are deemed independent under the Catalist Rules in respect of each of the Ordinary Resolutions, as the case may be
"**Initial InterBio Acquisition**"		Has the meaning ascribed to it in section 2.1 (*Background to the Proposed Acquisition*) of this Circular
"**InterBio**"	:	International Biometrics Pte. Ltd., a 51.0% subsidiary of the Company as at the Latest Practicable Date
"**Interested Person**"	:	Interested person as defined under Chapter 9 of the Catalist Rules
"**Interested Person Transaction**"	:	Interested person transaction as defined under Chapter 9 of the Catalist Rules
"**Introducer**"	:	Has the meaning ascribed to it in section 5.1 (*Background to and Rationale for the Proposed Issue of Introducer Shares*) of this Circular
"**Introducer Fee**"	:	Has the meaning ascribed to it in section 5.1 (*Background to and Rationale for the Proposed Issue of Introducer Shares*) of this Circular
"**Introducer Shares**"	:	Has the meaning ascribed to it in section 5.1 (*Background to and Rationale for the Proposed Issue of Introducer Shares*) of this Circular
"**Latest Practicable Date**"	:	24 November 2022, being the latest practicable date prior to the finalisation and release of this Circular
"**Long Stop Date**"	:	Has the meaning ascribed to it in section 2.5(c) (*Long Stop Date*) of this Circular
"**LPS**"	:	Loss per Share

"**Material Adverse Event**"	:	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
"**Mr. Pierre Prunier**"	:	Mr. Prunier Pierre Olivier Marc Yves, the Chief Executive Officer and Executive Director of the Company
"**NKO**"	:	Has the meaning ascribed to it in section 2.3(c) (*Existing InterBio shareholding structure*) of this Circular
"**Notice of EGM**"	:	The notice of the EGM which is set out in pages N-1 to N-5 of this Circular
"**NTA**"	:	Net tangible assets
"**Options**"	:	The share options to be granted under the ESOS 2021
"**Ordinary Resolution 1**"	:	The ordinary resolution to approve the Proposed Acquisition
"**Ordinary Resolution 2**"	:	The ordinary resolution to approve the Proposed Issue of Total Consideration Shares
"**Ordinary Resolution 3**"	:	The ordinary resolution to approve the Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier
"**Ordinary Resolution 4**"	:	The ordinary resolution to approve the Proposed Issue of Introducer Shares
"**Ordinary Resolution 5**"	:	The ordinary resolution to approve the Proposed Grant of Options to Mr. Pierre Prunier
"**Ordinary Resolutions**"	:	Has the meaning ascribed to it in section 1.1 (*Purpose of Circular*) of this Circular
"**Participant**"	:	A person who is selected by the Remuneration Committee of the Company to participate in the ESOS 2021 (as the case may be) in accordance with the terms and conditions of the ESOS 2021
"**Parties**"	:	Has the meaning ascribed to it in section 2.1 (*Background to the Proposed Acquisition*) of this Circular
"**PCL**"	:	Has the meaning ascribed to it in section 2.3(c) (*Existing InterBio shareholding structure*) of this Circular
"**Previous Announcements**"		Has the meaning ascribed to it in section 2.1 (*Background to the Proposed Acquisition*) of this Circular
"**Proposed Acquisition**"	:	Has the meaning ascribed to it in section 1.1 (*Purpose of Circular*) of this Circular

"**Proposed Grant of Options to Mr. Pierre Prunier**"	:	Has the meaning ascribed to it in section 1.1 (*Purpose of Circular*) of this Circular
"**Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier**"	:	Has the meaning ascribed to it in section 1.1 (*Purpose of Circular*) of this Circular
"**Proposed Issue of Introducer Shares**"	:	Has the meaning ascribed to it in section 1.1 (*Purpose of Circular*) of this Circular
"**Proposed Issue of Total Consideration Shares**"	:	Has the meaning ascribed to it in section 1.1 (*Purpose of Circular*) of this Circular
"**Proxy Form**"	:	The proxy form in respect of the EGM which is set out in pages P-1 to P-4 of this Circular
"**Prundjaya**"	:	Has the meaning ascribed to it in section 2.3(c) (*Existing InterBio shareholding structure*) of this Circular
"**PT IBI**"	:	Has the meaning ascribed to it in section 2.3(a)(*Business*) of this Circular
"**Recommending Directors**"	:	Directors who are considered independent for the purposes of the Proposed Acquisition, namely Mr. Low Chai Chong, Mr. Tan Chee Bun Gordon, Mr. Ngo Yit Sung, Mr. Cheam Heng Haw, Howard, Mr. Aw Eng Hai and Mr. Chua Hoe Sing
"**Register of Members**"	:	The register of members of the Company
"**Sale Shares**"	:	Has the meaning ascribed to it in section 2.1 (*Background to the Proposed Acquisition*) of this Circular
"**Securities Account**"	:	A securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent
"**Securities and Futures Act**"	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
"**Seller Shareholders**"	:	Has the meaning ascribed to it in section 2.3(c) (*Existing InterBio shareholding structure*) of this Circular
"**Sellers**"	:	Has the meaning ascribed to it in section 2.3(c) (*Existing InterBio shareholding structure*) of this Circular
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**SGXNet**"	:	A broadcast network utilised by companies listed on the SGX-ST for the purposes of sending information (including announcements) to the SGX-ST (or any other broadcast or system networks prescribed by the SGX-ST)
"**SGX Regco**"	:	Singapore Exchange Regulation Pte Ltd
"**Shareholders**"	:	Registered holders of ordinary shares in the capital of the Company, except where the registered holder is CDP, in which case the term "**Shareholders**" shall in relation to such Shares mean the Depositors whose Securities Accounts maintained with CDP are credited with Shares

"**Share Registrar**"	:	The share registrar of the Company, B.A.C.S Private Limited
"**Shares**"	:	Ordinary share(s) in the share capital of the Company
"**SIES**"	:	Has the meaning ascribed to it in section 2.3(c) (*Existing InterBio shareholding structure*) of this Circular
"**SPA**"	:	Has the meaning ascribed to it in section 2.1 (*Background to the Proposed Acquisition*) of this Circular
"**SPA Announcement**"	:	Has the meaning ascribed to it in section 2.1 (*Background to the Proposed Acquisition*) of this Circular
"**Sponsor**"	:	SAC Capital Private Limited
"**SRS Investors**"	:	Has the meaning ascribed to it in section 12 (*Action to be taken by Shareholders*) of this Circular
"**SRS Operators**"	:	Has the meaning ascribed to it in section 12 (*Action to be taken by Shareholders*) of this Circular
"**Substantial Shareholder**"	:	Shall have the meaning ascribed to it in Section 81 of the Companies Act and Section 2(4) of the Securities and Futures Act, being a person who: (a) has an interest or interests in one (1) or more voting Shares in the Company; and (b) the total votes attached to that Share, or those Shares, is not less than 5.0% of the total votes attached to all the voting Shares in the Company
"**Summarised Valuation Letter**"	:	A summary of the Valuation Report set out in the **Appendix B** (*Summarised Valuation Letter*) to this Circular
"**Target Group**"	:	Has the meaning ascribed to it in section 2.3(a)(*Business*) of this Circular
"**Target Group Company**"	:	Has the meaning ascribed to it in section 2.3(a) (*Business*) of this Circular
"**Tech5**"	:	Tech5 SA, a company which the Company owns 16.27% shareholding interest in, as at the Latest Practicable Date
"**Telecommunications Business**"	:	Has the meaning ascribed to it in section 2.2 (*Rationale for the Proposed Acquisition*) of this Circular
"**Total Consideration**"	:	Has the meaning ascribed to it in section 2.1 (*Background to the Proposed Acquisition*) of this Circular
"**Total Consideration Shares**"	:	Has the meaning ascribed to it in section 2.1 (*Background to the Proposed Acquisition*) of this Circular
"**Totm India**"		Has the meaning ascribed to it in section 2.7 (*The Proposed Acquisition as an Interested Person Transaction*) of this Circular
"**Valuation**"	:	Has the meaning ascribed to it in section 2.4 (*Independent Valuation of the Target Group*) of this Circular

"**Valuation Date**"	:	Has the meaning ascribed to it in section 2.4 (*Independent Valuation of the Target Group*) of this Circular
"**Valuation Report**"	:	Valuation report dated 29 November 2022 issued by the Valuer in relation to the valuation of 49.0% equity interest in the capital of the Target Group, a summary of which is set out in the **Appendix B** (*Summarised Valuation Letter*) to this Circular
"**Valuer**"	:	Navi Corporate Advisory Pte. Ltd., the independent valuer commissioned by the Company to issue the Valuation Report
"**VWAP**"	:	Volume weighted average price
"**Waiver**"	:	Has the meaning ascribed to it in section 2.6(c) (*Chapter 10 approvals for the Proposed Acquisition*) of this Circular
Currencies, Units and Others		
"**%**"	:	Per centum or percentage
"**IDR**"	:	Indonesian Rupiah, the lawful currency of the Republic of Indonesia
"**S$**" and "**cents**"	:	Singapore dollars and cents, the lawful currency of the Republic of Singapore
"**US$**"	:	United States dollars, the lawful currency of United States of America

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

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

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

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

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

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

Unless otherwise stated, the conversion of US$ to S$ in this Circular are based on the exchange rate of US$1.00:S$1.43, as agreed by the Parties.

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

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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

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

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

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

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

Directors:	**Registered Office:**
Mr. Low Chai Chong (Non-Executive Independent Chairman) Mr. Prunier Pierre Olivier Marc Yves (Chief Executive Officer and Executive Director) 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)	20 Collyer Quay #09-02 Singapore 049319

29 November 2022

To: **Shareholders of Totm Technologies Limited**

Dear Sir / Madam,

(1) THE PROPOSED ACQUISITION OF THE REMAINING 49.0% SHAREHOLDING IN THE TOTAL ORDINARY SHARE CAPITAL OF INTERNATIONAL BIOMETRICS PTE. LTD., BEING DEEMED AS AN INTERESTED PERSON TRANSACTION UNDER THE CATALIST RULES;

(2) THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 470,470,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S$0.14 PER NEW ORDINARY SHARE TO THE SELLER SHAREHOLDERS AND/OR THEIR NOMINEES AS SATISFACTION OF THE TOTAL CONSIDERATION FOR THE PROPOSED ACQUISITION;

(3) THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 164,664,500 TOTAL CONSIDERATION SHARES TO MR. PIERRE PRUNIER PURSUANT TO THE PROPOSED ACQUISITION;

(4) THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 28,228,200 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S$0.14 PER NEW ORDINARY SHARE TO PRECIOUS GLORY ENTERPRISES LIMITED AS SATISFACTION OF THE INTRODUCER FEES; AND

(5) THE PROPOSED GRANT OF OPTIONS UNDER THE TOTM TECHNOLOGIES EMPLOYEE SHARE OPTION SCHEME 2021 TO MR. PIERRE PRUNIER AND THE ALLOTMENT AND ISSUE OF NEW ORDINARY SHARES THEREUNDER.

1. INTRODUCTION

1.1. Purpose of Circular

The Directors are convening an EGM by way of electronic means on 14 December 2022 at 2.00 p.m. to seek:

(a) Independent Shareholders' approval for the proposed acquisition of the remaining 49.0% shareholding in the total ordinary share capital of InterBio as Ordinary Resolution 1. The Proposed Acquisition is deemed as an Interested Person Transaction under Chapter 9 of the Catalist Rules and is subject to the approval of the Independent Shareholders;

(b) Independent Shareholders' approval for the proposed allotment and issue of up to 470,470,000 Total Consideration Shares at an issue price of S$0.14 per Total Consideration Share to the Seller Shareholders and/or their nominees as partial satisfaction of the Total Consideration for the Proposed Acquisition (the "**Proposed Issue of Total Consideration Shares**"), as Ordinary Resolution 2;

(c) Independent Shareholders' approval for the proposed allotment and issue of up to 164,664,500 of the Total Consideration Shares to Mr. Pierre Prunier pursuant to the Proposed Acquisition (the "**Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier**"), as Ordinary Resolution 3;

(d) Independent Shareholders' approval for the proposed allotment and issue of up to 28,228,200 of the Introducer Shares at an issue price of S$0.14 per Introducer Share to the Introducer (the "**Proposed Issue of Introducer Shares**"), as Ordinary Resolution 4; and

(e) Independent Shareholders' approval for the proposed grant of 13,200,000 Options under the ESOS 2021 to Mr. Pierre Prunier (the "**Proposed Grant of Options to Mr. Pierre Prunier**"), as Ordinary Resolution 5,

collectively, the "**Ordinary Resolutions**".

The purpose of this Circular is to provide Shareholders with relevant information relating to the Ordinary Resolutions and to seek Independent Shareholders' approval in respect of the same at the EGM. The Notice of EGM is set out at pages N-1 to N-5 of this Circular.

1.2. **Conditionality of Resolutions**

Shareholders should note that:

(a) **Ordinary Resolution 2 is conditional on Ordinary Resolution 1**. This means that if (i) Ordinary Resolution 1 is not approved, Ordinary Resolution 2 will not be duly passed. Ordinary Resolution 2 is conditional on Ordinary Resolution 1 as the Proposed Issue of Total Consideration Shares is for the satisfaction of the Total Consideration for the Proposed Acquisition;

(b) **Ordinary Resolution 3 is conditional on Ordinary Resolution 1 and Ordinary Resolution 2**. This means that if (i) Ordinary Resolution 1 and Ordinary Resolution 2 are not approved, Ordinary Resolution 3 will not be duly passed. Ordinary Resolution 3 is conditional on Ordinary Resolution 1 and Ordinary Resolution 2 as the Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier is for part of the satisfaction of the Total Consideration for the Proposed Acquisition through the Proposed Issue of the Total Consideration Shares;

(c) **Ordinary Resolution 4 is conditional on Ordinary Resolution 1**. This means that if (i) Ordinary Resolution 1 is not approved, Ordinary Resolution 4 will not be duly passed. Ordinary Resolution 4 is conditional on Ordinary Resolution 1 as the Proposed Issue of Introducer Shares should only be completed if the Proposed Acquisition is completed; and

(d) **Ordinary Resolution 5 is not conditional on any other Ordinary Resolutions**.

1.3. **Disclaimers**

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

2. THE PROPOSED ACQUISITION

2.1. Background to the Proposed Acquisition

The Board 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 InterBio (the "**Initial InterBio Acquisition**"). The Initial InterBio Acquisition was completed on 6 April 2021.

As announced on 17 October 2022 (the "**SPA Announcement**"), the Company has entered into a sale and purchase agreement (the "**SPA**") with the Seller Shareholders (as defined in section 2.3(c) (*Existing InterBio shareholding structure of InterBio*)) of this Circular and the Sellers (as defined in paragraph 2.3(c) (*Existing shareholding structure of InterBio*)) of this Circular (the Company, Seller Shareholders and Sellers, collectively, the "**Parties**") 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) (the "**Total Consideration**") to be satisfied via the allotment and issue of up to 470,470,000 new Shares at the fixed issue price of S$0.14 per such Share (the "**Total Consideration Shares**"), in the manner as further described in section 2.5(a) (*Total Consideration*) of this Circular (the "**Proposed Acquisition**").

The Proposed Acquisition constitutes (a) a "discloseable transaction" under Chapter 10 of Catalist Rules of the SGX-ST (please refer to section 2.6 (*Catalist Rule 1006 figures for the Proposed Acquisition*) of this Circular 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 section 2.7 (*The Proposed Acquisition as an Interested Person Transaction*) of this Circular for further details on the Proposed Acquisition as an interested person transaction.

2.2. 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.

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) <u>Provides the Group full control over Target Group</u>

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 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 top-line 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 FY2021 (due to the completion of the Initial InterBio Acquisition in early April 2021) and approximately S$11.1 million for 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.

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.

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 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.

2.3. **Information on the Target Group**

(a) Business

InterBio is a private limited company established in 2017 in Singapore and is an investment holding company holding 99.0%[1] 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 like face, finger and iris biometrics listed in the top tier in NIST benchmarks. PT IBI currently serves mainly ministries and government agencies.

(b) 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).

(c) Existing InterBio shareholding structure

As at the Latest Practicable Date, 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%
	Pedro Flames Omarrementeria (23.0%)		
	Chan Hiang Ngee (21.0%)		
No Ka Oi Private Ltd ("**NKO**")	Pierre Oliver Marc Yves Prunier (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%)		

[1] The remaining 1.0% 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.

(d) Information on Seller Shareholders and Sellers

Please refer to **Part I of Appendix C** (*Seller Shareholders and Sellers*) to this Circular for further details 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) and that certain of the Seller Shareholders[2] are existing Shareholders, 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.

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, or any other person in the categories set out in Catalist Rule 812(1), save for Mr. Pierre Prunier.

2.4. Independent valuation of the Target Group

The Company has appointed the Valuer, Navi Corporate Advisory Pte. Ltd. as an independent valuer to assess and determine the value of 49.0% equity interest in the capital of the Target Group as at 31 July 2022 (the “**Valuation Date**”) for the Proposed Acquisition (the “**Valuation**”). A Valuation Report has been issued by the Valuer in respect of the independent valuation on the value of the 49.0% equity interest in the capital of Target Group as at 31 July 2022, and the Summarised Valuation Letter is set out in the **Appendix B** (*Summarised Valuation Letter*) to this Circular.

Based on the Valuation Report, the range of value of 49.0% equity interest in the capital of the Target Group (excluding the E-Identification Business) as at the Valuation Date is US$32.4 million to

[2] Save for Steven Japutra, all of the Seller Shareholders are existing Shareholders as at the Latest Practicable Date.

US$36.2 million (equivalent to approximately S$46.3 million to S$51.8 million). The Valuation is based primarily on the income approach[3] with the market approach[4] as reference.

In addition, as instructed by the Company, a scenario analysis including the E-Identification Business has been performed by the Valuer. Based on the scenario analysis and the financial projections provided, the range of value of 49.0% equity interest in the capital of the Target Group as at the Valuation Date is from US$42.4 million to US$46.5 million (equivalent to approximately S$60.6 million to S$66.5 million). The scenario analysis is for illustration purposes only and does not necessary imply or represent the market value of the Target Group as at the Valuation Date.

Shareholders are advised to read and consider the Summarised Valuation Letter issued by the Valuer in respect of the independent valuation on the Target Group carefully, in particular the terms of reference, key assumptions and key drivers. The Summarised Valuation Letter is set out in the Appendix B (*Summarised Valuation Letter*) to this Circular.

2.5. **Salient terms of the SPA**

(a) Total Consideration

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

(i) 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

(ii) 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 **Part II to Appendix C** (*Seller Shareholders and Sellers*) to this Circular.

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.

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) was between US$32.4 million and US$36.0 million as at 31 July 2022.

[3] Income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset.
[4] Market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. The market approach often uses market multiples derived from a set of comparable companies, each with different multiples. The selection of the appropriate multiple within the range requires judgement, considering qualitative and quantitative factors.

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 (including the E-Identification Business) as set out in 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).

Based on the Valuation and scenario analysis, the range of value of 49.0% equity interest in the capital of the Target Group (excluding the E-Identification Business) as at the Valuation Date is US$32.4 million to US$36.2 million and including the E-Identification Business to be from US$42.4 million to US$46.5 million. Hence, the Total Consideration shall remain unchanged.

(b) Conditions

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

(i) 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;

(ii) the receipt of the Valuation Report, subject to any adjustments as may be required as stated above under section 2.5(a) (*Total Consideration*) of this Circular;

(iii) the receipt of the opinion from an IFA 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;

(iv) 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;

(v) 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;

(vi) 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 (1) third parties, including without limitation, any government authority having jurisdiction over the transactions contemplated in the SPA (and in connection herewith); and (2) 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 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;

(vii) 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);

(viii) 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;

(ix) the approval of the shareholders of the Company, having been obtained at the EGM 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;

(x) 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;

(xi) the receipt of the listing and quotation notice in respect of the Base Consideration Shares on the Catalist of the SGX-ST being obtained;

(xii) no Material Adverse Event having occurred on or before Completion;

(xiii) each of the warranties given by the Seller Shareholders and Sellers remaining true and accurate in all respects as at Completion; and

(xiv) 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.

As at the Latest Practicable Date, save for the Conditions stated in sub-paragraphs (iv) (in relation to the disclosure letter for the Completion Date), (ix) to (xiv) (which are Conditions to be satisfied as at Completion), all of the Conditions have been fulfilled.

If any Condition has not been satisfied (or waived in accordance with the terms of the SPA) by the Long Stop Date, each Party may agree or disagree to the extension of the Long Stop Date in its sole discretion. If the Parties do not agree to an extension of the Long Stop Date, and any Condition has not been satisfied (or waived in accordance with the 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.

(c) Long Stop Date

The long stop date shall be six (6) months from the date of the SPA, being 17 April 2023, or such other date as may be agreed in writing between the Parties to the SPA (the "**Long Stop Date**").

(d) 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**").

(e) 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 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.

(f) 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.

(g) 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):

(i) use the Business Intellectual Property without the prior written consent of the Target Group;

(ii) 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;

(iii) 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; and

(iv) contest the Target Group's rights in respect of the Business Intellectual Property.

(h) 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:

(i) 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;

(ii) 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

(iii) 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 (as defined in the SPA) by any Target Group Company (or any person for whose actions any Target Group Company may be liable).

(i) 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:

(i) 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); and

(ii) 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.

(j) 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.

2.6. **Catalist Rule 1006 Figures for the Proposed Acquisition**

(a) 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 from the date of the SPA) will be aggregated with the Proposed Acquisition for the purposes of computing the relevant bases pursuant to Catalist Rule 1006.

(b) The relative figures computed on the bases set out in Catalist Rule 1006 and as announced in the SPA Announcement 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.(1)	N.A.(2)	N.A.
(b)	Net profits/losses attributable to the assets acquired or disposed of, compared with the Group's net profits/losses.	(1.73%)(3)	1.57%(4)	(0.16)%(5)
(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(6).	64.57%(7)	9.84%(8)	74.41%(9)

Rule 1006	Bases of calculation	Relative figure for the Proposed Acquisition	Relative figure for the Further Tech5 Investment	Total relative figure
(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%(10)	N.A.(11)	56.50%(10)
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	N.A.(12)	N.A.(13)	N.A.

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 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.

(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.

(c) Chapter 10 approvals for the 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 D** (*Changes in Shareholding Interests*) to this Circular, the Company had sought for and obtained a waiver from Catalist Rule 1015 from the SGX Regco (the "**Waiver**") through its Sponsor that the Proposed Acquisition constitutes a "Reverse Takeover". Details of the Waiver can be found in the announcement dated 17 October 2022 issued by the Company in relation to Proposed Acquisition.

2.7. The Proposed Acquisition as an Interested Person Transaction

(a) Interested Person Transaction

Pursuant to Catalist Rule 906, an issuer must obtain shareholders' approval for an interested person transaction of a value equal to, or more than 5.0% of the Group's latest audited NTA value.

Mr. Pierre Prunier, Chief Executive Officer and Executive Director of the Company, currently holds 1,714,267 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 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.

(b) Value of the Interested Person Transaction

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

(c) Total value of Interested Person Transactions

As at the Latest Practicable Date 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:

(i) 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

(ii) 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.

(d) 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 resolution to approve the Proposed Acquisition. The Company will disregard any votes cast on a resolution by Mr. Pierre Prunier and his associates by the relevant Catalist Rule or pursuant to a court order where such court order is served on the Company.

2.8. IFA opinion

(a) Pursuant to Catalist Rule 921(4)(a), the Company has appointed the IFA to advise the Recommending Directors, on whether the Proposed Acquisition is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

(b) The IFA's opinion is extracted from paragraph 7 of the IFA Letter and set out in italics as follows and capitalised terms used within these reproduced statements bear the meanings defined for them in the IFA Letter:

"In arriving at our opinion in respect of the Proposed Acquisition, we have taken into consideration, inter alia, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter.

(a) the rationale for the Proposed Acquisition;

(b) *the Independent Valuation conducted by the Independent Valuer;*

(c) *in comparison with the valuation statistics of the Previous Acquisition:*

   (i) *the implied value of the Target Group based on the Base Consideration represents a premium of approximately 42.69% to the implied value of the Target Group based on the consideration paid in respect of the Previous Acquisition;*

   (ii) *the implied value of the Target Group based on the consideration paid in respect of the Previous Acquisition represents a premium of approximately 8.85% to the lower end of the independent valuation range of the Target Group at the time of the Previous Acquisition, and a discount of approximately 8.64% to the upper end of the independent valuation range of the Target Group at the time of the Previous Acquisition;*

   (iii) *the implied value of the Target Group based on the (i) Base Consideration represents a premium of approximately 10.40% to the lower end of the Base Valuation Range and a slight discount of approximately 1.19% to the upper end of the Base Valuation Range, and (ii) Total Consideration represents a premium of approximately 8.63% to the lower end of the Scenario Valuation Range and a slight discount of approximately 0.95% to the upper end of the Scenario Valuation Range; and*

   (iv) *the (i) lower ends of the range of Price-to-Valuation ratios for the Proposed Acquisition as implied by the Base Consideration and the Total Consideration respectively are higher than that of the Previous Acquisition, (ii) the upper end of the range of Price-to-Valuation ratios for the Proposed Acquisition as implied by the Base Consideration is slightly higher than that of the Previous Acquisition and (iii) the upper end of the range of Price-to-Valuation ratios for the Proposed Acquisition as implied by the Total Consideration is the same as that of the Previous Acquisition;*

(d) *the financial performance of the Target Group;*

(e) *the financial ratios of the Target Group as implied by the Base Consideration and the Total Consideration;*

(f) *the historical financial information of the Target Group as consolidated under the Group;*

(g) *the business life cycle of the Target Group, being in its early growth phase, as well as the use of EV/Sales ratio and EV/EBITDA ratio as the commonly used valuation measures for performing relative valuation for such technology business currently in the growth phase;*

(h) *in comparison with the Comparable Companies:*

   <u>*Comparison of financial performance in terms of net profit margins*</u>

   (i) *the LFY Net Margin of the Target Group is positive and is above the range of LFY Net Margins of the Comparable Companies;*

   (ii) *the NFY Net Margin of the Target Group is (A) within the range of that of the Comparable Companies, (B) above the mean and median values of a net loss* *margin of approximately 44.41% and a net profit margin of 1.77% respectively, and (C) below the 75th percentile value of a net profit margin of 14.29%;*

Comparison of valuation ratios of the Comparable Companies

(iii) for the reasons set out in paragraphs 5.4.5 and 5.5 of this Letter, the use of historical earnings-based valuation multiples such as EV/EBITDA ratio and/or P/E ratio may not be a meaningful basis of comparison between the Target Group and the Comparable Companies, while the P/NAV ratio is not really relevant for valuing such technology businesses. We have instead considered the use of the EV/Sales ratio as the most appropriate basis of comparison between the Target Group and the Comparable Companies;

(iv) the LFY EV/Sales ratios of the Target Group of 15.52 times and 20.01 times as implied by the Base Consideration and Total Consideration respectively are (A) within the range of the LFY EV/Sales ratios of the Comparable Companies, (B) above the mean and median LFY EV/Sales ratio of the Comparable Companies of 8.51 times and 3.95 times respectively, and (C) above the 75th percentile LFY EV/Sales ratio of the Comparable Companies of 11.89 times;

As observed above, the Target Group's LFY Net Margin is positive and is above the range of LFY Net Margins of the Comparable Companies. Notwithstanding that the Target Group's EV/Sales ratio is above the mean, median and 75th percentile LFY EV/Sales ratio of the Comparable Companies, and hence may be perceived to be valued more expensively, having regard to the Target Group's relative profitability performance outperforming that of the Comparable based on its LFY Net Margin, the Target Group's implied valuation based on its EV/Sales ratio appears to be reasonable.

(v) for the reasons set out in paragraphs 5.4.5 and 5.5 of this Letter, as the Target Group is expected to experience rapid and sustained high growth in the upcoming years, we note that the Target Group's historical and current financial performance bears little resemblance to its future potential. Having considered the Material Projects which have been announced by the Company, as well as Management's confirmation that the Target Group is on track to complete the Material Projects by the end of 2022 and which will contribute to the Target Group's financial performance for FYE2022, representing approximately 62.14% of the Target Group's projected revenue for FYE2022, we have considered the valuation ratios of the Comparable Companies based on their respective expected financial performance for the NFYs; and

(vi) the NFY EV/Sales ratios of the Target Group of 4.61 times and 5.94 times as implied by the Base Consideration and Total Consideration respectively are (A) within the range of the NFY EV/Sales ratios of the Comparable Companies, (B) below the mean NFY EV/Sales ratio of the Comparable Companies of 6.53 times, (C) above the median NFY EV/Sales ratio of the Comparable Companies of 3.39 times, and (D) below the 75th percentile NFY EV/Sales ratio of the Comparable Companies of 9.56 times;

As observed above, the Target Group's NFY Net Margin is, among others, above the mean and median NFY Net Margins of the Selected Companies but below the 75th percentile value. Comparatively, our observations of the relative profitability of the Target Group's NFY Net Margin appear to be in line with its relative EV/Sales valuation vis-à-vis that of the Comparable Companies in terms of the Target Group's ranking between the median and 75th percentile values as set out above;

(i) in comparison with the Selected Companies:

(i) the NFY Net Margin of the Target Group is (i) within the range of that of the Selected Companies, (ii) above the mean and median values of a net loss margins of approximately 81.97% and 6.79% respectively, and (iii) is above the 75th percentile value of a net profit margin of 4.82%; and

(ii) the NFY EV/Sales ratios of the Target Group of 4.61 times and 5.94 times as implied by the Base Consideration and Total Consideration respectively are (i) within the range of the NFY EV/Sales ratios of the Selected Companies, (ii) above the mean and median NFY EV/Sales ratio of the Selected Companies of 4.26 times and 2.10 times respectively, and (iii) above the 75th percentile NFY EV/Sales ratio of the Selected Companies of 3.09 times.

Comparatively, our observations of the Target Group's EV/Sales valuation vis-à-vis that of the Selected Companies appears to be in line with that of the Target Group's NFY Net Margin vis-à-vis that of the Selected Companies as set out above;

(j) our assessment of the Issue Price as follows:

(i) the daily closing prices of the Shares over the one-year period prior to and including the Last Trading Day were between a low of S$0.122 and a high of S$0.230, and the Issue Price of S$0.140 represents a discount of approximately 14.63% over the VWAP of the Shares for the one-year period, and a premium of approximately 2.94%, 6.06% and 11.11% over the VWAPs of the Shares for the 6-month, 3-month and one-month periods prior to and including the Last Trading Day respectively;

(ii) the Issue Price represents a premium of approximately 13.82% over the closing price of the Shares of S$0.123 on the Last Trading Day;

(iii) the Issue Price represents a premium of approximately 12.00% to the VWAP of the Shares of S$0.125 for the period after the Last Trading Day and up to the Latest Practicable Date, and (ii) a premium of 19.66% to the closing price of the Shares of S$0.117 on the Latest Practicable Date;

(iv) the Issue Price represents a premium of approximately 115.76% to the NAV per Share as at 31 May 2022;

(v) the P/NAV multiple of 2.33 times (as implied by the Issue Price) is (i) within the range of historical trailing P/NAV multiples of between 4.38 and 1.84 for the one-year period prior to and including the Last Trading Day, (ii) below the average historical trailing P/NAV multiples of the Shares of 2.45 times for the one-year period prior to and including the Last Trading Day, and (iii) above the average historical trailing P/NAV multiples of the Shares of 2.07 times, 1.98 times and 1.93 times for the six-month, three-month and one-month periods prior to and including the Last Trading Day respectively;

(vi) the P/NAV multiple of 2.33 times (as implied by the Issue Price) is above the range of historical trailing P/NAV multiples of the Shares of 1.85 times to 2.08 times for the period after the Last Trading Day and up to the Latest Practicable Date; and

(vii) in comparison with the Comparable Companies:

l. the FY2022 EV/Sales ratio of the Group of 12.55 times is (i) within the range of the LFY EV/Sales ratios of the Comparable Companies, and (ii) higher than the mean and median LFY EV/Sales ratio of the Comparable Companies of 8.51 times and 3.95 times respectively;

(k) the financial effects of the Proposed Acquisition; and

(l) other relevant considerations as set out in paragraph 6 of this Letter, namely (i) the recent substantial transactions involving the sale and purchase of shares of InterBio, (ii) the interested person, being Mr. Pierre Prunier, is subject to the same terms as other unrelated parties, (iii) the recent placements of new Shares completed by the Company in the last 12 months, (iv) the dilution impact of the Proposed Issue of Total Consideration on the Independent Shareholders from 80.03% to 71.82% upon the allotment and issue of the Base Consideration Shares in full and the Introducer Shares, and to 69.81% assuming the Earn-out Consideration Shares are allotted and issued in full at the same time, and (v) abstention from voting on the Proposed Acquisition at the EGM by Mr. Pierre Prunier and his associates.

Having regard to the considerations set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders.

Accordingly, we would advise the Recommending Directors to recommend that the Independent Shareholders vote in favour of the Proposed Acquisition at the EGM."

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

2.9. Recommendation from the Audit Committee in relation to the Proposed Acquisition

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

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

2.10. 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.

3. THE PROPOSED ISSUE OF TOTAL CONSIDERATION SHARES

3.1. Principal terms of the Proposed Issue of Total Consideration Shares

The issue price of S$0.14 per Total Consideration 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 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.

3.2. Rationale for the Proposed Issue of 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 D** (*Changes in Shareholding Interests*) to this Circular for a breakdown of the shareholding interests of Directors and substantial Shareholders both prior to and immediately after completion of the Proposed Acquisition, the Proposed Issue of Total Consideration Shares and the Proposed Issue of Introducer Shares.

3.3. Issue size

The maximum number of the Total Consideration Shares to be allotted and issued by the Company is 470,470,000, representing approximately 49.3% of the existing share capital of the Company of 953,703,716 Shares and approximately 32.4% 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 1,452,401,916 Shares.

3.4. Authority for the allotment and issue of the Total Consideration Shares

Catalist Rule 805 provides that an issuer must obtain the prior approval of shareholders in general meeting for the issuance of shares or convertible securities, unless such shares or convertible securities are issued under a general mandate obtained from shareholders in general meeting.

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 at the EGM for the Proposed Consideration Shares Issue for the purposes of Catalist Rule 805.

3.5. Abstention from voting

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 resolution to approve the Proposed Issue of Total Consideration Shares. The Company will disregard any votes cast on a resolution by Mr. Pierre Prunier and his associates by the relevant Catalist Rule or pursuant to a court order where such court order is served on the Company. For further details, please refer to section 4 (*The Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier*) of this Circular.

4. THE PROPOSED ISSUE OF CERTAIN TOTAL CONSIDERATION SHARES TO MR. PIERRE PRUNIER

4.1. Principal terms, rationale and issue size

Please refer to sections 3.1, 3.2 and 3.3 for details of the Total Consideration Shares, where 164,664,500 of such Total Consideration Shares is to be allotted and issued to Mr. Pierre Prunier.

4.2. Authority for the allotment and issue of certain of the Total Consideration Shares to Mr. Pierre Prunier

Catalist Rule 803 provides that an issuer must not issue securities to transfer a controlling interest without prior approval by shareholders in a general meeting. Under the Catalist Rules, a Controlling Shareholder is a person who (a) holds directly or indirectly 15.0% or more of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the issuer; or (b) in fact exercises control over the issuer.

As at the Latest Practicable Date, Mr. Pierre Prunier holds 5.26% of the existing share capital of the Company. Upon completion of the Proposed Issue of Total Consideration Shares (assuming the maximum number of the Total Consideration Shares are issued) and Proposed Issue of Introducer Shares (assuming the maximum number of the Introducer Shares are issued), Mr. Pierre Prunier will hold 14.79% of the enlarged share capital of the Company.

Whilst Mr. Pierre Prunier does not hold more than 15.0% of the Company's enlarged share capital as at the Completion Date, for good corporate governance measure, given that Mr. Pierre Prunier remains as the largest shareholder who is active in the management of the Group (including the Target Company), the Company is seeking the approval of Shareholders for the Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier in accordance with Catalist Rule 803.

Further, as Mr. Pierre Prunier is the Chief Executive Officer and Executive Director of the Company, he falls within the restricted list of persons as set out in Catalist Rules 804 and 812(1). In accordance with Catalist Rules 804 and 812(2) of the Catalist Rules, specific approval from Shareholders is required for the allotment and issue of any of the Total Consideration Shares to Mr. Pierre Prunier as part of the satisfaction of the Total Consideration for the Proposed Acquisition.

4.3. Recommendation from the Audit Committee in relation to the Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier

Having considered, *inter alia*, the rationale for the Proposed Acquisition, the terms and conditions of the SPA, the financial effects of the Proposed Acquisition, as well as the advice of the IFA in the IFA Letter, the Audit Committee is of the view that the Proposed Acquisition, as an Interested Person Transaction, is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. As the Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier is for part of the satisfaction of the Total Consideration for the Proposed Acquisition, the Audit Committee is accordingly of the view that the Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

4.4. Abstention from voting

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 resolution to approve the Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier. The Company will disregard any votes cast on a resolution by Mr. Pierre Prunier and his associates by the relevant Catalist Rule or pursuant to a court order where such court order is served on the Company.

5. THE PROPOSED ISSUE OF INTRODUCER SHARES

5.1. Background to and rationale for the Proposed Issue of Introducer Shares

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.

5.2. Information on the Introducer

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 Latest Practicable Date, both Mr. Tan Chin Tuan and Ms. Li Jingjing do not hold any Shares in the Company.

None of the Introducer, its directors and its shareholders are persons who fall within the categories set out in Catalist 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, or any other person in the categories set out in Catalist Rule 812(1).

The Introducer has confirmed that it will not be acting in concert 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 Introducer Shares.

5.3. **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 maximum number of the Introducer Shares to be allotted and issued by the Company is up to 28,228,200, representing approximately 3.0% of the existing share capital of the Company of 953,703,716 Shares and approximately 1.9% 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 1,452,401,916 Shares.

5.4. **Authority for the allotment and issue of the Introducer Shares**

Catalist Rule 805 provides that an issuer must obtain the prior approval of shareholders in general meeting for the issuance of shares or convertible securities, unless such shares or convertible securities are issued under a general mandate obtained from shareholders in general meeting.

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 at the EGM for the Proposed Issue of Introducer Shares for the purposes of Catalist Rule 805.

5.5. **Abstention from voting**

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 resolution to approve the Proposed Issue of Introducer Shares. The Company will disregard any votes cast on a resolution by Mr. Pierre Prunier and his associates by the relevant Catalist Rule or pursuant to a court order where such court order is served on the Company.

6. THE PROPOSED GRANT OF OPTIONS TO MR. PIERRE PRUNIER

6.1. **Background**

The Company is proposing to seek Independent Shareholders' approval for the Proposed Grant of Options to Mr. Pierre Prunier.

The ESOS 2021 was approved by Shareholders at an extraordinary general meeting held on 30 September 2021.

At an extraordinary general meeting of the Company held on 30 September 2021, Shareholders had given authority to the Directors (to continue in full force until the conclusion of the next annual general meeting of the Company, unless revoked or varied by the Company in general meeting), to offer and grant Options in accordance with the ESOS 2021 and to allot and issue such Shares as may be required to be issued pursuant to the exercise of the Options granted under the ESOS 2021, provided always that the aggregate number of new Shares to be allotted and issued pursuant to the ESOS

2021 and any other scheme or plan for the time being of the Company shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares) in the capital of the Company from time to time.

Pursuant to Catalist Rule 852, participation in a scheme by Controlling Shareholders and their associates must be approved by Independent Shareholders of the issuer. A separate resolution must be passed for each person and to approve the actual number and terms of Option(s) to be granted to that participant.

As at the Latest Practicable Date, Mr. Pierre Prunier has an interest in 50,166,550 Shares representing approximately 5.26% of the existing share capital of the Company and upon the completion of the Proposed Issue of Total Consideration Shares (assuming the maximum number of the Total Consideration Shares are issued) and Proposed Issue of Introducer Shares (assuming the maximum number of the Introducer Shares are issued), Mr. Pierre Prunier will hold 14.79% of the enlarged share capital of the Company. Pursuant to the Proposed Grant of Options to Mr. Pierre Prunier and exercise of the Options by Mr. Pierre Prunier, he may be a potential Controlling Shareholder.

For good corporate governance measure, given that Mr. Pierre Prunier remains as the largest shareholder who is active in the management of the Group (including the Target Company), the Company is seeking the approval of Independent Shareholders for the Proposed Grant of Options to Mr. Pierre Prunier in accordance with Catalist Rule 852.

6.2. **Rationale for participation by a Controlling Shareholder in the ESOS 2021**

The key objective of the ESOS 2021 is to provide an opportunity for Participants who have contributed significantly to the growth and performance of the Group to participate in the equity of the Company.

The Company places strong emphasis on attracting, retaining and motivating Directors and key employees so as to strengthen the Company's competitiveness and build a sustainable long-term business. Allowing Directors and high performing employees to participate in the equity of the Company will encourage them to achieve a higher standard of performance and promote loyalty to the Company.

In addition, by fostering a greater ownership culture within the Group, the ESOS 2021 would align employees' interests with Shareholders' interests, with a view to achieving sustained and sustainable long-term shareholder value through increased performance standards and efficiency of key employees. The participatory style of management promotes greater commitment and a stronger sense of identification towards the Group amongst the employees.

The Company believes that the implementation of the ESOS 2021 will enable the Company to structure a competitive remuneration package, designed as an additional incentive tool to reward and retain employees, Directors and Controlling Shareholders, as well as to achieve the following objectives:

(a) motivate each Participant to achieve and maintain a high level of performance and contribution;

(b) make employee remuneration sufficiently competitive to recruit and retain Participants whose contributions are important to the long-term growth and profitability of the Group;

(c) foster an ownership culture within the Company which aligns the interests of employees with the interests of the Shareholders; and

(d) attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders.

To this end, employees who are also Controlling Shareholders and their associates should be treated equally as they are important to the development and success of the Group. Accordingly, regardless of whether they are Controlling Shareholders or their associates, the Company is of the view that all deserving and eligible employees should be similarly entitled to take part and benefit from the Company's fair and equitable system of remuneration.

Although Controlling Shareholders and their associates may already have shareholding interests in the Company, the extension of the ESOS 2021 to include them ensures that they are similarly entitled, with the other eligible employees of the Group who are not Controlling Shareholders or their associates, to take part in and benefit from this system of remuneration. The Directors are of the view that the Company should have a fair and equitable system to reward eligible employees who have made and continue to make important contributions to the long-term growth of the Group notwithstanding that they are Controlling Shareholders or their associates.

The terms of the ESOS 2021 do not differentiate between the Controlling Shareholders and their associates from other key employees in determining the eligibility of such persons to be granted Options. The terms do not unduly favour Controlling Shareholders and their associates. Likewise, Controlling Shareholders and their associates should not be excluded from participating in the ESOS 2021 solely for the reason that they are Controlling Shareholders or their associates. In addition, to deny participation by the Controlling Shareholders and their associates may serve to de-motivate them and undermine the objectives of the ESOS 2021.

6.3. Safeguards

As a safeguard against abuse, only members of the Board who are not Controlling Shareholders or their associates will be involved in deliberations in respect of Option(s) to be granted to Controlling Shareholders and their associates, and the terms and conditions attached to such Option(s). In accordance with the rules of the ESOS 2021 and subject to Independent Shareholders' approval, the aggregate number of Shares available to participants who are Controlling Shareholders and their associates shall not exceed 25.0% of the total number of Shares available under the ESOS 2021 and the number of Shares available to each Controlling Shareholder or his/her/its associate must not exceed 10.0% of the total number of Shares available under the ESOS 2021.

Specific Independent Shareholders' approval is required for the grant of Option(s) to Controlling Shareholders and their associates as well as the actual number and terms of such Option(s). In seeking such Independent Shareholders' approval, clear justification as to the number and terms of the Option(s) to be granted to the Controlling Shareholders and their associates will need to be provided.

The Company is of the view that there are sufficient safeguards against abuse resulting from the grant of Option(s) to Controlling Shareholders and their associates in the ESOS 2021.

6.4. Rationale for the grant of Options to Mr. Pierre Prunier under the ESOS 2021

Mr. Pierre Prunier is the Chief Executive Officer and Executive Director of the Company and bears the executive responsibility for the operation of the Group's business. Mr. Pierre Prunier has been with the Company since 6 April 2021 upon the successful completion of the Initial InterBio Acquisition.

To recognise the successful transformation of the Group under Mr. Pierre Prunier's leadership, the Company is proposing an incentive comprising the Proposed Grant of Options to Mr. Pierre Prunier in addition to paying a cash bonus. Such Options shall vest over a period of two (2) years and be exercisable until 10th anniversary of the date of grant of the Options, to align the long-term interests of Mr. Pierre Prunier with that of the Shareholders as well as for retention purposes.

The Company recognises that Mr. Pierre Prunier plays an integral role in driving the strategic direction of the Group. Granting Options to Mr. Pierre Prunier will spur him to continue to further contribute to the future growth, profitability and development of the Group over a longer horizon.

The grant of Options (including those to Mr. Pierre Prunier) under the ESOS 2021 is consistent with the Company's objectives to motivate its key employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Group. It will also ensure that Mr. Pierre Prunier is similarly entitled, with the other eligible employees of the Group who are not Controlling Shareholders or their associates, to take part in and benefit from this system of remuneration, thereby enhancing his long-term commitment to the Group.

Further, in arriving at the terms of the grant of Options, including the number of Options to be granted to Mr. Pierre Prunier, the Remuneration Committee of the Company has taken into consideration the potential future performance of the Group, including the performance of its Share price and the financial performance of the Group.

In view of the above reasons, the Company proposes to grant the Options to Mr. Pierre Prunier under the ESOS 2021 (the "**Options**") on the following terms, subject to the approval by Independent Shareholders for the Proposed Grant of Options to Mr. Pierre Prunier:

6.5. **Terms of the Options**

(a)	Proposed date of grant of Options	:	Any time within three (3) months after the date of EGM.
(b)	Exercise price of Option per Share	:	The price that is equal to the average of the last dealt prices for the Shares on the SGX-ST over the last five (5) market days which transactions in the Shares were recorded, immediately preceding the relevant date of grant of the Options.
(c)	Number of Options granted to Mr. Pierre Prunier and number of Shares comprised in the Options	:	13,200,000 Options exercisable into 13,200,000 Shares in the Company.
(d)	Market price (last done price) of the Shares on the date of grant of the Options	:	Not applicable as the Options will only be granted according to the time period in section 6.5(a) above.
(e)	Exercise and validity period of the Options	:	Only exercisable after the first anniversary of the date of grant of the Options subject to the following: (i) up to 50% of the Options can be exercised after the first anniversary of the date of grant of the Options; and (ii) up to 100% of the Options can be exercised after the second anniversary of the date of grant of the Options, provided that the Option shall be exercised before the 10th anniversary of the date of grant of the Options or such earlier

date as may be determined by the Remuneration Committee, failing which the unexercised Options shall immediately lapse and become null and void and Mr. Pierre Prunier shall have no claims against the Company.

6.6. **Abstention from voting**

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 resolution to approve the Proposed Grant of Options to Mr. Pierre Prunier. The Company will disregard any votes cast on a resolution by Mr. Pierre Prunier and his associates by the relevant Catalist Rule or pursuant to a court order where such court order is served on the Company.

7. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

7.1. **Assumptions**

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 Latest Practicable Date comprising 953,703,716 Shares;

(d) the computation takes into account the allotment and issue of the maximum number of the Total Consideration Shares and the maximum number of the Introducer Shares pursuant to the Proposed Acquisition;

(e) the computation does not take into account any expenses that may be incurred in relation to the Proposed Acquisition.

7.2. **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

	Before the Proposed Acquisition	After the Proposed Acquisition
Number of issued ordinary shares in the capital of the Company	953,703,716	1,452,401,916
NTA per Share (Singapore cents)	1.56	1.75

7.3. **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	953,703,716	1,452,401,916
LPS (Singapore cents)	(1.11)	(0.82)

8. LISTING AND QUOTATION

The Company will submit an application through its Sponsor to the SGX-ST for the dealing in, listing of and quotation for the Total Consideration Shares and Introducer Shares on the Catalist in due course and will make the necessary announcement(s) upon receipt of the approval(s), as required under the Catalist Rules.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Please refer to **Appendix D** (*Changes in Shareholding Interests*) to this Circular for a breakdown of the shareholding interests of Directors and Substantial Shareholders both prior to and immediately after completion of the Proposed Acquisition.

Save for Mr. Pierre Prunier, none of the other Directors, and to the best of the Directors' knowledge, the Substantial Shareholders or their respective associates have any interest, direct or indirect, in the Proposed Acquisition, Proposed Issue of Total Consideration Shares, Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier, Proposed Issue of Introducer Shares and Proposed Grant of Options to Mr. Pierre Prunier (other than through their respective interests arising by way of their directorships and/or shareholdings in the Company).

10. DIRECTORS' RECOMMENDATIONS

10.1. In relation to Ordinary Resolution 1, the Recommending Directors are of the opinion that, having considered and reviewed, *inter alia*, the rationale for the Proposed Acquisition, the terms of the SPA, the financial effects of the Proposed Acquisition, the Valuation Report, as well as the advice of the IFA in the IFA Letter and the recommendation of the Audit Committee as set out in section 2.9 (*Recommendation from the Audit Committee in relation to the Proposed Acquisition*) of this Circular, that the Proposed Acquisition is in the best interests of the Company and the Shareholders. Accordingly, the Recommending Directors recommend that the Independent Shareholders vote in favour of the Ordinary Resolution 1 as set out in the Notice of EGM.

10.2. In relation to Ordinary Resolutions 2 and 4, the Recommending Directors ae of the opinion that, having considered and reviewed, *inter alia*, the rationale for the terms and conditions and rationale for the Proposed Issue of Total Consideration Shares and Proposed Issue of Introducer Shares, that these transactions are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Independent Shareholders vote in favour of the Ordinary Resolutions 2 and 4 as set out in the Notice of EGM.

10.3. In relation to Ordinary Resolution 3, the Recommending Directors are of the opinion that, having considered and reviewed, *inter alia*, the rationale for the Proposed Acquisition, the terms of the SPA, the financial effects of the Proposed Acquisition, as well as the advice of the IFA in the IFA Letter and the recommendation of the Audit Committee as set out in section 2.9 (*Recommendation from the Audit Committee in relation to the Proposed Acquisition*) of this Circular, that the Proposed Acquisition is in the best interests of the Company and the Shareholders. As the Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier is for part of the satisfaction of the Total Consideration for the Proposed Acquisition, the Recommending Directors also considered and reviewed the recommendation of the Audit Committee as set out in section 4.3 (*Recommendation from the Audit Committee in relation to the Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier*) of this Circular and are of the opinion that Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier is in the best interests of the Company and the Shareholders and therefore recommend that the Independent Shareholders vote in favour of the Ordinary Resolution 3 as set out in the Notice of EGM.

10.4. In relation to Ordinary Resolution 5, the Recommending Directors are of the opinion that, having considered and reviewed, *inter alia*, the rationale for and the benefits of the Proposed Grant of Options to Mr. Pierre Prunier, that the Proposed Grant of Options to Mr. Pierre Prunier is in the best interests of the Company and the Shareholders. Accordingly, recommend that the Independent Shareholders vote in favour of the Ordinary Resolution 5 as set out in the Notice of EGM.

10.5. **Note to Shareholders**

Shareholders, in deciding whether to vote in favour of Ordinary Resolutions, should carefully read the terms and conditions, rationale and financial effects of the Proposed Acquisition, Proposed Issue of Total Consideration Shares, Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier, Proposed Issue of Introducer Shares and Proposed Grant of Options to Mr. Pierre Prunier.

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

11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-5 of this Circular, will be held by way of electronic means on 14 December 2022 at 2.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions as set out in the Notice of EGM.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders may participate in the EGM by:

(a) observing and/or listening to the EGM proceedings via "live" audio-visual webcast or "live" audio-only stream;

(b) submitting questions to the Chairman of the Meeting in advance of, or "live" at, the EGM; and/or

(c) voting at the EGM (i) "live" by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the EGM.

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

In particular, CPF Investors and SRS Investors[5] should note that they (i) may vote "live" via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective banks approved by CPF to be their agent banks (the "**CPF Agent Banks**") or agent banks approved by CPF under the Supplementary Retirement Scheme (the "**SRS Operators**") if they have any queries regarding their appointment as proxies; or (ii) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) business days before the EGM (by **2.00 p.m. on 5 December 2022**).

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

(a) observing and/or listening to the EGM proceedings via "live" audio-visual webcast or "live" audio-only stream;

(b) submitting questions to the Chairman of the Meeting in advance of, or "live" at, the EGM; and/or

(c) voting at the EGM (i) "live" by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the EGM,

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

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

12.1. **Pre-registration**

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

Shareholders (including, where applicable, their appointed proxy(ies)) and CPF Investors and SRS Investors, can pre-register for access to the "live" audio-visual webcast or "live" audio-only stream of the EGM proceedings at the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm2, up to 2.00 p.m. on 11 December 2022 to enable the Company to verify their status.

Following the verification, authenticated shareholders (including CPF and SRS investors) and, where applicable, appointed proxy(ies), who have pre-registered via the pre-registration website will receive a confirmation email by 6.00 p.m. on 12 December 2022.

Shareholders will be able to access the "live" audio-visual webcast or "live" audio-only stream of the EGM proceedings by logging in to the pre-registration website with their login credentials created during pre-registration. Shareholders must not share their login credentials to other persons who are not Shareholders and who are not entitled to attend the EGM. This is also to avoid any technical disruptions or overload to the live audio-visual webcast of the EGM proceedings. Shareholders (including CPF and SRS investors) and, where applicable, appointed proxy(ies), who do not receive the confirmation email by 6.00 p.m. on 12 December 2022 but have registered by 2.00 p.m. on 11 December 2022, may contact our Share Registrar, B.A.C.S. Private Limited, for assistance at main@zicoholdings.com.

12.2. **Questions**

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

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

(a) **Via pre-registration website**: Shareholders who pre-register to observe and/or listen to the EGM proceedings may submit their questions via the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm2.

(b) **Via email**. Shareholders may submit their questions via email to proxy@totmtechnologies.com; and/or

(c) **By post**. Shareholders may submit their questions by post to the Company's registered office at 20 Collyer Quay #09-02 Singapore 049319.

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

Deadline to submit questions in advance of the EGM. All questions submitted in advance of the EGM via any of the above channels must be received by **6 December 2022** (being seven (7) calendar days from the date of the Notice of EGM).

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

Shareholders (including CPF and SRS investors) and, where applicable, appointed proxy(ies), who wish to ask questions "live" at the EGM must first pre-register at the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm2.

Addressing questions. The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the EGM by publishing the responses to such questions on the Company's website at the URL: https://totmtechnologies.com/news-announcements/ and on SGXNet website at the URL: https://www.sgx.com/securities/company-announcements prior to the EGM by **2.00 p.m. on 9 December 2022** (at least 48 hours prior to the closing date and time for the lodgement of Proxy Forms). If the Company is unable to do so, the Company will address those substantial and relevant questions which have not already been addressed prior to the EGM, as well as those received "live" at the EGM itself, during the EGM through the "live" audio-visual webcast and "live" audio-only stream of the EGM proceedings. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

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

12.3. **Voting**

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

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

(b) (where such shareholders are individuals or corporates) appoint the Chairman of the Meeting as their proxy to vote on their behalf at the EGM.

Pre-register to vote "live" at the EGM. Shareholders (including CPF and SRS investors) and, where applicable, appointed proxy(ies), who wish to vote "live" at the EGM must first pre-register at the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm2.

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

(a) if submitted by post, the instrument must be lodged with the Company's registered office at 20 Collyer Quay #09-02 Singapore 049319; or

(b) if submitted electronically, the instrument must be submitted (i) via email to proxy@totmtechnologies.com; or (ii) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm2,

in each case, by **2.00 p.m. on 11 December 2022 (not less than 72 hours before the time appointed for holding the EGM)**.

A Shareholder who wishes to submit an instrument appointing a proxy(ies) by post or via email can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from the Company's website and SGXNet, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. A Shareholder may also appoint a proxy(ies) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm2.

Members are encouraged to submit completed Proxy Forms electronically via email or appoint a proxy(ies) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm2.

Appointed proxy(ies) (other than the Chairman of the Meeting) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted proxy form) to pre-register at the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm2 in order to access the "live" audio-visual webcast or "live" audio-only stream of the EGM proceedings. Shareholders who wish to appoint third party proxy(ies) are encouraged to submit their proxy forms early and should request their proxy(ies) to pre-register by **2.00 p.m. on 11 December 2022**.

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

(a) may vote "live" via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

(b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **2.00 p.m. on 5 December 2022**.

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

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM (i.e. **2.00 p.m. on 11 December 2022**), as certified by CDP to the Company.

12.4. **Documents**

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

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

12.5. **Important Reminder**

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

The Company would like to thank all Shareholders for their patience and co-operation and also seeks the understanding and cooperation of all Shareholders to minimise the risk of community spread of COVID-19.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, Proposed Issue of Total Consideration Shares, Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier and Proposed Issue of Introducer Shares, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

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

14. CONSENTS

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

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

15. DOCUMENTS FOR INSPECTION

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

(a) the Constitution;

(b) the SPA;

(c) the Summarised Valuation Letter;

(d) the Valuation Report;

(e) the IFA Letter;

(f) the letters of consent referred to in section 14 (*Consents*) of this Circular; and

(g) the terms and conditions of the ESOS 2021.

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

Yours faithfully

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

Mr. Ngo Yit Sung
Executive Director

NOVUS CORPORATE FINANCE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201723484W)
7 Temasek Boulevard
#18-03B Suntec Tower 1
Singapore 038987

29 November 2022

To: The Recommending Directors of Totm Technologies Limited (the "**Company**")
(deemed to be independent in respect of the Proposed Acquisition)

Mr. Low Chai Chong
Mr. Tan Chee Bun Gordon
Mr. Ngo Yit Sung
Mr. Cheam Heng Haw, Howard
Mr. Aw Eng Hai
Mr. Chua Hoe Sing

Dear Sirs,

INDEPENDENT FINANCIAL ADVICE TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE PROPOSED ACQUISITION OF THE REMAINING 49.0% INTEREST IN INTERNATIONAL BIOMETRICS PTE. LTD. ("INTERBIO") AS AN INTERESTED PERSON TRANSACTION

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*Unless otherwise otherwise defined or the context otherwise requires, all terms defined in the circular dated 29 November 2022 (the "**Circular**") issued by the Company to shareholders of the Company (the "**Shareholders**") shall have the same meanings herein.*

1. INTRODUCTION

On 17 October 2022 (the "**Announcement Date**"), the board of directors (the "**Directors**") of the Company announced (the "**Announcement**") that the Company had entered into a sale and purchase agreement (the "**InterBio SPA**") with Professional Calibre Limited, No Ka Oi Private Ltd. ("**NKO**"), SIES Investech Inc., Brandneu Investment Ltd., and Prundjaya Capital Pte. Ltd. ("**Prundjaya**") (collectively, the "**Sellers**") and the respective beneficial shareholders of the Sellers (collectively, the "**Seller Shareholders**") to acquire the remaining 49.0% shareholding ("**Remaining Interest**") in the total ordinary share capital of InterBio (the "**Sale Shares**") (the "**Proposed Acquisition**") for an aggregate purchase consideration of up to US$46,060,000 (equivalent to S$65,865,800) (the "**Total Consideration**") to be satisfied via the allotment and issue of up to 470,470,000 new shares in the Company ("**Shares**" and the "**Total Consideration Shares**") at the issue price of S$0.14 per such Share ("the "**Issue Price**") (the "**Proposed Allotment and Issue of Total Consideration Shares**").

On 6 April 2021, the Company had completed the initial acquisition of 51.0% shareholding in the total ordinary share capital of InterBio, from the Sellers and Seller Shareholders being the then shareholders of InterBio ("**Previous Acquisition**") at a consideration of approximately S$35,000,000 which was satisfied by a combination of cash consideration amounting to S$13,500,000 and the allotment and issuance of an aggregate 143,333,000 new ordinary Shares.

As at the date of this Letter (as defined herein), the Company holds 51.0% shareholding in the total ordinary share capital of InterBio, while the remaining 49.0% shareholding is held by the Sellers.

One of the Seller Shareholders, Mr. Pierre Prunier, being the Executive Director, Chief Executive Officer and substantial shareholder of the Company holds 1,714,267 shares, representing approximately 17.15% in the total ordinary share capital of InterBio by virtue of his 100.0% shareholding in NKO and Prundjaya. While Mr. Pierre Prunier's shareholding in InterBio is less than 30% and InterBio is not deemed his associate by virtue of definition under Rule 904 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), having considered the objective of Chapter 9 of the Catalist Rules and Catalist Rule 915(3), the Company has, among others, deemed the Proposed Acquisition to be an interested person transaction ("**IPT**").

Under Rule 906 of the Catalist Rules, approval is required from Shareholders for an IPT of a value equal to, or more than:

(a) 5.0% of the latest audited net tangible assets ("**NTA**") of the Company and its subsidiaries (collectively, the "**Group**"); or

(b) 5.0% of the Group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.

The value of the Proposed Acquisition (being the amount at risk to the Company) is the Total Consideration. As the value of the Proposed Acquisition represents approximately 253.43% of the Group's audited NTA of approximately S$25.99 million as at 31 May 2022 (being the latest audited NTA as at the date of the InterBio SPA), the approval of the Shareholders for the Proposed Acquisition as an IPT will be sought at the extraordinary general meeting of the Company to be held on 29 November 2022 (the "**EGM**").

Novus Corporate Finance Pte. Ltd. ("**NCF**") has been appointed by the Company as the independent financial adviser (the "**IFA**") to advise the independent directors deemed to be independent in respect of the Proposed Acquisition (the "**Recommending Directors**") on the Proposed Acquisition as required under Rule 921(4)(a) of the Catalist Rules to provide an opinion on whether the Proposed Acquisition, as an IPT, is on normal commercial terms and is not prejudicial to the interests of the Company and the minority Shareholders (the "**Independent Shareholders**"). This Letter (as defined herein) sets out, *inter alia*, our views and evaluation of the Proposed Acquisition, which has been prepared pursuant to Rule 921(4)(a) of the Catalist Rules, and our opinion thereon (the "**Letter**"), and will form part of the Circular providing, *inter alia*, the terms and conditions of the Proposed Acquisition and the recommendation of the Recommending Directors.

2. TERMS OF REFERENCE

We have been appointed as the IFA to advise the Recommending Directors in respect of the Proposed Acquisition.

We were neither a party to the negotiations entered into by the Company in relation to the Proposed Acquisition nor were we involved in the deliberations leading up to the decision of the Directors to undertake the Proposed Acquisition. Accordingly, we do not, by this Letter, warrant the merits of the Proposed Acquisition other than to express an opinion on whether the Proposed Acquisition is on normal commercial terms and not prejudicial to the interests of the Company and the Independent Shareholders.

Our terms of reference do not require us to evaluate or comment on the legal, commercial or strategic merits of the Proposed Acquisition. Such evaluations and comments are and remain the sole responsibility of the Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion and advice as set out in this Letter.

In the course of our evaluation, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Company. We have also relied on information provided and representations made, whether written or verbal, including relevant financial analyses, estimates and representations contained in the Circular by the management of the Company (the "**Management**"), the Directors and the Company's solicitors. We have not independently verified such information, representation or assurance, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information or representations. We have nevertheless made reasonable enquiries and exercised our judgement as we deemed necessary in assessing the information and representations provided to us and have found no reason to doubt the accuracy or reliability of the information and representations.

We have relied upon the assurances of the Directors (including those who may have been delegated detailed supervision of the Circular) that, upon making all reasonable inquiries and to the best of their respective knowledge, information and belief, that (a) all material information in connection with the Proposed Acquisition, the Company and its subsidiaries (collectively, the "**Group**"), and the Target Group (as defined herein) has been disclosed to us; (b) such information is true, complete and accurate in all material aspects; and (c) there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Proposed Acquisition, the Target Group, the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors collectively and individually accept responsibility accordingly.

For the purpose of assessing the Proposed Acquisition and reaching our conclusion thereon, we have not conducted a comprehensive independent review of the business, operations or financial condition of the Target Group, Company and/or the Group. We have also not relied upon any financial projections or forecasts in respect of the Target Group, Company and/or the Group. We are not required to express, and we do not express, any view on the growth prospects and earnings potential of the Target Group, the Company and/or the Group in connection with our opinion and advice in this Letter.

We have not made any independent evaluation or appraisal of the assets and liabilities of the Target Group, the Company and/or the Group. As such, we have relied on the Valuation Report (as defined herein) and the disclosures and representations made by the Company on the value of the assets, liabilities and profitability of the Company and/ or the Group. Save for the Valuation Report, we have also not been furnished with any other such independent evaluation or appraisal.

Our analysis, opinion and advice as set out in this Letter is based on the market, economic, industry, monetary and other conditions in effect on, and the information provided to us as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion and advice in light of any subsequent development after the Latest Practicable Date that may affect our opinion and advice contained herein. Shareholders should further take note of any announcements relevant to their consideration of the Proposed Acquisition which may be released by the Company after the Latest Practicable Date.

In rendering our opinion and advice, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this Letter).

Our opinion and advice in respect of the Proposed Acquisition, as set out in paragraph 7 of this Letter, should be considered in the context of the entirety of this Letter and the Circular.

3. INFORMATION ON THE TARGET GROUP (AS DEFINED HEREIN), THE SELLERS AND SELLER SHAREHOLDERS

3.1 Information on the Target Group (as defined herein)

InterBio is an investment holding company holding 99.0% of PT International Biometrics Indonesia ("**PT IBI**", and together with InterBio, the "**Target Group**"). The details on the Target Group have been set out in Section 2.3 of the Circular, the key information of which has been extracted and reproduced in italics below:

"(a) ***<u>Business</u>***

*InterBio is a private limited company established in 2017 in Singapore and is an investment holding company holding 99.0%[1] 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 like face, finger and iris biometrics listed in the top tier in NIST benchmarks. PT IBI currently serves mainly ministries and government agencies.*

(b) 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).

(c) Existing InterBio shareholding structure

[1] The remaining 1.0% is owned by an Indonesian national, Mr. Achmad Wijaya who is an unrelated third party of the Company, its directors and substantial shareholders.

As at the Latest Practicable Date, 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%*
	Pedro Flames Omarrementeria (23.0%)		
	Chan Hiang Ngee (21.0%)		
*No Ka Oi Private Ltd ("**NKO**")*	*Pierre Oliver Marc Yves Prunier (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%)		
*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."*

3.2 Information on Sellers and Seller Shareholders

As at the Latest Practicable Date, Mr. Pierre Prunier holds a deemed interest of approximately 5.26% of the total issued share capital of the Company arising out of 50,166,550 Shares registered in the name of a nominee account of DBS Nominee Pte. Ltd.

Key information on the Sellers and Seller Shareholders is set out in Section 2.3(c) and Part 1 of Appendix C of the Circular, the details of which have been extracted and reproduced in italics below for ease of reference:

"(a) The Seller Shareholders

Name of Seller	***Information on Seller Shareholder***
Steven Japutra	*Businessman and private investor.*

Name of Seller	*Information on Seller Shareholder*
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.*
Chan Hiang Ngee	*Private investor.*
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.*
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.*

(b) The Sellers

Name of Seller	*Relevant Seller Shareholder*	*Number of Sale Shares held*	*Proportion of Sale Shares*
PCL	*Steven Japutra (56.0%)* *Pedro Flames Omarrementeria (23.0%)* *Chan Hiang Ngee (21.0%)*	*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%*

Save as disclosed publicly in the Company's announcements (including but not limited to the

Previous Announcements) and that certain of the Seller Shareholders [2] are existing Shareholders, 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.

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, or any other person in the categories set out in Catalist Rule 812(1), save for Mr. Pierre Prunier."

4. SALIENT INFORMATION IN RESPECT OF THE PROPOSED ACQUISITION

The salient terms and details of the Proposed Acquisition are set out in Section 2.5 of the Circular. **We recommend that the Independent Directors advise the Independent Shareholders to read these sections of the Circular very carefully.**

4.1 Principal terms of the Proposed Acquisition

4.1.1 The Total Consideration

The following information on the Total Consideration has been extracted from Section 2.5(a) of the Circular and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Circular.

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

*(i) 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*

*(ii) 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 **Part II to Appendix C** (Seller Shareholders and Sellers) to this Circular.*

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.

[2] *"Save for Steven Japutra, all of the Seller Shareholders are existing Shareholders as at the Latest Practicable Date."*

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) 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 (including the E-Identification Business) as set out in 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).

Based on the Valuation and scenario analysis, the range of value of 49.0% equity interest in the capital of the Target Group (excluding the E-Identification Business) as at the Valuation Date is US$32.4 million to US$36.2 million and including the E-Identification Business to be from US$42.4 million to US$46.5 million. Hence, the Total Consideration shall remain unchanged."

4.1.2 The Earn-out Consideration

The salient information on the Earn-out Consideration has been extracted from Part II to Appendix C to the Circular and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in Appendix C and elsewhere in the Circular.

"*For the purposes of interpretation of this Appendix C:*

*"**2023 E-Identification Business Contracts**" means any contracts and/or purchase orders entered into with any customer or partner of the Group[1] 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[2] 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] 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.
[2] See footnote above."

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**").*"

4.1.3 Conditions Precedent

The following information on the conditions precedent in respect of the Proposed Acquisition have been extracted from Section 2.5 (b) of the Circular and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Circular.

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

(i) 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;

(ii) the receipt of the Valuation Report, subject to any adjustments as may be required as stated above under section 2.5(a) (Total Consideration) of this Circular;

(iii) *the receipt of the opinion from an IFA 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;*

(iv) *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;*

(v) *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;*

(vi) *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 (1) third parties, including without limitation, any government authority having jurisdiction over the transactions contemplated in the SPA (and in connection herewith); and (2) 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 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;*

(vii) *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);*

(viii) *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;*

(ix) *the approval of the shareholders of the Company, having been obtained at the EGM 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;*

(x) *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;*

(xi) *the receipt of the listing and quotation notice in respect of the Base Consideration Shares on the Catalist of the SGX-ST being obtained;*

(xii) *no Material Adverse Event having occurred on or before Completion;*

(xiii) *each of the warranties given by the Seller Shareholders and Sellers remaining true and accurate in all respects as at Completion; and*

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(xiv) 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.

As at the Latest Practicable Date, save for the Conditions stated in sub-paragraphs (iv) (in relation to the disclosure letter for the Completion Date), (ix) to (xiv) (which are Conditions to be satisfied as at Completion), all of the Conditions have been fulfilled.

If any Condition has not been satisfied (or waived in accordance with the terms of the SPA) by the Long Stop Date, each Party may agree or disagree to the extension of the Long Stop Date in its sole discretion. If the Parties do not agree to an extension of the Long Stop Date, and any Condition has not been satisfied (or waived in accordance with the 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."

4.2 Principal Terms of the Proposed Allotment and Issue of Total Consideration Shares

The following information on the principal terms in respect of the Proposed Allotment and Issue of Total Consideration Shares have been extracted from Section 3.1 of the Circular and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Circular.

"The issue price of S$0.14 per Total Consideration 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 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."

4.3 Rationale for the Proposed Acquisition and Proposed Allotment and Issue of Total Consideration Shares

The following rationale and benefits of the Proposed Acquisition and Proposed Allotment and Issue of Total Consideration Shares has been extracted from Sections 2.2 and 3.2 of the Circular respectively, and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Circular.

<u>Rationale for the Proposed Acquisition</u>

*"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.

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 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 top-line 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 FY2021 (due to the completion of the Initial InterBio Acquisition in early April 2021) and approximately S$11.1 million for 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.

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), 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."

Rationale of the Proposed Allotment and Issue of 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 D*** *(Changes in Shareholding Interests) to this Circular for a breakdown of the shareholding interests of Directors and substantial Shareholders both prior to and immediately after completion of the Proposed Acquisition, the Proposed Issue of Total Consideration Shares and the Proposed Issue of Introducer Shares."*

4.4 Independent Valuation

We note that the Company has appointed Navi Corporate Advisory Pte. Ltd. as the independent valuer (the "**Independent Valuer**") to assess and determine the value of the Remaining Interest as at 31 July 2022 (the "**Valuation Date**") for the Proposed Acquisition (the "**Independent Valuation**"). A valuation report dated 29 November 2022 (the "**Valuation Report**") in respect of the Independent Valuation has been issued by the Independent Valuer and a summary of the Valuation Report (the "**Summary Valuation Report**") is set out in the Appendix B to this Circular.

Based on the Valuation Report, we note that the range of market values of the Remaining Interest as at the Valuation Date is estimated at approximately US$32.40 million to US$36.20 million (equivalent to approximately S$46.30 million to S$51.80 million) (without taking into consideration the earn-out milestones in relation to the Earn-out Consideration (the "**Earn-out Milestones**") (the "**Base Valuation Range**"). We also note that the Management has provided the Independent Valuer with a set of financial projections from the financial period from 1 August 2022 to 31 December 2022 ("**FPDec2022**") to the financial year ending 31 December ("**FYE**") 2026.

As further instructed by the Company, the Valuer has further performed a scenario analysis to illustrate the potential value of the Target Group based on the financial projections from FPDec 2022 to FYE2026 as provided by Management that include the assumption that the Target Group is able to secure forecasted projects under the E-Identification Business (as defined in paragraph 5.5 of this Letter) (the "**Scenario Analysis**"), and has derived a range of equity values of the Remaining Interest as at the Valuation Date of approximately US$42.40 million to US$46.50 million (equivalent to approximately S$60.60 million to S$66.50 million) (the "**Scenario Valuation Range**"). The scenario analysis is for illustration purposes only and does not necessary imply or represent the market value of the Target Group as at the Valuation Date. Please also refer to paragraph 5.2 of this Letter for more details on the Independent Valuation.

5. EVALUATION OF THE PROPOSED ACQUISITION

In our evaluation of the Proposed Acquisition, we have considered the following factors which we consider to be pertinent and have a significant bearing on our assessment:

(a) the rationale for the Proposed Acquisition;

(b) the Independent Valuation;

(c) the valuation statistics of the Previous Acquisition;

(d) Overview of the financial performance and business life cycle of the Target Group

- (i) the financial performance of the Target Group;
- (ii) the net asset value ("**NAV**") of the Target Group;
- (iii) the implied financial ratios of the Target Group;
- (iv) the financial information of the Target Group as consolidated under the Group; and
- (v) the business life cycle of the Target Group;

(e) valuation ratios of selected listed companies which principal business activities are broadly comparable to those of the Target Group;

(f) assessment of the Issue Price:

- (i) historical market price performance and trading activity of the Shares;
- (ii) NAV of the Group;
- (iii) historical trailing P/NAV multiples of the Shares; and
- (iv) valuation ratios of the Comparable Companies vis-à-vis that of the Group;

(g) the financial effects of the Proposed Acquisition; and

(h) other relevant considerations.

5.1 Rationale for the Proposed Acquisition

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Acquisition or the future prospects of the Group after the Proposed Acquisition.

Nevertheless, we have reviewed the rationale for the Proposed Acquisition as set out in Section 2.2 of the Circular, the full text of which has been reproduced in italics in paragraph 4.3 of this Letter.

5.2 Independent Valuation

For the purpose of the Proposed Acquisition, we note that the Company had commissioned the Independent Valuer to undertake the Independent Valuation as at 31 July 2022. A summarised version of the Valuation Report is attached as Appendix B of the Circular.

Basis of Independent Valuation

As set out in the Valuation Report, the Independent Valuer had conducted its valuation on the basis of "Market Value" which is defined as:

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

The Independent Valuation has been undertaken in accordance with the International Valuation Standards (2022) issued by the International Valuation Standards Committee.

Valuation approaches

As set out in the Valuation Report, the methods commonly used to develop approximate indications of value for a business or asset are the income, market and cost approach. The Independent Valuer has assessed and ascertained the market value of the Remaining Interest (the "**Market Value**") solely in reliance on the income approach as the primary method and using the market approach as a reference. The rationale for adopting the income approach lies in the present value rule, i.e. the value of any asset or enterprise value is the present value of expected future cash flows, discounted at a rate appropriate to the risk of the cash flows not being realised. Given that the Target Group had ongoing business and operations to generate future cash flows, the Independent Valuer had considered the use of the income approach as the primary approach to be appropriate. In applying the income approach, the Independent Valuer had used a discounted cash flow ("**DCF**") methodology to estimate the free cash flow to firm ("**FCFF**") (based on the below formula), which represents the cash flows left over after covering capital expenditure and working capital needs, to assess the overall enterprise value of the Target Group and subsequently derive the equity value to arrive at the enterprise value.

FCFF = EBIT (1-Tax Rate) + Depreciation and Amortisation
- Capital Spending - Change in Working Capital

Based on the present value of FCFF which is a measure of enterprise value, the Independent Valuer has subsequently derived the equity value of the Target Group after taking into consideration debt, excess cash and cash equivalent as well as non-operating assets / liabilities. As at the Valuation Date, the Independent Valuer noted that the Target Group does not have debt and non-operating payables and has approximately US$1.30 million of excess cash and cash equivalents.

We note that the DCF analysis is based on the financial projections from FPDec2022 to FYE2026 provided by the Management. These were further extended to FYE2031 as the Independent Valuer had noted that the expected earnings generated in FYE2026 are not at their normalised stage. We also note that the Independent Valuer has applied, among others, (i) a discount for lack of marketability of 15.0% after taking into consideration that the Target Group is not publicly traded on any stock exchange where shares can be traded in a centralised market, and (ii) a discount for lack of control of 6.5% in arriving at the Market Value. Based on the DCF method, the Market Value as at the Valuation Date is estimated at approximately between US$32.40 million to US$36.20 million, being the Base Valuation Range. Accordingly, we note that the Base Consideration is within the Base Valuation Range, above the lower end of the Base Valuation Range by approximately US$3.37 million or 10.40% and below the upper end of the Base Valuation Range by approximately US$0.43 million or 1.19%. For the avoidance of doubt, the Base Valuation Range does not take into consideration the Earn-Out Milestones and/or the Scenario Analysis.

The market approach was used as a reference only by the Independent Valuer, having considered the enterprise value-to-sales ("**EV/Sales**") and the enterprise value-to-earnings before interest, taxes, depreciation and amortisation ("**EV/EBITDA**") multiples, due to the volatilities from the multiples of the comparable companies shortlisted by the Independent Valuer which make it difficult to conclude a reliable amount for the valuation by adopting the result from a single market multiple approach and no single company was comparable in size, capital nature of business and operations as noted by the Independent Valuer. Further it was noted in the Valuation Report that the current earnings of the Target Group are not at their normalised stage. For illustrative purposes only, we note that the valuation ranges of the Remaining Interest based on market approach and having regard to the (a) EV/Sales multiples is approximately between US$15.50 million to US$48.90 million, and (b) EV/EBITDA multiples is approximately between US$13.50 million to US$28.20 million respectively. Accordingly, the overall valuation range of the Remaining Interest based on market approach is approximately between US$13.50 million to US$48.90 million (the "**Reference Value Range**"). On this basis, we note that the Base Consideration is within the Reference Value Range, above the lower end of the Reference Value Range by approximately US$22.27 million or 164.96% and below the upper end of the Reference Value Range by approximately US$13.13 million or 26.85%.

With regards to the Scenario Analysis performed based on the financial projections from FPDec 2022 to FYE2026 as provided by Management that include the assumption that the Target Group is able to secure forecasted projects under the E-Identification Business (as defined in paragraph 5.5 of this Letter), the Valuer had derived a range of equity values of the Remaining Interest as at the Valuation Date of approximately US$42.40 million to US$46.50 million being the Scenario Valuation Range. Accordingly, we note that the Total Consideration is within the Scenario Valuation Range, above the lower end of the Scenario Valuation Range by approximately US$3.66 million or 8.63% and below the upper end of the Scenario Valuation Range by approximately US$0.44 million or 0.95%.

As part of the Independent Valuation, we note that the Independent Valuer has also conducted, among others, an analysis of the biometric authentication and identification industry and associated risks, as well as a brief analysis of the historical financial results of the Target Group.

The Directors and Management have confirmed that they have made due and careful enquiries with respect to the assumptions and projections underlying the financial forecasts of the Target Group prepared by the Independent Valuer in respect of the Independent Valuation.

We recommend that the Recommending Directors advise the Independent Shareholders to read the Valuation Report, as well as the aforementioned Summary Valuation Report in its entirety as set out in Appendix B to the Circular carefully, in particular but not limited to the valuation methodology, assumptions and limiting conditions.

5.3 Valuation statistics of the Previous Acquisition

As mentioned in paragraph 1 of this Letter, the Company had previously acquired and completed an initial 51.0% shareholding interest of InterBio in April 2021. In assessing the Proposed Acquisition, we have made comparison to the valuation statistics represented by the respective considerations for both the Proposed Acquisition and the Previous Acquisition.

	Previous Acquisition	Proposed Acquisition
Consideration for purchased shares	S$35,000,000 / US$26,092,143 (1)	US$35,770,000 (2) US$46,060,000 (3)
Shareholding interest (%)	51.0	49.0
Implied value based on consideration	S$68,627,451 US$51,161,064 (1)	US$73,000,000 (2) US$94,000,000 (3)

	Previous Acquisition	Proposed Acquisition
Independent valuation based on a 100% interest (US$)	47,000,000 – 56,000,000	66,122,000 – 73,878,000 (4) 86,531,000 – 94,898,000 (5)
Price-to-Valuation	0.91x – 1.09x	0.99x – 1.10x (2), (4) 0.99x – 1.09x (3), (5)

Notes:

(1) Based on an exchange rate of US$1.00 : S$1.3414 as extracted from Thomson Reuters Eikon as at 30 November 2020, being the valuation date in respect of the Previous Acquisition.

(2) Based on the Base Consideration.

(3) Based on the Total Consideration.

(4) Based on the Base Valuation Range and rounded to nearest thousands.

(5) Based on the Scenario Valuation Range and rounded to nearest thousands.

As set out above, we note that:

(a) the implied value of the Target Group based on the Base Consideration represents a premium of approximately 42.69% to the implied value of the Target Group based on the consideration paid in respect of the Previous Acquisition;

(b) the implied value of the Target Group based on the consideration paid in respect of the Previous Acquisition represents a premium of approximately 8.85% to the lower end of the independent valuation range of the Target Group at the time of the Previous Acquisition, and a discount of approximately 8.64% to the upper end of the independent valuation range of the Target Group at the time of the Previous Acquisition;

(c) the implied value of the Target Group based on the (i) Base Consideration represents a premium of approximately 10.40% to the lower end of the Base Valuation Range and a slight discount of approximately 1.19% to the upper end of the Base Valuation Range, and (ii) Total Consideration represents a premium of approximately 8.63% to the lower end of the Scenario Valuation Range and a slight discount of approximately 0.95% to the upper end of the Scenario Valuation Range; and

(d) (i) the lower ends of the range of Price-to-Valuation ratios for the Proposed Acquisition as implied by the Base Consideration and the Total Consideration respectively are higher than that of the Previous Acquisition, (ii) the upper end of the range of Price-to-Valuation ratios for the Proposed Acquisition as implied by the Base Consideration is slightly higher than that of the Previous Acquisition, and (iii) the upper end of the range of Price-to-Valuation ratios for the Proposed Acquisition as implied by the Total Consideration is the same as that of the Previous Acquisition.

5.4 Overview of the financial performance and business life cycle of the Target Group

5.4.1 Financial performance of the Target Group

We understand from Management that PT IBI is the sole operating entity and InterBio functions solely as a holding company. Management has represented that InterBio's financials are not significant, and accordingly, Management confirms that PT IBI's financial information accurately reflects the overall financial performance of the Target Group. A summary of the historical financial performance of the Target Group, which is in turn based on the financial information of PT IBI, for FYE2019, FYE2020 and FYE2021, the nine-month financial period ended 30 September ("**9M**") 2022, as well as the expected financial performance for FYE2022 (collectively, the "**Period Under Review**") is set out below:

Consolidated income statement

IDR' millions	-----Audited----- FYE2019	FYE2020	FYE2021	Unaudited 9M2022	Forecast FYE2022[(1)]
Revenue	72,957	97,933	66,718	54,370	228,677
Operating expenses (excluding depreciation and amortisation)	(33,516)	(63,343)	(48,704)	(22,796)	(198,109)
Earnings before interest, tax, depreciation and amortisation	39,427	36,783	18,435	7,082	30,568
Profit before tax	38,957	35,346	16,545	4,033	28,936
Profit after tax	38,592	27,197	12,341	3,146	22,570
Net profit margin (%)	52.90	27.77	18.50	5.79	9.87

Note:

(1) The projected financial information of the Target Group, which is in turn based on PT IBI, for FYE2022 were prepared in US$ and converted based on the exchange rate of US$1.00 : IDR14,500 as discussed with the Management.

Statement of financial position

IDR' millions	-----Audited----- As at 31 December 2019	As at 31 December 2020	As at 31 December 2021	------Unaudited----- As at 30 September 2022
Current assets	44,018	76,538	78,242	78,975
Current liabilities	11,331	15,465	4,403	7,342
Working capital	32,687	61,073	73,839	71,633
Non-current assets	8,288	7,285	7,009	14,714
Non-current liabilities	-	438	609	5,256
Total equity	40,975	67,920	80,239	81,091

Source: *The Target Group's financial statements for FYE2020 and FYE2021, the interim financials for 9M2022 and the forecasted financials for FYE2022*

In relation to the Period Under Review, we note the following:

Consolidated income statement

FYE2019 vs FYE2020

The Target Group's revenue increased by approximately IDR24.98 billion or 34.23% from approximately IDR72.96 billion in FYE2019 to approximately IDR97.93 billion in FYE2020, mainly due to higher revenues generated from the provision of technical support services to Indonesia's Ministry of Home Affairs and maintenance of Indonesia's current biometric national identity system.

The Target Group's earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") decreased by approximately IDR2.64 billion or 6.71% from approximately IDR39.43 billion in FYE2019 to approximately IDR36.78 billion in FYE2020. This was due to the greater increase in operating expenses of approximately IDR29.83 billion or 88.99% mainly arising from an increase in license fees as the Target Group continued in investments in new software and licenses despite the initial onset of the COVID-19 pandemic to support the existing biometric national identity system.

After netting off depreciation expenses of approximately IDR1.52 billion in FYE2020, which were higher than that in FYE2019 of approximately IDR0.52 billion, which was partially offset by an increase in other income of approximately IDR2.24 billion or 6,396.31% mainly due to foreign exchange rate gains recorded in FYE2020 as compared to a loss in FYE2019, the Target Group's profit before tax decreased by IDR3.61 billion or 9.27% from approximately IDR39.96 billion in FYE2019 to approximately IDR35.35 billion in FYE2020.

As a result of the above, the Target Group's profit after tax decreased by approximately IDR11.40 billion or 29.53% from approximately IDR38.59 billion in FYE2019 to approximately IDR27.20 billion in FYE2020. The Target Group's net profit margin also decreased from 52.90% in FYE2019 to 27.77% in FYE2020.

<u>FYE2020 vs FYE2021</u>

The Target Group's revenue decreased by approximately IDR31.22 billion or 31.87% from approximately IDR97.93 billion in FYE2020 to approximately IDR66.72 billion in FYE2021, mainly due to the COVID-19 situation in Indonesia in FYE2021, which resulted in decreased contracted sales from annual technical services to Indonesia's Ministry of Home Affairs.

The Target Group's EBITDA decreased by approximately IDR18.35 billion or 49.88% from approximately IDR36.78 billion in FYE2020 to approximately IDR18.44 billion in FYE2021. This was due to the decrease in revenue of approximately IDR31.22 billion and the decrease in operating expenses by approximately IDR14.64 billion or 23.11%. The resulting decline in EBITDA margins was mainly due to continued operating expenditure in biometric systems despite the depressed revenues over the same period.

Due to a decrease in other income as a result of the Target Group recording a net foreign exchange rate loss in FYE2021 as compared to a foreign exchange rate gain in FYE2020 and after netting off depreciation expenses of approximately IDR1.52 billion and IDR1.58 billion in FYE2020 and FYE2021 respectively, the Target Group's profit before tax decreased by IDR18.80 billion or 53.19% from approximately IDR35.35 billion in FYE2020 to approximately IDR16.55 billion in FYE2021.

As a result of the above, the Target Group's profit after tax decreased by approximately IDR14.86 billion or 54.62% from approximately IDR27.20 billion in FYE2020 to approximately IDR12.34 billion in FYE2021. The Target Group's net profit margin also decreased from 27.77% in FYE2020 to 18.50% in FYE2021.

<u>FYE2021 vs FYE2022</u>

In view that as at the Latest Practicable Date, the Target Group is currently about a month away from the end of its FYE2022 and on the basis that Management has taken into account the financial performance of the Target Group for the first (9) months of FYE2022 in providing the expected figures for FYE2022, we have considered the financial performance of the Target Group for the upcoming FYE2022 vis-à-vis that of FYE2021.

Based on discussions with Management, we understand that the Target Group's revenue is expected to increase by approximately IDR161.96 billion or 242.76% from approximately IDR66.72 billion in FYE2021 to approximately IDR 228.68 billion in FYE2022. The increase is mainly attributable to the securing of two (2) projects with an aggregate value of US$10.43 million to supply biometric identification systems integrated with the National ID database to one of the law enforcement agencies in Indonesia as announced by the Company on 2 September 2022 and 19 October 2022 (collectively, the "**Material Projects**"). Notwithstanding that the Target Group has only recorded revenue of approximately IDR54.37 billion for 9M2022, Management has represented that as at the Latest Practicable Date, the relevant work on the Material Projects is expected to be fully completed by 31 December 2022 and accordingly the Target Group shall then be able to recognise approximately US$9.8 million of revenue in FYE2022 in relation thereto. We further understand from Management that the difference between the aggregate value of the Material Projects and the revenue to be recognised in FYE2022 arising from the Material Projects of approximately US$0.5 million is attributed to equipment sales which will be recognised by the Company instead.

The Target Group's EBITDA is expected to increase by approximately IDR12.13 billion or 65.80% from approximately IDR18.44 billion in FYE2021 to approximately IDR30.57 billion in FYE2022. This is in tandem with the expected increase in revenue which is partially offset by the expected increase in operating expenses of approximately IDR149.41 billion or 306.77% arising mainly from an increase in cost of sales associated with the Material Projects as well as continued operating expenditure in biometric systems in FYE2022. The Target Group had continued to make system investments in FYE2022 to maintain the robustness of the national biometric system in anticipation of resumption in business volume and new projects post COVID-19 and for events like client training that resumed after the Indonesian economy reopened in FYE2022.

After netting off expected depreciation expenses of approximately IDR1.63 billion in FYE2022, which is lower than that in FYE2021 of approximately IDR2.83 billion, the Target Group's profit before tax is expected to increase by IDR12.39 billion or 74.89% from approximately IDR16.55 billion in FYE2021 to approximately IDR28.94 billion in FYE2022.

As a result of the above, the Target Group's profit after tax is expected to increase by approximately IDR10.23 billion or 82.89% from approximately IDR12.34 billion in FYE2021 to approximately IDR22.57 billion in FYE2022. The Target Group's net profit margin is expected to decrease from approximately 18.50% in FYE2021 to 9.87% in FYE2022 mainly due to the expected proportionately higher increase in operating expenses for FYE2022 as explained above.

Statement of financial position

Current assets: As at 30 September 2022, current assets amounted to approximately IDR78.98 billion, representing 84.30% of the total assets of the Target Group. The current assets mainly comprised (i) contract assets of approximately IDR52.54 billion; and (ii) cash on hand and in banks of approximately IDR5.28 billion.

Current liabilities: As at 30 September 2022, current liabilities amounted to approximately IDR7.34 billion, representing 58.28% of the total liabilities of the Target Group. The current liabilities comprised (i) other payables and accruals of approximately IDR4.40 billion; and (ii) tax payables of approximately IDR2.94 billion.

Non-current assets: As at 30 September 2022, non-current assets amounted to approximately IDR14.71 billion, representing 15.70% of the total assets of the Target Group. The non-current assets comprised (i) net fixed assets comprising mainly office equipment of approximately IDR13.70 billion; (ii) deposits of approximately IDR0.33 billion; and (iii) deferred tax assets of approximately IDR0.68 billion.

Non-current liabilities: As at 30 September 2022, non-current liabilities amounted to approximately IDR5.26 billion, representing 41.72% of the total liabilities of the Target Group. The non-current liabilities comprised (i) estimated liabilities for post-employment benefits of approximately IDR2.84 billion; and (ii) lease liabilities of approximately IDR2.41 billion.

Working capital: The Target Group's working capital position decreased from approximately IDR73.84 billion as at 31 December 2021 to IDR71.63 billion as at 30 September 2022. This is mainly due to an increase in (i) other payables, accrued expenses and contract liability amounting to an aggregate of approximately IDR1.27 billion; and (ii) taxes payables of approximately IDR1.67 billion, which was partially offset by a smaller overall increase in current assets of approximately IDR0.73 billion.

5.4.2 NAV of the Target Group

The NAV of a group refers to the aggregate value of all the assets in their existing condition, net of any non-controlling interests and all the liabilities of the group. The net asset value approach may provide an estimate of the value of a group assuming the hypothetical sale of all its assets over a reasonable period of time, the proceeds of which would be first used to settle the liabilities of the group with the balance available for distribution to its shareholders. Therefore, the net assets of a group are perceived as providing support for the value of the shareholders' equity.

Notwithstanding the foregoing, Shareholders should note that analysis based on the NAV of the Target Group provides an estimate of the value of the Target Group based on a hypothetical scenario, and such hypothetical scenario is assumed without considering factors such as, *inter alia*, time value of money, market conditions, legal and professional fees, liquation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, which would theoretically lower the NAV that can be realised.

A summary of the financial position of the Target Group as at 30 September 2022 is set out as below:

(IDR' million)	**Unaudited** **As at 30 September 2022**
Non-current assets	
Fixed assets - net	13,695
Deposits	336
Deferred tax assets	682
Total non-current assets	14,714
Current assets	
Cash on hand and in banks	5,278
Trade receivables	328
Contract assets	52,542
Other assets	4,398
Prepaid expenses	16,429
Total current assets	78,975
Total assets	**93,689**
Non-current liabilities	
Estimated liabilities for post employment benefits	2,844
Lease liabilities	2,412
Total non-current liabilities	5,256
Current liabilities	
Other payables and accruals	4,405
Taxes payables	2,937

(IDR' million)	Unaudited As at 30 September 2022
Total current liabilities	7,342
Total liabilities	**12,598**
Share capital	2,500
Retained earnings	78,591
Total equity	**81,091**
Premium of valuation of Target Group as implied by the Base Consideration to NAV (1)	**1,268.25%**
Premium of valuation of Target Group as implied by the Total Consideration to NAV (1)	**1,661.86%**

Source: *Unaudited management accounts of the Target Group, which are in turn based on PT IBI, for 9M2022*

Note:

(1) Based on the exchange rate of US$1.00 : IDR15,199 as at 30 September 2022 as discussed with Management, the NAV as at 30 September 2022 would be approximately US$5.34 million.

The Group recorded an NAV of approximately IDR81.09 billion as at 30 September 2022. As set out in the table above, we note that the valuation of the Target Group as implied by the Base Consideration and the Total Consideration represents a premium of approximately 1,268.25% and 1,661.86% to the NAV of the Target Group as at 30 September 2022 respectively.

5.4.3 Financial ratios of the Target Group as implied by the Total Consideration

Revenue-based ratio

The revenue-based ratio considered for the purpose of our evaluation would be the EV/Sales ratio. EV refers to enterprise value, which is the sum of a company's market capitalisation, preferred equity, minority interests, short-term and long-term debts less its cash and cash equivalents. EV/Sales ratio illustrates the ratio of the market value of a company's business relative to its historical sales performance, without regard to its capital structure. We note that as at 30 September 2022, the Target Group is debt-free and had cash on hand and in banks of approximately IDR5.28 billion (US$0.35 million). Accordingly, we note that Target Group's EV based on the Base Consideration and the Total Consideration would be approximately US$72.65 million and US$93.65 million respectively.

Based on the Target Group's revenue for FYE2021 of approximately IDR66.72 billion (US$4.68 million converted based on the exchange rate of US$1.00 : IDR14,253 as at 31 December 2021 as discussed with Management), the EV/Sales ratios as implied by the Base Consideration and the Total Consideration are 15.52 times and 20.01 times respectively.

Based on the Target Group's expected revenue for FYE2022 of approximately IDR228.68 billion (US$15.77 million converted based on the exchange rate of US$1.00 : IDR14,500 as discussed with Management), the EV/Sales ratios as implied by the Base Consideration and the Total Consideration are 4.61 times and 5.94 times respectively.

Earnings-based ratios

The earnings-based ratios considered for the purpose of our evaluation would be price-earnings ("**P/E**") ratio and the EV/EBITDA ratio. EBITDA refers to the historical consolidated earnings before interest, taxes, depreciation and amortisation for the relevant financial year/period.

(a) P/E ratio

The P/E ratio illustrates the ratio of the market capitalisation of a company in relation to its historical consolidated net profit attributable to its shareholders.

Based on the Target Group's net profit after tax ("**NPAT**") for FYE2021 of approximately IDR12.34 billion (US$0.87 million converted based on the exchange rate of US$1.00 : IDR14,253 as at 31 December 2021 as discussed with Management), the P/E ratios as implied by the Base Consideration and the Total Consideration are 84.31 times and 108.56 times respectively.

Based on the Target Group's expected NPAT for FYE2022 of approximately IDR22.57 billion (US$1.56 million converted based on the exchange rate of US$1.00 : IDR14,500 as discussed with Management), the P/E ratios as implied by the Base Consideration and the Total Consideration are 46.90 times and 60.39 times respectively.

(b) EV/EBITDA ratio

The EV/EBITDA ratio illustrates the ratio of the market value of a company's business in relation to its historical pre-tax operating cash flow performance.

Based on the Target Group's EBITDA for FYE2021 of approximately IDR18.44 billion (US$1.29 million converted based on the exchange rate of US$1.00 : IDR14,253 as at 31 December 2021 as discussed with Management), the EV/EBITDA ratios as implied by the Base Consideration and the Total Consideration are 56.17 times and 72.41 times respectively.

Based on the Target Group's expected EBITDA for FYE2022 of approximately IDR30.57 (US$2.11 million converted based on the exchange rate of US$1.00 : IDR14,500 as discussed with Management), the EV/EBITDA ratios as implied by the Base Consideration and the Total Consideration are 34.47 times and 44.43 times respectively.

Asset-based ratio

The asset-based ratios considered for the purpose of our evaluation would be the price-to-NAV ("**P/NAV**") ratio. P/NAV refers to the ratio of the market capitalisation of a company in relation to its NAV.

Based on the unaudited NAV of the Target Group of approximately IDR81.09 billion (US$5.34 million converted based on the exchange rate of US$1.00 : IDR15,199 as at 30 September 2022 as discussed with Management) as at 30 September 2022, the P/NAV ratios as implied by the Base Consideration and the Total Consideration are 13.68 times and 17.62 times respectively.

5.4.4 Financial information of the Target Group as consolidated under the Group

Pursuant to completion of the Previous Acquisition, the Company's 51.0% investment in the Target Group has been consolidated and recorded as investments in subsidiary corporations since the financial year ended 31 May ("**FY**") 2021. A summary of the key financial information of the Target Group as recorded in the Group's historical consolidated financial statements for FY2021 and FY2022 is as follows:

Consolidated income statement

S$'000	Audited FY2021(1)	Audited FY2022
Revenue	1,016	6,326
(Loss) before tax	(209)	(3,620)
Net (loss) after tax	(188)	(2,922)
Total comprehensive (loss)	(184)	(2,869)
(Loss) allocated to non-controlling interests ("**NCI**")	(91)	(1,431)
Total comprehensive income / (loss) allocated to NCI	(89)	(1,378)

Statement of financial position

S$'000	Audited As at 31 May 2021	Audited As at 31 May 2022
Non-current assets	23,408	19,886
Current assets	6,330	6,634
Non-current liabilities	4,757	4,155
Current liabilities	859	1,063
Working capital	5,471	5,571
Net assets	24,122	21,302
Net assets attributable to NCI	11,853	10,476

Source: *Note 15 to the financial statements in the Company's annual report for FY2022*

Note:

(1) The Company acquired 51.0% of the Target Group on 6 April 2021 and accordingly the Company had only consolidated revenue for April and May 2021 of Target Group for FY2021.

Shareholders should note that the aforementioned financial information, which includes consolidation adjustments but before inter-company eliminations, is extracted and included in this Letter for completeness only. We wish to highlight that the Target Group has a different financial year end of 31 December as that of the Group which has a financial year end of 31 May, and which would result in incomparability of the aforementioned historical financial performance and financial position figures.

5.4.5 Business life cycle of the Target Group

Business life cycle

Being a technology-based business, we have further considered the business life cycle of the Target Group. In general, firms pass through a life cycle, starting as young idea companies, and working their way to high growth, maturity, and eventual decline. A summary of the five (5) phases across the life cycle and associated characteristics with each phase is as follow:

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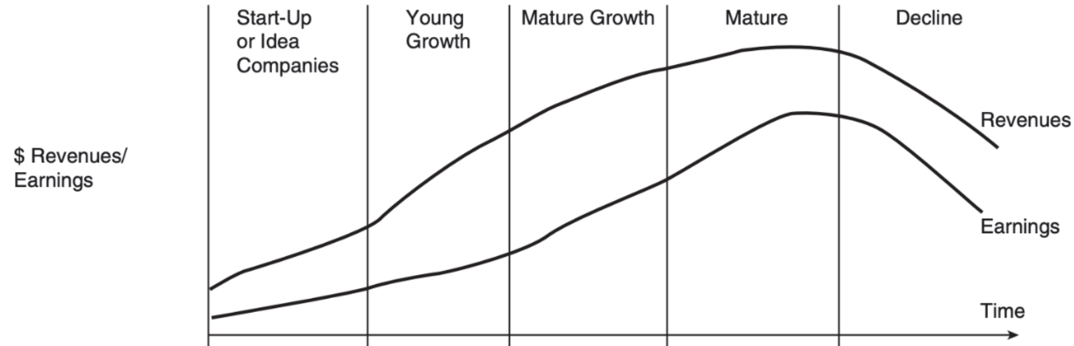

	Start-Up or Idea Companies	Young Growth	Mature Growth	Mature	Decline
Revenues/Current Operations	Non-existent or Low Revenues/Negative Operating Income	Revenues Increasing/Income Still Low or Negative	Revenues in High Growth/Operating Income Also Growing	Revenue Growth Slows/Operating Income Still Growing	Revenues and Operating Income Growth Drops Off
Operating History	None	Very Limited	Some Operating History	Operating History Can Be Used in Valuation	Substantial Operating History
Comparable Firms	None	Some, but in Same Stage of Growth	More Comparable, at Different Stages	Large Number of Comparables, at Different Stages	Declining Number of Comparables, Mostly Mature
Source of Value	Entirely Future Growth	Mostly Future Growth	Portion from Existing Assets/Growth Still Dominates	More from Existing Assets Than Growth	Entirely from Existing Assets

Source: *The Dark Side of Valuation: Valuing Young, Distressed, and Complex Businesses, 2nd Edition by Aswath Damodaran.*

Based on the above historical financial performance assessment of the Target Group, the Valuation Report and our discussions with Management, we observe, among others, that:

(a) the Target Group has less than five (5) years of operating history and its financial performance in terms of revenue and net earnings for the most recently completed three (3) financial years and the latest interim financial period has been in a state of flux, with the Target Group recording (i) an increase of approximately 34.23% in revenue from FYE2019 to FYE2020 followed by a decrease of approximately 31.87% in revenue from FYE2020 to FYE2021, and (ii) a decrease in NPAT of approximately 29.53% from FYE2019 to FYE2020 and 54.62% from FYE2020 to FYE2021. In contrast, we note that the Target Group's revenue for 9M2022 represents approximately 81.49% of the revenue for FYE2021 and the Target Group's NPAT for 9M2022 represents approximately 25.49% of the NPAT for FYE2021;

(b) we further note that, based on the financial projections for the Forecast Period contained in the Independent Valuation Report, there appears to be an expectation for a (i) rapid increase in revenue (with the Target Group forecasting approximately a 236.91%, 153.30% and 57.70% increase for the first three (3) forecast years of FYE2022, FYE2023 and FYE2024 respectively) and (ii) long-term high growth of the Target Group's revenue at a compounded annual growth rate of approximately 44.70% for the Forecast Period (in particular we note that the year-on-year percentage increase in revenue is expected to be at least double-digits until FYE2029; and

(c) the Indonesia market in which the Target Group currently operates and intends to continue expanding in appears to have a large untapped customer base as well as a healthy demand for the Target Group's products and services across various sectors, while there is also potential in other global markets which could potentially generate large potential returns. While it is not within our terms of reference to comment or express an opinion on the future prospects of the business of the Target Group, we have considered and extracted the following statements made by (i) the Company in, among others, previous announcements in relation to the Indonesia and global markets as well as the Biometrics Business and E-Identification Business; and (ii) the Independent Report.

Annual report of the Company for FY2021

"*According to a report from MarketsandMarkets, the identity verification market is projected to grow by 15.6% compound annual growth rate ("**CAGR**") from US$7.6 billion in 2020 to US$15.8 billion in 2025, with biometric technology solutions growing at a higher rate than non-biometric platforms*[1]*. In addition, the wider biometric system market is expected to grow from US$36.6 billion in 2020 to US$68.6 billion by 2025, a CAGR of 13.4%.*

The major factors driving growth in these biometric markets include the increasing use of biometrics in consumer electronic devices for authentication and identification purposes, the growing need for surveillance and security with the heightened threat of terrorist attacks, and the surging adoption of biometric technology in automotive applications[2]."

Annual report of the Company for FY2021

"*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[3]*.*

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[4]."

Valuation Report

"*The global biometric authentication and identification market has reached US$3.5 billion in 2020. With the largest segment being government bodies that is valued at US$821.1 million, followed by banking and financial institutions of US$762.1 million. In addition to government bodies and financial institutions, the use of biometric authentication and identification are applied in commercial organisation, defence bodies, healthcare institution and others sectors. The global biometric authentication and identification market is expected to grow from US$3.5 billion in 2020 to US$8.8 billion in 2026 with government bodies segment expected to account for US$2,234.0 million of the expected market size in 2026. The banks and financial institutions are expected to experience the highest growth from 2020 to 2026 where market size is expected to reach US$2,209.8 million in 2020.*[5]

*According to "Identity for Development in Asia and the Pacific" by Asian Development Bank, Indonesia is one of the most advanced adopters of biometric technology. In 2011, Indonesia launched the Electronic Kartu Tanda Penduduk ("**Electronic Identity Card**" or "**e-KTP**") program and the e-KTP card was issued with unique number and encrypted fingerprint,*

"[1] https://www.biometricupdate.com/202011/biometrics-to-lead-identity-verification-market-growth-to-15-8b-by-2025
[2] https://www.biometricupdate.com/202012/biometric-systems-market-to-grow-by-over-30b-in-next-five-years-report-says"
" [3] Digital Identification: A Key to Inclusive Growth: https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/digital-identification-a- key-to-inclusive-growth
[4] Digital Identity Solutions Market –Global Forecast to 2027, https://www.marketsandmarkets.com/Market-Reports/digital-identity-solutions- market-247527694.html
[5] "Global Biometric Authentication and Identification Market in 2020 and 2026, by end user", Justina Alexandra Sava, 28 March 2022, Statista

photo and demographic data which had achieved 100 million enrolments in just under one year in 2011.[1]"

Please refer to the section entitled "Industry Analysis" of the Valuation Report for more details.

Accordingly, it would appear that the Target Group is currently in the early growth phase of its business life cycle.

<u>Choice of valuation multiples</u>

We note that there are generally two (2) commonly used valuation measures for performing relative valuation for a technology business that is currently in the growth phase, the first being the use of the EV/Sales ratio and the second is the use of the EV/EBITDA ratio.

The EV/EBITDA ratio is an earnings-based valuation methodology that strips out balance sheet items and taxes to measure the company's actual cashflow and is more popular for companies with a history of positive earnings. This method works well for companies with a history of growing or predictable earnings because it avoids estimating future performance. For technology companies this may often not be reliable, in particular for early- or growth-stage companies whose historical earnings may be small or non-existent, negative and/or even be subject to significant fluctuations year-on-year, and which would bear little resemblance to the firms' future potential. But by the same token, the EV/EBITDA ratio penalizes companies which are investing to grow at the expense of earnings. The EV/EBITDA multiple approach is more appropriate for later stage companies whose businesses and operations have reached a stable level of growth.

On the other hand, the EV/Sales ratio is popular for technology companies as it is applicable to the largest number of companies given that it uses revenue, which is the most reliable number at the top of the income statement. The EV/Sales ratio is unaffected by expenses and allocations that affect EBITDA, or any balance sheet charges which affect earnings. It also measures the main performance factor that early- and growth-stage technology companies are most focused on revenue growth.

Other earnings-based valuation ratios such as the P/E ratio would be more appropriate for companies with a solid track record of stable profitability, which is typically observed for later stage companies. In addition, for the same reason mentioned above with regards to the historical earnings of technology companies, in particular for early- or growth- companies, the use of the P/E ratio may often not be reliable.

The NAV of a company provides an estimate of its value assuming a hypothetical sale of all its assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. Asset-based ratios such as the P/NAV ratio are only meaningful where the company is asset-rich, where such assets are meaningful to the type of the business, and if they are of such a nature that book values tend to be fairly close to market values. Accordingly, we note that the P/NAV ratio is generally not so relevant for valuing technology companies and is furthermore the least often used approach when valuing other than the most early-stage technology companies.

5.5 Valuation ratios of selected listed companies which principal business activities are broadly comparable to those of the Target Group

As stated in the Circular, we note that the Target Group currently develops and provides identity management biometric technology solutions (the "**Biometrics Business**") and is expected to expand into new business activities involving the use of electronic and/or digital technology,

[1] *"Identity For Development in Asia and The Pacific", Asia Development Bank."*

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 (the "**E-Identification Business**"). However, we note that there appears to be no such companies listed on the SGX-ST which may be deemed to be comparable to the Biometrics Business and/or the E-Identification Business.

We have first considered the primary markets that the Company through the Target Group operates in, that being Singapore and Indonesia based on the Group's audited financial statements for the financial year ended 31 May ("**FY**") 2022, and noted that there appears to be no such companies listed on the SGX-ST which may be deemed to be comparable to the Biometrics Business and/or E-Identification Business. Accordingly, further to discussions with Management and having regard to the Valuation Report and other third-public data sources such as BiometricUpdate.com[1], we have considered other companies listed on global securities exchanges that are engaged in biometrics and/or digital identity business.

For the purpose of our evaluation of the Base Consideration and the Total Consideration, we have made reference to the valuation ratios of the following selected companies that are deemed to be broadly comparable to the Biometrics Business and/or E-Identification Business (the "**Comparable Companies**"), to get an indication of the current and short-term market expectations with regard to the perceived valuation of the Target Group.

We wish to highlight that the Comparable Companies are not exhaustive and we recognise that there is no company which is identical to the Target Group in terms of, *inter alia*, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria and that such businesses may have fundamentally different profitability objectives. Shareholders should note that any comparison made with respect to the Comparable Companies merely serves to provide an illustrative perceived market valuation of the Target Group as at the Latest Practicable Date.

A brief description of the Comparable Companies is as follows:

Company / Listing exchange	**Business description**	**Financial year-end**
Egis Technology Inc. ("**Egis**") / Taiwan Stock Exchange ("**TWSE**")	Egis is a Taiwan-based company principally engaged in the design, development, production and sale of biometric sensor chips.	31 December
Raonsecure Co. Ltd. ("**Raonsecure**") / Korean Securities Dealers Automated Quotations ("**KOSDAQ**")	Raonsecure is a Korea-based company principally engaged in the development and service for personal computer (PC) and mobile security solutions. also provides identification solutions based on fast identity online (FIDO).	31 December
Cyberlink Corp. ("**Cyberlink**") / TWSE	Cyberlink is a Taiwan-based company principally engaged in the development, manufacture and sales of multimedia audio and video software and the provision of cloud services.	31 December
AuthID Inc. ("**AuthID**") / National Association of Securities Dealers Automated Quotations ("**NASDAQ**")	AuthID, formerly Ipsidy Inc., doing business as authID.ai, is a provider of secure, mobile, biometric identity verification software products delivered by an easy-to-integrate identity as a service (IDaaS) platform.	31 December

[1] BiometricUpdate.com is published by the Biometrics Research Group, Inc., a leading market research supplier and consultancy to the global biometrics industry.

Company / Listing exchange	Business description	Financial year-end
Aware Inc. ("**Aware**") / NASDAQ	Aware is principally engaged in providing solutions for validating and securing identities using adaptive biometrics.	31 December
Bio-Key International Inc. ("**Bio-Key**") / NASDAQ	Bio-Key is principally engaged in providing an identity and access management (IAM) platform for enterprise, education.	31 December
Mitek Systems, Inc. ("**Mitek**") / NASDAQ	Mitek is a software development company and is engaged in the business of developing computer vision, artificial intelligence, and machine learning. It operates through the development, sale, and service of software solutions related to the mobile imaging segment.	30 September
Okta, Inc. ("**Okta**") / NASDAQ	Okta is an independent identity provider and is principally engaged in providing an independent and neutral cloud-based identity solution.	31 January
Precise Biometrics AB ("**Precise Biometrics**") / NASDAQ Stockholm ("**OMX**")	Precise Biometrics is a Sweden-based company engaged in the development of software and hardware for fingerprint recognition and smart cards.	31 December
Facephi Biometria SA ("**Facephi**") / Bolsa de Madrid ("**BME**")	Facephi is a Spain-based company engaged in the biometry products development. Facephi provides a facial recognition technology mainly for companies involved in the financial sector.	31 December
Hanwang Technology Co., Ltd. ("**Hanwang**") / Shen Zhen Stock Exchange ("**SZSE**")	Hanwang is a China-based company principally engaged in the research and development and application of hardware and software products related to intelligent interaction.	31 December
Jilin University Zhengyuan Information Technologies Co., Ltd. ("**JUZIT**") / SZSE	JUZIT is a China-based company that provides electronic certification products, information security services and security integration.	31 December
Alchera, Inc. ("**Alchera**") / KOSDAQ	Alchera is a Korea-based company mainly engaged in businesses including face recognition AI, abnormal situation detection AI, and AI learning data production.	31 December
Feitian Technologies Co., Ltd. ("**Feitian**") / SZSE	Feitian is a China-based company principally engaged in the research, development and sales of information security products including, among others, ePass universal serial bus (USB) keys, one time password (OTP) dynamic tokens, ROCKEY software protection encryption locks.	31 December
Shenzhen Goodix Technology Co., Ltd. ("**SZ Goodix**") / Shanghai Stock Exchange	SZ Goodix is a China-based company mainly engaged in the research and development of chips including, among others, capacitive touch screen controller and fingerprint identification ships as well as software development.	31 December
Idex Biometrics ASA ("**Idex**") / NASDAQ	Idex, formerly Idex ASA is a Norway-based provider of fingerprint identification technologies offering simple, secure and personal authentication for all.	31 December
Intercede Group Plc ("**Intercede**") / London Stock Exchange	Intercede is a United Kingdom-based holding company and is an independent developer and supplier of identity and credential management software, focusing on cybersecurity that is specialising in digital identities,	31 March

Company / Listing exchange	Business description	Financial year-end
	derived credentials and access control, enabling digital trust in a mobile world.	
Next Biometrics Group ASA ("**Next Biometrics**") / Oslo Stock Exchange	Next Biometrics is a Norway-based company and provides high-security fingerprint sensor technology for authentication.	31 March
Fortinet, Inc. ("**Fortinet**") / NASDAQ	Fortinet is principally engaged in providing cybersecurity and networking solutions.	31 December
CrowdStrike Holdings, Inc. ("**CrowdStrike**") / NASDAQ	CrowdStrike is principally engaged in providing cloud-delivered solutions for endpoint and cloud workload protection via a software-as-a-service (SaaS) subscription-based model.	31 January
Zscaler, Inc. ("**Zscaler**") / NASDAQ	Zscaler is a cloud security company that has developed a platform incorporating security functionalities needed to enable access to cloud resources based on identity, context, and organization policies.	31 July
Cloudflare, Inc. ("**Cloudflare**") / New York Stock Exchange	Cloudflare is a global cloud services provider and provides, among others, network which serves as a scalable, unified control plane to deliver security, performance, and reliability across on-premise, hybrid, cloud, and software-as-a-service (SaaS) applications.	31 December

Source: *Thomson Reuters Eikon and the Comparable Companies' annual reports and results announcements*

<u>Comparison of financial performance in terms of net profit margins</u>

The following table summarises the net profit margins for comparison of financial performance for the respective last completed financial years ("**LFY**") and next upcoming financial years ("**NFY**") of the Comparable Companies:

Company	Market capitalisation(1) (US$ million)	LFY Net Margins (2) (%)	NFY Net Margins (3) (%)
Egis	141.65	(6.26)	(14.85)
Raonsecure	65.36	(15.14)	n.a.(4)
Cyberlink	210.43	(35.68)	15.26
AuthID	23.55	(770.66)	n.a.(4)
Aware	42.45	(34.56)	(19.66)
Bio-Key	8.96	(99.05)	(43.00)
Mitek	488.36	1.87	27.92
Okta	7,632.34	(65.25)	(6.30)
Precise Biometrics	20.75	(16.14)	(17.35)
Facephi	39.06	(1.07)	5.83
Hanwang	423.48	3.35	1.27
JUZIT	614.90	17.90	18.06
Alchera	111.80	(138.68)	n.a.(4)
Feitian	349.61	(6.27)	n.a.(4)

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Company	Market capitalisation(1) (US$ million)	LFY Net Margins (2) (%)	NFY Net Margins (3) (%)
SZ Goodix	3,216.46	15.05	1.77
Idex	107.47	(1,146.20)	(776.89)
Intercede	38.37	7.28	1.77
Next Biometrics	40.56	(118.24)	n.a.(4)
Fortinet	42,067.58	18.16	20.81
CrowdStrike	32,880.98	(16.18)	14.29
Zscaler	20,038.79	(35.77)	12.12
Cloudflare	15,318.93	(39.66)	3.89
Maximum		**18.16**	**27.92**
75th percentile		**1.13**	**14.29**
Mean		**(112.78)**	**(44.41)**
Median		**(16.16)**	**1.77**
Minimum		**(1,146.20)**	**(776.89)**
Target Group	**94.00(5)**	**18.50**	**9.87**

Source: *Thomson Reuters Eikon, annual reports and announcements of the Comparable Companies and NCF's calculations.*

Notes:

(1) The market capitalisation of each Comparable Companies is reported in United States dollars based on the respective exchange rates as at the Latest Practicable Date, as extracted from Thomson Reuters Eikon.

(2) Computed based on the LFY net profit / loss attributable to equity owners and LFY revenue.

(3) Computed based on the forecast estimates of revenue and NPAT for the NFYs of the respective Comparable Companies as extracted from Thomson Reuters Eikon.

(4) Denotes "not available" due to the lack of available forecast estimates on Thomson Reuters Eikon as at Latest Practicable Date.

(5) Computed based on the valuation of the Target Group as implied by the Total Consideration for 49.0% of the Target Group.

Based on the above table, we note that:

(a) the majority of the Comparable Companies, being sixteen (16) out of the 22 Comparable Companies, had recorded net losses after tax and had net loss margins for their LFYs;

(b) the LFY Net Margin of the Target Group is positive and is above the range of LFY Net Margins of the Comparable Companies;

(c) with regards to the projected financial performance of the Comparable Companies for their NFYs, we note that Thomson Reuters Eikon did not publish available forecast estimates for five (5) of the 22 Comparable Companies. For the remaining Comparable Companies, we note that the financial performance of the majority is expected to improve for their NFYs, with only six (6) projected to record net losses after tax and net loss margins; and

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(d) the NFY Net Margin of the Target Group is (i) within the range of that of the Comparable Companies, (ii) above the mean and median values of a net loss margin of approximately 44.41% and a net profit margin of 1.77% respectively, and (iii) is below the 75th percentile value of a net profit margin of 14.29%.

Comparison of valuation ratios of the Comparable Companies

In our evaluation, we have considered the following widely used valuation measures:

Valuation ratios	General description
EV/Sales ratio	The EV/Sales ratio illustrates the ratio of the market capitalisation of an entity's business in relation to its sales generated. The EV/Sales is an alternative to the other evaluation metrics (as described below) and can be meaningful to the extent that it is able to evaluate companies that are showing temporary negative earnings. Typically, the higher the ratio, the more "expensive" or valuable the company is and vice versa. We have considered the EV/Sales ratios of the Comparable Companies based on their respective closing prices on the Latest Practicable Date and their LFY and NFY sales, as provided in their full year audited financial results and/or the forecast estimates available in Thomson Reuters Eikon (as the case may be).
P/E ratio	The P/E ratio is an earnings-based valuation methodology and is calculated based on the net earnings attributable to shareholders after interest, taxation, depreciation and amortisation expenses. The P/E ratio illustrates the ratio of the market capitalisation of a company in relation to the historical net profit attributable to its shareholders. As such, it is affected by the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. We have considered the P/E ratios of the Comparable Companies based on their respective closing prices on the Latest Practicable Date and their latest LFY and NFY net earnings, as provided in their full year audited financial results and/or the forecast estimates available in Thomson Reuters Eikon (as the case may be).
EV/EBITDA ratio	The EV/EBITDA ratio illustrates the ratio of the market value of an entity's business in relation to its historical pre-tax operating cash flow performance. The EV/EBITDA multiple is an earnings-based valuation methodology. The difference between EV/EBITDA and the P/E ratio (described above) is that it does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges. We have considered the EV/EBITDA ratios of the Comparable Companies based on their respective closing prices on the Latest Practicable Date, latest-available balance sheet values, as well as the LFY / NFY EBITDA based on their full year audited financial results and/or the forecast estimates available in Thomson Reuters Eikon (as the case may be).
P/NAV ratio	The P/NAV ratio represents an asset-based relative valuation which takes into consideration the book value or NAV backing of a company. The NAV of a company provides an estimate of its value assuming a hypothetical sale of all its assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets of the company.

The valuation ratios of the Comparable Companies based on their respective last transacted share prices as at the Latest Practicable Date and financial performance for their LFYs are also set out below:

Company	LFY EV/Sales (times)	LFY EV/EBITDA (times)	LFY P/E (times)	LFY P/NAV (times)
Egis	1.63	n.a.[(1)]	n.a.[(1)]	0.93
Raonsecure	2.15	n.a. [(1)]	n.a.[(1)]	2.99
Cyberlink	3.69	n.a. [(1)]	n.a.[(1)]	2.22
AuthID	9.53	n.a. [(1)]	n.a.[(1)]	3.05
Aware	1.77	n.a. [(1)]	n.a.[(1)]	1.00
Bio-Key	0.84	n.a. [(1)]	n.a.[(1)]	0.66
Mitek	5.01	33.27	218.21[(2)]	2.75
Okta	7.51	n.a. [(1)]	n.a.[(1)]	1.40
Precise Biometrics	2.42	61.64	n.a.[(1)]	1.76
Facephi	2.82	51.25	2.53	3.67
Hanwang	1.85	28.67	55.92	2.04
JUZIT	4.21	21.37	30.07	3.30
Alchera	17.94	n.a. [(1)]	n.a.[(1)]	9.66
Feitian	2.67	n.a. [(1)]	n.a.[(1)]	1.40
SZ Goodix	3.67	26.43	26.72	2.71
Idex	32.14	n.a. [(1)]	n.a.[(1)]	4.71
Intercede	2.48	35.37	43.83	5.75
Next Biometrics	6.73	n.a. [(1)]	n.a.[(1)]	3.73
Fortinet	12.67	46.76	69.33	52.69
CrowdStrike	21.58	735.20[(2)]	n.a.[(1)]	26.83
Zscaler	18.40	n.a. [(1)]	n.a.[(1)]	34.95
Cloudflare	25.51	n.a. [(1)]	n.a.[(1)]	26.39
Maximum	**32.14**	**61.64**	**69.33**	**52.69**
75th percentile	**11.89**	**47.88**	**52.90**	**5.49**
Mean	**8.51**	**38.09**	**38.06**	**8.85**
Median	**3.95**	**34.32**	**36.95**	**3.02**
Minimum	**0.84**	**21.37**	**2.53**	**0.66**
Target Group	**20.01**[(3)]	**72.41**[(3)]	**108.56**[(3)]	**17.62**[(3), (4)]
	15.52[(5)]	**56.17**[(5)]	**84.31**[(5)]	**13.68**[(4), (5)]

Source: *Thomson Reuters Eikon, annual reports and announcements of the Comparable Companies and NCF's calculations.*

Notes:

(1) Denotes "not applicable" as the respective Comparable Companies recorded LFY net losses attributable to

owners of the company and/or negative LFY EBITDA, as the case may be.

(2) Excluded as statistical outliers for the purposes of the maximum, mean, median and minimum computations.

(3) Computed based on the valuation of the Target Group as implied by the Total Consideration of 49.0% of the Target Group.

(4) Computed based on the NAV of the Target Group of approximately US$5.34 million as at 30 September 2022.

(5) Computed based on the valuation of the Target Group as implied by the Base Consideration of 49.0% of the Target Group.

In view that the Target Group is currently early in the growth cycle, we note that its LFY earnings multiples appear to be abnormally high as compared to the Comparable Companies, mainly as its current LFY EBITDA and NPAT figures are small relative to the Total Consideration and Base Consideration, which take into consideration and ascribe a value to the Target Group's growth potential and future performance. The majority of the Comparable Companies are also observed to have either recorded negative EBITDA and/or net losses for their LFYs, with only seven (7) out of 22 of the Comparable Companies with values of comparison. Having regard to the choice of appropriate valuation multiples as elaborated above in paragraph 5.4.5 of this Letter, the use of historical earnings-based valuation multiples such as EV/EBITDA ratio and/or P/E ratio may not be a meaningful basis of comparison between the Target Group and the Comparable Companies, while the P/NAV ratio is not really relevant for valuing such technology businesses. We have instead considered the use of the EV/Sales ratio as the most appropriate basis of comparison between the Target Group and the Comparable Companies.

Based on the above, we observe that the LFY EV/Sales ratios of the Target Group of 15.52 times and 20.01 times as implied by the Base Consideration and Total Consideration respectively are (i) within the range of the LFY EV/Sales ratios of the Comparable Companies, (ii) above the mean and median LFY EV/Sales ratio of the Comparable Companies of 8.51 times and 3.95 times respectively, and (iii) above the 75th percentile LFY EV/Sales ratio of the Comparable Companies of 11.89 times.

As observed earlier, the Target Group's LFY Net Margin is positive and is above the range of LFY Net Margins of the Comparable Companies. Notwithstanding that the Target Group's EV/Sales ratio is above the mean, median and 75th percentile LFY EV/Sales ratio of the Comparable Companies, and hence may be perceived to be valued more expensively, having regard to the Target Group's relative profitability performance outperforming that of the Comparable Companies based on its LFY Net Margin, the Target Group's implied valuation based on its EV/Sales ratio appears to be reasonable.

We have included the LFY EV/EBITDA, LFY P/E and LFY P/NAV ratios of the Comparable Companies as well as our observations below solely for illustrative purposes:

(a) (1) the LFY EV/EBITDA ratio of the Target Group of 56.17 times as implied by the Base Consideration is (i) within the range of the LFY EV/EBITDA ratios of the Comparable Companies, (ii) above the mean and median LFY EV/EBITDA ratios of the Comparable Companies of 38.09 times and 34.32 times respectively, and (iii) above the 75th percentile LFY EV/EBITDA ratio of the Comparable Companies of 47.88 times; and (2) the LFY EV/EBITDA ratios of the Target Group of 72.41 times as implied by the Total Consideration is above the range of LFY EV/EBITDA ratios of the Comparable Companies;

(b) the LFY P/E ratios of the Target Group 84.31 times and 108.56 times as implied by the Base Consideration and Total Consideration respectively are above the range of LFY P/E ratios of the Comparable Companies; and

(c) the LFY P/NAV ratios of the Target Group of 13.68 times and 17.62 times as implied by the Base Consideration and Total Consideration respectively are (i) within the range of the

LFY P/NAV ratios of the Comparable Companies, (ii) above the mean and median LFY P/NAV ratio of the Comparable Companies of 8.85 times and 3.02 times respectively, and (iii) above the 75th percentile LFY P/NAV ratio of the Comparable Companies of 5.49 times.

As mentioned above and in paragraph 5.4.5 of this Letter, as the Target Group is expected to experience rapid and sustained high growth in the upcoming years, we note that the Target Group's historical and current financial performance bears little resemblance to its future potential. Having considered the Material Projects which have been announced by the Company, as well as Management's confirmation that the Target Group is on track to complete the Material Projects by the end of 2022 and which will contribute to the Target Group's financial performance for FYE2022, representing approximately 62.14% of the Target Group's projected revenue for FYE2022, we have considered the valuation ratios of the Comparable Companies based on their respective last transacted share prices as at the Latest Practicable Date and expected financial performance for the NFYs as set out below:

Company	**NFY EV/Sales [(1)] (times)**	**NFY EV/EBITDA [(1)] (times)**	**NFY P/E [(1)] (times)**
Egis	1.51	n.m.[(3)]	n.m.[(3)]
Raonsecure	n.a.[(2)]	n.a.[(2)]	n.a.[(2)]
Cyberlink	3.39	17.45	25.10
AuthID	n.a.[(2)]	n.a.[(2)]	n.a.[(2)]
Aware	1.99	n.m.[(3)]	n.m.[(3)]
Bio-Key	0.43	n.m.[(3)]	n.m.[(3)]
Mitek	4.13	13.72	12.05
Okta	5.37	n.m.[(3)]	n.m.[(3)]
Precise Biometrics	2.05	201.45[(4)]	n.m.[(3)]
Facephi	2.09	47.56	32.07
Hanwang	2.11	62.58	168.25[(4)]
JUZIT	3.39	15.28	24.03
Alchera	n.a.[(2)]	n.a.[(2)]	n.a.[(2)]
Feitian	n.a.[(2)]	n.a.[(2)]	n.a.[(2)]
SZ Goodix	5.70	n.m.[(3)]	352.99[(4)]
Idex	22.67	n.m.[(3)]	n.m.[(3)]
Intercede	2.18	41.09	158.43[(4)]
Next Biometrics	n.a.[(2)]	n.a.[(2)]	n.a.[(2)]
Fortinet	9.56	33.20	45.64
CrowdStrike	14.05	77.53	103.20[(4)]
Zscaler	13.26	87.43	109.18[(4)]
Cloudflare	17.18	126.84[(4)]	404.30[(4)]
Maximum	**22.67**	**87.43**	**45.64**
75th percentile	**9.56**	**62.58**	**32.07**
Mean	**6.53**	**45.94**	**27.78**
Median	**3.39**	**41.09**	**25.10**
Minimum	**0.43**	**13.72**	**12.05**

Company	NFY EV/Sales [1] (times)	NFY EV/EBITDA [1] (times)	NFY P/E [1] (times)
Target Group	**5.94**[5]	**44.43**[5]	**60.39**[5]
	4.61[6]	**34.47**[6]	**46.90**[6]

Source: *Thomson Reuters Eikon and NCF's calculations.*

Notes:

(1) Computed based on the forecast estimates of revenue, EBITDA and net profit / loss after tax for the NFYs of the respective Comparable Companies, as the case may be, as extracted from Thomson Reuters Eikon.

(2) Denotes "not available" due to the lack of available forecast estimates for the revenue, EBITDA and/or net profit / loss after tax for the NFYs of the respective Comparable Companies', as the case may be, as extracted from Thomson Reuters Eikon.

(3) Denotes "not meaningful" as the respective Comparable Companies either had NFY net losses attributable to owners of the company and/or negative NFY EBITDA, as the case may be.

(4) Excluded as statistical outliers for the purposes of the maximum, 75th percentile, mean, median and minimum computations.

(5) Computed based on the valuation of the Target Group as implied by the Total Consideration of 49.0% of the Target Group.

(6) Computed based on the valuation of the Target Group as implied by the Base Consideration of 49.0% of the Target Group.

Based on the above, we observe that the NFY EV/Sales ratios of the Target Group of 4.61 times and 5.94 times as implied by the Base Consideration and Total Consideration respectively are (i) within the range of the NFY EV/Sales ratios of the Comparable Companies, (ii) below the mean NFY EV/Sales ratio of the Comparable Companies of 6.53 times, (iii) above the median NFY EV/Sales ratio of the Comparable Companies of 3.39 times, and (iv) below the 75th percentile NFY EV/Sales ratio of the Comparable Companies of 9.56 times.

As observed above, the Target Group's NFY Net Margin is, among others, above the mean and median NFY Net Margins of the Selected Companies but below the 75th percentile value. Comparatively, our observations of the relative profitability of the Target Group's NFY Net Margin appear to be in line with its relative EV/Sales valuation vis-à-vis that of the Comparable Companies in terms of the Target Group's ranking between the median and 75th percentile values as set out above.

Similarly, we have included the NFY EV/EBITDA and NFY P/E ratios of the Comparable Companies as well as our observations below solely for illustrative purposes:

(a) the NFY EV/EBITDA ratios of the Target Group of 34.47 times implied by the Base Consideration and 44.43 times as implied by the Total Consideration are respectively below and above the median NFY EV/EBITDA ratio of the Comparable Companies of 41.09 times. Both are (i) within the range of the NFY EV/EBITDA ratios of the Comparable Companies, (ii) below the mean NFY EV/EBITDA ratios of the Comparable Companies of 45.94 times, and (iii) below the 75th percentile NFY EV/EBITDA ratio of the Comparable Companies of 62.58 times; and

(b) the NFY P/E ratios of the Target Group of 46.90 times and 60.39 times as implied by the Base Consideration and the Total Consideration are above the range of the NFY P/E ratios of the Comparable Companies.

Of the Comparable Companies, we have also further considered a more targeted comparison of the Target Group's NFY valuation ratios vis-a-vis those which are of a similar size and scale, that being Comparable Companies with market capitalisations of up to US$500 million (the "**Selected Companies**"), as set out below:

Company	Market capitalisation[(1)] (US$ million)	NFY Net Margins[(2)] (%)	NFY EV/Sales[(3)] (times)	NFY EV/EBITDA[(3)] (times)	NFY P/E[(3)] (times)
Egis	141.65	(14.85)	1.51	n.m.[(4)]	n.m.[(4)]
Raonsecure	65.36	n.a.[(5)]	n.a.[(5)]	n.a.[(5)]	n.a.[(5)]
Cyberlink	210.43	15.26	3.39	17.45	25.10
AuthID	23.55	n.a.[(5)]	n.a.[(5)]	n.a.[(5)]	n.a.[(5)]
Aware	42.45	(19.66)	1.99	n.m.[(4)]	n.m.[(4)]
Bio-Key	8.96	(43.00)	0.43	n.m.[(4)]	n.m.[(4)]
Mitek	488.36	27.92	4.13	13.72	12.05
Precise Biometrics	20.75	(17.35)	2.05	201.45[(6)]	n.m.[(4)]
Facephi	39.06	5.83	2.09	47.56	32.07
Hanwang	423.48	1.27	2.11	62.58	168.25[(7)]
Alchera	111.80	n.a.[(5)]	n.a.[(5)]	n.a.[(5)]	n.a.[(5)]
Feitian	349.61	n.a.[(5)]	n.a.[(5)]	n.a.[(5)]	n.a.[(5)]
Idex	107.47	(776.89)	22.67	n.m.[(4)]	n.m.[(4)]
Intercede	38.37	1.77	2.18	41.09	158.43[(4)]
Next Biometrics	40.56	n.a.[(5)]	n.a.[(5)]	n.a.[(5)]	n.a.[(5)]
Maximum		**27.92**	**22.67**	**62.58**	**32.07**
75th percentile		**4.82**	**3.09**	**47.56**	**28.59**
Mean		**(81.97)**	**4.26**	**36.48**	**23.08**
Median		**(6.79)**	**2.10**	**41.09**	**25.10**
Minimum		**(776.89)**	**0.43**	**13.72**	**12.05**
Target Group	**94.00[(7)]**	**9.87**	**5.94[(7)]**	**44.43[(7)]**	**60.39[(7)]**
	73.00[(8)]	**9.87**	**4.61[(8)]**	**34.47[(8)]**	**46.90[(8)]**

Source: *Thomson Reuters Eikon and NCF's calculations.*

Notes:

(1) The market capitalisation of each Selected Companies is reported in United States dollars based on the respective exchange rates as at the Latest Practicable Date, as extracted from Thomson Reuters Eikon.

(2) Computed based on the forecast estimates of revenue and NPAT for the NFYs of the respective Selected Companies as extracted from Thomson Reuters Eikon.

(3) Computed based on the forecast estimates of revenue, EBITDA and net profit / loss after tax for the NFYs of the respective Selected Companies, as the case may be, as extracted from Thomson Reuters Eikon.

(4) Denotes "not meaningful" as the respective Selected Companies either had NFY net losses attributable to owners of the company and/or negative NFY EBITDA, as the case may be.

(5) Denotes "not available" due to the lack of available forecast estimates for the revenue, EBITDA and/or net profit / loss after tax for the NFYs of the respective Selected Companies', as the case may be, as extracted from Thomson Reuters Eikon.

(6) Excluded as statistical outliers for the purposes of the maximum, 75th percentile, mean, median and minimum computations.

(7) Computed based on the valuation of the Target Group as implied by the Total Consideration of 49.0% of the Target Group.

(8) Computed based on the valuation of the Target Group as implied by the Base Consideration of 49.0% of the Target Group.

Based on the above, we observe that:

(a) The NFY Net Margin of the Target Group is (i) within the range of that of the Selected Companies, (ii) above the mean and median values of a net loss margins of approximately 81.97% and 6.79% respectively, and (iii) is above the 75th percentile value of a net profit margin of 4.82%; and

(b) the NFY EV/Sales ratios of the Target Group of 4.61 times and 5.94 times as implied by the Base Consideration and Total Consideration respectively are (i) still within the range of the NFY EV/Sales ratios of the Selected Companies, (ii) above the mean and median NFY EV/Sales ratio of the Selected Companies of 4.26 times and 2.10 times respectively, and (iii) above the 75th percentile NFY EV/Sales ratio of the Selected Companies of 3.09 times.

Comparatively, our observations of the Target Group's EV/Sales valuation vis-à-vis that of the Selected Companies appears to be in line with that of the Target Group's NFY Net Margin vis-à-vis that of the Selected Companies as set out above.

5.6 Assessment of the Issue Price

5.6.1 Historical market price performance and trading activity of the Shares

We have compared the Issue Price to the daily closing prices of the Shares for the one-year period between 15 October 2021 and 14 October 2022 (the "**Last Trading Day**"), being the last traded market day immediately prior to the release of the Announcement after trading hours on 17 October 2022. We have also marked certain dates in the aforesaid one-year period where significant events occurred.

Daily closing prices and daily trading volumes of the Shares for the one-year period prior to and including the Last Trading Day

Source: *Thomson Reuters Eikon and the Company's announcements on the SGXNET*

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Earnings announcements:

E1. **13 January 2022:** The Company announced its unaudited financial statements for the half year ended 30 November 2021 ("**6M2022**") in which the Company's net loss after tax increased by approximately S$3.7 million or 187% from approximately S$2.0 million for the half year ended 30 November 2020 to approximately S$5.7 million in 6M2022.

E2. **28 July 2022:** The Company announced its unaudited financial statements for FYE2022 in which the Company's net loss after tax increased by approximately S$3.9 million or 46.6% from approximately S$8.4 million for FYE2021 to approximately S$12.3 million in FYE2022.

E3. **13 September 2022:** The Company announced its annual report for FYE2022 in which the Company's net loss after tax from continuing operations increased by approximately S$7.3 million or 134% from approximately S$5.5 million for FYE2021 to approximately S$12.8 million in FYE2022.

Other significant announcements:

A1. **10 December 2021:** The Company announced that it had entered into a sale and purchase agreement with Yinda Pte. Ltd. ("**YPL**"), which is an associate of the Mdm. Song Xingyi, the Non-Executive Chairman of the Company, for the sale of i) 500,000 ordinary shares in Yinda Technology Singapore Pte. Ltd. ("**Yinda Technology Singapore**"), constituting 100.0% of the issued and paid-up share capital of Yinda Technology Singapore; and ii) 572,700 ordinary shares in Yinda Technology (Thailand) Co., Ltd. ("**Yinda Technology Thailand**"), constituting 77.9% of the issued ordinary share capital of Yinda Technology Thailand (the remaining 22.1% of the issued ordinary share capital in Yinda Technology Thailand being held by Yinda Technology Singapore and 100.0% of the preferred share capital in Yinda Technology Thailand being held by Nattaya Promsatawong) (the "**Proposed Disposal**") for a total consideration of S$1,001 to be satisfied by YPL setting off an outstanding amount which is equivalent to the total consideration due from the Company to YPL under the Existing YPL loans[1].

On 8 April 2022, the Company announced that the Proposed Disposal had been completed.

A2. **13 December 2021:** The Company announced that it had entered into a convertible loan agreement and a cooperation agreement with PT. Cakrawala Data Integrasi ("**CDI**") pursuant to which the Company will extend a convertible loan of a principal amount of US$3,750,000 (equivalent to approximately S$5,122,0001) to CDI, and enter into an exclusive cooperation arrangement to support CDI's provision of identity management solutions under Platform Bersama, which is a joint platform to facilitate the Ministry of Home Affairs of Indonesia in granting the access right over the identification number and face photo data to users.

A3. **26 January 2022:** The Company announced that it had signed a non-binding memorandum of understanding with Presight AI Ltd. for the purposes of developing and deploying their combined proprietary technologies to promote and enhance digital transformation, and to deliver biometric and artificial intelligence capabilities to their partners and clients in Southeast Asia, the Middle East and Africa.

[1] The Existing YPL Loan means the outstanding principal loan amounts provided by YPL to the Company of S$2,226,253 and US$511,180 (equivalent to S$692,138 based on a historical exchange rate of US$1.00 to S$1.354), and interest payable of 3.25% per annum on the principal loan amounts (such interest payable amounts being S$317,776 as at 30 November 2021). The aggregate of the principal and interest amounts to S$3,236,167 which is to be repayable on 31 May 2022 or such earlier date as mutually agreed by YPL and the Company, pursuant to a renewed loan agreement dated 4 June 2021.

A4. **21 June 2022:** Subsequent to the abovementioned non-binding memorandum, the Company announced that it had signed a strategic teaming agreement with Presight AI Ltd.

A5. **5 August 2022:** The Company announced that it had entered into a placement agreement with SAC Capital Private Limited (the "**Placement Agent**") (the "**August Placement Agreement**"). Pursuant to the August Placement Agreement, the Company had agreed to offer by way of placement, and the Placement Agent had agreed, on a best endeavours basis, to procure subscriptions for, an aggregate of up to 33,400,000 fully paid-up ordinary shares in the capital of the Company at an issue price of S$0.12 for each Placement Share, amounting to an aggregate consideration of up to S$4,008,000 (the "**August Proposed Placement**").

On 17 August 2022, the Company announced that the August Proposed Placement had been completed.

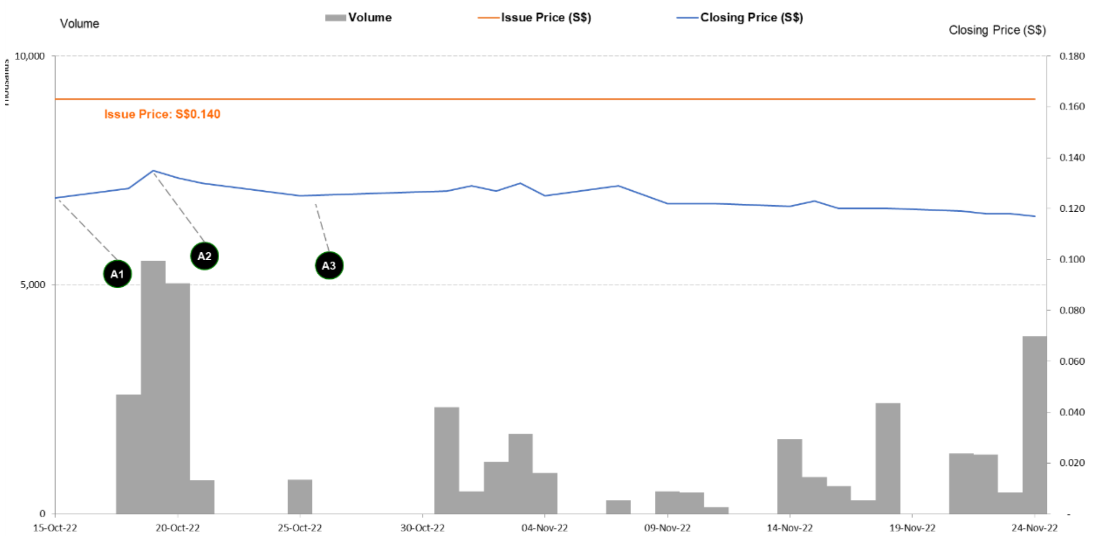
A6. **2 September 2022:** The Company announced that the Group had secured a project with an aggregate value of US$4.9 million (equivalent to S$6.8 million) to supply biometric identification and surveillance systems to one of the law enforcement agencies in Indonesia.

A7. **8 September 2022:** The Company announced that the Company had formed a strategic partnership with Incode Omni to offer one of the world's most powerful identity solutions to the Indonesian market to meet accelerated demand for omnichannel identity experiences in Indonesia.

Based on the chart above, the closing prices of the Shares for the one-year period prior to and including the Last Trading Day had ranged between a low of S$0.122 (on 29 September 2022 and 11 October 2022) and a high of S$0.230 (on 6 December 2021). Accordingly, we note that the Issue Price is within the range of closing prices for the one-year period prior to and including the Last Trading Day.

We have also set out the daily closing prices and daily trading volumes of the Shares from the Last Trading Day and up to the Latest Practicable Date below:

Daily closing prices and daily trading volumes of the Shares from the Last Trading Day and up to the Latest Practicable Date



Source: *Thomson Reuters Eikon and the Company's announcements on the SGXNET*

Other significant announcements:

A1. **17 October 2022:** The Company announced the proposed acquisition of the remaining 49.0% shareholding in the total ordinary share capital of InterBio.

A2. **19 October 2022:** The Company announced that the Group had secured a project with an aggregate value of US$5.4 million (equivalent to S$7.6 million) to supply biometric identification systems integrated with the National ID database to one of the law enforcement agencies in Indonesia.

A3. **28 October 2022:** The Company announced that it had entered into a placement agreement with the Placement Agent (the "**October Placement Agreement**"). Pursuant the October Placement Agreement, the Company had agreed to offer, by way of placement, and the Placement Agent had agreed, on a best endeavours basis, to procure subscriptions for, an aggregate of up to 71,000,000 fully paid-up ordinary shares in the capital of the Company (the "**Placement Shares**") at an issue price of S$0.115 for each Placement Share, amounting to an aggregate consideration of up to S$8,165,000.

On 9 November 2022, the Company announced that it had received the listing and quotation notice from the SGX-ST for the listing of and quotation for the Placement Shares. The placement was completed on 17 November 2022.

Based on the chart above, the closing prices of the Shares had ranged between a low of S$0.115 and a high of S$0.136 during the period after the Last Trading Day and up to the Latest Practicable Date.

We have set out below the premia/(discount) implied by the Issue Price over/(to) the historical volume-weighted average prices ("**VWAPs**") for (a) the one-year period prior to and including the Last Trading Day, and (b) the period after the Last Trading Day and up to the Latest Practicable Date:

	VWAP[1] (S$)	**Premium/ (discount) of Issue Price over/(to) VWAP (%)**	**Highest closing price (S$)**	**Lowest closing price (S$)**	**Average daily trading volume[2] ("ADTV") ('000)**	**ADTV as a percentage of free float[3] (%)**	**Traded days[4]**
Periods prior to and including the Last Trading Day							
One-year	0.164	(14.63)	0.230	0.122	1,867	0.27	248
6-month	0.136	2.94	0.181	0.122	1,756	0.25	122
3-month	0.132	6.06	0.137	0.122	2,791	0.40	63
One-month	0.126	11.11	0.131	0.122	1.072	0.15	23
Last Trading Day	0.123[5]	13.82	0.123	0.123	314	0.05	1
Period after the Last Trading Day and up to the Latest Practicable Date							
After the Last Trading Day and up to the Latest Practicable Date	0.125	12.00	0.136	0.115	1,232	0.18	24

	VWAP(1) (S$)	Premium/ (discount) of Issue Price over/(to) VWAP (%)	Highest closing price (S$)	Lowest closing price (S$)	Average daily trading volume(2) ("ADTV") ('000)	ADTV as a percentage of free float(3) (%)	Traded days(4)
Latest Practicable Date	0.117(6)	19.66	0.117	0.117	3,877	0.56	1

Source: *Thomson Reuters Eikon and NCF calculations*

Notes:

(1) The VWAP has been weighted based on the average traded prices and traded volumes of the Shares for the relevant market days for each of the above periods.

(2) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded during the relevant period divided by the number of market days (excluding trading halts) during that period.

(3) Free float refers to 692,392,795 Shares or 78.44% of the Shares held by the public (as defined in the Catalist Rules) for (a) the one-year period prior to and including the Last Trading Day, and (b) the period after the Last Trading Day and up to the Latest Practicable Date, as extracted from publicly available information.

(4) Refers to the number of market days in each of the above periods where there was trading in the Shares.

(5) Refers to the closing price of the Shares on the Last Trading Day, being 14 October 2022, prior to the release of the Announcement after trading hours.

(6) Refers to the closing price of the Shares on the Latest Practicable Date.

Based on the above, we note the following:

Periods prior to and including the Last Trading Day

(a) the daily closing prices of the Shares over the one-year period prior to and including the Last Trading Day were between a low of S$0.122 and a high of S$0.230, and the Issue Price of S$0.140 represents a discount of approximately 14.63% over the VWAP of the Shares for the one-year period, and a premium of approximately 2.94%, 6.06% and 11.11% over the VWAPs of the Shares for the 6-month, 3-month and one-month periods prior to and including the Last Trading Day respectively;

(b) the Issue Price represents a premium of approximately 13.82% over the closing price of the Shares of S$0.123 on the Last Trading Day;

(c) the Shares are traded on a relatively regular basis during the one-year period, of which the Shares were traded on 248, 122, 63 and 23 market days for the one-year, 6-month, 3-month and one-month periods prior to and including the Last Trading Day; and

(d) during the one-year period prior to and including the Last Trading Day, the average daily trading volumes of the Shares ranged from approximately 1,072,000 Shares to 2,791,000 Shares, representing approximately 0.27%, 0.25%, 0.40% and 0.15% of the Company's free float over each of the one-year, 6-month, 3-month and one-month periods respectively.

Period after the Last Trading Day and up to the Latest Practicable Date

(a) the Issue Price represents a premium of approximately 12.00% to the VWAP of the Shares of S$0.125 for the period after the Last Trading Day and up to the Latest

Practicable Date, and (ii) a premium of 19.66% to the closing price of the Shares of S$0.117 on the Latest Practicable Date; and

(b) during the period after the Latest Trading Day and up to the Latest Practicable Date, the Shares were traded at an average daily trading volume of approximately 1,232,000 Shares, representing approximately 0.18% of the Company's free float.

Shareholders should note that (a) there is no assurance that the market prices of the Shares after the completion of the Proposed Acquisition may be maintained at the prevailing level as at the Latest Practicable Date, (b) the past trading performance of the Shares should not in any way be relied upon as an indication or a promise of its future trading performance, and (c) in view of the relatively thin trading liquidity of the Shares for the aforementioned periods, the market price performance of the Shares may not necessarily be a meaningful indicator of the fundamental value of the Shares.

We wish to highlight that the market valuation of shares of a company traded on a securities exchange may be affected by, *inter alia*, the prevailing economic conditions, economic outlook, stock market conditions and sentiment, the corporate activities of the company, its relative liquidity, the size of its free float, the extent of research coverage, the investor interest it attracts and the general market sentiment at a given point in time.

5.6.2 NAV of the Group

A summary of the financial position of the Group as at 31 May 2022 is set out as below:

(S$'000)	**Audited As at 31 May 2022**
Non-current assets	
Property, plant and equipment	2,652
Intangible assets	42,373
Investment in an associate	13,757
Financial assets at fair value through profit or loss	5,506
Deferred tax assets	67
Total non-current assets	64,355
Current assets	
Contract assets	2,496
Trade and other receivables	3,941
Cash and cash equivalents	4,939
Total current assets	11,376
Total assets	**75,731**
Non-current liabilities	
Lease liabilities	1,155
Employee benefit liabilities	268
Deferred tax liabilities	3,866
Total non-current liabilities	5,289
Current liabilities	

(S$'000)	Audited As at 31 May 2022
Contract liabilities	15
Trade and other payables	1,320
Lease liabilities	748
Total current liabilities	2,083
Total liabilities	**7,372**
Equity	
Share capital	90,225
Other reserves	43
Accumulated losses	(32,992)
Equity attributable to equity holders of the Company	57.276
Non-controlling interests	11,083
Total equity	**68,359**
NAV	**57,276**
NAV per Share (cents)[(1)]	**6.01**
Premium of Issue Price to NAV per Share	**115.76%**

Source: *Annual report of the Group for FYE2022*

Note:

(1) Computed based on the outstanding number of Shares of 953,703,716 as at Latest Practicable Date.

As set out in the table above, the Group recorded a NAV per Share as at 31 May 2022 of approximately 6.01 cents. We note that the Issue Price represents a premium of approximately 115.76% to the NAV per Share as at 31 May 2022 and would value the Group at a P/NAV ratio of 2.33 times.

In our evaluation of the Proposed Acquisition, we have also considered whether there are any other assets which should be valued at an amount that is materially different from that which was recorded in the statement of financial position of the Group as at 31 May 2022 and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NAV of the Group as at 31 May 2022.

In respect of the above, the Directors have confirmed that as at the Latest Practicable Date and to the best of their knowledge and belief:

(a) there are no material differences between the realisable values of the Group's assets and their respective book values as at the Latest Practicable Date which would have a material impact on the NAV of the Group as at 31 May 2022;

(b) there are no other contingent liabilities, bad or doubtful debts, impairment losses or material events which would likely have a material impact on the NAV of the Group as at 31 May 2022;

(c) there are no litigation, claim or proceedings pending or threatened against the Company or the Group or likely to give rise to any proceedings which might materially and adversely affect the financial position of the Company and/or the Group as at 31 May 2022;

(d) there are no other intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards (International) and which have not been so disclosed, that would have had a material impact on the overall financial position of the Group as at 31 May 2022;

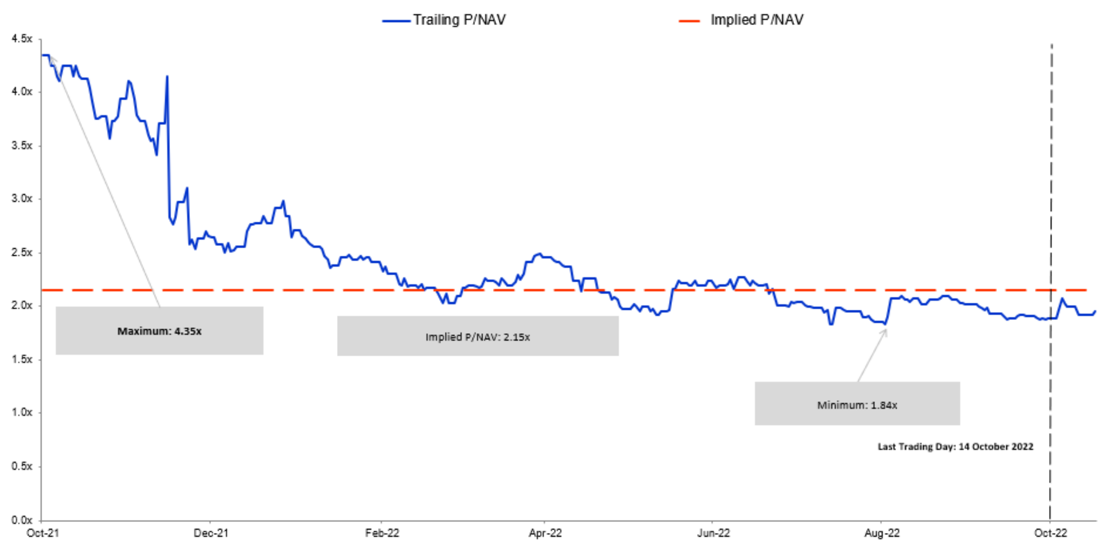
(e) there are no material acquisitions or disposals of assets by the Group between 31 May 2022 and the Latest Practicable Date, and the Group does not have any definite plans for any such impending material acquisition or disposal of assets, conversion of the use of the Group's material assets or material change in the nature of the Group's business; and

(f) they are not aware of any circumstances which may cause the NAV of the Group as at the Latest Practicable Date to be materially different from that recorded in the audited statement of financial position of the Group as at 31 May 2022.

5.6.3 Historical trailing P/NAV multiples of the Shares

We have compared the P/NAV multiples of the Shares as implied by the Issue Price vis-à-vis the historical trailing P/NAV multiples of the Shares respectively (based on the daily closing prices of the Shares and the Company's trailing announced NAV per Share) for the one-year period from 15 October 2021, being the last market day one (1) year prior to the Last Trading Day, and ending on the Latest Practicable Date, as set out below:

Historical trailing P/NAV multiples of the Shares for the period commencing one year prior to the Last Trading Day and ending on the Latest Practicable Date



Source: *Thomson Reuters Eikon*

We set out below the historical trailing P/NAV multiples of the Shares for the period commencing one year prior to the Last Trading Day and ending on the Latest Practicable Date:

	Historical trailing P/NAV multiples		
	Average	**High**	**Low**
One-year	2.45	4.38	1.84
Six-month	2.07	2.45	1.84
Three-month	1.98	2.09	1.84
One-month	1.93	2.02	1.88
After Last Trading Day and up to	1.94	2.08	1.85

	Historical trailing P/NAV multiples		
	Average	**High**	**Low**
Latest Practicable Date			

Source: *Thomson Reuters Eikon, the Company's announcements on the SGXNET and NCF's calculations*

Our observations are set out below:

Periods prior to and including the Last Trading Day

The P/NAV multiple of 2.33 times (as implied by the Issue Price) is (a) within the range of historical trailing P/NAV multiples of between 4.38 and 1.84 for the one-year period prior to and including the Last Trading Day; (b) below the average historical trailing P/NAV multiples of the Shares of 2.45 times for the one-year period prior to and including the Last Trading Day; and (c) above the average historical trailing P/NAV multiples of the Shares of 2.07 times, 1.98 times and 1.93 times for the six-month, three-month and one-month periods prior to and including the Last Trading Day respectively.

Period after the Last Trading Day and up to the Latest Practicable Date

The P/NAV multiple of 2.33 times (as implied by the Issue Price) is above the range of historical trailing P/NAV multiples of the Shares of 1.85 times to 2.08 times for the period after the Last Trading Day and up to the Latest Practicable Date.

Shareholders should note that the above analysis is solely for illustrative purposes as the NAV of the Company is not necessarily a realisable value given that the market values of the net assets may vary depending on, amongst others, prevailing market and economic conditions.

5.6.4 Valuation ratios of the Comparable Companies of vis-à-vis that of the Group

Based on the Group's audited financial statements for FY2022, we note that the Group is currently engaged in (a) the Biometrics Business, through its current 51.0% shareholding interest in the Target Group, and (b) the supply and integration of information technology systems. We further note that, per the Group's annual report for FY2022, the Group is focused on strengthening and growing its Biometrics Business, with a view to becoming a leading digital identity management solutions provider while delivering best in class competence in biometric technology.

Accordingly for the purpose of our evaluation of the Issue Price, we have similarly made reference to the valuation ratios of the Comparable Companies to get an indication of the current and short-term market expectations with regards to the perceived valuation of the Group. As previously stated above in paragraph 5.5 of this Letter, we have noted that there appears to be no such companies listed on the SGX-ST which may be deemed to be comparable to the Biometrics Business.

We wish to highlight that the Comparable Companies are not exhaustive and we recognize that there is no company which we may consider to be identical to the Group in terms of, *inter alia*, geographical markets, composition of business activities, scale of the business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/ industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria and that such businesses may have fundamentally different annual profitability objectives. The Recommending Directors should note that any comparison made with respect to the Comparable Companies merely serve to provide an illustrative perceived market valuation of Group as at the Latest Practicable Date.

We note that the Group had recorded net losses and negative EBITDA for FY2022, accordingly it would not be meaningful to make a comparison on the FY2022 P/E and EV/EBITDA ratios with that of the Comparable Companies. Based on the last transacted share price of the Company as at the Latest Practicable Date and its financial performance for FY2022 as the last completed financial year, we note that the FY2022 EV/Sales and FY2022 P/NAV ratios as implied by the Issue Price are 12.55 times and 2.33 times respectively.

Having regard to the summary table of the valuation ratios for the respective LFYs of the Comparable Companies set out in paragraph 5.5 of this Letter above, we observe that:

(a) the FY2022 EV/Sales ratio of the Group of 12.55 times is (i) within the range of the LFY EV/Sales ratios of the Comparable Companies, (ii) higher than the mean and median LFY EV/Sales ratio of the Comparable Companies of 8.51 times and 3.95 times respectively, and (iii) above the 75^{th} percentile LFY EV/Sales ratio of the Comparable Companies of 11.89 times; and

(b) for illustrative purposes only as the P/NAV ratio is not really relevant for valuing such technology businesses, the FY2022 P/NAV ratio of the Group of 2.33 times is (i) within the range of the LFY P/NAV ratios of the Comparable Companies, and (ii) below the mean and median LFY P/NAV ratio of the Comparable Companies of 6.76 times and 2.99 times respectively.

5.7 Financial effects of the Proposed Acquisition

The pro forma financial effects of the Proposed Acquisition as set out in Section 6 of the Circular, the full text of which has been reproduced in italics below:

"6.1 Assumptions

*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 Latest Practicable Date comprising 953,703,716 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;

(e) the computation does not take into account any expenses that may be incurred in relation to the Proposed Acquisition.

6.2 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	*953,703,716*	*1,452,401,916*
NTA per Share (Singapore cents)	*1.56*	*1.75*

6.3 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	*953,703,716*	*1,452,401,916*
LPS (Singapore cents)	*(1.11)*	*(0.82)"*

Shareholders should note that the above analysis has been prepared solely for illustrative purposes only and does not purport to be indicative or a projection of the results and financial position of the Company and the Group after the completion of the Proposed Acquisition.

6 OTHER RELEVANT CONSIDERATIONS

6.1 Recent substantial transactions involving the sale and purchase of shares of InterBio

We note that certain of the Seller Shareholders, namely two (2) of the current legal owners of PCL, which holds 2,669,359 shares representing approximately 26.70% of the total issued share capital of InterBio, are different from the then-shareholder of PCL who had participated in the 2021 Acquisition (the "**Former PCL Shareholder**"). We note that one of the current legal owners holds approximately 56.00% of the total issued share capital of PCL ("**Shareholder 1**") and the other legal owner holds approximately 21.00% of the total issued share capital of PCL ("**Shareholder 2**").

We understand from Management that they are aware that the Former PCL Shareholder had recently entered into sale and purchase agreements in September 2022 to sell his entire shareholding interest to PCL Shareholder 1 and PCL Shareholder 2 in the respective shareholding proportions (the "**Sale of Interest**"). We further understand from Management that the consideration paid by PCL Shareholder 1 for his current 56.00% shareholding interest in PCL was approximately US$14.06 million, which implies a valuation of the Target Group amounting to US$94.00 million on a 100% basis and taking into consideration the potential upside from the E-Identification Business. The consideration paid by PCL Shareholder 2 for his current 21.00% shareholding interest in PCL was approximately US$5.27 million, which also implies an equal valuation of the Target Group amounting to US$94.00 million on a 100% basis and taking into consideration the potential upside from the E-Identification Business (collectively, the "**Implied Valuations**").

As a comparison with the Valuation and the Total Consideration, we observe the following:

(a) the Implied Valuations are the same as the Total Consideration; and

(b) the Implied Valuations are (i) within the implied value of the Target Group on a 100% interest basis and based on the Valuation range, (ii) above the lower end of the implied value of the Target Group on a 100% interest basis and based on the Scenario Valuation Range by approximately US$7.62 million or 8.82% and (iii) below the upper end of the implied value of the Target Group on a 100% interest basis and based on the Scenario Valuation Range by approximately US$0.98 million or 1.03%.

The Recommending Directors should note that, notwithstanding the Implied Valuations are the same as the Total Consideration, certain circumstances and terms relating to the Sale of Interest are unique and are not identical to the Proposed Acquisition, and were largely dependent on the negotiations between the respective parties as well as the individual's sentiments in respect of the Target Group at the time of the Sale of Interest. Consequently, the Recommending Directors should note that the above summary is merely for illustrative purposes and serves as a reference only.

6.2 Interested person is subject to the same terms as other unrelated parties

We understand that the Company, having considered the objective of Chapter 9 of the Catalist Rules and Catalist Rule 915(3), has prudently considered the Proposed Acquisition to be an interested person transaction solely in view of Mr. Pierre Prunier's capacity as the Chief Executive officer and Executive Director of the Company, as well as his shareholding interest in InterBio. This is notwithstanding that 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.

We further understand that Mr. Pierre Prunier is just one (1) of the Seller Shareholders and is deemed to be interested in an approximately 17.15% shareholding interest. Save for Mr. Pierre Prunier and as disclosed in the Circular, we note that (a) none of the remaining Sellers and Shareholders who hold in aggregate approximately 82.85% of the outstanding issued shares of InterBio (a) have had any previous business, commercial, trade dealings or any other connection and are independent of the Group, the Directors and the controlling Shareholders; and (b) 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.

With regards to the Proposed Acquisition, we note that Mr. Pierre Prunier is subject to the same terms as that of the other Sellers and Shareholders who are deemed to be independent for the purpose of Chapter 9 of the Catalist Rules, including but not limited to the satisfaction of the Consideration by way of the allotment and issue of the Base Consideration Shares and the Earn-out Consideration Shares to the Seller Shareholders and/or their nominees in accordance with the respective shareholding proportions in InterBio.

6.3 Recent placements of new Shares completed by the Company in the last 12 months

October Placement

On 28 October 2022, the Company announced that it had entered into a placement agreement with SAC Private Capital Limited (the "**Placement Agent**"), pursuant to which the Company had agreed to offer, by way of placement, and the Placement Agent has agreed, on a best endeavours basis, to procure subscriptions for, an aggregate of up to 71,000,000 new Shares (the "**October Placement Shares**") at an issue price of S$0.115 for each October Placement Share (the "**October Placement Price**"), amounting to an aggregate consideration of up to S$8,165,000. The October Placement was completed on 17 November 2022.

As a comparison with the Proposed Acquisition, we observe the following:

(a) the October Placement Price represents a discount of approximately 8.87% to the VWAP of the Shares of S$0.1262 on 25 October 2022, being the last full market day prior to the trading halt called by the Company and the execution of the placement agreement. In comparison, the Issue Price represents a premium of approximately 13.82% over the closing price of the Shares of S$0.123 on the Last Trading Day;

(b) the October Placement Price represents a discount of approximately 6.50% to the closing price of the Shares on the Last Trading Day prior to the Announcement; and

(c) the October Placement Price of represents a discount of approximately 17.86% to the Issue Price.

August Placement

On 5 August 2022 (the "**Aug Announcement Date**"), the Company announced that it had entered into a placement agreement with the Placement Agent, pursuant to which the Company had agreed to offer, by way of placement, and the Placement Agent has agreed, on a best endeavours basis, to procure subscriptions for, an aggregate of up to 33,400,000 new Shares (the "**August Placement Shares**") at an issue price of S$0.12 for each August Placement Share (the "**August Placement Price**"), amounting to an aggregate consideration of up to S$4,008,000. The August Placement was completed on 17 August 2022.

As a comparison with the Proposed Acquisition, we observe the following:

(a) the August Placement Price represents a discount of approximately 8.19% to the VWAP of the Shares of S$0.1307 on 2 August 2022, being the last full market day prior to the trading halt called by the Company and the execution of the placement agreement. In comparison, the Issue Price represents a premium of approximately 13.82% over the closing price of the Shares of S$0.123 on the Last Trading Day;

(b) the August Placement Price represents a discount of approximately 2.43% to the closing price of the Shares on the Last Trading Day prior to the Announcement; and

(c) the August Placement Price of represents a discount of approximately 14.29% to the Issue Price.

The Recommending Directors should note that the determination of the transacted prices relating to the above transactions is dependent on the circumstances and market sentiment prevailing at the time of the transactions. Consequently, the above comparison merely serves as an illustrative guide.

6.4 Dilution impact of the Proposed Issue of Total Consideration Shares on the Independent Shareholders

Pursuant to the allotment and issue of the Total Consideration Shares, we note that the dilution impact of the Proposed Allotment and Issue of Total Consideration Shares on the existing Independent Shareholders are as follows:

(a) upon the allotment and issue of the Base Consideration Shares in full and the Introducer Shares, the shareholdings of the existing Independent Shareholders will decrease from approximately 80.03% as at the Latest Practicable Date to approximately 71.82%; and

(b) in the event that all the Earn-out Milestones are achieved and assuming the Earn-out Consideration Shares are allotted and issued in full at the same time, the shareholdings of the existing Independent Shareholders will decrease further from approximately 71.82% to approximately 69.81%.

6.5 Abstention from voting

We note that, as set out in Sections 2.7(d), 3.5 and 4.3 of the Circular, 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 resolution to approve the Proposed Issue of Total Consideration Shares. The Company will disregard any votes cast on a resolution by Mr. Pierre Prunier and his associates by the relevant Catalist Rule or pursuant to a court order where such court order is served on the Company.

7. OPINION

In arriving at our opinion in respect of the Proposed Acquisition, we have taken into consideration, *inter alia*, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter.

(a) the rationale for the Proposed Acquisition;

(b) the Independent Valuation conducted by the Independent Valuer;

(c) in comparison with the valuation statistics of the Previous Acquisition:

 (i) the implied value of the Target Group based on the Base Consideration represents a premium of approximately 42.69% to the implied value of the Target Group based on the consideration paid in respect of the Previous Acquisition;

 (ii) the implied value of the Target Group based on the consideration paid in respect of the Previous Acquisition represents a premium of approximately 8.85% to the lower end of the independent valuation range of the Target Group at the time of the Previous Acquisition, and a discount of approximately 8.64% to the upper end of the independent valuation range of the Target Group at the time of the Previous Acquisition;

 (iii) the implied value of the Target Group based on the (i) Base Consideration represents a premium of approximately 10.40% to the lower end of the Base Valuation Range and a slight discount of approximately 1.19% to the upper end of the Base Valuation Range, and (ii) Total Consideration represents a premium of approximately 8.63% to the lower end of the Scenario Valuation Range and a slight discount of approximately 0.95% to the upper end of the Scenario Valuation Range; and

 (iv) the (i) lower ends of the range of Price-to-Valuation ratios for the Proposed Acquisition as implied by the Base Consideration and the Total Consideration respectively are higher than that of the Previous Acquisition, (ii) the upper end of the range of Price-to-Valuation ratios for the Proposed Acquisition as implied by the Base Consideration is slightly higher than that of the Previous Acquisition, and (iii) the upper end of the range of Price-to-Valuation ratios for the Proposed Acquisition as implied by the Total Consideration is the same as that of the Previous Acquisition;

(d) the financial performance of the Target Group;

(e) the financial ratios of the Target Group as implied by the Base Consideration and the Total Consideration;

(f) the historical financial information of the Target Group as consolidated under the Group;

(g) the business life cycle of the Target Group, being in its early growth phase, as well as the use of EV/Sales ratio and EV/EBITDA ratio as the commonly used valuation measures for performing relative valuation for such technology business currently in the growth phase;

(h) in comparison with the Comparable Companies:

Comparison of financial performance in terms of net profit margins

(i) the LFY Net Margin of the Target Group is positive and is above the range of LFY Net Margins of the Comparable Companies;

(ii) the NFY Net Margin of the Target Group is (A) within the range of that of the Comparable Companies, (B) above the mean and median values of a net loss margin of approximately 44.41% and a net profit margin of 1.77% respectively, and (C) below the 75th percentile value of a net profit margin of 14.29%;

Comparison of valuation ratios of the Comparable Companies

(iii) for the reasons set out in paragraphs 5.4.5 and 5.5 of this Letter, the use of historical earnings-based valuation multiples such as EV/EBITDA ratio and/or P/E ratio may not be a meaningful basis of comparison between the Target Group and the Comparable Companies, while the P/NAV ratio is not really relevant for valuing such technology businesses. We have instead considered the use of the EV/Sales ratio as the most appropriate basis of comparison between the Target Group and the Comparable Companies;

(iv) the LFY EV/Sales ratios of the Target Group of 15.52 times and 20.01 times as implied by the Base Consideration and Total Consideration respectively are (A) within the range of the LFY EV/Sales ratios of the Comparable Companies, (B) above the mean and median LFY EV/Sales ratio of the Comparable Companies of 8.51 times and 3.95 times respectively, and (C) above the 75th percentile LFY EV/Sales ratio of the Comparable Companies of 11.89 times.

As observed above, the Target Group's LFY Net Margin is positive and is above the range of LFY Net Margins of the Comparable Companies. Notwithstanding that the Target Group's EV/Sales ratio is above the mean, median and 75th percentile LFY EV/Sales ratio of the Comparable Companies, and hence may be perceived to be valued more expensively, having regard to the Target Group's relative profitability performance outperforming that of the Comparable based on its LFY Net Margin, the Target Group's implied valuation based on its EV/Sales ratio appears to be reasonable;

(v) for the reasons set out in paragraphs 5.4.5 and 5.5 of this Letter, as the Target Group is expected to experience rapid and sustained high growth in the upcoming years, we note that the Target Group's historical and current financial performance bears little resemblance to its future potential. Having considered the Material Projects which have been announced by the Company, as well as Management's confirmation that the Target Group is on track to complete the Material Projects by the end of 2022 and which will contribute to the Target Group's financial performance for FYE2022, representing approximately 62.14% of the Target Group's projected revenue for FYE2022, we have considered the valuation ratios of the Comparable Companies based on their respective expected financial performance for the NFYs; and

(vi) the NFY EV/Sales ratios of the Target Group of 4.61 times and 5.94 times as implied by the Base Consideration and Total Consideration respectively are (A) within the range of the NFY EV/Sales ratios of the Comparable Companies, (B) below the mean NFY EV/Sales ratio of the Comparable Companies of 6.53 times, (C) above the median NFY EV/Sales ratio of the Comparable Companies of 3.39 times, and (D) below the 75th percentile NFY EV/Sales ratio of the Comparable Companies of 9.56 times.

As observed above, the Target Group's NFY Net Margin is, among others, above the mean and median NFY Net Margins of the Selected Companies but below the 75th percentile value. Comparatively, our observations of the relative profitability of the Target Group's NFY Net Margin appear to be in line with its relative EV/Sales valuation vis-à-vis that of the Comparable Companies in terms of the Target Group's ranking between the median and 75th percentile values as set out above;

(i) in comparison with the Selected Companies:

(i) the NFY Net Margin of the Target Group is (i) within the range of that of the Selected Companies, (ii) above the mean and median values of a net loss margins of approximately 81.97% and 6.79% respectively, and (iii) is above the 75th percentile value of a net profit margin of 4.82%; and

(ii) the NFY EV/Sales ratios of the Target Group of 4.61 times and 5.94 times as implied by the Base Consideration and Total Consideration respectively are (i) within the range of the NFY EV/Sales ratios of the Selected Companies, (ii) above the mean and median NFY EV/Sales ratio of the Selected Companies of 4.26 times and 2.10 times respectively, and (iii) above the 75th percentile NFY EV/Sales ratio of the Selected Companies of 3.09 times.

Comparatively, our observations of the Target Group's EV/Sales valuation vis-à-vis that of the Selected Companies appears to be in line with that of the Target Group's NFY Net Margin vis-à-vis that of the Selected Companies as set out above;

(j) our assessment of the Issue Price as follows:

(i) the daily closing prices of the Shares over the one-year period prior to and including the Last Trading Day were between a low of S$0.122 and a high of S$0.230, and the Issue Price of S$0.140 represents a discount of approximately 14.63% over the VWAP of the Shares for the one-year period, and a premium of approximately 2.94%, 6.06% and 11.11% over the VWAPs of the Shares for the 6-month, 3-month and one-month periods prior to and including the Last Trading Day respectively;

(ii) the Issue Price represents a premium of approximately 13.82% over the closing price of the Shares of S$0.123 on the Last Trading Day;

(iii) the Issue Price represents a premium of approximately 12.00% to the VWAP of the Shares of S$0.125 for the period after the Last Trading Day and up to the Latest Practicable Date, and (ii) a premium of 19.66% to the closing price of the Shares of S$0.117 on the Latest Practicable Date;

(iv) the Issue Price represents a premium of approximately 115.76% to the NAV per Share as at 31 May 2022;

(v) the P/NAV multiple of 2.33 times (as implied by the Issue Price) is (i) within the range of historical trailing P/NAV multiples of between 4.38 and 1.84 for the one-year period prior to and including the Last Trading Day, (ii) below the average historical trailing P/NAV multiples of the Shares of 2.45 times for the one-year period prior to and including the Last Trading Day, and (iii) above the average historical trailing P/NAV multiples of the Shares of 2.07 times, 1.98 times and 1.93 times for the six-month, three-month and one-month periods prior to and including the Last Trading Day respectively;

(vi) the P/NAV multiple of 2.33 times (as implied by the Issue Price) is above the range of historical trailing P/NAV multiples of the Shares of 1.85 times to 2.08 times for the period after the Last Trading Day and up to the Latest Practicable Date; and

(vii) in comparison with the Comparable Companies:

I. the FY2022 EV/Sales ratio of the Group of 12.55 times is (i) within the range of the LFY EV/Sales ratios of the Comparable Companies, and (ii) higher than the mean and median LFY EV/Sales ratio of the Comparable Companies of 8.51 times and 3.95 times respectively;

(k) the financial effects of the Proposed Acquisition; and

(l) other relevant considerations as set out in paragraph 6 of this Letter, namely (i) the recent substantial transactions involving the sale and purchase of shares of InterBio, (ii) the interested person, being Mr. Pierre Prunier, is subject to the same terms as other unrelated parties, (iii) the recent placements of new Shares completed by the Company in the last 12 months, (iv) the dilution impact of the Proposed Issue of Total Consideration on the Independent Shareholders from 80.03% to 71.82% upon the allotment and issue of the Base Consideration Shares in full and the Introducer Shares, and to 69.81% assuming the Earn-out Consideration Shares are allotted and issued in full at the same time, and (v) abstention from voting on the Proposed Acquisition at the EGM by Mr. Pierre Prunier and his associates.

Having regard to the considerations set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders.

Accordingly, we would advise the Recommending Directors to recommend that the Independent Shareholders vote in favour of the Proposed Acquisition at the EGM.

The Recommending Directors should also note that transactions in the Shares are subject to possible market fluctuations and accordingly, our opinion on the Proposed Acquisition does not and cannot take into account the future transactions or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review.

This Letter is addressed to the Recommending Directors for their benefit, in connection with and for the purpose of their consideration of the Proposed Acquisition only. The recommendation made by the Recommending Directors to the minority Shareholders and the Independent Shareholders (as the case may be) in relation to the Proposed Acquisition shall remain the sole responsibility of the Independent Directors.

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of NCF in each specific case except for the EGM and the purpose of the Proposed Acquisition. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly,

For and on behalf of
Novus Corporate Finance Pte. Ltd.

Andrew Leo	Melvin Teo
Chief Executive Officer	Associate Director

APPENDIX B – SUMMARISED VALUATION LETTER

Letter date: 29 November 2022

SUMMARISED VALUATION LETTER OF THE TARGET GROUP

PREPARED FOR TOTM TECHNOLOGIES LIMITED

NAVI CORPORATE ADVISORY PTE LTD
Company Registration No. 202224784E

6 Battery Road
Level 42 The Executive Centre
Singapore 049909

www.navi.sg

Private and Confidential

Our reference: T0001-BV-r001-2

29 November 2022

Totm Technologies Limited
20 Collyer Quay
#09-02
Singapore 049319

Attention: Mr Ngo Yit Sung, Mr Gordon Tan

Email: yitsung@totmtechnologies.com, gordon.tan@totmtechnologies.com

Dear Sirs,

VALUATION SERVICE OF THE TARGET GROUP (AS DEFINED HEREIN) FOR THE COMPANY (AS DEFINED HEREIN)

In accordance with your instructions, we have undertaken valuation service for the Company in relation to the Target Group (as defined herein). All capitalised terms used in this Letter shall bear the same meanings as ascribed to them in the Full Report.

The Company, together with its subsidiaries (the "**Group**"), is a leading integrated solutions and services provider in identity management and biometric technology. In January 2021, the Group embarked on a business transformation exercise, having identified growth opportunities in the digital identity management space. By early April 2021, the Company completed the acquisition of a 51% controlling stake in International Biometrics Pte. Ltd. ("**InterBio**" or "**Target**"), marking the Group's official entry and diversification into the field of developing and providing digital identity management and biometric solutions.

On 17 October 2022, the Company announced that it had entered into a sale and purchase agreement ("**SPA**") to acquire the remaining 49% equity interest in the capital of InterBio with a purchase consideration of up to US$46 million ("**Proposed Acquisition**"). Incorporated in Singapore, InterBio is a private limited company established in 2017 and is an investment holding company, holding 99.0% 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, such as face, finger and iris biometrics listed in the top tier in benchmarks set by National Institute of Standards and Technology. PT IBI currently serves mainly ministries and government agencies.

This summary valuation letter ("**Letter**") has been prepared for public disclosure purpose to seek independent shareholders' approval by the Company in relation to the Proposed Acquisition and should be read in conjunction with the full valuation report dated 29 November 2022 ("**Full Report**").

This valuation has been undertaken on a Market Value basis in accordance with the International Valuation Standards (2022) which is defined as follows:
"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The valuation date is 31 July 2022 ("**Valuation Date**") and the date of Letter is 29 November 2022 ("**Letter Date**").

Based on the analysis outlined in the Letter which follows, we are of the opinion that the Market Value of the 49% equity interest in the capital of the Target Group (excluding the E-identification Business) as at the Valuation Date is as follows:

US$32.4 million to US$36.2 million

The following pages outline the factors considered and methodology & assumptions employed in formulating our views, opinions and conclusions. Any views, opinions and/or conclusions are subject to the assumptions and limiting conditions contained therein.

Yours Faithfully,
For and on behalf of
Navi Corporate Advisory Pte Ltd

Richard Yap
CEO

Terms of reference

Navi Corporate Advisory Pte Ltd ("**Navi**" or "**Valuer**") has been appointed to undertake an independent valuation of 49% equity interest in the capital of the Target Group. We were neither a party to the negotiations entered into by the Group in relation to the Proposed Acquisition nor were we involved in the deliberation leading up to the decision on the part of the management of the Company, Group, Target and/or Target Group ("**Management**") to enter into the Proposed Acquisition (as the case may be) and we do not, by the Letter, Full Report or otherwise, advise or form any judgement on the merits of the Proposed Acquisition. We do not warrant the merits of the Proposed Acquisition or the acceptability of the risk for the Proposed Acquisition.

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

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

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

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

We were not required to and have not made any independent evaluation or appraisal of the individual assets and liabilities (including without limitation, real property) of the Target Group (where applicable).

Our opinion in this Letter and Full Report is based on economic conditions, market, industry, monetary and other conditions (if applicable) in effect on, and the information provided to us, as at the Valuation

Date. Accordingly, the bases or assumptions and likewise our views or opinion may change in light of developments which *inter alia*, includes general as well as company specific or industry specific conditions or sentiments or factors.

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

In rendering the opinion, we have made no regard for the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual shareholder of the Company, Group, Target and/or Target Group (the "**Shareholder**"). As such, any individual Shareholder who may require advice in the context of his or her specific investment portfolio, including his or her investment in the Company, Group, Target and/or Target Group, should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

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

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

Credentials

Navi Corporate Advisory Pte Ltd ("**Navi**") is a boutique corporate advisory firm founded by the CEO Richard Yap in 2022. He has more than 15 years of dedicated corporate advisory and valuation experience in Singapore and Asia. Throughout his career, Richard achieved various certifications such as Chartered Financial Analyst, Chartered Valuer and Appraiser and Chartered Accountant (Singapore). Besides that, Richard performed numerous advisory services for both private companies and also public listed companies. As such, Navi has the requisite knowledge and experience to undertake the valuation.

1.0 Background

1.1 Introduction

The Company, together with its subsidiaries (the "**Group**"), is a leading integrated solutions and services provider in identity management and biometric technology. In January 2021, the Group embarked on a business transformation exercise, having identified growth opportunities in the digital identity management space. By early April 2021, the Company completed the acquisition of a 51% controlling stake in International Biometrics Pte. Ltd. ("**InterBio**" or "**Target**"), marking the Group's official entry and diversification into the field of developing and providing digital identity management and biometric solutions.

On 17 October 2022, the Company announced that it has entered into a sale and purchase agreement ("**SPA**") to acquire the remaining 49% equity interest in the capital of InterBio with a purchase consideration of up to US$46 million. As a result of the Proposed Acquisition, Totm would like an independent valuation of 49% interest in the capital of the Target Group to ascertain the market value as at 31 July 2022 ("**Valuation Date**"). As at the Valuation Date, the corporate structure of the Target Group is as follows:

International Biometrics Pte. Ltd.

99.0%*

PT International Biometrics Indonesia

*The remaining 1% is owned by a third party shareholder who is unrelated to the shareholders and directors of the Company.

As at the Valuation Date, the Target Group had a E-identification Business which is a relatively new development and had not commenced generating revenue. Therefore, the valuation of the Target Group did not include E-identification Business and the Management would like to perform a scenario analysis to illustrate the potential value of the Target Group including the E-identification Business to prudently place the potential value of E-Identification Business under an earn-out structure as an incentive for the Target Group to prove themselves.

1.2 Instruction

The Company instructed Navi to perform the valuation of the 49% equity interest in the capital of the Target Group. Further, the Company also instructed Navi to perform scenario analysis to illustrate the potential value of the Target Group taking into consideration of the E-identification Business.

The Valuation Date is 31 July 2022 and our letter that follows is dated 29 November 2022 ("**Letter Date**").

1.3 Purpose of Valuation

The purpose of the valuation is to ascertain the Market Value of the 49% equity interest in the capital of the Target Group (excluding E-identification Business) for public disclosure purpose to seek independent Shareholder's approval by the Company pursuant to the Proposed Acquisition.

1.4 Basis of Valuation

This valuation has been undertaken on a Market Value basis in accordance with the International Valuation Standards (2022) which is defined as follows:

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

1.5 Statement of Independence

We confirm that we have no present or contemplated interest in the Target Group which are the subject of this valuation and are acting independent of all parties. We were not involved in the discussion leading up the decision on the part of the management of the Company, Group, Target and/or Target Group ("**Management**") to enter into the Proposed Acquisition. Our fees are agreed on a lump sum basis and are not contingent on the outcome. As such, we are in a position to provide an objective and unbiased valuation.

1.6 Limitation of Circulation

This Letter has been prepared solely for public disclosure as the Company is seeking independent Shareholder's approval for the Proposed Acquisition and is not intended for any legal or court proceedings, general circulation, publication or reproduction in any form without our prior written consent. We will assume no responsibility or liability for any losses incurred by you or any third party as a result of unauthorized circulation, publication or reproduction of this Letter in any form and/or if used contrary to the purpose stated therein.

2.0 Valuation Approach and Methodology

2.1 Valuation Approaches

We have considered the 3 valuation approaches namely Income Approach, Market Approach and Cost Approach. The details of the various valuation approaches are described as follows:

2.1.1 Income Approach

Income Approach provides an indication of value by converting future cash flow to a single current value. Under the Income Approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset.

2.1.2 Market Approach

Market Approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. The Market Approach often uses market multiples derived from a set of comparable companies, each with different multiples. The selection of the appropriate multiple within the range requires judgement, considering qualitative and quantitative factors.

2.1.3 Cost Approach

Cost Approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

2.2 Valuation Methodology

Based on the discussion with Management and review of the information, we have adopted Income Approach as our primary approach and Market Approach as reference.

The rationale for adopting Income Approach lies in the present value rule, i.e. the value of any asset or enterprise value is the present value of expected future cash flows, discounted at a rate appropriate to the risk of the cash flows not being realised. Given that the Target Group has ongoing business and operations to generate future cash flows, we considered the use of Income Approach as the primary approach to be appropriate.

Under Market Approach, we have considered the Enterprise value to sales ("**EV/S**") and enterprise value to earnings before interest, tax, depreciation and amortisation ("**EV/EBITDA**") multiples in the valuation. Based on the analysis, the volatilities from the multiples of Comparable Companies make it difficult to conclude a reliable amount for the valuation by adopting the result from a single market multiple approach and no single company was comparable in size, capital nature of business and operations. Further, the current earnings of the Target Group its not at its normalised stage. Thus, the Market Approach is used as reference only.

The Cost Approach is not adopted because it does not directly incorporate information about the future economic benefits expected to be derived by the Target Group.

Accordingly, we have relied solely on Income Approach in assessing the equity value of the Target Group and the Market Approach as a reference.

*2.2.1 Income Approach – Discounted Cash Flow ("**DCF**") Method*

We have used DCF method which is one application of the Income Approach to assess the overall enterprise value of the companies by calculating the free cash flow to firm ("**FCFF**") of the Target Group. FCFF represents the cash flows left over after covering capital expenditure and working capital needs. The present value of FCFF is a measure of enterprise value and the equity value is subsequently derived after taking into consideration debt, excess cash and cash equivalents as well as non-operating assets/liabilities. FCFF is defined as follows:

FCFF = EBIT (1 – Tax rate) + Depreciation and Amortisation – Capital Spending – Change in Working Capital

In applying the DCF method there are three critical inputs:

- A supportable cash flow forecasts;
- An estimate of the terminal value at the end of the forecast period; and
- An appropriate discount rate to discount the future cash flows to its present value.

The assumptions used in the DCF analysis are set out in the following sections.

*2.2.1(a) Free Cash Flow to Firm ("**FCFF**")*

The FCFF is based on the financial projections from financial period of 1 December 2022 ("**FPDec2022**") to financial year ended 31 December 2026 ("**FY2026**") by the Management. The financial projections were further extended to FY2031 as the expected earnings generated in FY2026 are not at their normalised stage. The expected FCFF of Target Group from FPDec2022 to FY2031 is as follows:

						Forecast						
USD'000, unless otherwise specified		FPDec2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	Normalised
Revenue	(1)	12,794	39,948	62,996	83,908	107,069	131,140	153,907	172,747	185,047	188,748	188,748
EBIT	(1)	1,689	12,125	21,905	32,567	47,706	48,641	45,596	38,280	27,191	13,643	13,643
Less: Tax expenses	(2)	(386)	(2,667)	(4,819)	(7,165)	(10,495)	(10,701)	(10,031)	(8,422)	(5,982)	(3,001)	(3,001)
Add: Depreciation and amortisation	(3)	157	502	738	1,053	1,102	1,350	1,584	1,778	1,905	1,943	1,943
Less: Capital expenditure	(4)	(461)	(599)	(945)	(1,259)	(1,606)	(1,967)	(2,309)	(2,591)	(2,776)	(2,831)	(1,943)
Less: Net working capital changes	(5)	(3,989)	(3,011)	(4,620)	(3,303)	(3,090)	(1,048)	(2,888)	(1,995)	(784)	603	603
FCFF		**(2,990)**	**6,349**	**12,258**	**21,894**	**33,618**	**36,275**	**31,953**	**27,050**	**19,554**	**10,357**	**11,245**

Notes:

(1) Forecasted revenue from FPDec2022 to FY2026 is projected based on Management's expectation of future business plan as at the Valuation Date. Revenue from FY2027 is assumed to grow at a decreasing rate to 2% gradually by FY2031 with reference to the expected long-term global GDP growth rate.

Forecasted EBIT from FPDec2022 to FY2026 is projected based on Management's expectation on profit margin as at the Valuation Date. EBITDA margin is assumed to decrease gradually to 8.3% by FY2031 with reference to the EBTIDA margin of the Comparable Companies;

Further information of the financial projections can be found in section entitled section 4 "Financial Analysis" of the Full Report;

(2) Corporate tax rate of 22% has been applied with reference to Indonesia corporate income tax rate;

(3) Forecasted depreciation and amortisation for FPDec2022 to FY2026 is projected based on an average useful life of 4 years. Depreciation and amortisation for FY2027 to FY2031 is expected to be 1% of the projected revenue;

(4) Forecasted capital expenditure for forecast period from FPDec2022 to FY2031 is projected to be about 1.5% of the revenue per annum; and

(5) Forecasted working capital is projected based on estimated trade & other receivables and trade & other payables for the forecast period. Trade & other receivables are expected to change in line with forecasted revenue and estimated turnover days ranging from 80 to 120 days. Trade & other payables are expected to change in line with forecasted operating expenses and estimated turnover days ranging from 30 to 43 days.

2.2.1(b)Terminal Value

We have applied the Gordon Growth Model in estimating the terminal value at the end of the forecast period. Based on the Gordon Growth Model, the terminal value is computed as below:

$$\text{Terminal value} = \frac{FCFF_{n+1} \times (1+g)}{(WACC - g)}$$

Notes:

a) $FCFF_{n+1}$: refers to expected normalised FCFF one year from n-th year.

b) WACC: refers to weighted average cost of capital. Please refer to section 5.2.1(c) "Discount Rate" of the Full Report for discount rate applied for the valuation of the Target Group.

c) g: refers to growth rate in perpetuity. We have assumed that the earnings of the Target Group would reach a stable perpetual growth rate ranging from 1.0% to 3.0% after FY2031 with reference to the expected long term global GDP growth rate.

2.2.1(c) Discount Rate

We have adopted Weighted Average Cost of Capital ("**WACC**") ranging from 20.5% to 22.5% as discount rate used to discount the forecasted FCFF to its present value which is used as a measure of enterprise value. Further details about the computation of WACC can be found in "Appendix 2 – Derivation of Discount Rate (WACC)" of the Full Report.

2.2.1(d) Debt & non-operating payables and Excess cash and cash equivalents

The enterprise value is then derived by subtracting debt & non-operating payables and adding any excess cash and cash equivalents. As at the Valuation Date, the Target Group does not have debt & non-operating payables and has US$1.3 million of excess cash & cash equivalents.

2.2.1(e) Adjustments

We applied discount for lack of marketability ("**DLOM**") of approximately 15.0% after taking into consideration the Target Group is not publicly traded on any stock exchange where shares can be traded in a centralised market.

Furthermore, discount for lack of control ("**DLOC**") of 6.5% was applied to the valuation of 49% equity interest in the capital of the Target Group.

Further details on DLOM and DLOC can be found in section 5.2 "Valuation Methodology" of the Full Report.

2.2.1(f) Market Value of 49% equity interest in the capital of the Target Group (excluding the E-identification Business)

Based on the DCF Method, the Market Value of 49% equity interest in the capital of the Target Group (excluding the E-identification Business) after DLOM and DLOC ranges between US$32.4 million and US$36.2 million and is arrived at as follows:

		US$'mil	
		Low	High
(A)	Present value of FCFF	73.3	78.9
(B)	*Add: Present value of terminal value*	*8.6*	*12.5*
(C) = (A) + (B)	Present value of terminal value	81.9	91.5
(D)	Less: Debt & non-operating payables	-	-
(E)	*Add: Excess cash & other surplus*	*1.3*	*1.3*
(F) = (C) -(D)+ (E)	Equity value before DLOM	83.2	92.8
(G)	*Less: DLOM*	*15.0%*	*15.0%*
(H) = (F) x (1-G)	Equity value after DLOM	70.7	78.8
(I)	*Less: DLOC*	*6.5%*	*6.5%*
(J) = (H) x (1-I)	**100 equity value after DLOM & DLOC**	**66.1**	**73.8**
(K) = (J) x 49%	**49% equity value after DLOM & DLOC (rounded)**	**32.4**	**36.2**

2.2.2 Market Approach

We performed an estimation of equity value of the Target Group (excluding the E-identification Business) using the Market Approach for reference purposes based on selected market multiple, namely EV/Sales multiple and EV/EBITDA multiple.

The result of 49% equity value of the Target Group (excluding the E-identification Business) based on Market Approach which are purely for reference purposes only and do not reflect Market Value of 49% equity interest in the capital of the Target Group as at Valuation Date are as follows:

US$ mil	Low	High
EV/Sales	15.5	48.9
EV/EBITDA	13.5	28.2

3.0 Key Assumptions

We have made the following key assumptions in this valuation exercise. Any deviation from the following key assumptions may significantly vary the valuation of the Target Group:

- The business and operation of Target Group shall continue to operate as a going concern.
- The Target Group has sufficient liquidity to continue its business and operation.
- The financial information provided accurately reflects the Target Group's financial, operation and performance.
- The Management has provided us the financial projections of Target Group from financial period FPDec2022 to FY2026. The Management also concurred with the financial projections of Target Group from FY2027 to FY2031. To its best knowledge, the Management is solely responsible for the contents, estimation and the assumptions used in the projections.
- There will not be any material changes in the political, legal, regulatory, market and/or economic conditions in country(ies) that Target Group operates which may adversely affect the future prospects of the Target Group.
- There will be no material change in inflation, interest rates, exchange rates and/or rates of taxation from those prevailing as at the Valuation Date.
- There are no contingent liabilities, unusual contractual obligations or substantial commitments which would have a material effect on the value of the Target Group.
- The current owners of the Target Group have clear and unencumbered title of ownership over all assets included in this assessment.
- The Target Group's operations and business will not be severely interrupted by any force majeure event or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Management, including but not limited to the occurrence of natural disasters or catastrophes, epidemics or serious accidents.

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

It should be noted that the valuation of the Target Group is critical upon the following key drivers, where applicable: -

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

Any deviation from the above key drivers and forecasts may significantly vary the valuation of the Target Group.

4.0 Statement of Value

Based on the Income Approach, the valuation of the 49% equity interest of the Target Group (excluding the E-identification Business) as at the Valuation Date is as follows:

Income Approach:

US$32.4 million to US$36.2 million

The following illustrates the equity value based on Market Approach which are purely for reference purposes only and do not reflect Market Value of 49% equity interest in the capital of the Target Group as at Valuation Date.

Market Approach (for reference only):

US$13.5 million to US$48.9 million

NAVI

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5.0 Scenario Analysis

The Company instructed Navi to perform scenario analysis to illustrate the potential value of the Target Group after taking into consideration the E-identification Business. The scenario analysis is a form of illustration only and does not imply the Market Value of equity interest in the capital of the Target Group as at the Valuation Date.

5.1 FCFF-Scenario Analysis for illustrative purpose

Management provided the financial projections from FPDec2022 to FY2026 that include the assumption that the Target Group is able to secure forecasted projects under E-identification Business. The financial projections were further extended to FY2031 as the expected earnings generated in FY2026 are not at thier normalised stage. The expected FCFF of Target Group (with the inclusion of the E-identification Business) from FPDec2022 to FY2031 is as follows:

		Forecast										
USD'000, unless otherwise specified		**FPDec2022**	**FY2023**	**FY2024**	**FY2025**	**FY2026**	**FY2027**	**FY2028**	**FY2029**	**FY2030**	**FY2031**	**Normalised**
Revenue	(1)	12,794	44,828	77,607	106,038	144,626	187,310	229,708	265,903	289,510	295,301	295,301
EBIT	(1)	1,689	15,766	32,790	49,008	75,578	81,038	78,722	67,212	47,143	21,528	21,528
Less: Tax expenses	(2)	(386)	(3,468)	(7,214)	(10,782)	(16,627)	(17,828)	(17,319)	(14,787)	(10,371)	(4,736)	(4,736)
Add: Depreciation and amortisation	(3)	157	520	811	1,209	1,399	1,812	2,222	2,572	2,801	2,857	2,857
Less: Capital expenditure	(4)	(461)	(672)	(1,164)	(1,591)	(2,169)	(2,810)	(3,446)	(3,989)	(4,343)	(4,430)	(2,857)
Less: Net working capital changes	(5)	(3,989)	(4,162)	(6,481)	(3,913)	(4,580)	(1,198)	(4,490)	(3,049)	(956)	1,466	1,466
FCFF		**(2,990)**	**7,983**	**18,742**	**33,932**	**53,600**	**61,014**	**55,690**	**47,960**	**34,273**	**16,685**	**18,258**

Notes:

(1) Forecasted revenue from FPDec2022 to FY2026 is projected based on Management's expectation of future business plan with the inclusion of E-identification Business. Revenue from FY2027 is assumed to grow at a decreasing rate to 2% gradually by FY2031 with reference to the expected long-term global GDP growth rate;

Forecasted EBIT from FPDec2022 to FY2026 is projected based on Management's expectation on profit margin. EBITDA margin is assumed to decrease gradually to 8.3% by FY2031 with reference to the EBTIDA margin of the Comparable Companies;

(2) Corporate tax rate of 22% has been applied with reference to Indonesia corporate income tax rate;

(3) Forecasted depreciation and amortisation for FPDec2022 to FY2026 is projected based on an average useful life of 4 years. Depreciation and amortisation for FY2027 to FY2031 is expected to be 1% over estimated revenue;

(4) Forecasted capital expenditure for forecast period from FPDec2022 to FY2031 is projected to be about 1.5% of the revenue per annum.

(5) Forecasted working capital is projected based on estimated trade & other receivables and trade & other payables for the forecast period. Trade & other receivables are expected to change in line with forecasted revenue and estimated turnover days ranging from 80 to 120 days. Trade & other payables are expected to change in line with forecasted operating expenses and estimated turnover day ranging from 30 to 43 days.

5.2 Terminal Value-Scenario Analysis for illustrative purpose

We have assumed the earnings of Target Group would reach a stable perpetual growth rate ranging from 1.0% to 3.0% after FY2031 with reference to the expected long term global GDP growth rate.

5.3 Discount Rate-Scenario Analysis for illustrative purpose

We have adopted WACC ranging from 25.0% to 27.0% as discount rate used to discount the forecasted FCFF to its present value. Higher discount rate applied for scenario analysis due to additional forecast risk on financial projections with the inclusion of E-identification Business.

5.4 Debt & non-operating payables and excess cash and cash equivalents-Scenario Analysis for illustrative purpose

As at the Valuation Date, Target Group has no debt & non-operating payables and has US$1.3 million of excess cash & cash equivalents.

5.5 Adjustments-Scenario Analysis for illustrative purpose

We applied DLOM of approximately 15.0% and DLOC of 6.5%.

5.6 Scenario Analysis Result for Illustrative Purpose

Based on DCF Method and financial projection with inclusion of E-identification Business, the equity value of 49% equity interest in the capital of the Target Group after DLOM and DLOC ranges between US$42.4 million and US$46.5 million as at the Valuation Date is as follows:

		US$'mil	
		Low	High
(A)	Present value of FCFF	99.3	106.6
(B)	*Add: Present value of terminal value*	*8.3*	*11.6*
(C) = (A) + (B)	Present value of terminal value	107.6	118.2
(D)	Less: Debt & non-operating payables	-	-
(E)	*Add: Excess cash & other surplus*	*1.3*	*1.3*
(F) = (C) -(D)+ (E)	Equity value before DLOM	108.9	119.5
(G)	*Less: DLOM*	*15.0%*	*15.0%*
(H) = (F) x (1-G)	Equity value after DLOM	92.6	101.5
(I)	*Less: DLOC*	*6.5%*	*6.5%*
(J) = (H) x (1-I)	**100 equity value after DLOM & DLOC**	**86.6**	**95.0**
(K) = (J) x 49%	**49% equity value after DLOM & DLOC (rounded)**	**42.4**	**46.5**

6.0 Exclusions and Limitation of Liability

Our work has been performed in accordance with and subject to our Standard Conditions of Engagement, a copy of which has been previously provided. For your reference, we highlight some of the more pertinent points:

- We have used due skill and care in the provision of the services set out in this Letter;
- We shall not under any circumstances be liable for damages, or for losses, that are not a direct result of breach of contract, or negligence, on our part in respect of services provided in connection with, or arising out of, the engagement set out in this letter (or any variation or addition thereto), or for any consequential losses or loss of profits of whatsoever nature. In any event, the liability of Navi, its related companies, partners, directors and staff (whether in contract, negligence or otherwise) shall in no circumstances exceed the fees paid specifically for the work in question which allegedly entailed a breach of contract or negligence on our part;
- In no event shall Navi, its related companies, partners, directors and staff be liable for any loss, damage, cost or expense arising in any form or in connection with the fraudulent acts or omissions, or any misrepresentations or any default on the part of the directors, employees or agents of the management of the Company and its subsidiaries;
- Without derogating from the aforesaid provisions, we shall not under any circumstances whatsoever, be liable to any third party, whether or not they are shown a copy of any work that we have done pursuant to the terms of our engagement, and whether or not we have consented to such work being shown to them, save and except where we specifically agreed in writing to accept such liability;
- Except as a result of our own negligence or wilful default, in the event that we find ourselves subject to a claim or incur legal costs from another party as a result of false or misrepresented information provided by Management in connection with this engagement, any claim established against us and the cost we necessarily incur in defending it would form part of the expenses we would look to recover from the management of the Company.

PART I
Information on Seller Shareholders and Sellers

(a) The Seller Shareholders

Name of Seller	Information on Seller Shareholder
Steven Japutra	Businessman and 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.
Chan Hiang Ngee	Private investor.
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.
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.

(b) The Sellers

Name of Seller	Relevant Seller Shareholder	Number of Sale Shares held	Proportion of Sale Shares
PCL	Steven Japutra (56.0%) Pedro Flames Omarrementeria (23.0%) Chan Hiang Ngee (21.0%)	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%

PART II
Earn-out Consideration

For the purposes of interpretation of this Appendix C:

"**2023 E-Identification Business Contracts**" means any contracts and/or purchase orders entered into with any customer or partner of the Group[6] 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[7] 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**");

[6] 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.
[7] See footnote above.

(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**").

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.

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[8] and the evaluation committee[9] established by the Company on whether the relevant thresholds for the Earn-out Payments have been met.

[8] Excluding Mr. Pierre Prunier.
[9] Comprising the executive Directors (excluding Mr. Pierre Prunier) and the chief financial officer of the Company.

APPENDIX C – SELLER SHAREHOLDERS AND SELLERS

Name of Seller Shareholder	Base Consideration Shares	Earn-out Consideration Shares to be received upon achieving Milestone 1	Earn-out Consideration Shares to be received upon achieving Milestone 2	Earn-out Consideration Shares to be received upon achieving Milestone 3	Earn-out Consideration Shares to be received upon achieving Milestone 4	Earn-out Consideration Shares to be received upon achieving Milestone 5	Earn-out Consideration Shares to be received upon achieving Milestone 6	Total Earn-out Consideration Shares to be received upon hitting all Milestones
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

	Before Proposed Acquisition, as at the Latest Practicable Date(1)				Upon completion of Proposed Acquisition(2)			
	Direct Interest		**Deemed Interest**		**Direct Interest**		**Deemed Interest**	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Directors								
Low Chai Chong	-	-	-	-	-	-	-	-
Pierre Olivier Marc Yves Prunier	-	-	50,166,550	5.26	-	-	214,831,050	14.79
Aw Eng Hai	-	-	-	-	-	-	-	-
Chua Hoe Sing								
Cheam Heng Haw, Howard	-	-	-	-	-	-	-	-
Tan Chee Bun Gordon	-	-	-	-	-	-	-	-
Ngo Yit Sung	-	-	-	-	-	-	-	-
Substantial shareholders								
Rahul Ganpat Parthe(3)	60,149,693	6.31	-	-	60,149,693	4.14	-	-
Hing Chow Yuen	80,104,800	8.40	-	-	80,104,800	5.52	-	-
Pierre Olivier Marc Yves Prunier	-	-	50,166,550	5.26	-	-	214,831,050	14.79
Steven Japutra(4)	-	-	-	-	143,587,445	9.89	-	-
Public:	763,282,673	80.03	-	-	1,013,878,621	69.80	-	-
Total:	953,703,716	100	-	-	1,452,401,916	100	-	-

Notes:

(1) Based on the existing share capital of the Company as at the Latest Practicable Date of 953,703,716 Shares.

(2) Based on the enlarged share capital of the Company of 1,452,401,916 Shares, assuming the allotment and issue of the maximum number of 470,470,000 Total Consideration Shares and the maximum number of 28,228,200 Introducer Shares pursuant to the Proposed Acquisition.

(3) Rahul Ganpat Parthe will cease being a Substantial Shareholder, assuming the allotment and issue of the maximum number of 470,470,000 Total Consideration Shares and the maximum number of 28,228,200 Introducer Shares pursuant to the Proposed Acquisition.

(4) Steven Japutra will become a Substantial Shareholder based on the maximum number of the Total Consideration Shares which he may receive pursuant to the Proposed Acquisition, assuming the allotment and issue of the maximum number of 470,470,000 Total Consideration Shares and the maximum number of 28,228,200 Introducer Shares pursuant to the Proposed Acquisition.

TOTM TECHNOLOGIES LIMITED

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

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the "**EGM**") of Totm Technologies Limited (the "**Company**") will be held by way of electronic means on **14 December 2022 at 2.00 p.m.** for the purpose of considering and, if thought fit, passing the following ordinary resolutions:

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

*All capitalised terms in this Notice which are not defined herein shall have the same meaning as ascribed to them in the Company's circular dated 29 November 2022 (the "**Circular**").*

Shareholders should note that:

(a) **Ordinary Resolution 2 is conditional on Ordinary Resolution 1**. This means that if (i) Ordinary Resolution 1 is not approved, Ordinary Resolution 2 will not be duly passed. Ordinary Resolution 2 is conditional on Ordinary Resolution 1 as the Proposed Issue of Total Consideration Shares is for the satisfaction of the Total Consideration for the Proposed Acquisition;

(b) **Ordinary Resolution 3 is conditional on Ordinary Resolution 1 and Ordinary Resolution 2**. This means that if (i) Ordinary Resolution 1 and Ordinary Resolution 2 are not approved, Ordinary Resolution 3 will not be duly passed. Ordinary Resolution 3 is conditional on Ordinary Resolution 1 and Ordinary Resolution 2 as the Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier is for part of the satisfaction of the Total Consideration for the Proposed Acquisition through the Proposed Issue of the Total Consideration Shares;

(c) **Ordinary Resolution 4 is conditional on Ordinary Resolution 1**. This means that if (i) Ordinary Resolution 1 is not approved, Ordinary Resolution 4 will not be duly passed. Ordinary Resolution 4 is conditional on Ordinary Resolution 1 as the Proposed Issue of Introducer Shares should only be completed if the Proposed Acquisition is completed; and

(d) **Ordinary Resolution 5 is not conditional on any other Ordinary Resolutions**.

<u>AS ORDINARY RESOLUTIONS</u>:

ORDINARY RESOLUTION 1

THE PROPOSED ACQUISITION OF THE REMAINING 49.0% SHAREHOLDING IN THE TOTAL ORDINARY SHARE CAPITAL OF INTERNATIONAL BIOMETRICS PTE. LTD., BEING DEEMED AS AN INTERESTED PERSON TRANSACTION UNDER THE CATALIST RULES

THAT:

(a) the Proposed Acquisition be and is hereby approved and that authority be and is hereby granted to the Directors to carry out and implement the Proposed Acquisition on the terms and subject to the conditions set out in the SPA; and

(b) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 1 and implement any of the foregoing as they think fit and in the interests of the Company.

ORDINARY RESOLUTION 2

THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 470,470,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S$0.14 PER NEW ORDINARY SHARE TO THE SELLER SHAREHOLDERS AND/OR THEIR NOMINEES AS SATISFACTION OF THE TOTAL CONSIDERATION FOR THE PROPOSED ACQUISITION

THAT subject to and contingent upon passing of Ordinary Resolution 1 :

(a) authority be and is hereby given to the Directors to allot and issue to the Seller Shareholders and/or their nominees an aggregate of up to 470,470,000 Total Consideration Shares, credited as fully paid-up, at an issue price of S$0.14 per Total Consideration Share, on the terms and subject to the conditions set out in the SPA; and

(b) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 2 and implement any of the foregoing as they think fit and in the interests of the Company.

ORDINARY RESOLUTION 3

THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 164,664,500 TOTAL CONSIDERATION SHARES TO MR. PIERRE PRUNIER PURSUANT TO THE PROPOSED ACQUISITION

THAT subject to and contingent upon passing of Ordinary Resolution 1 and Ordinary Resolution 2:

(c) authority be and is hereby given to the Directors to allot and issue to the Mr. Pierre Prunier an aggregate of up to 164,664,500 Total Consideration Shares, credited as fully paid-up, at an issue price of S$0.14 per such Total Consideration Share, on the terms and subject to the conditions set out in the SPA; and

(d) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 3 and implement any of the foregoing as they think fit and in the interests of the Company.

ORDINARY RESOLUTION 4

THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 28,228,200 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S$0.14 PER NEW ORDINARY SHARE TO PRECIOUS GLORY ENTERPRISES LIMITED AS SATISFACTION OF THE INTRODUCER FEES

THAT subject to and contingent upon passing of Ordinary Resolution 1:

(e) authority be and is hereby given to the Directors to allot and issue to Precious Glory Enterprises Limited an aggregate of up to 28,228,200 Introducer Shares, credited as fully paid-up, at an issue price of S$0.14 per Introducer Share; and

(f) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this

Ordinary Resolution 4 and implement any of the foregoing as they think fit and in the interests of the Company.

ORDINARY RESOLUTION 5

THE PROPOSED GRANT OF OPTIONS UNDER THE TOTM TECHNOLOGIES EMPLOYEE SHARE OPTION SCHEME 2021 TO MR. PIERRE PRUNIER AND THE ALLOTMENT AND ISSUE OF NEW ORDINARY SHARES THEREUNDER

That the proposed grant to Mr. Pierre Prunier, who is the Chief Executive Officer, Executive Director and a potential Controlling Shareholder, of the Options pursuant to and in accordance with the rules of the ESOS 2021 on the following terms, be and is hereby approved, and the Directors be and are hereby authorised to allot and issue Shares to Mr. Pierre Prunier upon the exercise of such Options:

(a)	Proposed date of grant of Options	:	Any time within three (3) months after the date of EGM.
(b)	Exercise price of Option per Share	:	The price that is equal to the average of the last dealt prices for the Shares on the SGX-ST over the last five (5) market days which transactions in the Shares were recorded, immediately preceding the relevant date of grant of the Options.
(c)	Number of Options granted to Mr. Pierre Prunier and number of Shares comprised in the Options	:	13,200,000 Options exercisable into 13,200,000 Shares in the Company.
(d)	Market price (last done price) of the Shares on the date of grant of the Options	:	Not applicable as the Options will only be granted according to the time period in sub-paragraph (a) above.
(e)	Exercise and validity period of the Options	:	Only exercisable after the first anniversary of the date of grant of the Options subject to the following: (i) up to 50% of the Options can be exercised after the first anniversary of the date of grant of the Options; and (ii) up to 100% of the Options can be exercised after the second anniversary of the date of grant of the Options, provided that the Option shall be exercised before the 10th anniversary of the date of grant of the Options or such earlier date as may be determined by the Remuneration Committee, failing which the unexercised Options shall immediately lapse and become null and void and Mr. Pierre Prunier shall have no claims against the Company.

By Order of the Board
TOTM TECHNOLOGIES LIMITED

Mr. Ngo Yit Sung
Executive Director
29 November 2022

PERSONAL DATA PRIVACY

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

IMPORTANT INFORMATION

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

2. Alternative arrangements relating to:

   (a) attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream);

   (b) submission of questions to the Chairman of the Meeting in advance of, or "live" at, the EGM, and addressing of substantial and relevant questions in advance of, or "live" at, the EGM; and

   (c) voting at EGM (i) "live" by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on the member's behalf at the EGM,

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

3. **A member** who **wishes to exercise his/her/its voting rights at the EGM may:**

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

   (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM.

   The accompanying proxy form for the EGM may be downloaded from the Company's website at the URL: https://totmtechnologies.com/news-announcements/ and on the SGXNet website at the URL: https://www.sgx.com/securities/company-announcements. A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/totmtechnologies_egm2.

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

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

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

6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

(a) if submitted by post, be lodged with the Company's registered office at 20 Collyer Quay #09-02 Singapore 049319; and

(b) if submitted electronically, the instrument must be submitted (i) via email to proxy@totmtechnologies.com; or (ii) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm2.

in each case, by **2.00 p.m. on 11 December 2022 (not less than 72 hours before the time appointed for holding the EGM).**

A member who wishes to submit an instrument appointing a proxy(ies) by post or via email can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from the Company's website and SGXNet, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. A member may also appoint a proxy(ies) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm2.

Members are encouraged to submit completed Proxy Forms electronically via email or appoint a proxy(ies) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm2.

7. CPF Investors and SRS Investors:

(a) may vote "live" via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; and

(b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **2.00 p.m. on 5 December 2022**.

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

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

The Company would like to thank all members for their patience and co-operation and also seeks the understanding and cooperation of all members to minimise the risk of community spread of COVID-19.

TOTM TECHNOLOGIES LIMITED (Company Registration No. 201506891C) (Incorporated in the Republic of Singapore) **PROXY FORM** **EXTRAORDINARY GENERAL MEETING** *(Please see notes overleaf before completing this Proxy Form)*	**IMPORTANT:** 1. The Extraordinary General Meeting ("EGM") of Totm Technologies Limited will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. 2. An investor who holds shares under the Central Provident Fund Investment Scheme (the "**CPF Investor**") and/or the Supplementary Retirement Scheme (the "**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the EGM. CPF Investors and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS approved nominees to appoint the Chairman of the EGM to act as their proxy. In which case, the CPF Investors and SRS Investors shall be precluded from attending the EGM. 3. This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purported to be used by them.

*I/We,		(Name)		(NRIC / Passport / Company Registration Number)
of				(Address)

being a shareholder/shareholders* of **TOTM TECHNOLOGIES LIMITED** (the "**Company**"), hereby appoint:

Name:	Address:	NRIC / Passport Number	Email Address[1]	Proportion of Shareholdings (%)	
				No of Shares	%

and/or*

Name:	Address:	NRIC / Passport Number	Email Address[1]	Proportion of Shareholdings (%)	
				No of Shares	%

and/or* the Chairman of the Extraordinary General Meeting (the "**EGM**")* as *my/our *proxy to vote for *me/us on *my/our behalf at the EGM to be convened and held by electronic means on **14 December 2022 at 2.00 p.m.** and at any adjournment thereof. I/We* direct my/our* proxy to vote for, vote against or abstain from voting on the resolution to be proposed at the EGM as indicated hereunder.

If no specific direction as to voting is given, in respect of a resolution, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

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

PROXY FORM

Ordinary Resolutions relating to:		No. of Votes For(2)	No. of Votes Against(2)	No. of Votes Abstain(3)
1.	The Proposed Acquisition			
2.	The Proposed Issue of Total Consideration Shares			
3.	The Proposed Issue of Certain Total Consideration Shares to Mr. Pierre Prunier			
4.	The Proposed Issue of Introducer Shares			
5.	The Proposed Grant of Options to Mr. Pierre Prunier			

(1) Compulsory for registration purposes. Only provided email address in the submitted Proxy Form will receive a confirmation email for the EGM.
(2) Voting will be conducted by poll. If you wish for your proxy to cast all your votes “For” or “Against” a resolution, please tick (√) within the “For” or “Against” box provided in respect of that resolution. Alternatively, please indicate the number of votes “For” or “Against” in the “For” or “Against” box provided in respect of the resolution.
(3) If you wish for your proxy to abstain from voting on the resolution, please tick (√) within the “Abstain” box provided in respect of the resolution. Alternatively, please indicate the number of votes that your proxy is directed to abstain from voting in the “Abstain” box provided in respect of the resolution.

Dated this day of 2022

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

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

** Delete where inapplicable*

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by the member.

2. A member who wishes to exercise his/her/its voting rights at the EGM may:

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

    (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM.

    This Proxy Form may be downloaded from the Company's website at the URL: https://totmtechnologies.com/news-announcements/ and on the SGXNet website at the URL: https://www.sgx.com/securities/company-announcements. A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/totmtechnologies_egm2.

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

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

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

5. This instrument appointing a proxy(ies) must be submitted to the Company in the following manner.

    (a) if submitted by post, be lodged with the Company's registered office at 20 Collyer Quay #09-02 Singapore 049319; and

    (b) if submitted electronically, the instrument must be submitted (i) via email to proxy@totmtechnologies.com; or (ii) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm2.

    in each case, by **2.00 p.m. on 11 December 2022 (not less than 72 hours before the time appointed for holding the EGM).**

    A member who wishes to submit an instrument appointing a proxy(ies) by post or via email can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from the Company's website and SGXNet, and complete and sign this Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. A member may also appoint a proxy(ies) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm2.

    Members are encouraged to submit completed Proxy Forms electronically via email or appoint a proxy(ies) via the online process through the pre-registration website at the URL: https://conveneagm.sg/totmtechnologies_egm2.

6. Completion and return of the instrument appointing a proxy(ies) does not preclude a member from attending, speaking and voting at the EGM. A member who accesses the "live" webcast of the EGM proceedings may revoke the appointment of a proxy(ies) at any time before voting commences and in such an event, the Company reserves the right to terminate the proxy(ies)' access to the EGM proceedings.

7. The instrument appointing a proxy(ies) must, if submitted by post or electronically via email, be signed under the hand of the appointor or of his/her attorney duly authorised in writing or, if submitted electronically via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/totmtechnologies_egm2, be authorised by the appointor via the online process through the website. Where the instrument appointing a proxy(ies) is executed by a corporation, it must, if submitted by post or electronically via email, be executed either under its common seal or under the hand of its attorney or a duly authorised officer or, if submitted electronically via the online process through the pre-registration website which is accessible from the URL: https://conveneagm.sg/totmtechnologies_egm2, be authorised via the online process through the website.

8. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.

9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM (i.e. **2.00 p.m. on 11 December 2022**), as certified by CDP to the Company.

Personal data privacy:

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