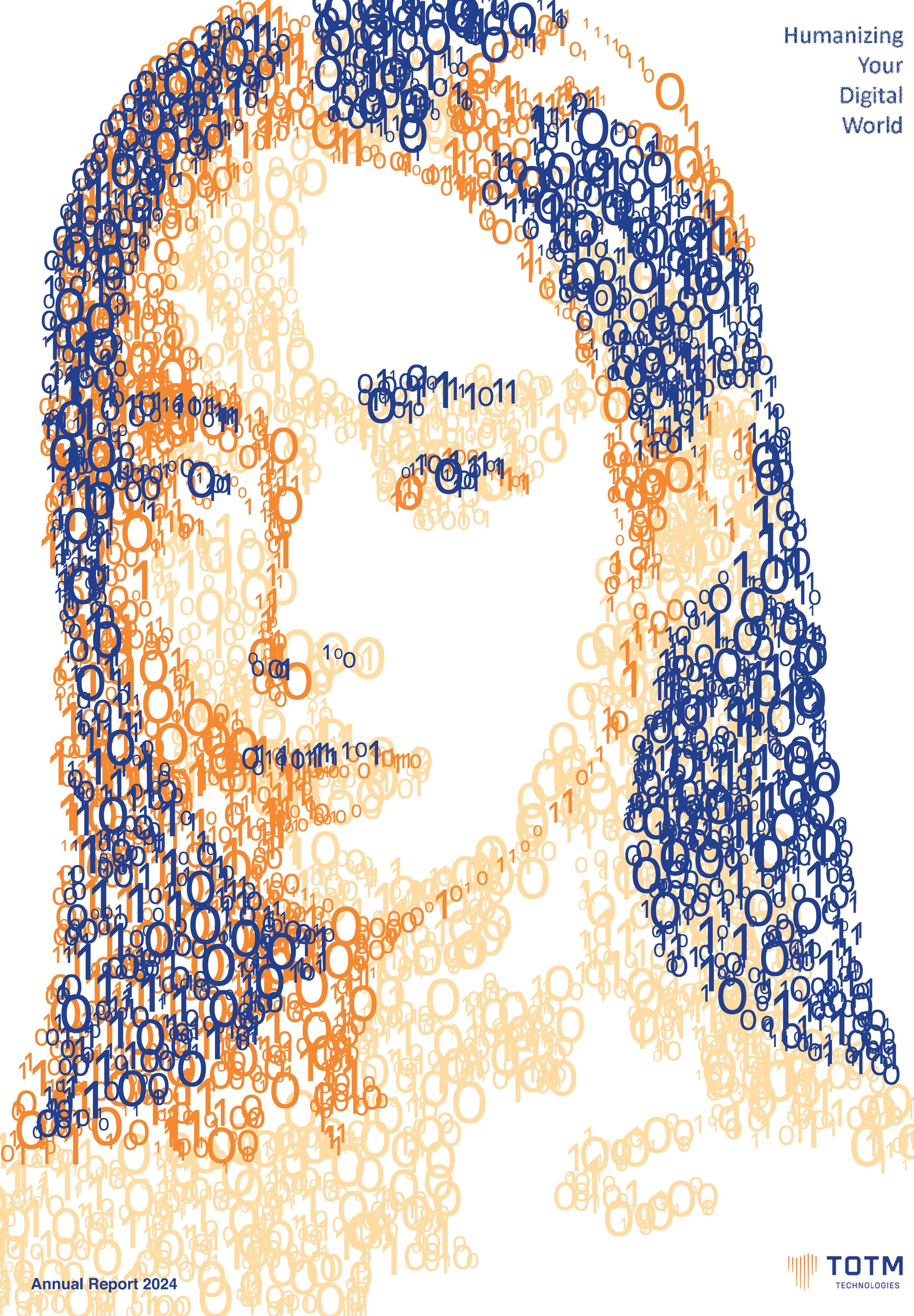

Humanizing Your Digital World

Annual Report 2024

TOTM TECHNOLOGIES

Our Vision

To provide everyone a secure global digital identity by making it affordable, easily deployable, and simple to use.

Our Mission

To provide pragmatic identity solutions that can be implemented quickly & easily, empowering citizens to interact securely in the digital world.

Table of Contents

Corporate Profile

TOTM Technologies Limited ("**TOTM Technologies**" or the "**Company**", and together with its subsidiaries, the "**Group**") provides end-to-end identity management and biometrics products, powering Digital Identity and Digital Onboarding solutions. The Group's multi-modal range of technologies includes internally developed technologies as well as technology licensed from strategic partners such as National Institute of Standards and Technology ("**NIST**") rated biometrics matching software that has proven effective in ultra large-scale identity deployments. The Group's in-house expertise comprises innovators, disruptors and technologists providing the full technology suite in biometrics such as multi-modal technologies(face, finger, iris), eKYC, real-time liveness detection, age classification and patented cryptograph that stores data encrypted with biometrics.

Leveraging on its strong execution experience and the robust technology platforms from its own subsidiaries and strategic technology partners, the Group's Digital Identity and Biometrics Business Unit currently serves mainly ministries and government agencies. The Company's solutions have processed over 200 million IDs in South-East Asia, facilitating some of the world's largest national ID programs.

On 15 August 2024, TOTM formalised a joint venture - Presight TOTM AI Ltd. ("**JV Company**") - with ADX-listed Presight. AI Ltd ("**Presight**"), a G42 company.

The joint venture agreement was signed on 18 October 2023 at Gitex in October 2023 by Thomas Pramotedham, CEO of Presight and Pierre Prunier, CEO & Executive Director of TOTM, in the presence of H.E. Kamal R. Vaswani, Singapore's Ambassador to the United Arab Emirates.

The JV Company aims to leverage Presight's Big Data AI and Data Analytics capabilities to enable the scale-up deployment of TOTM's Digital Identity products and solutions on cloud and on-demand. This will allow governments and enterprises to transform mission-critical infrastructure with intelligent new solutions that are data-driven, further opening new ways of working, operating and doing business with biometrics-driven Digital Identity.

For national governments who are transitioning to, or looking to implement national digital identity programs, the JV Company offers a solution which turns national digital identity from a cost center to a profit center, enabling revenue-generating digital transformation at the national level.

By expanding its global footprint in the digital identity space, the Company aims to continuously enhance its presence and contribute to the advancement of the industry. The Group is constantly looking to expand its coverage to more commercial sectors such as medical insurance, healthcare, banking electronic payments, transport, and telecommunications-related applications.

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

Letter to Shareholders

Chairman's Message

Dear Shareholders,
On behalf of the Board of Directors ("**Board**"), I am pleased to present the annual report of TOTM Technologies Limited ("**TOTM**") for the financial year ended 31 May 2024 ("**FY2024**").The period under review took place amid significant new trends in identity management which present opportunities that can leverage our capabilities and track record, especially in Indonesia. Subsequent to the financial year-end, the Board mandated management to conduct a strategic review to chart corporate recovery and rediscover the true value proposition of TOTM.

Financial Performance
Allow me to first outline our performance. As shareholders are aware, our core business is in digital identity management and biometrics. Our wholly-owned subsidiary in Indonesia, PT International Biometric Indonesia ("**InterBIO**") manages the Indonesia National Identity project and provides an Automated Biometrics Identification System ("**ABIS**") for the Ministry of Home Affairs ("**MOHA**"). InterBIO has also completed an identity management project for a law enforcement agency in Indonesia. In FY2024, TOTM recorded revenue of $6.5 million, a decline from $19.4 million a year earlier. The decline in FY2024 was largely due to the absence of 2 sizeable projects in Indonesia.

For FY2024, recorded a loss before tax of $12.1 million (FY2023: $12.4 million) which included non-cash depreciation and amortisation of intangibles of $6.0 million in FY2024 (FY2023: $6.0 million). Net loss narrowed to $11.5 million in FY2024 (FY2023: $11.9 million).

As shareholders are aware, the Group has acquired the remaining 30.0%-stake of GenesisPro Pte Ltd ("**GenesisPro**"), as announced on 31 May 2024. This followed our acquisition in January 2023 of the remaining 49% interest in InterBIO that we did not already own. As both these entities are now wholly owned, TOTM has complete discretion on their strategic direction and development. This will allow us to capture fresh opportunities more decisively while also contributing to internal efficiency and are therefore critical to our plans for corporate recovery.

Further details on our financial performance are contained in the CEO's message and our audited financial statements contained in this annual report.

Outlook
While we have established clear leadership in identity management and biometrics, especially in Indonesia, this has not been matched by our financial performance in the recent past. In response, the management team undertook a comprehensive strategic review of challenges faced and to outline strategies to address this. Accordingly, our Corporate and Business Update was announced 10 September 2024.

TOTM has built a secure identity management and biometrics platform, which can "bolt-on" third-party technologies, providing highly customisable solutions for governments and enterprises. The platform has been refined and upgraded and is now the backbone behind one of the largest digital identity management projects in the world. We can now focus far less on developing IT products which had consumed substantial resources in recent years. Instead, we can now sharpen our value proposition as an asset-light integrator of digital identity and biometrics solutions. In line with this approach, management has reduced engagements with consultants worldwide, lowered headcount and re-directed resources to Southeast Asia to lower costs. We are also embarking on initiatives to widen partnerships and secure adjacent opportunities in Indonesia and beyond. In August 2024, TOTM established a joint venture with Emirates-based Presight AI

Letter to Shareholders

Holding Ltd. The Abu Dhabi JV will lay the groundwork to offer our digital identity products to Middle Eastern and African government and enterprise customers.

Developing countries and corporations are facing an exponential rise in cybercrimes and threats and a growing need to upgrade legacy IT infrastructure. Governments also seek to roll out digitally-enabled government services, which require a trusted and efficient national identity management network. Our recent strategic review seeks not only to streamline efficiencies but also to capture fresh opportunities that can leverage on our domain expertise and track record.

Acknowledgements and Appreciation

On behalf of the Board, we would like to extend our appreciation to our former Independent Directors Mr Chua Hoe Sing and Mr Cheam Heng Haw. They have provided valuable counsel and contributions throughout their tenures, and we wish them the best in their future endeavours.

We would also like to thank you, our valued shareholders, for your patience and continued confidence.

Low Chai Chong
Independent Non-Executive Chairman
10 September 2024

CEO's Message

Dear Shareholders,
I am pleased to present my inaugural report as CEO, following my appointment on 6 April 2021. This report is not only a scorecard of what has been a challenging year but also an exciting road map for a corporate recovery.

FY2024 Financial Performance
FY2024 has been one of the most eventful periods since we underwent a change of name and business in 2021.

The Group's FY2024 performance must be seen against the backdrop of multiple challenges. Costs have escalated significantly after the pandemic resulting in delays of projects and decision-making by potential customers, especially in our core market of Indonesia. The Group's own operational structure did not align with the changing landscape, leading to inefficiencies, especially in the year under review.

The Group's revenue declined to $6.5 million in FY2024 from $19.4 million a year in FY2023 when we had recorded 2 sizeable projects. The latter involved the supply of biometric identification systems integrated with Indonesia's National ID database and biometric identification and surveillance systems to a law enforcement agency, which accounted for $14.3 million of revenue in FY2023.

In February 2024, InterBIO secured fresh contracts worth $7.5 million in Indonesia, mostly from MOHA, and received $470,000 to issue an additional 2 million ABIS licenses which increased the total licences issued by InterBIO in Indonesia to 47.9 million as at July 2024, on top of 172 million previous ABIS licenses.

Despite the lower top line, net loss narrowed to $11.5 million in FY2024 from $11.9 million a year ago, which includes $4.9 million non-cash amortisation of intangibles, mainly from the acquisitions of remaining equity stakes in InterBIO and GenesisPro in January 2023 and May 2024, respectively. The rationale for these acquisitions has already been spelt out by our Chairman in his message.

Our total equity or net asset as of 31 May 2024 stood at $57.5 million compared to $68.7 million a year ago, mainly due to the increase in accumulated losses and other reserves recognised during the year.

In FY2024, net cash flow used for operations amounted to $5.7 million. Net cash flow used in investing activities of $0.6 million was mainly due to the purchase of property, plant and equipment and software-related intangibles during the year. Net cash flow used in financing activities amounted to $0.8 million, mainly due to repayment of lease liabilities and interest. As a result of the above, cash and cash equivalents declined by $7.2 million during the year.

Our Transformation Strategies
As outlined by our Chairman, TOTM needs to match its capabilities, track record and potential with financial performance. It was with this imperative that management undertook a major strategic review recently which was announced together with this Annual Report on 10 September 2024.

I wish to draw shareholders' attention to the key strategies to achieve corporate recovery and unlock the potential of TOTM.

First, we have decided to refocus on our core capabilities as a Digital Identity and Biometric Integrator ("**DIBI**"), instead of developing our own biometric solutions, which require significant expenditure on research and development, as we had done in the recent past. These efforts had consumed resources without certainty of conversion to actual cash-generating business, a situation which was compounded by cost escalation after the pandemic.

In line with this new approach, we have upgraded and refined our ABIS technology. Capacity and speed of identification have doubled, while accuracy has improved, even with larger databases. We also enhanced security measures and integrated AI and Machine Learning capabilities.

We are also leveraging the capabilities of our wholly-owned subsidiaries, InterBIO and GenesisPro to provide a Digital Identity and Biometrics platform which can implement new features or bolt on third-party applications seamlessly. In the past few months, our platform has been strengthened and refined considerably to allow us to adopt such an asset-light business model with confidence. In essence, TOTM can handle digital identity and biometrics in Indonesia and elsewhere with a lower operating cost base without compromising on reliability and service levels.

Second, this platform and new approach also allow TOTM to re-align revenue streams and strategy. InterBIO's leadership in identity management and biometrics in Indonesia offers us a first-mover advantage to capture adjacent opportunities – eithert to be bolted onto our platform or standalone projects which leverage our capability, track record and network.

CEO's Message

In line with this, InterBIO is serving as a consultant to PT Pathgen Diagnostic Teknologi for a project to design and create health data architecture for Indonesia's Ministry of Health ("**MoH**"). This marks the Group's first foray into the healthcare sector and we intend to capture more opportunities to leverage our asset-light DIBI capabilities to drive digital transformation.

Third, we have reviewed our organisation structure, workflow and work culture. Cross-regional task teams have been created to break down 'silos' and enhance collaboration, reducing overlaps. We have also embarked on the audit process for at least 3 ISO certifications, which will strengthen our value proposition for government-related projects.

Fourth, TOTM has implemented major cost-cutting initiatives. As I write this, TOTM has already begun lowering its global headcount from 97 as of 31 May 2024 to 92 by 2025. We have reduced engagements with consultants from 16 consultants as of 31 May 2024 to 7 as of 6 September 2024 across 6 global locations, reallocating resources to Southeast Asia, and have also consolidated headcount within various Indian cities to Hyderabad. Through these efforts, we expect to recognise significant labour and consultancy cost savings from January 2025.

We have also successfully renegotiated business agreements with our business partners. This has already led to lower annual recurring payments since January 2024. Another cost-rationalisation initiative includes a review of our portfolio of subsidiaries and reseller agreements, to further lower costs in the coming months.

Lastly, we have established partnerships with other technology leaders who can complement our business, unlock adjacent opportunities and tap into new markets. On 13 August 2024, we incorporated, together with AI and data analytics leader Presight AI Ltd, a joint-venture in Abu Dhabi. Both TOTM and Presight will jointly develop a cloud-native platform as the foundation for an ecosystem of e-citizen services and digital enterprise solutions,which will be offered to governments and enterprise customers in the Middle East and Africa.

The Road Ahead

Having laid the groundwork for transformation, we are optimistic about the future. TOTM has sharpened focus on our core competencies, optimised our operational efficiencies, and embraced partnerships to build ecosystems. The entire strategy is premised on being asset-light while availing ourselves to adjacent opportunities in Indonesia and beyond. It will augur corporate recovery and a better tomorrow.

Barring unforeseen circumstances, I am confident our FY2025 financial performance will improve compared to FY2024. We have overcomed various challenges and emerged stronger, and will continue to implement our transformation strategies.

TOTM will continue to innovate and remain committed to providing value to our customers and shareholders, and preserve through the challenges ahead.

In Appreciation

I would like to thank our former Independent Directors, Mr Chua Hoe Sing and Mr Cheam Heng Haw, for their valuable contributions to the Group during their tenures.

I would also like to express my appreciation to our customers and business partners for their contributions; we are thankful for the opportunity to serve you and will continue to innovate and exceed your expectations. I would also like to thank TOTM staff for their hard work and commitment to excellence.

Last but not least, thank you, our shareholders for your belief in our vision. We are on an exciting path to a stronger TOTM Technologies, and we remain committed to delivering greater value in the years ahead.

Pierre Prunier
CEO & Executive Director
10 September 2024

Regional Presence

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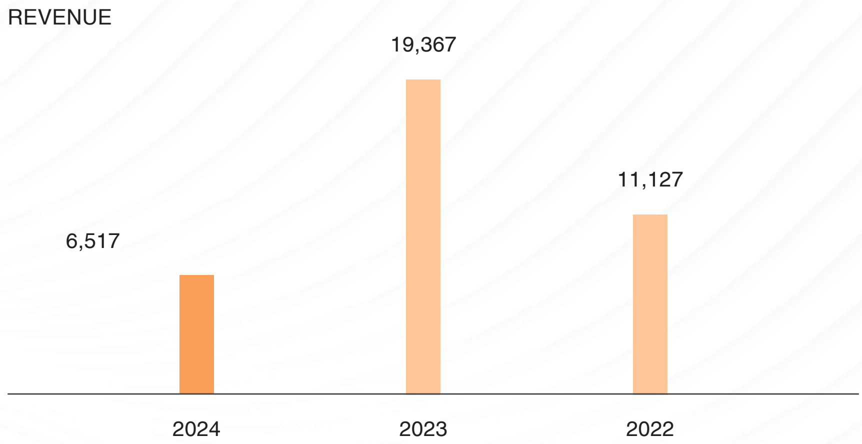
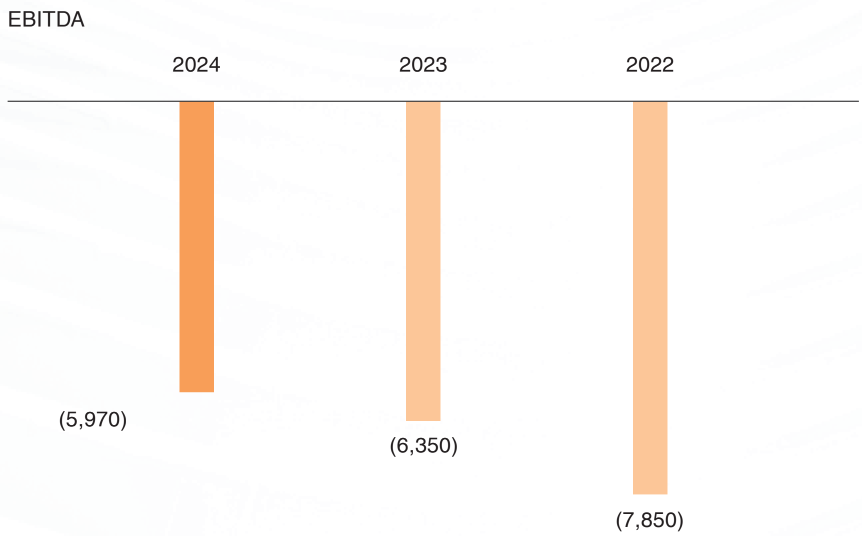
Financial Highlights

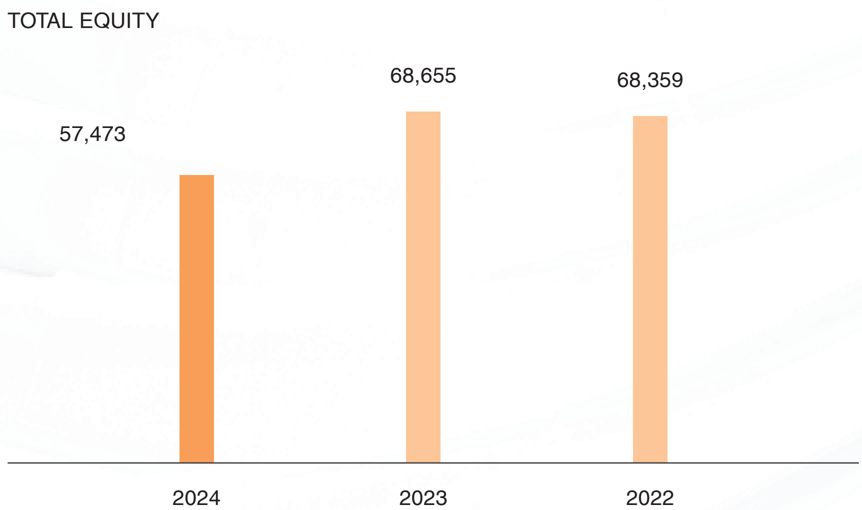
FOR THE YEAR ($'000)	2024	2023	2022
Revenue	6,517	19,367	11,127
Loss before interest, tax, depreciation & amortisation (EBITDA)	(5,970)	(6,350)	(7,850)
Loss before tax	(12,103)	(12,401)	(13,524)
Loss for the year from continuing operation	(11,517)	(11,919)	(12,817)
Loss for the year from discontinued operation, net of tax	-	-	495
	(11,517)	(11,919)	(12,322)
AT YEAR END ($'000)			
Current assets	8,943	15,969	11,376
Total assets	63,218	75,400	75,731
Current liabilities	1,804	2,183	2,083
Total liabilities	5,745	6,745	7,372
Total Lease Liabilities	2,101	1,940	1,903
Equity attributable to owners of the company	57,400	68,207	57,276
Total equity	57,473	68,655	68,359
Number of shares as at 31 May	1,340,990,616	1,340,990,616	849,303,716
PROFITABILITY RATIOS			
Return on shareholders' equity (%)	(20.04)	(17.36)	(18.03)
Return on total assets (%)	(18.22)	(15.80)	(16.27)
LEVERAGE RATIOS			
Long-term debt to equity ratio (times)	0.02	0.02	0.02
Total debts to equity ratio (times)	0.04	0.03	0.03
LIQUIDITY ANALYSIS RATIOS			
Current ratio (times)	4.96	7.32	5.46
Net asset value per share (cents)	4.29	5.12	8.05

Financial Highlights

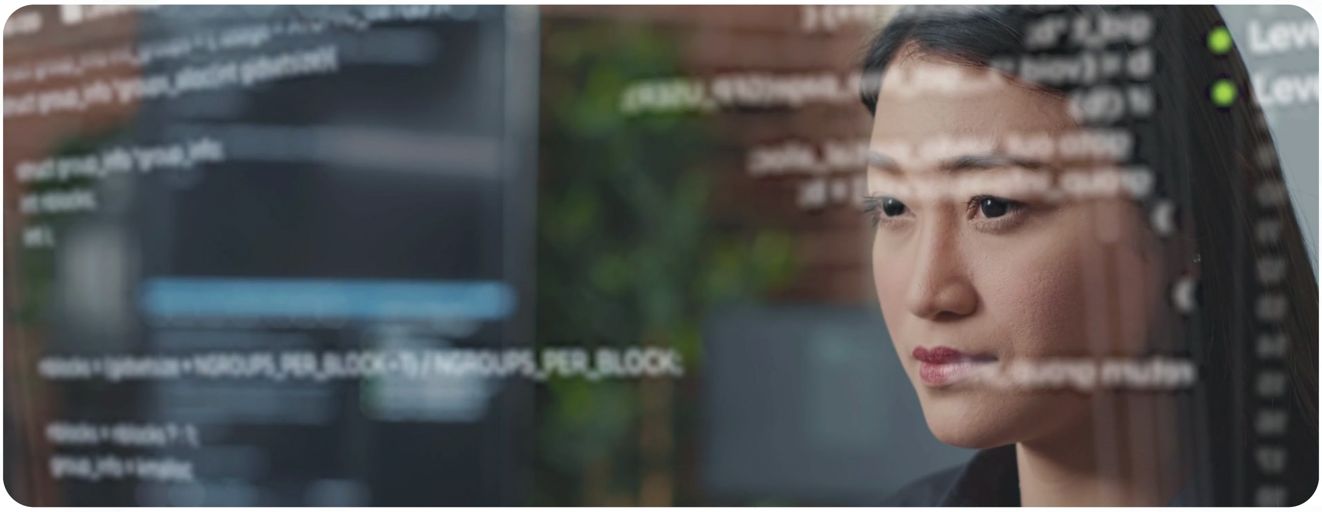
FOR THE YEAR ($'000)







Financial Review



INCOME STATEMENT

Revenue for FY2024 stood at $6.5 million, compared to $19.4 million in FY2023, mainly due to absence of two projects to supply biometric identification systems integrated with the National ID database, as well as supply biometric identification and surveillance systems to one of the law enforcement agencies in Indonesia in FY2023.

FY2024 revenue from Digital Identity business in Indonesia was mainly derived from:

(i) provision of technical support to Indonesia's Ministry of Home Affairs and maintenance of Indonesia's current biometric national identity system which contributed $5.2 million;

(ii) Sales of ABIS licences of $0.6 million; and

(iii) Provision of services for liveness and facial recognition apps of $0.7 million.

Subcontractor costs and direct costs which include mainly technical services fees and back-end support fees, decreased to $0.3 million in FY2024 from $13.2 million a year ago, due to the absence of the aforementioned projects.

For FY2024, employee benefit expenses for project staff were approximately $1.1 million (FY2023: $1.0 million), mainly due to the new hires for the development of TOTM's ABIS product in India. Employee benefit expenses for administrative staff were $4.8 million (FY2023: $4.0 million), due to mandatory annual staff training expenses in Indonesia relating to the ATS project .

The depreciation of property plant and equipment and amortisation of intangibles in FY2024 are relatively consistent as compared to FY2023 with a slight increase due to addition of property plant and equipment during the year.

Amortisation of intangibles, which relates to technology and customer relationships from the acquisition of InterBIO and GenesisPro, amounted to $4.9 million for FY2024, consistent with FY2023.

Legal and professional fees for FY2024 decreased to $2.2 million from $3.5 million in FY2023 due to the absence of fund-raising exercises and the acquisition of the remaining 49.0% of InterBIO which the Group undertook in FY2023. Other expenses, which include travelling and accommodations,meals and entertainment, marketing events, and office expenses, declined to $2.6 million in FY2024 compared to $3.0 million in FY2023, mainly due to lower travelling and marketing event expenses.

Interest expenses comprise mainly of the interest component on the adoption of SFRS(I) 16 Leases throughout the Group. Income tax credit comprised mainly from current tax expenses of $0.3 million, and deferred tax credit of $0.9 million in FY2024.

Financial Review

BALANCE SHEET

Non-current assets decreased to $54.3 million as at 31 May 2024 from $59.4 million a year ago, mainly due to amortisation recognised on intangible assets of $4.9 million, depreciation of $1.2 million and share of losses of investment in associate of $0.5 million. These were partially offset by additions of property, plant and equipment of $0.6 million.

At the Company level, non-current assets increased by $0.3 million as at 31 May 2024 to $112.0 million (31 May 2023: $111.7 million) mainly due to the additions of property plant and equipment.

Current assets decreased to $9.0 million as at 31 May 2024 from $16.0 million as at 31 May 2023. Contract assets, which primarily relate to the Group's right to consideration for work completed but not yet billed, decreased to $2.7 million as at 31 May 2024 from $3.8 million a year ago mainly due to an increase in services rendered in FY2024 compared to FY2023.

Trade and other receivables increased to $3.5 million as at 31 May 2024 from $2.6 million as at 31 May 2023 as a result of increased in advance payments to suppliers for the MOHA project totalling $1.2 million. Cash and bank balances decreased by $7.2 million to $2.4 million as at 31 May 2024 from $9.6 million as at 31 May 2023, mainly due to working capital used by the Group.

Non-current liabilities decreased to $3.9 million as at 31 May 2024 from $4.6 million as at 31 May 2023, mainly due to the reversal of deferred tax liabilities. Current liabilities decreased to $1.8 million as at 31 May 2024 from $2.2 million as at 31 May 2023 mainly due to a decrease in trade and other payables and income tax payable. Trade and other payables decreased from $1.3 million to $1.1 million due to lower trade payables which were offset by increases in indirect tax payable and deferred income.

Total equity decreased mainly due to the increase in accumulated losses and other reserves recognised during the year.

STATEMENT OF CASH FLOWS

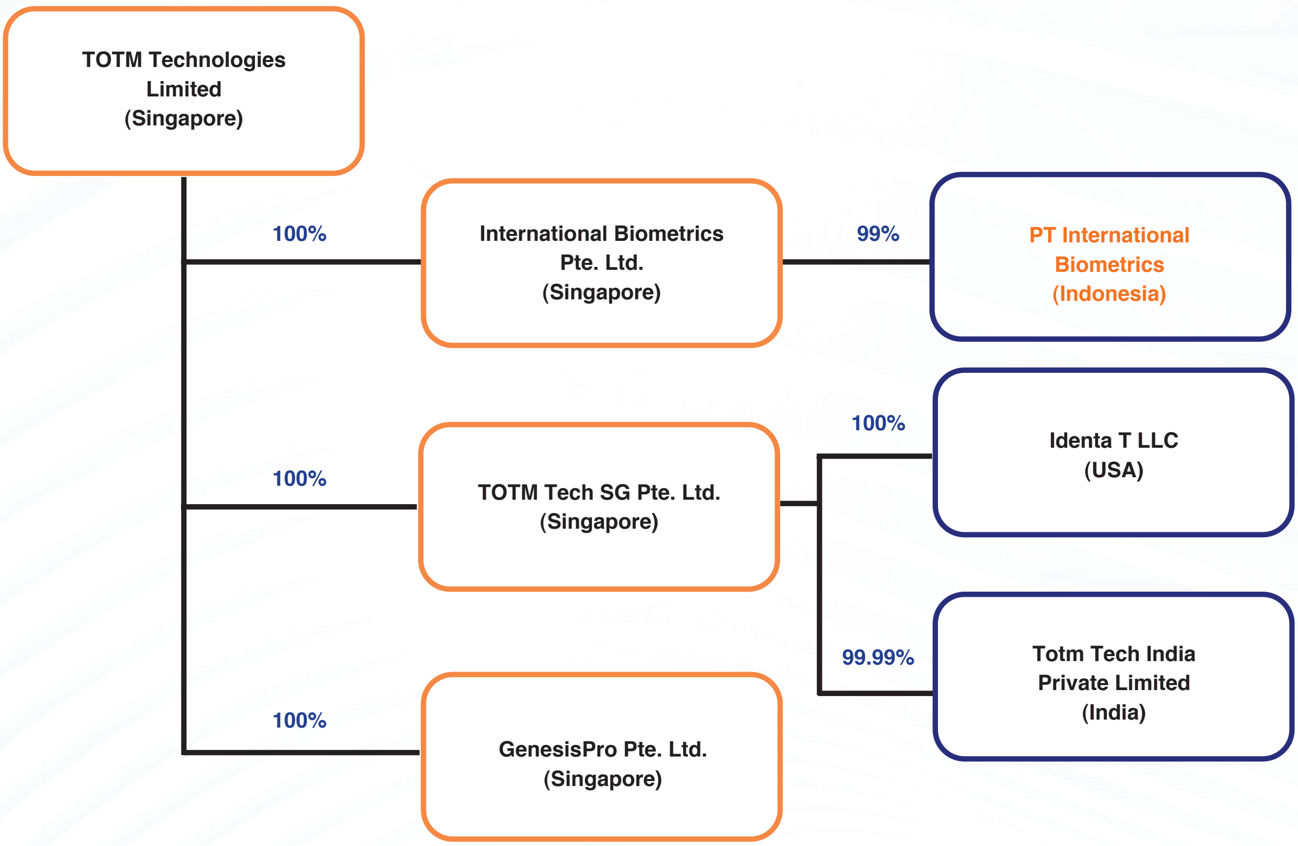
In FY2024, net cash flows used in operating activities amounted to approximately $5.7 million. This is mainly due to operating cash outflows before changes in working capital of $4.9 million, inflow from contract assets of $1.1 million, which were offset by outflow from trade and other receivables of $1.0 million, and outflow from trade and other payables of $0.2 million.

Net cash flows used in investing activities stood at $0.6 million, mainly due to purchases of property, plant and equipment and intangibles related to software during the year.

Net cash flows used in financing activities amounted to approximately $0.8 million, mainly due to repayment of lease liabilities and interest.

As a result of the above, there was a net decrease of approximately $7.2 million in cash and cash equivalents during the year. As at 31 May 2024, the Group has cash and cash equivalent of $2.4 million.

Corporate Structure



Corporate Information

BOARD OF DIRECTORS
Pierre Prunier (Executive Director and CEO)
Low Chai Chong (Independent Chairman)
Aw Eng Hai (Independent Director)
Diaz Faisal Hendropriyono (Independent Director)
Irawan Mulyadi (Non-Executive Director)
Dhanie Tri Indrasto (Non-Executive Director)

AUDIT COMMITTEE
Aw Eng Hai (Chairman)
Low Chai Chong
Diaz Faisal Hendropriyono

NOMINATING COMMITTEE
Low Chai Chong (Chairman)
Aw Eng Hai
Diaz Faisal Hendropriyono

REMUNERATION COMMITTEE
Low Chai Chong (Chairman)
Diaz Faisal Hendropriyono
Aw Eng Hai

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SHARE REGISTRAR
B.A.C.S. Private Limited
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Singapore 068896

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

INTERNAL AUDITOR
BDO Advisory Pte Ltd
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

COMPANY SECRETARY
Sim Yok Teng

Board of Directors & Key Management

Low Chai Chong

Non-Executive
Independent Chairman

Pierre Prunier

Executive Director and CEO

Irawan Mulyadi

Non-Executive Director

Diaz Faisal Hendropriyono

Independent Director

Aw Eng Hai

Independent Director

Bryan Glancey

Chief Technology Officer

Frederick Lau

Deputy Chief Financial Officer

Dhanie Tri Indrasto

Non-Executive Director

Note: Dhanie Tri Indrasto's photo was not available.

Board of Directors & Key Management

Low Chai Chong
Independent
Non-Executive Chairman

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

Advocate and solicitor of the Supreme Court of Singapore, 1987

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

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

Pierre Prunier
Executive Director and CEO

Bachelor of Arts, Economics, Boston University, 2003

Mastering Alternative Investments, INSEAD Singapore, 2006

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

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

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

Board of Directors & Key Management

Irawan Mulyadi
Non-Executive Director

Bachelor’s Degree in Information Technology, Swinburne University, 1995

Mr. Irawan Mulyadi is our Non-Executive Director and was appointed on 6 April 2023.

Mr. Irawan Mulyadi was CEO of PT International Biometrics Indonesia, a subsidiary of TOTM Technologies Ltd. A serial entrepreneur with expansive experience in IT, particularly in areas of strategic application and deployment, his 25 years career iterated from solutions architect, business analyst,technical lead to business owner cum founder. His international portfolio includes a broad range of assignments from large-scale systems analysis to real-world implementation. Mr. Irawan Mulyadi also developed his deep domain knowledge by developing IT systems for the finance and banking industry via his consultancy firm established in Australia. Having returned to Indonesia in 2000s, the latest addition to his portfolio was the incorporation of numerous businesses related to digital transformation and disruptive technologies, especially in the areas of Payment Gateway, Social Media eCommerce, eHealth and mobile applications.

Mr. Irawan Mulyadi serves on various boards of directors in several global organisations and institutions, and he is also actively engaged in promoting Small Medium Economies for countries in ASEAN and Africa. Mr. Irawan Mulyadi is also a Director and Deputy Secretary-General of FORSEAA (Forum of Small Medium Economic Africa ASEAN).

His mission is to assist governments, businesses and people to achieve successful digital transformation via real world expertise and actionable insight.

Dhanie Tri Indrasto
Non-Executive Director

Bachelor of Arts, Universitas Pelita Harapan, 2007

Mr. Dhanie Tri Indrasto is our Non-Executive Director and was appointed on 5 June 2023. He previously served as a business advisor to the Company.

Mr. Dhanie Tri Indrasto has more than 10 years of directorship experience and is currently serving as a member of the Board of Directors in several corporations. His directorial role includes PT Royal Arta Jayamanggala, an organization at the forefront of disruptive technologies, particularly in reconnaissance and cyber intelligence for defence industries. Moreover, he currently holdsa position as a member of the Board of Commissioners at PTKesan Digital Nusantara, a company specialising in application development.

With his extensive knowledge and experience in both the technology sector and the Indonesian public and private sectors, Mr. Dhanie Tri Indrasto brings invaluable expertise to our Board and the Company as we move forward.

Board of Directors & Key Management

Diaz Faisal Hendropriyono
Independent Director

Bachelor of Science in Management, Norwich Military University,1999

Master of Arts in Global Leadership, Hawaii Pacific University, 2003

Master of Business Administration in International Business, Hawaii Pacific, University, 2003

Master of Public Administration, Virginia Tech University, 2010

Mr. Diaz Faisal Hendropriyono is our Independent Director and was appointed on 20 January 2023. He is currently a member of the Audit Committee, Nominating Committee and Remuneration Committee.

Mr. Diaz Faisal Hendropriyono has been serving as a member of President Joko Widodo's special staff since his appointment in 2016. As a Special Staff, he provided counsel to the President on matters of national policies. He was also a member of the Advisory Council of the Presidential Campaign Team between July 2018 and April 2019.

He is currently a member of the Board of Commissioner of several companies, including Indonesia's largest gas piping service provider, PT Pertamina Gas, a publicly-traded technology platform provider, PT M Cash Integrasi. Prior to this, Mr. Diaz Faisal Hendropriyono served as a member of the Board of Commissioner of Indonesia's largest cellular telecommunication carrier PT Telekomunikasi Indonesia between 2015 and 2018.

Mr. Diaz Faisal Hendropriyono's vast knowledge and experience in the Indonesian public and private sectors will be an invaluable asset to the Board and the Company going forward.

Mr. Diaz Faisal Hendropriyono is currently pursuing a Ph.D. in Public Administration and Public Affairs with Virginia Tech University.

Aw Eng Hai
Independent Director

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

Fellow Chartered Accountant of Singapore

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

Mr. Aw Eng Hai is a public accountant and a partner of Foo Kon Tan LLP where he is in charge of the various departments providing specialist advisory services. He has more than 19 years of experience providing business advisory services to companies. Prior to joining the commercial sector, Mr. Aw Eng Hai was an investigator in the Commercial Affairs Department (CAD) where he was involved in complex commercial fraud investigation.

Mr. Aw Eng Hai is a practising member of the Institute of Singapore Chartered Accountants (ISCA), a Fellow of the Association of Chartered Certified Accountants (ACCA), a Fellow of Insolvency Practitioners Association of Singapore (IPAS) and a member of INSOL International.

Board of Directors & Key Management

Bryan Glancey
Chief Technology Officer

Bachelor's Degree in Physics, Clarkson University, 1994

Mr. Bryan Glancey is our Chief Technology Officer. He was appointed on 16 March 2023. He is responsible for developing and enhancing the Group's technological resources, and to establish and implement the Group's technology road map in line with the Group's overall strategic direction.

Mr. Bryan Glancey has been a serial start-up CTO over the past 27 years. He has spoken at a large number of conferences including multiple appearances at DEFCON and Blackhat Hacker conferences. Mr. Bryan Glancey has been interviewed on several radio programs, including NPR and Television appearances. Mr. Bryan Glancey innovative security ideas have led to ten patent pending software security solutions. He has held leader ship positions at Motorola Mobility, Inc. (when owned by Google), Samsung Electronics Co Ltd, and formed several companies for successful exit including Mobile Armor bought by Trend Micro and Pointsec which was bought by Checkpoint. Bryan has led 30 FIPS validations of Cryptographic modules, and 6 Common Criteria Evaluations including the first Mobile Device Fundamental Protection Profile – which he was involved in the creation of with Global Government INFOSEC agencies including NSA, BSI, CESG and others. Mr. Bryan Glancey holds a Bachelors Degree in Physics from Clarkson University where he participated in research studies for the National Science Foundation, the US Air Force, and NASA.

Frederick Lau
Deputy Chief Financial Officer

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

Fellow member of the Association of Chartered Certified Accountants

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

Mr. Frederick Lau is also a fellow member of the Association of Chartered Certified Accountants and member of the Institute of Singapore Chartered Accountants.

CORPORATE GOVERNANCE REPORT

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

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

Statement of Compliance

The Board of Directors of the Company (the "**Board**" or "**Directors**") confirms that for the financial year ended 31 May 2024 ("**FY2024**"), the Company has generally adhered to the framework outlined in the Code. Where there were any deviations from any provisions of the Code, appropriate disclosures and explanations are provided.

BOARD MATTERS

THE BOARD'S CONDUCT OF ITS AFFAIRS

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

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

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

Name of Director		
Mr Low Chai Chong	-	Independent Non-Executive Chairman
Mr Pierre Prunier	-	Executive Director and Chief Executive Officer ("**CEO**")
Mr Aw Eng Hai	-	Independent Director
Mr Diaz Faisal Hendropriyono	-	Independent Director
Mr Irawan Mulyadi	-	Non-Executive Director
Mr Dhanie Tri Indrasto	-	Non-Executive Director

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

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

To keep the Directors abreast of the latest development in the Company and the Group, the Board is briefed by the Management on the development and progress of the Group's key operations. During FY2024, outside of the mandatory full and half-yearly Board meetings, the Board had communications with the Management via teleconferences and emails and were provided with periodic updates on the Group's operations and business.

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

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

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

Trainings and/or seminars attended by the Directors during FY2024 are listed below:

Name of Directors	Title of Trainings / Seminars
● Diaz Faisal Hendropriyono	LED 5 - Audit Committee Essentials

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

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

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

2. Approval of material acquisitions and disposal of assets;

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

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

5. Approval of financial statements and financial results announcement;

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

7. Authorisation of interested person transactions.

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

Dates of Board, Board Committee meetings, and Shareholders' general meetings (i.e. annual general meeting and extraordinary general meeting) are scheduled in advance in consultation with all of the Directors. For those Directors who are unable to attend the scheduled meeting in person, they are invited to participate in the meeting via telephone or video conference.

The number of Board, Board Committee, and Shareholders' general meetings held in FY2024 as well as the record of attendance of each Director during their terms as Directors and members of the respective Board Committees of the Company are set out below:

Board and Board Committees' Meetings

			Board of Directors					
	Board Committees		Audit Committee		Remuneration Committee		Nominating Committee	
	No. of Meetings held	No. of Meetings attended	No. of Meetings held	No. of Meetings attended	No. of Meetings held	No. of Meetings attended	No. of Meetings held	No. of Meetings attended
Name of Current Director								
Low Chai Chong	2	2	2	2	2	2	1	1
Pierre Prunier	2	2	N/A	N/A	N/A	N/A	N/A	N/A
Aw Eng Hai (1)	2	2	2	2	1	1	1	1
Diaz Faisal Hendropriyono (2)	2	2	1	1	2	2	–	–
Irawan Mulyadi	2	2	N/A	N/A	N/A	N/A	N/A	N/A
Dhanie Tri Indrasto	2	2	N/A	N/A	N/A	N/A	N/A	N/A
Name of Former Director								
Cheam Heng Haw, Howard (3)	1	1	1	1	1	1	1	1
Chua Hoe Sing (4)	1	1	1	1	1	1	N/A	N/A

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

Notes:

(1) Mr Aw Eng Hai was appointed as a member of the RC on 1 December 2023. During FY2024, the RC held 2 meetings and Mr Aw Eng Hai attended the RC meeting held in January 2024, which was the second RC meeting of FY2024.

(2) Mr Diaz Faisal Hendropriyono was appointed as a member of the AC on 1 December 2023. During FY2024, the AC held 2 meetings and Mr Diaz Faisal Hendropriyono attended the AC meeting held in January 2024, which was the second AC meeting of FY2024.

(3) Mr Chua Hoe Sing resigned as an Independent Director of the Company on 20 November 2023. Prior to Mr Chua Hoe Sing's resignation, he attended the first Board, AC and RC meetings of FY2024, which were held in July 2023.

(4) Mr Cheam Heng Haw, Howard resigned as an Independent Director of the Company on 24 November 2023. Prior to Mr Cheam Heng Haw, Howard's resignation, he attended the first Board, AC, RC and NC meetings of FY2024, which were held in July 2023.

Shareholders' General Meetings

	Annual General Meeting held on 25 September 2023
Name of Current Director	
Low Chai Chong	✓
Pierre Prunier	✓
Aw Eng Hai	✓
Diaz Faisal Hendropriyono	✓
Irawan Mulyadi	✓
Dhanie Tri Indrasto	✓
Name of Former Director	
Chua Hoe Sing (1)	✓
Cheam Heng Haw, Howard (2)	✓

Notes:

(1) Mr Chua Hoe Sing resigned as Director of the Company on 20 November 2023.

(2) Mr Cheam Heng Haw, Howard resigned as Director of the Company on 24 November 2023.

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE

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

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

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

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

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

(b) None of the Independent Directors have served on the Board beyond nine years as at 31 May 2024 since their initial appointment as Directors of the Company.

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

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

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

As at the date of this Annual Report, the Board comprises six members, three of whom are Independent Directors. Mr Low Chai Chong is the Non-Executive Independent Chairman of the Board.

Independent Director
1. Low Chai Chong (Chairman)
2. Aw Eng Hai
3. Diaz Faisal Hendropriyono

Executive Director
1. Pierre Prunier

Non-Executive Director
1. Irawan Mulyadi
2. Dhanie Tri Indrasto

CORPORATE GOVERNANCE REPORT

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

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

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

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

Name of Director	Board of Directors	Audit Committee	Nominating Committee	Remuneration Committee
Low Chai Chong	Independent Non-Executive Chairman	Member	Chairman	Chairman
Pierre Prunier	Executive Director & CEO	–	–	–
Aw Eng Hai	Independent Director	Chairman	Member	Member
Diaz Faisal Hendropriyono	Independent Director	Member	Member	Member
Irawan Mulyadi	Non-Executive Director	–	–	–
Dhanie Tri Indrasto	Non-Executive Director	–	–	–

The composition of the Board is reviewed on an annual basis by the NC and the Board to ensure that it has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Board as a group comprises members with core competencies in legal, accounting and finance, business and management experience, industry knowledge, strategic planning, and customer-based experience and knowledge. This enables the Management to benefit from the external and expert perspectives of the Directors who collectively possess the core competencies relevant to the direction and growth of the Group. The profiles of our Directors such as academic professional qualification, background are set out in the "**Board of Directors & Key Management**" section on pages 14 to 18 of this Annual Report.

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

Board Diversity Policy

The Company recognises and embraces the benefits of diversity on the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Board has adopted a formal Board Diversity Policy, setting out the Group's principles for promoting and maintaining diversity in the composition of the Board.

The Board Diversity Policy provides that the Company aims to build a Board comprised of appropriately qualified members with a breadth of experience, diversity in thought and background which are essential to achieve a long-term sustainable growth and effective governance of the Group's businesses.

CORPORATE GOVERNANCE REPORT

In this regard, the NC adopts a deliberate and targeted board renewal process. It assesses the needs for Board composition in a proactive manner and uses them as an objective criterion when selecting candidates. When reviewing Board composition and succession planning, the NC will take into account directors with diverse skills, business experiences, ages, genders, nationalities, cultural, educational and professional industry backgrounds, ethnicities, and other relevant personal attributes and distinguishing qualities that are important for supporting robust and effective decision-making at the Board level. These diverse skills and aspects of diversity will be taken into consideration when determining the best possible Board composition, with efforts made to ensure appropriate balance. Ultimately, the final decision will be based on merit, specifically in terms of skills, knowledge, and experience, in order to complement and broaden the skills and experience of the Board as a whole.

The Board recognises the importance of gender diversity and will strive to ensure the inclusion of female candidates in the selection process. Where external consultants are engaged for the search, the directive to present female candidates will be made known.

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

Where necessary or appropriate, the Non-Executive Directors (including the Independent Directors) will meet without the presence of the Management so as to facilitate a more effective check on Management. During FY2024, the Non-Executive Directors (including the Independent Directors) communicated regularly to discuss matters related to the Group, including the performance of the Management and the direction and growth of the Group.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (“CEO”)

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

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

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

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

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

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

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

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

As Mr Low Chai Chong, the Chairman of the Board, is independent, there is no lead independent director appointed as at the date of this Annual Report.

BOARD MEMBERSHIP

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

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

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

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

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

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

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

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

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

Name of NC Member	
Low Chai Chong	(Chairman, Independent)
Aw Eng Hai	(Member, Independent)
Diaz Faisal Hendropriyono	(Member, Independent)

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

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

(b) reviewing Board succession plans for the Directors;

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

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

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

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

Director	Date of Initial Appointment	Date of Last Re-election	Current Directorships in other Listed Companies	Past Directorships in Listed Companies (in Last Five Years)	Shareholding in the Company and/or related corporations
Low Chai Chong (Independent Non-Executive Chairman)	1 July 2021	30 September 2021	1. Eneco Energy Limited 2. Capital World Limited	1. Moya Holdings Asia Limited 2. OIO Holdings Limited 3. Pollux Properties Ltd	1,000,000 share options under the Company's Employee Share Option Scheme
Pierre Prunier (Executive Director and CEO)	6 April 2021	25 September 2023	–	–	• Deemed interested in 164,974,300 ordinary shares of the Company (1) • 13,200,000 share options under the Company's Employee Share Option Scheme

CORPORATE GOVERNANCE REPORT

Director	Date of Initial Appointment	Date of Last Re-election	Current Directorships in other Listed Companies	Past Directorships in Listed Companies (in Last Five Years)	Shareholding in the Company and/or related corporations
Aw Eng Hai (Independent Director)	29 October 2020	25 September 2023	1. Tritech Group Limited 2. GDS Global Limited 3. Luminor Financial Holdings Limited	Capital World Limited	1,000,000 share options under the Company's Employee Share Option Scheme
Diaz Faisal Hendropriyono (Independent Director)	20 January 2023	25 September 2023	–	–	–
Irawan Mulyadi (Non-Executive Director)	6 April 2023	25 September 2023	–	–	• Direct interest of 13,050,000 ordinary shares of the Company • Deemed interested in 10,784,397 ordinary shares of the Company (2) • 5,000,000 share options under the Company's Employee Share Option Scheme • 8,000,000 share awards under the Company's Performance Share Plan (3)

CORPORATE GOVERNANCE REPORT

Director	Date of Initial Appointment	Date of Last Re-election	Current Directorships in other Listed Companies	Past Directorships in Listed Companies (in Last Five Years)	Shareholding in the Company and/or related corporations
Dhanie Tri Indrasto (Non-Executive Director)	5 June 2023	25 September 2023	–	–	• Direct interest of 12,000,000 ordinary shares of the Company • 4,000,000 share options under the Company's Employee Share Option Scheme • 8,000,000 share awards under the Company's Performance Share Plan [4]

Notes:

(1) Mr Pierre Prunier is deemed to be interested in 164,974,300 ordinary shares of the Company, registered in the name of a nominee account of DBS Nominees Pte. Ltd.

(2) Mr Irawan Mulyadi is deemed to be interested in 10,784,397 ordinary shares of the Company held by SIES Investech Inc. His spouse, Ms Selina Loh holds 40.0% of the total share capital of SIES Investech Inc.

(3) As announced on 15 May 2024, the Company had granted up to 20,000,000 share awards to Mr Irawan Mulyadi pursuant to the TOTM Technologies Performance Share Plan Scheme 2021, of which 60% of the awards have vested 3 months from the date of grant. A remaining 40% of the awards or 8,000,000 share awards have yet to be vested as at the date of this Annual Report.

(4) As announced on 15 May 2024, the Company had granted up to 20,000,000 share awards to Mr Dhanie Tri Indrasto pursuant to the TOTM Technologies Performance Share Plan Scheme 2021, of which 60% of the awards have vested 3 months from the date of grant. A remaining 40% of the awards or 8,000,000 share awards have yet to be vested as at the date of this Annual Report.

At the Company's forthcoming annual general meeting ("**AGM**"), to be convened on 26 September 2024, the following Directors will be subject to retirement ("**Retiring Directors**") in accordance with Regulation 104 of the Company's Constitution, respectively, as follows:

(1) Mr Low Chai Chong (Regulation 104 of the Company's Constitution)
(2) Mr Diaz Faisal Hendropriyono (Regulation 104 of the Company's Constitution)

Please refer to "**Disclosure of Information on Directors seeking Re-election**" section of this Annual Report for details.

Each member of the NC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his/her performance and independence or re-nomination as Director. Accordingly, Mr Low Chai Chong and Mr Diaz Faisal Hendropriyono (being NC Members) have abstained from deliberating and recommending on their own re-election.

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

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

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

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

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

Key information regarding the Directors, including their shareholdings in the Company, is set out on pages 28 to 30 of this Annual Report.

BOARD PERFORMANCE

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

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

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

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

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The NC is responsible for assessing the effectiveness of the Board as a whole and the Board Committees, and for assessing the contribution of the Chairman and each individual Director to the effectiveness of the Board. The NC has established a review process and has proposed objective performance criteria set out in assessment checklists which are approved by the Board. The NC assesses the Board's effectiveness as a whole by completing a Board Assessment Checklist, which takes into consideration factors such as the Board's structure, conduct of meetings, corporate strategy and planning, risk management and internal control, measuring and monitoring performance, recruitment and evaluation, compensation, financial reporting, communicating with shareholders and the Board's relationship with the Management as well as the effectiveness of the respective Board Committees. The NC also assesses the Board and Board Committee's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance. The NC assesses the individual Directors' performance by completing an Individual Director Assessment Checklist, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors. The assessment of the Board as a whole and the individual Directors are conducted annually. No external facilitator was engaged by the Board for this purpose in FY2024. The completed assessment checklists were collated by the Company Secretary and the results of the evaluation exercise were subsequently considered by the NC, before making recommendations to the Board, with the aim of assisting the Board to discharge its duties more effectively.

Following the review of the assessment checklists of the Board as a whole, Board Committees and each Director for FY2024, the NC with the concurrence of the Board, is of the view that the performance of the Board as a whole and the respective Board Committees are overall satisfactory and that each member of the Board has effectively and efficiently contributed to the Board and the Group during the year.

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

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

REMUNERATION MATTERS

PROCEDURE FOR DEVELOPING REMUNERATION POLICIES

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

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

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

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

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

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

Name of RC Member	
Low Chai Chong	(Chairman, Independent)
Aw Eng Hai	(Member, Independent)
Diaz Faisal Hendropriyono	(Member, Independent)

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

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

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

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

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

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

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

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

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

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

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

During FY2024, the Company engaged Decode HR Pte. Ltd. ("**Decode**"), an external human resource consultancy firm to advise on the granting of share awards under the TOTM Technologies Performance Share Plan 2021 ("**PSP 2021**").

Decode presented a proposal to the RC regarding the grant of share awards under the PSP 2021. The proposal detailed the terms of the share awards, including performance conditions and allocation of the share awards under the PSP 2021.

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There are no past and present relationships between Decode and the Company, its Board, Management or employees that could compromise Decode's independence and objectivity.

Other than the above, the Board did not engage any external remuneration consultant to advise on remuneration matters for FY2024.

LEVEL AND MIX OF REMUNERATION

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

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

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

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

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

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

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

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

The Company had adopted the PSP 2021 and the TOTM Technologies Employee Option Scheme 2021 ("**ESOS 2021**") at its extraordinary general meeting held on 30 September 2021. The PSP 2021 and ESOS 2021 help retain employees, Directors, and Controlling Shareholders, whose contributions are crucial to the long-term growth and profitability of the Group and to give recognition to employees and Directors of the Group who have contributed to the growth of the Group. The details of PSP 2021 and ESOS 2021 are set out in the circular to Shareholders dated 8 September 2021.

On 15 May 2024, the Company granted a total of up to 40,000,000 share awards to Mr Irawan Mulyadi and Mr Dhanie Tri Indrasto, with each receiving up to 20,000,000 share awards under PSP 2021. On 15 August 2024, 24,000,000 out of the 40,000,000 share awards have vested 3 months from the date of grant as the vesting conditions have been fulfilled. As announced on 20 August 2024, the Company has issued and allotted 24,000,000 new ordinary shares in the capital of the Company pursuant to the vesting of the aforementioned awards.

No share awards have been granted under ESOS 2021 in FY2024. Key information regarding the Directors, including their shareholdings in the Company, is set out on pages 28 to 30 of this Annual Report.

DISCLOSURE OF REMUNERATION

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

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

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

Notwithstanding, the Company is cognisant of the new Catalist Rule 1204(10D), which was implemented with effect from 11 January 2023 and will disclose the exact amounts with breakdown of remuneration paid to each individual director and the CEO, on a named basis, by the Company and its subsidiaries in its annual report in respect of the financial year ending 31 May 2025 onwards. The level and mix of remuneration paid or payable to the Directors and key management personnel for FY2024 are set out as follows:

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

Name of Director	Salary & CPF (%)	Bonus & CPF (%)	Director's Fee (%)	Other Benefits (%)	Total (%)
Executive Director					
From $750,001 to $1,000,000 per annum					
Pierre Prunier	52	–	–	48	100
Non-Executive Directors					
Below $250,000 per annum					
Low Chai Chong	–	–	100	–	100
Aw Eng Hai	–	–	100	–	100
Diaz Faisal Hendropriyono	–	–	100	–	100
Irawan Mulyadi	–	–	100	–	100
Dhanie Tri Indrasto	–	–	100	–	100
Chua Hoe Sing(1)	–	–	100	–	100
Cheam Heng Haw, Howard(2)	–	–	100	–	100

Notes:

(1) Mr Chua Hoe Sing resigned as Independent Director of the Company on 20 November 2023.

(2) Mr Cheam Heng Haw, Howard resigned as Independent Director of the Company on 24 November 2023.

CORPORATE GOVERNANCE REPORT

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

Key Management Personnel	Salary & CPF (%)	Bonus & CPF (%)	Director's Fee (%)	Other Benefits (%)	Total (%)
From $250,001 to $500,000 per annum					
Bryan Eaton Glancey Jr.	80	–	–	20	100
Below $250,000 per annum					
Frederick Lau Si Kah	96	–	–	4	100

Note:

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

(c) TOTM Employee Share Scheme

No shares have been issued under the ESOS 2021 during FY2024.

(d) TOTM Performance Share Plan

On 15 May 2024, the Company granted a total of up to 40,000,000 share awards Mr Irawan Mulyadi and Mr Dhanie Tri Indrasto under the PSP 2021. On 15 August 2024, 24,000,000 out of the 40,000,000 share awards have vested 3 months from the date of grant as the vesting conditions have been fulfilled. As announced on 20 August 2024, the Company has issued and allotted 24,000,000 new ordinary shares in the capital of the Company pursuant to the vesting of the aforementioned awards.

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

There were no employees of the Company or its subsidiaries who were immediate family members of any Director or the CEO and whose remuneration exceeded $100,000 during FY2024.

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

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

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

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

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

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

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

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

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

The Board has received assurance from the Executive Director and CEO, and Deputy CFO, Mr Frederick Lau that (a) the financial records have been properly maintained and the financial statements for FY2024 give a true and fair view of the Company's operations and finances; and (b) the Company's risk management and internal control systems are adequate and effective.

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

The Management is resolving the outstanding identified issues and implementing all necessary recommendations to address the areas for improvement.

The Board concurred with the AC's opinion that, while the internal controls are generally effective, addressing these outstanding identified issues is crucial for strengthening the overall internal control environment and ensuring that all identified risks are effectively managed and mitigated.

More details on the Group's risk management is set out on pages 37 to 41 of this Annual Report.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

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

Provision 10.1 The duties of the AC include:

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

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

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

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

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

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

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

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

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

Name of Member

Aw Eng Hai	(Chairman, Independent)
Low Chai Chong	(Member, Independent)
Diaz Faisal Hendropriyono	(Member, Independent)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The AC is responsible for oversight and monitoring of whistleblowing and the AC reviews all whistleblowing complaints, if any, at its AC meeting to ensure independence thorough investigation, and appropriate follow-up actions are taken. There were no whistle-blowing reports received during FY2024.

CORPORATE GOVERNANCE REPORT

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

The Group's significant subsidiary corporations are audited by the same auditing firm of the Company, Forvis Mazars and its member firms. Mr Chin Chee Choon is the engagement partner-in-charge from Forvis Mazars since the financial year ended 31 May 2022. Accordingly, the Company is in compliance with Rules 712, 713 and 715 of the Catalist Rules.

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

The AC considered the report from the external auditor, including their findings on the key areas of audit focus. Significant matters that were discussed with the Management and external auditor have been included as key audit matters in the external auditor's report for FY2024 on pages 60 to 61 of this Annual Report. In assessing each KAM, the AC considered the approach and methodology applied including the estimates and key assumptions used. The AC concluded that management's accounting treatment and estimates adopted in each of the KAMs were appropriate.

Significant matters	**How does the Audit Committee address the matter**
Impairment assessment on intangible assets	The AC had reviewed Management's approach and judgement in assessing the reasonableness of the key assumptions used in the cash flow forecasts to determine recoverable amount of the cash generating units ("**CGU**"), and is satisfied that the approach was appropriate. Forvis Mazars has included this item as a KAM in its independent auditor's report for FY2024. Please refer to pages 60 to 61 of this Annual Report.
Going Concern	The AC had reviewed Management's approach and judgement in assessing going concern of the Group: (i) Operating cashflow from its operations and cost-cutting initiatives which include reduction in headcount and also streamlining of its product offerings to better allocate the Group's resources to the Group's primary areas of expertise; and (ii) Receipt of a loan amounting to $0.5 million from a director of the Group for working capital purpose, for which the director has given an undertaking not to recall or demand repayment of any part of the loan for the next 15 months from the date of the Company's Audited Financial Statements for FY2024 ("**FY2024 Financial Statements**"), being 10 September 2024, until the Group's resources permit. As disclosed in Note 34 to the FY2024 Audited Financial Statements, the loan of $0.5 million is received on 9 September 2024. Forvis Mazars has included this item as a KAM in its independent auditor's report for FY2024. Please refer to pages 60 to 61 of this Annual Report.

In compliance with Rule 1204(6)(b) of the Catalist Rules, the AC undertook the annual review of the independence and objectivity of the external auditor by reviewing the non-audit services provided and the fees paid to them. It is the opinion of the AC that the nature and extent of non-audit services provided by Forvis Mazars do not affect the independence and objectivity of Forvis Mazars. The aggregate amount of fees paid or payable to the Forvis Mazars, broken down into audit and non-audit services during FY2024 are as follows:

(i)	Audit Fees	:	$128,000
(ii)	Non-Audit Fee	:	$ 15,900
	Total	:	**$143,900**

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

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

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

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

The Company appointed BDO Advisory Pte Ltd (the "**Internal Auditor**"), an external risk advisory consultancy firm to undertake the IA functions of the Group. BDO Advisory Pte Ltd is an international auditing firm and they perform their work based on the BDO Internal Audit Methodology which references to the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors ("**IIA**"). The BDO Advisory Pte Ltd engagement team comprises four members and is headed by a Risk Advisory Partner who has more than twenty years of experience in audit and advisory services and is a Chartered Accountant of the Institute of Singapore Chartered Accountants and Certified Internal Auditor of the IIA. Members of the IA team also have relevant academic qualifications and internal audit experience. The AC is hence satisfied that the outsourced IA function is adequately staffed by suitably qualified and experienced professionals based on the IA conducted in FY2024.

During FY2024, BDO Advisory Pte Ltd conducted its audit reviews in accordance with the internal audit plan approved by the AC. The scope of internal audit comprised a review of the Group's internal controls, procurement and payments, cash and bank management, sustainability reporting internal review, enterprise risk management for the Company and its subsidiaries, TOTM Tech SG Pte. Ltd., and GenesisPro Pte. Ltd., the Company is working on implementing the recommendations made by BDO Advisory Pte Ltd, as set out in their IA report for FY2024, to address the identified weakness by the agreed target implementation dates.

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

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

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

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

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHT AND CONDUCT OF SHAREHOLDER MEETINGS

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

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

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

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

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

Shareholders are encouraged to attend and voice their opinions directly on matters under discussion at the general meetings.

Shareholders are informed of general meetings through the announcement released on the SGXNet and notices contained in the annual report or circulars sent to all shareholders. The annual report, circulars, notice of general meetings, and accompanying proxy form and other documents related to the general meetings are also made available on the Company's website at URL: https://totmtechnologies.com. For the request of a printed copy of this Annual Report, the Company has specified in the Notice of AGM on how shareholders can obtain such a printed copy.

Shareholders are entitled to attend the general meetings and are provided the opportunity to participate in the general meetings. If any shareholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance.

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

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

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

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

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

Shareholders are encouraged to attend and voice their opinions directly on matters under discussion, as well as to ask questions at the general meetings.

Additionally, Shareholders are given at least seven calendar days to submit written questions after the publication of the Company's notice of general meetings, and they may raise questions or share their views regarding the proposed resolutions as well as the Company's businesses and affairs with the Company. For submission of written questions, the Company has specified in the Notice of AGM and EGM on how the Shareholders may submit their written questions in advance of the general meeting. The Company will endeavour to address relevant and substantial queries (if any) prior the AGM and EGM through publication on SGXNet within the stipulated deadline. For more information on attending the Company's forthcoming AGM, voting and submission of questions, please refer to the Company's Notice of AGM dated 11 September 2024.

A table showing a list of the Directors and the number of Board and Board Committees meetings and the general meetings of shareholders held during FY2024 along with the record of attendance of each Director during their terms as Directors and members of the respective Board Committees of the Company are set out on pages 22 to 23 of this Annual Report.

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

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

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

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

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

The minutes of all shareholders' general meeting(s) of the Company are posted on the SGXNet and the Company's corporate website at URL: https://totmtechnologies.com within 1 month after the date of the shareholders' general meeting(s).

CORPORATE GOVERNANCE REPORT

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

The Company does not have a formal dividend policy. The form, frequency and amount of dividends will depend on the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate. The Board has not recommended any dividend for FY2024 due to the subdued financial position of the Group and the Board wishes to conserve cash for working capital purposes.

ENGAGEMENT WITH SHAREHOLDERS

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

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

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

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

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

Shareholders, investors or analysts may send their queries or concerns to the Management, via the Company's contact details which can be found on the Company's website and press releases. The Company will consider use of other forums as and when applicable. Shareholders are also encouraged to actively participate at the general meeting of the Company to allow for an ongoing exchange of views with the Management and Board of Directors.

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

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

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

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

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

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

Details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholder, including frequency of engagement by type and by stakeholder group and key feedback or issues that have been raised though stakeholder engagement can be found in the Company's Sustainability Report for FY2024, which will be published as a standalone report by 30 September 2024.

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

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

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

OTHER CORPORATE GOVERNANCE MATTERS

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

There were no material contracts entered into by the Company and its subsidiaries involving the interests of the CEO, each Director or controlling shareholder, either still subsisting at the end of the financial year 31 May 2024 or if not then subsisting, entered into since the end of the previous financial year. The Company, had subsequent to the financial year end, entered into a loan agreement dated 5 September 2024 with Mr. Pierre Prunier, the Executive Director and CEO of the Company. Further details of which are set out in Note 34 of the Audited Financial Statements and the Company's announcement dated 5 September 2024.

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

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

Other than the following, the information required pursuant to Catalist Rule 920 regarding interested person transactions during FY2024 was less than $100,000:-

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transaction conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
PT WAN Solutions	Irawan Mulyaldi, Non-Executive Director of the Company is a director and a 99% shareholder of PT WAN Solutions.	$103,000[1]	Nil

Note:

(1) During FY2024, the Group entered into sales transactions with PT WAN Solutions for sales of digital toolkits totalling US$153,000 (approximately $204,000), of which US$76,000 (approximately $103,000) was received by the Group from PT Wan Solutions as advance payment during FY2024. The remaining amount of US$77,000 (approximately $101,000) is expected to be received after the financial year end subsequent to the delivery of the goods. PT Wan Solutions has been a strategic partner to the Group for the supply of biometrics identification systems in Indonesia.

CORPORATE GOVERNANCE REPORT

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

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

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

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

No non-sponsor fees were paid to the Company's sponsor, SAC Capital Private Limited in FY2024.

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

The proceeds from the placement of 71,000,000 Shares that was announced on 28 October 2022 and completed on 17 November 2022 (the "**November 2022 Placement Exercise**") have been fully utilised, as follows:

	November 2022 Placement Exercise ($'000)
Net proceeds allocated for working capital	7,888
Net proceeds utilsed for working capital[(1)]	(7,888)
Net proceeds remaining for working capital as at the date of this Annual Report	–

Note:

(1) A breakdown of the net proceeds from the November 2022 Placement Exercise that were utilised since 30 June 2022 to the date of this Annual Report is as follows:

Summary of expenses	**Working Capital ($'000)**
Staff costs and director fee	3,019
Finance cost or bank charges	13
Professional fees	819
Administrative expenses	3,514
Purchases from supplier	190
Capital expenditure on office renovation	333
Total	**7,888**

Following the full utilisation of the proceeds from the November 2022 Placement Exercise, the Company has no outstanding available proceeds.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Low Chai Chong and Mr Diaz Faisal Hendropriyono are the Directors seeking re-election at the Company's forthcoming Annual General Meeting, to be convened on 26 September 2024, under the Ordinary Resolutions Nos. 3 to 4 (collectively, the "**Directors**" and each a "**Director**").

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**"), the information relating to the Directors as set out in Appendix 7F of the Catalist Rules of the SGX-ST is disclosed below:

	Low Chai Chong	**Diaz Faisal Hendropriyono**
Date of Appointment	1 July 2021	20 January 2023
Date of last re-appointment	30 September 2021	25 September 2023
Age	62	45
Country of principal residence	Singapore	Indonesia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Low Chai Chong ("**Mr Low**") as an Independent Non-Executive Chairman of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Diaz Faisal Hendropriyono ("**Mr Diaz**") as an Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	▪ Independent Non-Executive Chairman of the Board ▪ Chairman of the Remuneration Committee ▪ Chairman of the Nominating Committee ▪ Member of the Audit Committee	▪ Independent Director ▪ Member of the Audit Committee ▪ Member of the Remuneration Committee ▪ Member of the Nominating Committee
Professional qualifications	▪ Bachelor of Laws (Honours) from the National University of Singapore	▪ Master of Public Administration from Virginia Polytechnic Institute & State University (Virginia Tech) ▪ Master of Business Administration in International Business and Master of Arts in Global Leadership from Hawaii Pacific University ▪ Bachelor of Science (BsC) in Management from Norwich Military University ▪ Associate of Arts from Broward Community College

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Low Chai Chong	Diaz Faisal Hendropriyono
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of Interest (including any competing business)	No	No
Working experience and occupation(s) during the past 10 years	■ 1986 to Present: Advocate and solicitor of the Supreme Court of Singapore and a Senior Partner at Dentons & Rodyk Davidson LLP	■ July 2022 to Present: PT M Cash Integrasi - Non-executive Commissioner ■ July 2021 to Present: PT Pertamina Gas - Non-executive Commissioner ■ May 2016 to Present: Cabinet Secretariat - Special Staff to the President of Indonesia ■ May 2022 to July 2024: PT SiCepat Ekspress - Non-executive Commissioner ■ January 2015 to June 2018: PT Telekomunikasi Indonesia - Non-executive Commissioner ■ November 2014 to October 2015: Coordinating Ministry for Security and Law - Special Staff to the Minister ■ June 2012 to November 2014: PT Andalusia Andrawina - Business Development Director ■ July 2011 to November 2014: PT Andalusia Antar Benua - Non-executive Commissioner
Undertaking (in the format set out in Appendix 7H) under Rule 720[(1)] has been submitted to the listed issuer	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Yes. Mr Low holds 1,000,000 share options under the Company's Employee Share Option Scheme 2021.	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Low Chai Chong	**Diaz Faisal Hendropriyono**
Past (for the last 5 years)	Directorship ■ Moya Holdings Asia Limited ■ OIO Holdings Limited ■ Pollux Properties Ltd. Other Principal Commitments Nil	Directorship ■ PT Telekomunikasi Indonesia (Telkomsel) – Member of the Board of Commissioner ■ PT. SiCepat Ekspress (Member of the Board of Commissioner) Other Principal Commitments Nil
Present	Directorship ■ Capital World Limited ■ Eneco Energy Limited ■ Dentons Rodyk & Davidson LLP ■ Rodyk Services Private Limited ■ Rodyk & Davidson I.P. Services Sdn Bhd ■ Moya Indonesia Holdings Pte Ltd Other Principal Commitments ■ Dentons Rodyk & Davidson LLP	Directorship ■ PT. M Cash Integrasi, Tbk (Member of the Board of Commissioner) ■ PT. Pertamina Gas (Member of the Board of Commissioner) Other Principal Commitments Nil
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Low Chai Chong	Diaz Faisal Hendropriyono
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Low Chai Chong	Diaz Faisal Hendropriyono
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Low Chai Chong	Diaz Faisal Hendropriyono
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: – (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes. See Explanatory Note set out on page 53 of this Annual Report for details.	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Low Chai Chong	**Diaz Faisal Hendropriyono**
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company?	Not applicable, as this relates to the re-appointment of Mr Low as Director of the Company.	Not applicable, as this relates to the re-appointment of Mr Diaz as Director of the Company.

Explanatory Note:

Mr Low Chai Chong ("**Mr Low**") was appointed to the Board of Eneco Energy Limited ("**Eneco**") (formerly known as Ramba Energy Limited) on 14 December 2018. On 10 June 2019, the Audit Committee of Eneco, which is chaired by Mr Low, commissioned an independent review in relation to a payment made by a subsidiary of Eneco to a broker in connection with the issuance of a bank guarantee ("**Investigated Payment**"). The Investigated Payment occurred in November 2018 prior to Mr Low's admission to the Board of Eneco. On 8 March 2024, the relevant former executive director of Eneco was reprimanded by the SGX RegCo for breach of various Catalist Rules.

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of TOTM Technologies Limited (the "Company") and its subsidiaries (collectively, the "Group"), and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 May 2024.

1. Opinion of the directors

In the opinion of the directors,

(a) the financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2024 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date, in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

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

2. Directors

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

Aw Eng Hai
Prunier Pierre Olivier Marc Yves
Low Chai Chong
Diaz Faisal Hendropriyono
Irawan Mulyadi
Dhanie Tri Indrasto

3. Arrangements to enable directors to acquire shares and debentures

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

4. Directors' interests in shares or debentures

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

	At beginning of financial year	At end of financial year
	Number of ordinary shares	
The Company		
Prunier Pierre Olivier Marc Yves		
- ordinary shares, fully paid (deemed interest)	162,974,300	162,974,300
Irawan Mulyadi		
- ordinary shares, fully paid (deemed interest)	10,784,397	10,784,397

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

Prunier Pierre Olivier Marc Yves is deemed to have an interest in 162,974,300 shares registered in the name of a nominee account of DBS Nominees Pte. Ltd..

Irawan Mulyadi is deemed to have an interest in 10,784,397 shares of the Company held by SIES Investech Inc as his Spouse holds 40% of the total share capital of SIES Investech Inc.

There was no change in any of the above-mentioned interests between the end of the financial year and 21 June 2024.

5. **Share options**

The Company's Employee Share Option Scheme (the "Scheme") was approved and adopted by the members of the Company at an Extraordinary General Meeting held on 30 September 2021.

Information relating to the Scheme is as follows:

(i) A confirmed full-time employee of the Group, including executive directors, non-executive directors, independent directors and any director of the Company's subsidiaries, subject to certain conditions, are eligible to participate in the Scheme.

(ii) The vesting period for options granted is 2 years. 50% of the options will vest after the first anniversary from grant date; and 100% of the options will vest after the second anniversary from grant date.

(iii) All options are settled by physical delivery of shares.

(iv) Options granted to eligible employees (including executive directors) expire after 10 years from the grant date. Options granted to non-executive directors expire after 5 years from the grant date.

The details of the options movement during the financial year are as follows:

Date of grant	Balance as at 1 June 2023	Granted	Forfeited	Balance as at 31 May 2024	Exercise price per share ($)	Exercisable period
14 December 2022	37,950,000	–	(5,500,000)	32,450,000	0.1022	14 December 2023 to 13 December 2027 for non-executive directors 14 December 2023 to 13 December 2032 for executive directors

DIRECTORS' STATEMENT

5. Share options (Continued)

The details of the options granted under the Scheme to persons who were directors of the Company during the financial year are as follows:

Name of director	Aggregate options granted since commencement of the Scheme to the end of financial year	Aggregate options lapsed/ expired since commencement of the Scheme to the end of financial year	Aggregate options outstanding as at the end of financial year
Cheam Heng Haw, Howard	1,000,000	(1,000,000)	–
Aw Eng Hai	1,000,000	–	1,000,000
Chua Hoe Sing	1,000,000	(1,000,000)	–
Prunier Pierre Olivier Marc Yves	13,200,000	–	13,200,000
Low Chai Chong	1,000,000	–	1,000,000
Irawan Mulyadi	5,000,000	–	5,000,000
Dhanie Tri Indrasto	4,000,000	–	4,000,000

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

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

6. Share awards

The Company's Employee Share Awards Scheme (the "Awards") was approved and adopted by the members of the Company at an Extraordinary General Meeting held on 30 September 2021.

Information relating to the Awards granted on 15 May 2024 is as follows:

(i) Up to 20,000,000 Awards to be issued to Irawan Mulyadi (Non-Executive, Non-Independent Director of the Company);

(ii) Up to 20,000,000 Awards to be issued to Dhanie Tri Indrasto (Non-Executive, Non-Independent Director of the Company); and

(iii) The vesting period for awards granted is 3 months from the date of grant of the Awards, subject to the satisfaction of the vesting condition of the Awards.

The details of the Awards granted under the Employee Share Awards Scheme to persons who were directors of the Company during the financial year are as follows:

Name of director	Aggregate awards granted since commencement of the Scheme to the end of financial year	Aggregate awards lapsed/ expired since commencement of the Scheme to the end of financial year	Aggregate awards outstanding as at the end of financial year
Irawan Mulyadi	20,000,000	–	20,000,000
Dhanie Tri Indrasto	20,000,000	–	20,000,000

7. Audit Committee

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

Aw Eng Hai (Chairman)
Diaz Faisal Hendropriyono
Low Chai Chong

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

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

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

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

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

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

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

- Reviewed the cost effectiveness and the independence and objectivity of the independent auditor;

- Reviewed the nature and extent of non-audit services provided by the independent auditor;

- Recommended to the Board of Directors the independent auditor to be nominated, approved the compensation of the independent auditor, and reviewed the scope and results of the audit;

- Reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considered appropriate; and

- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual Section B: Rules of Catalist.

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

DIRECTORS' STATEMENT

8. Auditors

The auditors, Forvis Mazars LLP (formerly known as Mazars LLP), have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

Prunier Pierre Olivier Marc Yves
Director

Low Chai Chong
Director

Singapore

10 September 2024

INDEPENDENT AUDITORS' REPORT

To the Members of TOTM Technologies Limited

Report on the Audit of Financial Statements

Opinion

We have audited the consolidated financial statements of TOTM Technologies Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and of the Company as at 31 May 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group, the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information from pages 64 to 122.

In our opinion, the accompanying consolidated financial statements of the Group, and the statement of financial position of the Company and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2024 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

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

Overview

Audit Approach

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

Materiality

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

Scope of audit

For the audit of the current financial year's financial statements, we identified 4 significant components which required a full scope audit and audit of specific account balances of their financial information, either because of their size or/and their risk characteristics.

Out of the 4 significant components, 1 was audited by other Forvis Mazars office as component auditors under our instructions and the remaining 3 were audited by us. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

Area of Focus

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

INDEPENDENT AUDITORS' REPORT

To the Members of TOTM Technologies Limited

Report on the Audit of Financial Statements (Continued)

Key Audit Matters

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

<table>
<tr><th>Matter</th><th>Audit response</th></tr>
<tr><td>Impairment assessment on intangible assets (refer to Note 3.2 and Note 13 to the financial statements)

As at 31 May 2024, the Group's intangible assets were $32.8 million (2023: $37.7 million), which is a significant balance in the consolidated statement of financial position. The majority of these intangible assets have been allocated to a cash generating units ("CGU"), being Digital Identity business, as disclosed in Note 13.

SFRS(I) 1-36 Impairment of Assets ("SFRS(I) 1-36") requires that a CGU to which intangible assets have been allocated be tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

The recoverable amount of the CGU is determined based on estimates of forecasted revenues growth rate, terminal growth rate and discount rates. These estimates are inherently subject to estimation uncertainties and hence management's determination of the recoverable amount is a key audit matter for our audit.</td><td>

Our audit procedures included, and were not limited to, the following:

● Assessed management's identification of CGU based on our understanding of the Group's business and obtained an understanding of management's forecasted business plan;

● Obtained the cash flow forecasts from management and involved our internal specialist in reviewing the valuation methodology used by management in the determining the valuation of the CGU, and assessed the reasonableness of the key input and assumptions used; and

● Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the CGU subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.</td></tr>
</table>

Report on the Audit of Financial Statements (Continued)

Key Audit Matters (Continued)

Matter	Audit response
Going Concern **(refer to Note 2.1 to the financial statements)** The Group recorded a net loss of $11.5 million and net operating cash outflow of $5.7 million for the financial year ended 31 May 2024 and, as of that date, the Group reported cash and bank balances of $2.4 million. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Notwithstanding the above conditions, the Board of Directors assessed and concluded that there is no material uncertainty relating to the Group's ability to continue as a going concern for the foreseeable future on the following premise: Based on the 15-month consolidated cash flow forecast which takes into account of internally generated funds and receipt of loan from a director of the Company, the Board of Directors has concluded that the Group will have sufficient financial resources to continue its operations. This is a key audit matter because of the significant judgements and estimates made by management in the preparation of the cash flow forecast.	Our audit procedures focused on evaluating the significant estimates and judgements used by management and Board of Directors in their going concern assessment. In particular, we performed the following: ● Reviewed and challenged the appropriateness and reasonableness of the key inputs and assumptions used by management in the preparation of the cash flow forecast of the Group to support its going concern assumption, including performing sensitivity analysis on certain key assumptions applied in the cash flow forecast; ● Reviewed the relevant agreements and letters which were used by management in supporting their judgements and estimates; ● Verified to the Company's bank statement for the receipt of $500,000 loan from a substantial shareholder and director of the Company; and ● Evaluated the adequacy and appropriateness of the related disclosures made in the financial statements.

Other Information

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

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

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

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

INDEPENDENT AUDITORS' REPORT

To the Members of TOTM Technologies Limited

Report on the Audit of Financial Statements (Continued)

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

To the Members of TOTM Technologies Limited

Report on the Audit of Financial Statements (Continued)

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

FORVIS MAZARS LLP
(FORMERLY KNOWN AS MAZARS LLP)
Public Accountants and
Chartered Accountants

Singapore

10 September 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 May 2024

	Note	Group	
		2024	2023
		$'000	$'000
Revenue	4	**6,517**	19,367
Other income	5	**53**	258
Expenses			
Sub-contractor costs and direct costs		**(337)**	(13,203)
Employee benefits expenses			
- Project related	6	**(1,146)**	(1,026)
- Administrative	6	**(4,800)**	(3,978)
Share-based payment expense		**(908)**	(728)
Depreciation and amortisation expenses		**(6,046)**	(5,973)
Legal and professional expenses		**(2,186)**	(3,451)
Other expenses	7	**(2,623)**	(3,043)
Finance costs	8	**(87)**	(78)
Share of losses from equity-accounted for associate		**(540)**	(546)
Loss before income tax	9	**(12,103)**	(12,401)
Income tax credit	10	**586**	482
Loss for the year		**(11,517)**	(11,919)
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences arising on consolidation		**(577)**	(248)
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain/(loss) on measurement of post-employment benefit plan, net of tax		**4**	(22)
Other comprehensive loss for the year, net of tax		**(573)**	(270)
Total comprehensive loss for the year		**(12,090)**	(12,189)
Loss for the year attributable to:			
Equity holders of the Company		**(11,593)**	(11,337)
Non-controlling interests		**76**	(582)
		(11,517)	(11,919)
Total comprehensive loss for the year attributable to:			
Equity holders of the Company		**(12,160)**	(11,323)
Non-controlling interests		**70**	(866)
		(12,090)	(12,189)
Loss per share			
Basic and diluted (cents per share)	11	**(0.86)**	(1.07)
Total		**(0.86)**	(1.07)

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

STATEMENTS OF FINANCIAL POSITION

As at 31 May 2024

	Note	Group 2024	Group 2023	Company 2024	Company 2023
		$'000	$'000	**$'000**	$'000
Assets					
Non-current assets					
Property, plant and equipment	12	**3,223**	2,993	**2,276**	1,920
Intangible assets	13	**32,825**	37,707	**145**	181
Investments in subsidiaries	14	**–**	–	**89,487**	89,487
Investment in an associate	15	**12,671**	13,211	**14,670**	14,670
Financial assets at fair value through profit or loss	16	**5,435**	5,447	**5,435**	5,447
Deferred tax assets	17	**65**	41	**–**	–
Trade and other receivables	20	**56**	32	**–**	–
Total non-current assets		**54,275**	59,431	**112,013**	111,705
Current assets					
Contract assets	19	**2,720**	3,847	**–**	–
Amount due from subsidiaries	18	**–**	–	**502**	1,035
Trade and other receivables	20	**3,513**	2,571	**235**	388
Income tax recoverable		**343**	–	**–**	–
Cash and cash equivalents	21	**2,367**	9,551	**739**	7,853
Total current assets		**8,943**	15,969	**1,476**	9,276
Total assets		**63,218**	75,400	**113,489**	120,981
EQUITY AND LIABILITIES					
Equity					
Share capital	22	**156,202**	156,202	**156,202**	156,202
Other reserves	23	**(42,872)**	(43,654)	**1,636**	728
Accumulated losses		**(55,930)**	(44,341)	**(46,878)**	(38,327)
Equity attributable to equity holders of the Company		**57,400**	68,207	**110,960**	118,603
Non-controlling interests		**73**	448	**–**	–
Total equity		**57,473**	68,655	**110,960**	118,603
Non-current liabilities					
Lease liabilities	25	**1,403**	1,224	**1,403**	1,099
Employee benefit liabilities	26	**300**	252	**–**	–
Deferred tax liabilities	17	**2,158**	3,007	**–**	–
Provision for reinstatement costs		**80**	79	**80**	79
Total non-current liabilities		**3,941**	4,562	**1,483**	1,178
Current liabilities					
Contract liabilities	19	**13**	14	**–**	–
Trade and other payables	27	**1,068**	1,274	**467**	572
Amount due to subsidiaries	18	**–**	–	**–**	62
Income tax payable		**25**	179	**–**	–
Lease liabilities	25	**698**	716	**579**	566
Total current liabilities		**1,804**	2,183	**1,046**	1,200
Total liabilities		**5,745**	6,745	**2,529**	2,378
Total equity and liabilities		**63,218**	75,400	**113,489**	120,981

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 May 2024

Group	Note	Share capital	Other reserves	Accumulated losses	Total	Non-controlling interests	Total equity
		Attributable to owners of the Company					
		$'000	$'000	$'000	$'000	$'000	$'000
At 1 June 2023		156,202	(43,654)	(44,341)	68,207	448	68,655
Loss for the year		–	–	(11,593)	(11,593)	76	(11,517)
Other comprehensive loss:							
Currency translation differences arising on consolidation		–	(571)	–	(571)	(6)	(577)
Actuarial gain on measurement of post-employment benefit plan, net of tax		–	–	4	4	–	4
Total comprehensive loss for the year		–	(571)	(11,589)	(12,160)	70	(12,090)
Share-based payment expense		–	908	–	908	–	908
Acquisition of additional interest in a subsidiary	14(i)	–	445	–	445	(445)	–
At 31 May 2024		**156,202**	**(42,872)**	**(55,930)**	**57,400**	**73**	**57,473**
At 1 June 2022		90,225	43	(32,992)	57,276	11,083	68,359
Loss for the year		–	–	(11,337)	(11,337)	(582)	(11,919)
Other comprehensive loss:							
Currency translation differences arising on consolidation		–	26	–	26	(274)	(248)
Actuarial loss on measurement of post-employment benefit plan, net of tax		–	–	(12)	(12)	(10)	(22)
Total comprehensive loss for the year		–	26	(11,349)	(11,323)	(866)	(12,189)
Issue of ordinary shares	22	12,173	–	–	12,173	–	12,173
Shares issue expenses	22	(416)	–	–	(416)	–	(416)
Share-based payment expense		–	728	–	728	–	728
Changes in ownership interests in a subsidiary:							
Issue of ordinary shares (acquisition of additional interest in a subsidiary)	14(ii),22	54,220	(44,451)	–	9,769	(9,769)	–
At 31 May 2023		156,202	(43,654)	(44,341)	68,207	448	68,655

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 May 2024

Company	Share capital	Other reserve	Accumulated losses	Total equity
	$'000	$'000	$'000	$'000
At 1 June 2022	90,225	–	(29,374)	60,851
Loss and total comprehensive loss for the year	–	–	(8,953)	(8,953)
Share-based payment expense	–	728	–	728
Issue of ordinary shares (Note 22)	12,173	–	–	12,173
Shares issue expenses (Note 22)	(416)	–	–	(416)
Changes in ownership interests in a subsidiary:				
Issue of ordinary shares (acquisition of additional interest in a subsidiary) (Note 14(ii), Note 22)	54,220	–	–	54,220
At 31 May 2023	156,202	728	(38,327)	118,603
Loss and total comprehensive loss for the year	–	–	(8,551)	(8,551)
Share-based payment expense	–	908	–	908
At 31 May 2024	**156,202**	**1,636**	**(46,878)**	**110,960**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 May 2024

		Group	
	Note	**2024**	2023
		$'000	$'000
Cash flows from operating activities			
Loss before income tax		**(12,103)**	(12,401)
Adjustments for:			
Depreciation and amortisation expenses		**6,046**	5,973
Shared-based payment expense		**908**	728
Gain on foreign exchange		**(437)**	(140)
Defined benefits plans		**52**	(38)
Fixed assets written off		**–**	2
Gain on lease modification		**(1)**	(78)
Interest expenses		**87**	78
Interest income		**(5)**	(16)
Share of losses from equity-accounted for associate		**540**	546
Total operating cash flows before movements in working capital		**(4,913)**	(5,346)
Changes in working capital:			
- Contract assets		**1,127**	(1,351)
- Trade and other receivables		**(966)**	1,338
- Contract liabilities		**(1)**	(1)
- Trade and other payables		**(206)**	(46)
Cash used in operations		**(4,959)**	(5,406)
Interest received		**5**	16
Income tax paid		**(784)**	(172)
Net cash used in operating activities		**(5,738)**	(5,562)
Cash flows from investing activities			
Purchase of property, plant and equipment	12(b)	**(573)**	(533)
Purchase of intangible assets		**(7)**	(212)
Net cash used in investing activities		**(580)**	(745)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**–**	12,173
Shares issue expenses		**–**	(416)
Repayment of lease liabilities		**(710)**	(742)
Interest paid		**(87)**	(78)
Increase in pledged bank deposits		**(50)**	–
Net cash (used in)/generated from financing activities		**(847)**	10,937
Net (decrease)/increase in cash and cash equivalents		**(7,165)**	4,630
Cash and cash equivalents at the beginning of year		**9,551**	4,939
Effect of exchange rate fluctuation on cash and cash equivalents		**(69)**	(18)
Cash and cash equivalents at the end of financial year	21	**2,317**	9,551

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 May 2024

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Lease liabilities (Note 25)
	$'000
Group	
2024	
At beginning of financial year	1,940
Changes from financing cash flows:	
- Repayments	(710)
- Interest paid	(87)
Non-cash changes:	
- Interest expense	87
- New leases	886
- Gain on lease modification	(1)
Effect of changes in foreign exchange rates	(14)
At end of financial year	2,101
2023	
At beginning of financial year	1,903
Changes from financing cash flows:	
- Repayments	(742)
- Interest paid	(78)
Non-cash changes:	
- Interest expense	78
- New leases	1,529
- Derecognised of lease liabilities	(659)
- Gain on lease modification	(78)
Effect of changes in foreign exchange rates	(13)
At end of financial year	1,940

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2024

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

1. General

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

The address of the registered office and principal place of business is at 47 Scotts Road #02-03/04 Goldbell Towers Singapore 228233.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are disclosed in Note 14 to the financial statements.

The consolidated financial statements of TOTM Technologies Limited and its subsidiaries (collectively, the "Group") for the financial year ended 31 May 2024, and the statement of financial position and the statement of changes in equity of the Company for the financial year ended 31 May 2024 were authorised for issue by the Board of Directors (the "Board") on the date of Directors' Statement.

2. Summary of material accounting policies

2.1 Basis of preparation

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

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

Going concern

The Group recorded a net loss of $11.5 million and net operating cash outflow of $5.7 million for the financial year ended 31 May 2024 and, as of that date, the Group reported cash and bank balances of $2.4 million. The management has prepared a 15-month consolidated cash flow forecast, taking the following into consideration:

(i) Operating cashflow from its operations and cost-cutting initiatives which include reduction in headcount and also streamlining of its product offerings to better allocate the Group's resources to the Group's primary areas of expertise; and

(ii) Receipt of a loan amounting to $0.5 million from a substantial shareholder and director of the Group for working capital purpose, for which the substantial shareholder and director has given an undertaking not to recall or demand repayment of any part of the loan for the next 15 months from the date of the undertaking which coincides with the date of the financial statements. As disclosed in Note 34, the loan of $0.5 million is received on 9 September 2024.

Therefore, management has concluded that the Group will be able to continue its operations in the foreseeable future and there is no material uncertainty on the ability of the Group to continue as a going concern.

2. Summary of material accounting policies (Continued)

2.1 Basis of preparation (Continued)

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 June 2023. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

The Group adopted the amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies in the current financial year. The amendments require the disclosure of "material" instead of "significant" accounting policy information and provides guidance to assist the entity in providing useful, entity-specific accounting policy information for the users' understanding of the financial statements. Accordingly, management had reviewed the accounting policies and updated the information (if any) disclosed in Note 2 Summary of material accounting policies in line with the amendments.

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

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

SFRS(I)	**Title**	**Effective date (annual periods beginning on or after)**
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2024
SFRS(I) 16	Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*	1 January 2024
Various	Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024
SFRS(I) 1-7, SFRS(I) 7	Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*	1 January 2024
SFRS(I) 1-21, SFRS(I) 1	Amendments to SFRS(I) 1-21: *Lack of Exchangeability*	1 January 2025
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

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

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

2.2 Basis of consolidation

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

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

2. Summary of material accounting policies (Continued)

2.2 Basis of consolidation (Continued)

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

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

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

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

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

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

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

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

2.3 Business combinations

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

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

2. Summary of material accounting policies (Continued)

2.3 Business combinations (Continued)

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

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

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

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

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

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

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

- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2024

2. Summary of material accounting policies (Continued)

2.3 Business combinations (Continued)

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

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

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

2.4 Revenue recognition

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

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

Revenue from Digital Identity business

The Group is in the business of:

- Provision of technical support services for identity management biometrics.
- Sales of ABIS licences.
- Services for liveness and facial recognition apps.
- Supply and integration of IT Systems.

Technical support services for identity management biometrics

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

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

Sales of ABIS licences

Revenue from ABIS license sales is recognised when the entity satisfies the performance obligation at a point in time generally when the subsequent sales or usage of the license occurs.

2. Summary of material accounting policies (Continued)

2.4 Revenue recognition (Continued)

Services for liveness and facial recognition apps

Revenue from services for liveness and facial recognition apps is recognised when the entity satisfies the performance obligation at a point in time generally when the services are delivered to the customer.

Supply and integration of IT systems

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

Interest income

Interest income is recognised using the effective interest method.

2.5 Borrowing costs

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

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

2.6 Employee benefits

Defined contribution plans

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

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

Defined benefits plans

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

Indonesia

The employee benefit covered in this actuarial report is Post Employment Benefits ("PEB") as stipulated under the Law No. 11/2020 (the "Job Creation Law" or the "UUCK"), the Government Regulation No. 35/2021 (the "PP35") and the Company Regulation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2024

2. Summary of material accounting policies (Continued)

2.6 Employee benefits (Continued)

India

Provision for Gratuity is calculated in accordance with "Payment of Gratuity Act, 1972".

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

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

Employee leave entitlement

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

2.7 Income tax

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

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

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

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

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

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

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

2. Summary of material accounting policies (Continued)

2.7 Income tax (Continued)

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

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

2.8 Foreign currency transactions and translation

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

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

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

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

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

2.9 Property, plant and equipment

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2024

2. Summary of material accounting policies (Continued)

2.9 Property, plant and equipment (Continued)

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

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

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

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

No depreciation is charged on construction-in-progress as they are not yet in use as at the end of the financial year.

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

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

2.10 Intangible assets

Goodwill on acquisition

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

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

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

Other intangible assets

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

2. Summary of material accounting policies (Continued)

2.10 Intangible assets (Continued)

Other intangible assets (Continued)

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

The estimated useful lives are as follows:

Customer relationships	7.7 to 10 years
Technology	4.7 to 5 years
Software	5 years
Trademarks	10 years

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

2.11 Investments in associates

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

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

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

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

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

2. Summary of material accounting policies (Continued)

2.12 Impairment of non-financial assets excluding goodwill

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

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

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

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

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

2.13 Financial instruments

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

Financial assets

Initial recognition and measurement

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

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

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

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

2. Summary of material accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial assets (Continued)

Financial assets at amortised cost

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

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

Effective interest method

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

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

Financial assets at FVTPL

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

Gains or losses are recognised in profit or loss.

Impairment of financial assets

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

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

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

2. Summary of material accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

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

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

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 31.

Derecognition of financial assets

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Ordinary share capital

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

2. Summary of material accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Initial recognition and measurement

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

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

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

Other financial liabilities

Trade and other payables

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

Borrowings

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

Derecognition of financial liabilities

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

Offsetting of financial instruments

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2024

2. Summary of material accounting policies (Continued)

2.14 Cash and cash equivalents

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

2.15 Leases

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

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

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

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

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

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

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

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

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

- fixed payments, including in-substance fixed payments less any lease incentive receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;

2. Summary of material accounting policies (Continued)

2.15 Leases (Continued)

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

- the exercise price under a purchase option that the Group is reasonably certain to exercise; and

- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

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

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

2.16 Provisions

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

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

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

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

2.17 Government grants

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

2.18 Segment reporting

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

2. Summary of material accounting policies (Continued)

2.19 Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value of the equity instruments (excluding the effect of non market-based vesting conditions) at the date of grant. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 24. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest and adjusted for the effect of non-market-based vesting conditions. At the end of each financial year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised over the remaining vesting period with a corresponding adjustment to the equity-settled share options reserve.

Where the grant of equity instruments is cancelled or settled during the vesting period, other than a grant cancelled by forfeiture when the vesting conditions are not satisfied, the Group recognises immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period. Where the employee leaves the Group before the options vest, the options are forfeited.

The transfer of the balance in the share option reserve to share capital or treasury shares upon exercise of the option and the transfer of the balance in the share option reserve to accumulated profits upon expiry of the option are not mandatory and may be kept as a separate reserve upon expiry or exercise of the option.

3. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

3.2 Key sources of estimation uncertainty

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

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

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

Where value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate in order to determine the present value of the cash flows. The carrying values of the Group's and the Company's property, plant and equipment are disclosed in Note 12. The carrying values of the Group's intangible assets with finite useful lives are disclosed in Note 13.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Impairment assessment of goodwill

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

Forecasting and discounting future cash flows for the impairment assessment involves an element of judgement and requires management to make certain assumptions and apply estimates. Details of the impairment assessment and the carrying values of the Group's goodwill at the end of the reporting period are disclosed in Note 13. Any changes in the assumptions made and discount rate applied could affect the impairment assessment.

Allowance for expected credit losses of trade receivables and contract assets

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

The provision matrix is initially based on the Group's historical observed default rates. The Group will assess the historical credit loss experience by considering current and forecast economic conditions with consideration on how these conditions will affect the Group's ECL assessment. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 30(b).

The carrying amounts of the Group's trade receivables and contract assets as at 31 May 2024 amounted to $64,000 (2023: $Nil) and $2,720,000 (2023: $3,847,000) respectively.

Impairment of investment in subsidiaries and associate

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

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

Where value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate in order to determine the present value of the cash flows. The value in use calculation involves significant judgement in the forecast projection of sales and operating cash flows for the next five years. Details of the key assumptions applied in the Company's impairment assessment of its investments in subsidiaries along with the carrying amounts of these investments are disclosed in Note 14. Changes in assumptions made and discount rate applied could affect the carrying values of these assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2024

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Fair value measurement of financial instruments

Where the fair values of financial instruments recorded in statements of financial position cannot be measured based on quoted prices in active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. Details of the valuation and key assumptions applied in the financial assets at fair value through profit or loss are disclosed in Note 16.

4. Revenue

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

	Group	
	2024	2023
	$'000	$'000
Primary geographical markets		
Singapore	**–**	14,338
Indonesia	**6,517**	5,029
	6,517	19,367
Major service lines		
Technical support services for identity management biometrics (Over time)	**5,240**	4,207
Sales of ABIS licences (Point in time)	**581**	502
Services for liveness and facial recognition apps (Point in time)	**696**	320
Supply and integration of IT systems (Point in time)	**–**	14,338
	6,517	19,367

Transaction price allocated to the remaining performance obligations

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

- The performance obligation is part of a contract that has an original expected duration of one year or less; or

- The Group has a right to invoice a customer in an amount that corresponds directly with its performance to-date, and it recognises revenue in that amount.

5. Other income

	Group	
	2024	2023
	$'000	$'000
Government grants*	**31**	157
Interest income	**5**	16
Gain on lease modification	**1**	78
Others	**16**	7
	53	258

* Included within government grants are grant income of $12,000 (2023: $100,000) recognised during the financial year under the Jobs Growth Incentive.

6. Employee benefits expenses

	Group	
	2024	2023
	$'000	$'000
Wages and salaries	**4,228**	4,200
Contribution to defined contribution plans	**225**	239
Defined benefits plans	**77**	(78)
Other short-term benefits	**1,416**	643
	5,946	5,004

Employee benefits expenses allocated by function are as follows:

	Group	
	2024	2023
	$'000	$'000
Project related	**1,146**	1,026
Administrative	**4,800**	3,978
	5,946	5,004

Included in employee benefits expenses of the Group are director's fee amounting to $332,500 (2023: $275,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2024

7. Other expenses

	Group	
	2024	2023
	$'000	$'000
Transport and travelling	**537**	796
Rental of office premises, staff accommodation and equipment	**193**	86
Rental of motor vehicle	**15**	20
Administrative expenses	**217**	185
Subscription	**9**	1
Entertainment expenses	**288**	664
Event expenses	**20**	240
Management fee expenses	**33**	35
Technical consultation services	**206**	97
Loss on foreign exchange	**63**	151
Donation	**201**	206
Hardware and software expenses	**175**	121
Technical services	**147**	44
Others	**519**	397
	2,623	3,043

8. Finance costs

	Group	
	2024	2023
	$'000	$'000
Interest expense:		
- Lease liabilities	**87**	78

9. Loss before income tax

Loss before income tax is arrived at after charging:

	Group	
	2024	2023
	$'000	$'000
Audit fee payable to:		
- Auditor of the Company	**128**	128
- Other auditors	**28**	53
Amortisation of intangible assets (Note 13)	**4,889**	4,878
Depreciation of property, plant and equipment	**1,157**	1,095
Foreign exchange loss, net	**63**	151
Fixed assets written off	**–**	2
Operating lease expense - short-term leases	**208**	107

10. Income tax credit

	Group 2024	Group 2023
	$'000	$'000
Tax credit attributable to profits is made up of:		
Current tax:		
- Current year	**350**	315
- Prior year	**(57)**	–
	293	315
Deferred tax:		
- Current year	**(879)**	(797)
	(879)	(797)
	(586)	(482)

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

	Group 2024	Group 2023
	$'000	$'000
Loss before income tax	**(12,103)**	(12,401)
Tax at the domestic rates applicable to loss in the countries where the Group operates	**(1,994)**	(2,069)
Income not subject to tax	**(17)**	(101)
Expenses not deductible for tax purposes	**573**	663
Deferred tax assets not recognised	**909**	1,042
Effect of partial tax exemption	**–**	(17)
Overprovision of income tax in prior year	**(57)**	–
	(586)	(482)

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

The statutory income tax rate applicable is 17% (2023: 17%) for companies incorporated in Singapore. The income tax rates applicable to foreign subsidiaries are as follows:

	Group 2024	Group 2023
	%	%
India	**22**	22
Indonesia	**22**	22
United States	**21**	21

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2024

11. Loss per share

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

	2024	2023
Weighted average number of ordinary shares for purposes of basic earnings per share [(1)] ('000)	**1,340,991**	1,064,454
Attributable to the owners of the Company:		
Loss for the year from continuing operations ($'000)	**(11,593)**	(11,337)
Basic and Diluted (loss)/earnings per share (cents per shares)	**(0.86)**	(1.07)

(1) The weighted average number of ordinary shares has been adjusted for the financial year ended 31 May 2023 to take into effect the new issuance of share capital of 33,400,000, 71,000,000 and 387,286,900 on 17 August 2022, 17 November 2022 and 10 January 2023 (Note 22), respectively.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2024

12. Property, plant and equipment

Group	Computer and office equipment	Motor vehicles	Leasehold properties	Renovation	Construction-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
At 1 June 2022	626	2	2,690	539	–	3,857
Additions	149	204	1,397	170	221	2,141
Written off	(6)	–	–	(3)	–	(9)
Derecognition of right-of-use assets	–	–	(1,457)	–	–	(1,457)
Currency translation differences	(23)	–	(18)	(21)	–	(62)
At 31 May 2023	746	206	2,612	685	221	4,470
Additions	366	–	887	204	3	1,460
Transfer	–	–	–	220	(220)	–
Currency translation differences	(57)	–	(30)	(57)	(1)	(145)
At 31 May 2024	**1,055**	**206**	**3,469**	**1,052**	**3**	**5,785**
Accumulated depreciation						
At 1 June 2022	255	–	917	33	–	1,205
Depreciation charge	158	42	744	151	–	1,095
Written off	(6)	–	–	(1)	–	(7)
Derecognition of right-of-use assets	–	–	(798)	–	–	(798)
Currency translation differences	(9)	–	(8)	(1)	–	(18)
At 31 May 2023	398	42	855	182	–	1,477
Depreciation charge	180	102	638	237	–	1,157
Currency translation differences	(32)	–	(18)	(22)	–	(72)
At 31 May 2024	546	144	1,475	397	–	2,562
Net carrying value						
At 31 May 2024	**509**	**62**	**1,994**	**655**	**3**	**3,223**
At 31 May 2023	348	164	1,757	503	221	2,993

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For the financial year ended 31 May 2024

12. Property, plant and equipment (Continued)

Company	Leasehold properties	Computer and office equipment	Motor vehicles	Renovation	Construction-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
At 1 June 2022	2,245	65	–	–	–	2,310
Additions	1,311	19	204	3	199	1,736
Written off	–	(6)	–	(3)	–	(9)
Derecognition of right-of-use assets	(1,429)	–	–	–	–	(1,429)
At 31 May 2023	2,127	78	204	–	199	2,608
Additions	883	14	–	150	–	1,047
Transfer	–	–	–	199	(199)	–
At 31 May 2024	**3,010**	**92**	**204**	**349**	**–**	**3,655**
Accumulated depreciation						
At 1 June 2022	757	18	–	–	–	775
Depreciation charge	627	21	42	1	–	691
Written off	–	(6)	–	(1)	–	(7)
Derecognition of right-of-use assets	(771)	–	–	–	–	(771)
At 31 May 2023	613	33	42	–	–	688
Depreciation charge	502	26	102	61	–	691
At 31 May 2024	1,115	59	144	61	–	1,379
Net carrying value						
At 31 May 2024	**1,895**	**33**	**60**	**288**	**–**	**2,276**
At 31 May 2023	1,514	45	162	–	199	1,920

(a) Included in the Group's and the Company's property, plant and equipment are right-of-use assets of $2,063,000 (2023: $1,933,000) and $1,962,000 (2023: $1,687,000) respectively (Note 25).

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

	Group	
	2024	2023
	$'000	$'000
Aggregate cost of property, plant and equipment acquired	**1,460**	2,141
Less: Additions under new leases modification (Note 25)	**(886)**	(1,529)
Less: Provision for reinstatement costs	**(1)**	(79)
Net cash outflows for purchase of property, plant and equipment	**573**	533

13. Intangible assets

Group	Goodwill	Software	Technology	Customer relationships	Trademark	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
At 1 June 2022	20,651	15	17,085	9,936	–	47,687
Additions	–	209	–	–	3	212
Currency translation differences	–	–	–	–	–	–
At 31 May 2023	20,651	224	17,085	9,936	3	47,899
Additions	–	7	–	–	–	7
Currency translation differences	–	–	–	–	–	–
At 31 May 2024	**20,651**	**231**	**17,085**	**9,936**	**3**	**47,906**
Accumulated amortisation						
At 1 June 2022	–	2	3,817	1,495	–	5,314
Amortisation charge	–	35	3,561	1,282	–	4,878
Currency translation differences	–	–	–	–	–	–
At 31 May 2023	–	37	7,378	2,777	–	10,192
Amortisation charge	–	45	3,561	1,283	–	4,889
Currency translation differences	–	–	–	–	–	–
At 31 May 2024	–	82	10,939	4,060	–	15,081
Net carrying value						
At 31 May 2024	**20,651**	**149**	**6,146**	**5,876**	**3**	**32,825**
At 31 May 2023	20,651	187	9,707	7,159	3	37,707

Composition of intangible assets

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

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

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

(iv) Customer relationships refer to the economic benefits that are expected to be derived from non-contractual existing and recurring relationships of InterBIO group and their existing customers.

Impairment test for intangible assets

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

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For the financial year ended 31 May 2024

13. Intangible assets (Continued)

Key assumptions used in value-in-use calculation

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

	Group	
	2024	2023
	%	%
Forecast revenue growth rate over next nine years	**1 - 364**	2 - 190
Terminal growth rate	**2**	2
Pre-tax discount rate	**25.9**	28.9

The Group's value-in-use calculations used cash flow forecasts derived from the most recent financial budgets approved by management covering a nine years period. Forecast revenue for the next nine years was projected taking into account the average growth levels experienced over the past years, the impact arising from the anticipated changes in the business and economic environment for the next nine years. 9 years cash flow forecast was used because of the expected earnings generated in year 5 is not at their normalised stage therefore the forecasted period was extended to year nine where earnings are normalised. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and which is adjusted for the risks specific to the CGU.

Sensitivity to changes in assumptions

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

Impairment loss recognised

No impairment loss was recognised during the current financial year ended 31 May 2024 and 2023.

14. Investments in subsidiaries

	Company	
	2024	2023
	$'000	$'000
Unquoted equity shares		
Cost		
At beginning of financial year	**89,487**	35,267
Acquisition	**–**	54,220
At end of financial year	**89,487**	89,487

14. Investments in subsidiaries (Continued)

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Group's equity holding	
			2024	**2023**
			%	**%**
Held by the Company				
International Biometrics Pte. Ltd. ("InterBio") (1)	Singapore	Investment holding, information technology consultancy	**100**	100
TOTM Tech SG Pte. Ltd. ("TTS") (1)	Singapore	Provision of identity management biometric technology solutions	**100**	100
GenesisPro Pte. Ltd. ("GenesisPro") (1)	Singapore	Providing information technology and computer facility management services	**100**	70
Held by TOTM Tech SG Pte. Ltd.				
Identa T LLC ("Identa") (4)	USA	Business development of identity management biometric technology solutions	**100**	100
TOTM Tech India Private Limited ("TTI") (3)	India	Provision of technical consultancy services, training and software development related services	**99.99**	99.99
Held by International Biometrics Pte. Ltd.				
PT International Biometrics Indonesia ("PTIBI") (2)	Indonesia	Providing information technology consulting, computer and computer facility management services	**99**	99

(1) Audited by Forvis Mazars LLP.

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

(3) Audited by M. Bhaskara Rao & Co., India

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

(i) Acquisition of additional interest in a subsidiary - GenesisPro

On 31 May 2024, the Company acquired the remaining 30% of the issued shares of GenesisPro Pte. Ltd. ("GenesisPro") for a purchase consideration of $2. The Group now holds 100% of the equity share capital of GenesisPro, The Group derecognised non-controlling interests of $445,000 and recorded an increase in equity attributable to owners of the parent of $445,000.

(ii) Acquisition of additional interest in a subsidiary - InterBio

On 11 January 2023, the Company acquired the remaining 49% of the issued shares of InterBio for a purchase consideration of $54,220,166. The Group now holds 100% of the equity share capital of InterBio. The carrying amount of the non-controlling interests in InterBio on the date of acquisition was $9,768,860. The Group derecognised non-controlling interests of $9,768,860 and recorded a decrease in equity attributable to owners of the parent of $44,451,306. The effect of changes in the ownership interest of InterBio on the equity attributable to owners of the Company during the year is summarised as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 May 2024

14. Investments in subsidiaries (Continued)

(ii) Acquisition of additional interest in a subsidiary - InterBio (Continued)

	2023
	$'000
Carrying amount of non-controlling interest acquired	9,769
Consideration paid to non-controlling interest	(54,220)
Excess of consideration paid recognised in parent's equity	44,451

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

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

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership held by NCI	
		2024	2023
		%	%
PT International Biometrics Indonesia	Indonesia	**1**	1
GenesisPro Pte. Ltd.	Singapore	**–**	30

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

	PTIBI		GenesisPro
	2024	2023	2023
	$'000	$'000	$'000
Summarised Statement of Financial Position			
Non-current assets	**11,304**	15,833	2,251
Current assets	**7,403**	7,588	52
Non-current liabilities	**(2,336)**	(3,226)	(953)
Current liabilities	**(880)**	(857)	(93)
Net assets	**15,491**	19,338	1,257
Net assets attributable to NCI	**73**	71	377
Summarised Statement of Profit or Loss and Other Comprehensive Income			
Revenue	**6,517**	19,072	122
Loss before tax	**(2,974)**	(2,416)	(793)
Income tax credit	**545**	479	25
Loss after tax	**(2,429)**	(1,937)	(768)
Other comprehensive income	**(594)**	(285)	–
Total comprehensive loss	**(3,023)**	(2,222)	(768)
Profit/(Loss) allocated to NCI	**9**	(352)	(230)
Total comprehensive gain/(loss) allocated to NCI	**3**	(636)	(230)

15. Investment in an associate

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Unquoted equity shares, at cost	**14,670**	14,670	**14,670**	14,670
Share of post-acquisition results	**(1,999)**	(1,459)	**–**	–
Carrying amount	**12,671**	13,211	**14,670**	14,670

The details of the associate are as follows:

Name of associate	Place of business / Country of incorporation	Principal activities	Proportion of ownership interest	
			2024	2023
			%	%
TECH5 SA [(i)]	Switzerland	Design, development, and distribution of biometrics-driven identity management solutions.	**16**	16

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

Summarised financial information of the Group's associate

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

	2024	2023
	$'000	$'000
Assets and liabilities:		
Non-current assets	**8,750**	9,162
Current assets	**12,213**	12,164
Total assets	**20,963**	21,326
Current liabilities	**(4,023)**	(1,155)
Total liabilities	**(4,023)**	(1,155)
Net assets	**16,940**	20,171
Group's share of associate's net assets	**2,756**	3,282
Goodwill on acquisition	**10,458**	10,458
Other adjustments	**(543)**	(529)
Carrying amount of the investment	**12,671**	13,211
Results:		
Revenue	**10,218**	9,040
Loss for the financial year	**(3,149)**	(3,356)
Group's share of associate' losses for the year	**(540)**	(546)

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For the financial year ended 31 May 2024

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

	Group and Company	
	2024	**2023**
	$'000	**$'000**
Investments measured at FVTPL:		
Convertible bond investment in Indonesia	**5,136**	5,136
Unquoted investment in Indonesia	**370**	370
Exchange differences	**(71)**	(59)
	5,435	5,447

Convertible bond investment in Indonesia

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

The Group has classified the investment as financial assets at fair value through profit or loss at initial recognition and at the end of the reporting period. The Group has determined the fair value of the investment based on the valuation performed by an external professional valuer by using Binomial model. The key inputs to the Binomial model is the market value of the share and conversion price. Management considered the appropriateness of the valuation technique and assumptions applied by the external valuer. The fair value measurement is categorised in Level 3 of the fair value hierarchy. Management is of the view that any reasonable possible change in any of the above key inputs are not likely to be material.

Unquoted investment in Indonesia

The Company owned 261 shares of PT Pattra Aksa Jaya ("PAJ"), representing approximately 8% of the issued share capital of PAJ. The Group has classified the investment as financial assets at fair value through profit or loss at initial recognition and at the end of the reporting period. The Group has determined the fair value of the investment based on the valuation performed by an external professional valuer. The fair value is determined based on the discounted cash flow method, using a discount rate of 50%. The estimated fair value is approximate to $370,000 even if the discount rate were lower/(higher) by 1% which not expected to be material. The change in valuation technique from a cost approach to an income approach is mainly due to the new information become available. Management considered the appropriateness of the valuation technique and assumptions applied by the external valuer. The fair value measurement is categorised in Level 3 of the fair value hierarchy. Management is of the view that any reasonable possible change in any of the above key inputs are not likely to be material.

17. Deferred tax

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

The movements in the deferred tax account are as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
Balance at beginning of financial year	**(2,966)**	(3,799)
Tax charged to profit or loss (Note 10)	**879**	797
Currency translation differences	**(6)**	36
Balance at end of financial year	**(2,093)**	(2,966)
Representing:		
Non-current		
Deferred tax assets	**65**	41
Deferred tax liabilities	**(2,158)**	(3,007)
	2,093	(2,966)
Deferred tax arising from:		
Fair value of intangible assets	**(2,148)**	(3,007)
Provisions	**6**	–
Excess of book value of plant and equipment over tax values	**(8)**	(6)
Employee benefits	**54**	56
Leases	**3**	(9)
	(2,093)	(2,966)

Unrecognised tax losses

At the end of the reporting period, the Group has unutilised tax losses of approximately $16,987,000 (2023: $8,376,000) that are available for offsetting against future taxable profits of the companies in which the tax losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is $1,335,000 (2023: $1,191,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

18. Amount due from/(to) subsidiaries

Current

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

The amount due from a subsidiary presents the convertible loan extended by the Company to GenesisPro, which can be converted by the Company into new shares in the share capital of GenesisPro, at interest of 3% per annum is $869,000. The carrying amounts recorded in the financial statements of the Company approximate their fair value. During the financial year ended 31 May 2024, the Company waived the repayment of this convertible loan during the acquisition of 30% remaining interests of GenesisPro.

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For the financial year ended 31 May 2024

19. Contract assets and liabilities

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

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

	Group		
	2024	**2023**	**2022**
	$'000	**$'000**	**$'000**
Contract assets	**2,720**	3,847	2,496
Contract liabilities	**(13)**	(14)	(15)

Contract assets of $3,847,000 (2023: $2,496,000) which were included at the beginning of the financial year were transferred to trade receivables during the financial year.

Contract liabilities are recognised as revenue over the contract service term. Revenue recognised in 2024 which was included in the contract liabilities balance at the beginning of the financial year was $14,000 (2023: $15,000).

There were no significant change in the contract liabilities during the financial year. Contract assets for the financial year ended 31 May 2024 decreased due to reduction in services performed ahead of milestone payments during the financial year.

20. Trade and other receivables

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Non-current:				
Deposits	**56**	32	**–**	–
	56	32	**–**	–
Current:				
Trade receivables - third parties	**64**	–	**–**	–
Other receivables and prepayments:				
Deposits	**200**	388	**143**	261
Sundry receivables	**147**	475	**2**	2
Prepayments	**244**	264	**90**	125
Input value added tax	**1,111**	902	**–**	–
Advance payment to suppliers	**1,747**	542	**–**	–
	3,513	2,571	**235**	388
	3,569	2,603	**235**	388

Trade receivables are non-interest bearing and the Group generally extend credit period of 30 (2023: 30) days from date of invoice. They are recognised at the transaction price which represent their fair value on initial recognition.

Sundry receivables mainly consist of various tax recoverable amounting to $Nil (2023: $348,000).

21. Cash and cash equivalents

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank	**2,269**	9,443	**689**	7,853
Cash on hand	**48**	108	**–**	–
Fixed deposits pledged	**50**	–	**50**	–
	2,367	9,551	**739**	7,853
Fixed deposits pledged	**(50)**	–	**(50)**	–
Cash and cash equivalents for Statement of cash flows at end of the year	**2,317**	9,551	**689**	7,853

Fixed deposit will mature in 12 months (2023: Nil) from the financial year end and the effective interest rate on the fixed deposits is 2.20% (2023: Nil) per annum. As the end of the reporting year, fixed deposits of $50,000 was pledged as collateral for credit card limit.

22. Share capital

	Group and Company			
	2024	**2023**	**2024**	**2023**
	'000	**'000**	**$'000**	**$'000**
	Number of shares			
Issued and fully paid ordinary shares				
At beginning of financial year	**1,340,991**	849,304	**156,202**	90,225
Issue of ordinary shares	**–**	491,687	**–**	66,393
Shares issue expenses	**–**	–	**–**	(416)
At end of financial year	**1,340,991**	1,340,991	**156,202**	156,202

All issued shares are fully paid ordinary shares with no par value.

The Company allotted and issued 33,400,000 and 71,000,000 new ordinary shares in the capital of the Company pursuant to placement exercises that were completed on 17 August 2022 (the "August 2022 Placement Exercise") and 17 November 2022 (the "November 2022 Placement Exercise") respectively. The August 2022 Placement Exercise and November 2022 Placement Exercise raised gross proceeds of approximately $4 million and $8 million respectively.

The Company had, through the extraordinary general meeting held on 14 December 2022, obtained shareholders' approval for the acquisition of the remaining 49.0% of the shareholding in the total ordinary share capital of InterBio ("Proposed Acquisition"). The Company has allotted and issued 365,365,000 Base Consideration Shares and 21,921,900 Introducer Shares at an issue price of $0.14 per such share to the Seller Shareholders and/or their nominees as satisfaction of the total consideration for the Proposed Acquisition.

The newly issued shares rank pari passu in all respects with the previously issued shares.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

The Company did not hold any treasury shares or convertibles as at 31 May 2024 and 31 May 2023.

23. Other reserves

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Capital reserve	**(44,006)**	(44,451)	**–**	–
Foreign currency translation reserve	**(502)**	69	**–**	–
Share options reserve	**1,636**	728	**1,636**	728
	(42,872)	(43,654)	**1,636**	728

Capital reserve

Capital reserve comprises the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attributed to the equity holders of the Company. Upon disposal of a subsidiary, the related capital reserve will be transferred to accumulated losses.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of subsidiaries whose functional currencies are different from that of the Group's presentation currency.

Share options reserve

The Group and Company's share options reserve comprises the cumulative value of employee services received for the issue of share options. When the share options are exercised, the related balance previously recognised in the share options reserve is transferred to share capital. When the share options expire, the related balance previously recognised in the share options reserve is transferred to accumulated profits. Further information about share-based payments to employees is set out in Note 24 of the financial statements.

24. Share-based payment

(a) The Company's Employee Share Option Scheme

The Company's Employee Share Option Scheme (the "Scheme") was approved and adopted by the members of the Company at an Extraordinary General Meeting held on 30 September 2021.

Information relating to the Scheme is as follows:

(i) A confirmed full-time employee of the Group, including executive directors, non-executive directors, independent directors and any director of the Company's subsidiaries, subject to certain conditions, are eligible to participate in the Scheme.

(ii) The vesting period for options granted is 2 years. 50% of the options will vest after the first anniversary from grant date; and 100% of the options will vest after the second anniversary from grant date.

(iii) All options are settled by physical delivery of shares.

(iv) Options granted to eligible employees (including executive directors) expire after 10 years from the grant date. Options granted to non-executive directors expire after 5 years from the grant date.

24. Share-based payment (Continued)

(a) The Company's Employee Share Option Scheme (Continued)

Details of the share options outstanding during the financial year are as follows:

	Group and Company			
	Number of share options		Weighted average exercise price	
	2024	**2023**	**2024**	**2023**
	'000	**'000**	**$**	**$**
Outstanding at the beginning of the financial year	**37,950**	–	**0.1022**	–
Granted during the financial year	**–**	42,200	**–**	0.1022
Forfeited during the financial year	**(5,500)**	(4,250)	**0.1022**	0.1022
Outstanding at the end of the financial year	**32,450**	37,950	**0.1022**	0.1022

Share options outstanding at the end of the financial year have the following expiry dates and exercise prices:

Date of grant of options	Expiry date of options	Exercise price	No of share options outstanding
		$	**'000**
14 December 2022			
- Non-executive directors	13 December 2027	0.1022	2,000
- Employees	13 December 2032	0.1022	30,450

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Binomial model. The Binomial option pricing model is commonly used to value options.

Fair value of share options granted and assumptions used

Grantees of options	Non-executive directors	Other employees of the Group
Date of grant of options	14 December 2022	14 December 2022
Fair value at measurement date	\$0.0550 - \$0.0570	\$0.0440 - \$0.0670
Share price	\$0.1070	\$0.1070
Exercise price	\$0.1022	\$0.1022
Expected volatility	62%	62%
Expected option life	5	10
Expected dividends	–	–
Risk-free interest rate	3.00%	2.98%

The expected volatility is based on the historical volatility of comparable companies (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

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For the financial year ended 31 May 2024

24. Share-based payment (Continued)

(b) The Company's Employee Share Awards Scheme

The Company's Employee Share Awards Scheme (the "Awards") was approved and adopted by the members of the Company at an Extraordinary General Meeting held on 30 September 2021.

Information relating to the Awards granted on 15 May 2024 is as follows:

(i) Up to 20,000,000 Awards to be issued to Irawan Mulyadi (Non-Executive, Non-Independent Director of the Company);

(ii) Up to 20,000,000 Awards to be issued to Dhanie Tri Indrasto (Non-Executive, Non-Independent Director of the Company); and

(iii) The vesting period for awards granted is 3 months from the date of grant of the Awards, subject to the satisfaction of the vesting condition of the Awards.

25. Lease liabilities

The Group's leasing activities comprise the following:

(a) The Group leases office, warehouse, staff accommodation, motor vehicles, computer and office equipment from non-related parties. The leases have an average tenure of between two to five years; and

(b) The Group leases certain office equipment and motor vehicles with contractual terms of 6 months to three years. These leases are either short-term and/or low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The maturity analysis of the lease liabilities is disclosed in Note 30(b).

Information about leases for which the Group is a lessee is presented below:

Amounts recognised in statement of financial position

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Carrying amount of right-of-use assets				
Leasehold properties	**1,994**	1,758	**1,895**	1,514
Computer and office equipment	**7**	11	**7**	11
Motor vehicles	**62**	164	**60**	162
	2,063	1,933	**1,962**	1,687
Carrying amount of lease liabilities				
Current	**698**	716	**579**	566
Non-current	**1,403**	1,224	**1,403**	1,099
	2,101	1,940	**1,982**	1,665
Additions to right-of-use assets	**886**	1,529	**883**	1,437

25. Lease liabilities (Continued)

Amounts recognised in profit or loss

	Group	
	2024	**2023**
	$'000	**$'000**
Depreciation charge for the financial year		
Leasehold properties	**639**	741
Computer and office equipment	**4**	4
Motor vehicles	**102**	42
	745	787

		Group	
	Note	**2024**	**2023**
		$'000	**$'000**
Lease expense not included in the measurement of lease liabilities:			
Lease expense - short term leases	9	**208**	107
Interest expense arising from lease liabilities	8	**87**	78

Total cash flows for leases during the financial year amounted to $710,000 (2023: $742,000).

26. Employee benefits liabilities

As at 31 May 2024 and 2023, the Group has recorded estimated employee benefit liabilities based on the actuarial calculations prepared by independent firms of actuaries using the "Projected Unit Credit" method.

The subsidiary in Indonesia's estimated liabilities for employee benefit is determined based on Law No.11/2020 (the "Job Creation Law" or the "UUCK"), the Government Regulation No. 35/2021 (the "PP35") and the Company Regulation.

The subsidiary in India's estimated liabilities for employee benefit is determined based on Payment of Gratuity Act, 1972 and Company Policy by accompanying with "Telangana Shops And Establishments Act, 1988"

	Group	
	2024	**2023**
	$'000	**$'000**
Net benefit expense		
Current service cost	**91**	102
Interest cost on benefit liabilities	**13**	8
	104	110
Net actuarial loss recognised in the other comprehensive income	**(4)**	(22)

26. Employee benefits liabilities (Continued)

Movements in employee benefits liabilities are as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
At beginning of financial year	**252**	268
Current service cost	**91**	102
Past service cost	**13**	(136)
Interest cost on benefit liabilities	**4**	8
Actuarial (gain)/loss on obligation	**(5)**	22
Benefits paid	**(1)**	–
Currency translation differences	**(54)**	(12)
At end of financial year	**300**	252

The principal assumptions used in determining the Group's employee benefits are as follows:

	Group	
	2024	**2023**
	%	**%**
Discount rates	**7.00-7.05**	6.80 - 7.33
Expected rate of salary increases	**6.00-9.00**	6.00 - 9.00
Mortality rates	**TMI 4*/ 2012-14****	TMI 4*/ 2012-14**
Price inflation	**4.00**	4.00

* Indonesian Mortality Table TMI 4

** Indian Assured Lives 2012-14

The sensitivity analysis (Indonesia) below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation at the end of the reporting period, assuming if all other assumptions were held constant:

			Group	
	Increase/(Decrease)		**Increase/(decrease) in net employee benefit liabilities**	
	2024	**2023**	**2024**	**2023**
	%	**%**	**$'000**	**$'000**
Discount rate	**1.0**	1.0	**(22)**	(17)
	(1.0)	(1.0)	**25**	20
Salary increase rate	**1.0**	1.0	**24**	20
	(1.0)	(1.0)	**(22)**	(17)

27. Trade and other payables

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Trade payables	**9**	460	**–**	–
Other payables	**172**	221	**61**	176
Indirect tax payable	**167**	45	**–**	–
Accrued liabilities	**514**	548	**406**	396
Deferred income	**206**	–	**–**	–
	1,059	814	**467**	572
	1,068	1,274	**467**	572

Trade and other payables are non-interest bearing and the average credit period on purchases of supplies and services range from 31-60 days according to the terms agreed with suppliers.

28. Contingent liabilities (unsecured)

As at the end of the financial year, the Company had given undertakings to certain subsidiaries to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the financial year end.

29. Related party transactions

(a) In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties who are not members of the Group during the financial year on terms agreed by the parties concerned:

	Group	
	2024	2023
	$'000	$'000
Technical service fee	**947**	2,005

(b) Key management personnel

Total key management personnel compensation is analysed as follows:

	Group	
	2024	2023
	$'000	$'000
Salaries and remuneration	**738**	1,100
Employer's contribution to defined contribution plans	**13**	39
Share-based payment	**443**	400
Fees and other benefits	**487**	310
	1,681	1,849
Comprise amounts paid to:		
Directors of the Company	**1,209**	1,323
Other key management personnel	**472**	526
	1,681	1,849

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30. Financial instruments

(a) Categories of financial instruments

Financial instruments at their carrying amounts at the end of the reporting period are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
<u>Financial assets</u>				
Financial assets at fair value through profit or loss	**5,435**	5,447	**5,435**	5,447
Financial assets at amortised cost	**2,834**	10,098	**1,386**	9,151
	8,269	15,545	**6,821**	14,598
<u>Financial liabilities</u>				
Financial liabilities at amortised cost	**3,002**	3,169	**2,449**	2,299

(b) Financial risks management

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk. The Group's overall risk management strategy seeks to minimise adverse effects from these financial risks on the Group's financial performance.

The directors provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk and credit risk. Such written policies are reviewed annually.

There has been no change to the Group's exposure to these financial risks or the way in which it manages and measures credit risk and liquidity risk exposures are measured using sensitivity analysis indicated below.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group's trades only with recognised and creditworthy third parties. For customers who wish to trade on credit terms, the Group will take into account the quantity of the customer order, background and creditworthiness of the customer, payment history of the customer and relationship with the customer.

Maximum exposure and concentration of credit risk

At the end of the reporting period, 100% of the Group's trade receivables were owed by a (2023: Nil) major debtor.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position.

30. Financial instruments (Continued)

(b) Financial risks management (Continued)

Credit risk (Continued)

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-months ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 365 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Written off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- Actual or expected significant change in the operating results of the customer;
- Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the Group and changes in operating results of the customer.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

30. Financial instruments (Continued)

(b) Financial risks management (Continued)

Credit risk (Continued)

Significant increase in credit risk (Continued)

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers information developed internally or obtained from external sources that indicates that the customer is unlikely to pay its creditor, including the Group as constituting an event of default for internal credit risk management purpose. Based on historical experience, it indicates that receivables that meet the criteria are generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

Trade receivables and contract assets

The Group has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets. The contract assets relate to unbilled work-in-progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. Trade receivables and contract assets that shared the same credit risk characteristics and days past due are grouped together in measuring the expected credit losses.

Under the simplified approach, for trade receivables and contract assets that do not contain a significant financing component, the loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions affecting the ability of the customers to settle the receivables.

30. Financial instruments (Continued)

(b) Financial risks management (Continued)

Credit risk (Continued)

Trade receivables and contract assets (Continued)

The Group has recognised a loss allowance of 100% against all credit-impaired trade receivables. A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor.

The Group's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 at the reporting date are set out in the provision matrix below:

	Not past due	Within 180 days	More than 180 days	Credit-impaired	Total
	$'000	$'000	$'000	$'000	$'000
2024					
Weighted average expected loss rate	**0%**	**0%**	**0%**	**100%**	
Trade receivables	**64**	**–**	**–**	**–**	**64**
Contract assets	**2,720**	**–**	**–**	**–**	**2,720**
Loss allowance	**–**	**–**	**–**	**–**	**–**
2023					
Weighted average expected loss rate	0%	0%	0%	100%	
Trade receivables	–	–	–	–	–
Contract assets	3,847	–	–	–	3,847
Loss allowance	–	–	–	–	–

Other financial assets at amortised cost

The table below details the credit quality of the Group's and the Company's other financial assets at amortised cost at the reporting date:

	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
		$'000	$'000	$'000
Group				
2024				
Sundry receivables and deposits	**12-month ECL**	**467**	**–**	**467**
Cash and cash equivalents with financial institutions	**N.A. Exposure limited**	**2,367**	**–**	**2,367**
2023				
Sundry receivables and deposits	12-month ECL	547	–	547
Cash and cash equivalents with financial institutions	N.A. Exposure limited	9,551	–	9,551

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For the financial year ended 31 May 2024

30. Financial instruments (Continued)

(b) Financial risks management (Continued)

Credit risk (Continued)

Other financial assets at amortised cost (Continued)

The table below details the credit quality of the Group's and the Company's other financial assets at amortised cost at the reporting date (Continued):

	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
		$'000	$'000	$'000
Company				
2024				
Sundry receivables and deposits	**12-month ECL**	**145**	**–**	**145**
Amounts due from subsidiaries	**12-month ECL**	**502**	**–**	**502**
	Lifetime ECL	**4,068**	**(4,068)**	**–**
Cash and cash equivalents with financial institutions	**N.A. Exposure limited**	**739**	**–**	**739**
2023				
Sundry receivables and deposits	12-month ECL	263	–	263
Amounts due from subsidiaries	12-month ECL	166	–	166
	Lifetime ECL	1,884	(1,884)	–
Cash and cash equivalents with financial institutions	N.A. Exposure limited	7,853	–	7,853

Credit risk exposure in relation to financial assets at amortised cost (other than trade receivables and contract assets and amounts due from subsidiaries) are insignificant, and accordingly no credit loss allowance is recognised as at 31 May 2024 and 31 May 2023.

Amounts due from subsidiaries

For the amounts due from subsidiaries where impairment loss allowance is measured using 12-month ECL, the Company assessed the latest performance and financial position of the respective subsidiaries, the future outlook of the industry in which the subsidiaries operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

For the amounts due from subsidiaries where impairment loss allowance is measured using lifetime ECL, the subsidiary is considered credit-impaired, hence allowance is provided on the outstanding amount due from this subsidiary as at 31 May 2024.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of the financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

30. Financial instruments (Continued)

(b) Financial risks management (Continued)

Liquidity risk (Continued)

In managing its liquidity, management monitors and reviews the Group's and the Company's forecasts of liquidity reserves (comprise cash and cash equivalents and available credit facilities) based on expected cash flows of the respective operating companies of the Group.

The table below summarises the maturity profile of the Group's and the Company's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	Within 1 year	1 to 5 years	After 5 years	Total
	$'000	$'000	$'000	$'000
Group				
2024				
Trade and other payables	**695**	**–**	**–**	**695**
Lease liabilities	**776**	**1,464**	**–**	**2,240**
	1,471	**1,464**	**–**	**2,935**
2023				
Trade and other payables	1,229	–	–	1,229
Lease liabilities	780	1,325	–	2,105
	2,009	1,325	–	3,334

	Within 1 year	1 to 5 years	After 5 years	Total
	$'000	$'000	$'000	$'000
Company				
2024				
Trade and other payables	**467**	**–**	**–**	**467**
Amounts due to subsidiaries	**–**	**–**	**–**	**–**
Lease liabilities	**651**	**1,464**	**–**	**2,115**
	1,118	**1,464**	**–**	**2,582**
2023				
Trade and other payables	572	–	–	572
Amounts due to subsidiaries	62	–	–	62
Lease liabilities	630	1,200	–	1,830
	1,264	1,200	–	2,464

Foreign currency risk

The Group has currency exposures arising from transactions, assets and liabilities that are denominated in other than the respective functional currencies of entities in the Group. The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are mainly in USD and IDR.

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30. Financial instruments (Continued)

(b) Financial risks management (Continued)

Foreign currency risk (Continued)

At the end of the reporting period, the Group's and the Company's foreign currency exposure based on information provided by key management is as follows:

	USD	EUR	INR	IDR	Total
	$'000	$'000	$'000	$'000	$'000
Group					
2024					
Financial assets					
- Trade and other receivables	**–**	**–**	**70**	**141**	**211**
- Financial assets at FVTPL	**5,065**	**–**	**–**	**–**	**5,065**
- Cash and cash equivalents	**344**	**20**	**102**	**1,368**	**1,834**
	5,409	**20**	**172**	**1,509**	**7,110**
Financial liabilities					
- Trade and other payables	**(9)**	**(67)**	**(35)**	**(41)**	**(152)**
Net financial assets/ (liabilities) denominated in foreign currencies	**5,400**	**(47)**	**137**	**1,468**	**6,958**

	USD	EUR	INR	IDR	Total
	$'000	$'000	$'000	$'000	$'000
Group					
2023					
Financial assets					
- Trade and other receivables	–	–	50	230	280
- Financial assets at FVTPL	5,077	–	–	–	5,077
- Cash and cash equivalents	3,553	20	62	536	4,171
	8,630	20	112	766	9,528
Financial liabilities					
- Trade and other payables	–	(69)	(10)	(530)	(609)
Net financial assets/ (liabilities) denominated in foreign currencies	8,630	(49)	102	236	8,919

	USD	EUR
	$'000	$'000
2024		
Company		
Financial assets		
- Financial assets at FVTPL	**5,065**	–
- Amount due from subsidiaries	**285**	–
- Cash and cash equivalents	**285**	17
Net financial assets denominated in foreign currencies	**5,635**	17

30. Financial instruments (Continued)

(b) Financial risks management (Continued)

Foreign currency risk (Continued)

	USD	EUR
	$'000	$'000
2023		
Company		
Financial assets		
- Financial assets at FVTPL	5,077	–
- Amount due from subsidiaries	61	910
- Cash and cash equivalents	2,511	17
Net financial assets denominated in foreign currencies	7,649	927

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of a reasonably possible change in the USD, PHP, EUR, INR and IDR exchange rates against Singapore dollar ("SGD"), with all other variables held constant, of the Group's and the Company's loss net of tax:

	Group (Decrease)/increase Loss net of tax		Company (Decrease)/increase Loss net of tax	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
USD/SGD				
- Strengthened 10%	**(448)**	(716)	**(468)**	(635)
- Weakened 10%	**448**	716	**468**	635
EUR/SGD				
- Strengthened 10%	**4**	4	**(1)**	(77)
- Weakened 10%	**(4)**	(4)	**1**	77
INR/SGD				
- Strengthened 10%	**(11)**	(8)	**–**	–
- Weakened 10%	**11**	8	**–**	–
IDR/SGD				
- Strengthened 10%	**(122)**	(20)	**–**	–
- Weakened 10%	**122**	20	**–**	–

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31. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(i) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Fair value measurements of assets and liabilities that are measured at fair value

The following table presents the level of fair value hierarchy for each class of assets and liabilities measured at fair value on the statements of financial position at the end of the reporting period:

	Group and Company			
	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
2024				
Recurring fair value measurements				
Financial assets				
Financial assets at FVTPL	**–**	**–**	**5,435**	**5,435**
2023				
Recurring fair value measurements				
Financial assets				
Financial assets at FVTPL	–	–	5,447	5,447

The valuation technique to determine fair values of the financial assets at FVTPL are disclosed in Note 16.

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of financial assets and financial liabilities recorded in the financial statements of the Group and the Company approximate their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period or that there are no significant changes in the interest borrowing rates available to the Group at the end of the reporting period.

31. Fair value of assets and liabilities (Continued)

(d) Valuation process applied by the Group

The fair values of unquoted investments are determined by an external professional valuer having appropriate professional qualifications and experience in valuing such investments. For valuation performed by external valuers, management considers the appropriateness of the valuation technique and assumptions applied by the external valuers. The measurement of fair values of other assets and liabilities within Level 3 fair value hierarchy is performed by the Group's finance team on annual basis. If third party quotes or pricing information are used to measure fair value, the valuation team assesses the evidence obtained from the third parties to assess if such valuations meet the SFRS(I) and the fair value level hierarchy the measurement should be classified in. The valuation reports and changes in fair value measurements are analysed and reported to the Group's Deputy Chief Financial Officer and directors regularly. Significant valuation issues are reported to the Audit Committee.

32. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents.

		Group	
	Note	**2024**	**2023**
		$'000	**$'000**
Lease liabilities	25	**2,101**	1,940
Less: Cash and cash equivalents	21	**(2,367)**	(9,551)
Net debt		**(266)**	(7,611)
Total equity		**57,473**	68,655
Total capital		**57,207**	61,044
Gearing ratio		**N.M**	N.M

33. Segment information

The Group is in Digital Identity businesses. Digital Identity is in Singapore, Indonesia, India and USA. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

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33. Segment information (Continued)

The segment information provided to management for the reportable segments are as follows:

2024	Singapore	Indonesia	India	USA	Adjustments and eliminations	Group
	$'000	$'000	$'000	$'000	$'000	$'000
Total segment revenue	–	6,517	1,139	–	(1,139)	6,517
Intersegment revenue	–	–	(1,139)	–	1,139	–
Total revenue from external parties	–	6,517	–	–	–	6,517
Operating (loss)/profit	(10,567)	1,149	138	(1)	(2,200)	(11,481)
Interest income	11	1	4	–	(11)	5
Finance costs	(80)	(16)	(3)	–	12	(87)
(Loss)/profit before tax	(10,636)	1,134	139	(1)	(2,199)	(11,563)
Share of losses from equity-accounted for associate						(540)
Income tax credit						586
Loss for the year						(11,517)
Other significant non-cash items						
Depreciation and amortisation expenses	1,293	451	47	–	4,255	6,046
Assets						
Segment assets	115,719	8,450	377	13	(61,341)	63,218
Segment assets include additions to non-current assets	1,127	312	28	–	–	1,467
Liabilities						
Segment liabilities	(7,038)	(1,127)	(192)	(51)	2,663	(5,745)

33. Segment information (Continued)

The segment information provided to management for the reportable segments are as follows (Continued):

2023	Singapore	Indonesia	India	USA	Adjustments and eliminations	Group
	$'000	$'000	$'000	$'000	$'000	$'000
Total segment revenue	14,388	5,523	1,017	–	(1,561)	19,367
Intersegment revenue	(50)	(494)	(1,017)	–	1,561	–
Total revenue from external parties	14,338	5,029	–	–	–	19,367
Operating (loss)/profit	(10,239)	641	142	(5)	(2,332)	(11,793)
Interest income	26	37	–	–	(47)	16
Finance costs	(84)	(24)	(5)	–	35	(78)
(Loss)/profit before tax	(10,297)	654	137	(5)	(2,344)	(11,855)
Share of losses from equity-accounted for associate						(546)
Income tax credit						482
Loss for the year						(11,919)
Other significant non-cash items						
Depreciation and amortisation expenses	1,258	425	38	–	4,252	5,973
Assets						
Segment assets	124,625	8,069	289	13	(57,596)	75,400
Segment assets include additions to non-current assets	1,961	303	89	–	–	2,353
Liabilities						
Segment liabilities	(6,260)	(998)	(216)	(50)	779	(6,745)

Segment results

Performance of each segment is evaluated based on segment profit or loss which is measured in a manner that is consistent with the net profit or loss before tax in the consolidated statement of profit or loss and other comprehensive income. Sales between operating segments are on terms agreed by Group entities concerned. Inter-segment revenues are eliminated on consolidation.

Segment assets

The amounts provided to management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments.

Inter-segment assets as included in the respective reportable segments are eliminated to arrive at the total assets reported in the consolidated statement of financial position.

33. Segment information (Continued)

Segment liabilities

The amounts provided to management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments.

Inter-segment liabilities as included in the respective reportable segments are eliminated to arrive at the total liabilities reported in the consolidated statement of financial position.

Information about major customer

Revenue is derived from 2 (2023: 2) external customer who individually contributed 10% or more of the Group's revenue.

	Attributable segments	Group 2024 $'000
Customer 1	Indonesia	**1,416**
Customer 2	Indonesia	**4,804**

	Attributable segments	Group 2023 $'000
Customer 1	Indonesia	4,726
Customer 2	Indonesia, Singapore	14,324

34. Subsequent events

On 13 August 2024, the Company announced the incorporation of a joint venture company, Presight TOTM AI Ltd., in collaboration with Presight AI Ltd. All conditions pursuant to the joint venture agreement have been fulfilled, and both parties will subscribe for their respective proportion of new shares in the JV Company. The incorporation is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 May 2025.

On 20 August 2024, the Company has issued and allotted 24,000,000 new ordinary shares to selected Directors under the TOTM Technologies Performance Share Plan 2021. The new shares will rank pari passu with the existing ordinary shares and are expected to be listed on the Singapore Exchange Trading Securities Limited on or about 22 August 2024. Following this issuance, the total number of issued and paid-up shares increased from 1,340,990,616 to 1,364,990,616 ordinary shares.

On 5 September 2024, a substantial shareholder and director of the Company agreed to lend the Company $500,000. This unsecured loan, bearing a 6% annual interest, is to be repaid by 5 September 2025, unless both parties agree otherwise based on certain considerations. The Company received the $0.5 million loan on 9 September 2024.

STATISTICS OF SHAREHOLDINGS

As at 16 August 2024

ANALYSIS OF SHAREHOLDINGS AS AT 16 AUGUST 2024

ISSUED AND FULLY PAID-UP CAPITAL	:	$161,590,833.96
NUMBER OF ISSUED SHARES	:	1,340,990,616
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	1 VOTE PER SHARE
TREASURY SHARES AND SUBSIDIARY HOLDINGS	:	NIL

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 16 August 2024, approximately 75.78% of the issued ordinary shares of the Company was held by the public. Accordingly, Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited has been complied with.

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	1	0.12	20	0.00
100 - 1,000	43	4.97	27,400	0.00
1,001 - 10,000	229	26.44	1,284,800	0.10
10,001 - 1,000,000	507	58.54	88,208,995	6.58
1,000,001 & above	86	9.93	1,251,469,401	93.32
TOTAL	866	100.00	1,340,990,616	100.00

TOP TWENTY SHAREHOLDERS AS AT 16 AUGUST 2024

	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	DBS NOMINEES PTE LTD	191,535,670	14.28
2.	HING CHOW YUEN	80,104,800	5.97
3.	KHOO THOMAS CLIVE	67,766,900	5.05
4.	MAYBANK SECURITIES PTE. LTD.	61,981,200	4.62
5.	GANPAT MARUTI PARTHE	60,000,000	4.47
6.	RAHUL GANPAT PARTHE	50,149,693	3.74
7.	TAN KIM SING	49,005,000	3.65
8.	CHUA SAN CHONG	45,813,898	3.42
9.	ANG SIEW JOO	44,730,000	3.34
10.	RAFFLES NOMINEES (PTE) LIMITED	44,175,083	3.29
11.	UOB KAY HIAN PTE LTD	42,703,496	3.18
12.	CHEE TUCK HONG	41,260,000	3.08
13.	PHILLIP SECURITIES PTE LTD	40,622,500	3.03
14.	IFAST FINANCIAL PTE LTD	39,326,000	2.93
15.	CITIBANK NOMINEES SINGAPORE PTE LTD	35,891,699	2.68
16.	ESW MANAGE PTE LTD	28,226,230	2.10
17.	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	24,358,300	1.82
18.	TAN AH EE	23,959,100	1.79
19.	WONG HONG ENG	20,850,000	1.56
20.	CGS INTERNATIONAL SECURITIES SINGAPORE PTE LTD	18,427,037	1.37
		1,010,886,606	75.37

STATISTICS OF SHAREHOLDINGS

As at 16 August 2024

SUBSTANTIAL SHAREHOLDERS

	NO. OF SHARES	%
PIERRE PRUNIER[1]	164,974,300	12.30
HING CHOW YUEN	80,104,800	5.97
KHOO THOMAS CLIVE	67,766,900	5.05

Note :

(1) Mr Pierre Prunier is deemed to be interested in 164,974,300 ordinary shares of the Company registered in the name of a nominee account of DBS Nominees Pte. Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of TOTM Technologies Limited (the "**Company**") will be held at 39 Scotts Road, Level 2, Topaz & Opal Room, Sheraton Towers Hotel, Singapore 228230 on Thursday, 26 September 2024 at 10.00 a.m. (the "**AGM**") to transact the following businesses: -

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 May 2024 together with the Independent Auditor's Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$283,000 for the financial year ending 31 May 2025, payable quarterly in arrears. **(Resolution 2)**

3. To re-elect the following Directors retiring pursuant to Regulation 104 of the Company's Constitution:

   (a) Mr Low Chai Chong **(Resolution 3)**
   (b) Mr Diaz Faisal Hendropriyono **(Resolution 4)**

   [See Explanatory Notes (i) to (ii)]

4. To re-appoint Messrs Forvis Mazars LLP as the Auditor of the Company to hold office until the next AGM of the Company, and to authorise the Directors to fix their remuneration. **(Resolution 5)**

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

6. <u>Authority to allot and issue shares</u> **(Resolution 6)**

   That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**"), and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") - Section B: Rules of Catalist (the "**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue and allot new shares ("**Shares**") in the capital of the Company whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

   (b) (notwithstanding that this authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

(1) the aggregate number of Shares to be issued pursuant to this authority (including the Shares to be issued in pursuance of Instruments, made or granted pursuant to this authority), shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), and provided further that where shareholders of the Company ("**Shareholders**") are not given the opportunity to participate in the same on a pro-rata basis, then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments, made or granted pursuant to this authority) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with subparagraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the issued Shares (excluding treasury shares and subsidiary holdings) at the time this authority was conferred, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from the exercise of share options or the vesting of share awards; and

(c) any subsequent bonus issue, consolidation or sub-division of the Shares;

Adjustments in accordance with (a) or (b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution of the Company for the time being; and

(4) (unless revoked or varied by the Company in a general meeting) this authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law and the Catalist Rules to be held, whichever is earlier.

[See Explanatory Note (iii)]

By Order of the Board

Sim Yok Teng
Company Secretary

Singapore,
11 September 2024

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) **Ordinary Resolution 3**: Mr Low Chai Chong will, upon re-election as Director of the Company, remain as Independent Non-Executive Chairman of the Board, Chairman of the Nominating Committee, Chairman of the Remuneration Committee and Member of the Audit Committee of the Company. He is considered independent by the Board of Directors of the Company for the purpose of Rule 704(7) of the Catalist Rules. Please refer to the "Disclosure of Information on Directors Seeking Re-election" section of the Company's Annual Report 2024, for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.

(ii) **Ordinary Resolution 4**: Mr Diaz Faisal Hendropriyono will, upon re-election as Director of the Company, remain as Independent Director of the Company, Member of the Remuneration Committee, Audit Committee and Nominating Committee of the Company. He is considered independent by the Board of Directors of the Company for the purpose of Rule 704(7) of the Catalist Rules. Please refer to the "Disclosure of Information on Directors Seeking Re-election" section of the Company's Annual Report 2024, for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.

(iii) **Ordinary Resolution 6**, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is carried or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares in the Company and/or the Instruments (as defined above). The aggregate number of Shares (including Shares to be made in pursuance of Instruments, made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which the total number of Shares and convertible securities other than on a pro-rata basis to existing Shareholders, shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company.

IMPORTANT INFORMATION:

1. All Shareholders of the Company are invited to attend the AGM physically. There will be no option for Shareholders to participate virtually. Printed copies of the Notice of AGM and Proxy Form will be despatched to Shareholders. These documents together with the Company's Annual Report 2024 are available on the Company's website at the URL: https://totmtechnologies.com, and the SGXNET at the URL: https://www.sgx.com/securities/company-announcements.

2. A Shareholder who wishes to request a printed copy of the Company's Annual Report may do so by completing and returning the Request Form which is despatched to him, by Thursday, 19 September 2024:

   (a) by post to the registered office of the Company at 47 Scotts Road, #02-03/04 Goldbell Towers, Singapore 228233; or

   (b) via email to the Company at ir@totmtechnologies.com.

Submission of written questions in advance of the AGM

1. Shareholders who wish to submit substantial and relevant written questions relating to resolutions as set out in this notice in advance of the AGM may do so in the following manner:

   (a) by post to the registered office of the Company at 47 Scotts Road, #02-03/04 Goldbell Towers, Singapore 228233; or

   (b) by email to the Company at ir@totmtechnologies.com,

   in either case, all written questions must be submitted to the Company by 10.00 a.m. on Wednesday, 18 September 2024.

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

   CPFIS Investors and SRS Investors should approach their CPF Agent Banks/SRS Operators to submit their questions based on the abovementioned instructions.

2. The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the AGM by publishing the responses to such questions on the Company's website and the SGXNET before 10.00 a.m. on Saturday, 21 September 2024. If substantial and relevant written questions are submitted after the abovementioned cut-off time, they will be addressed during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

Submission of Proxy Form

1. A Shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint not more than 2 proxies, to attend and vote on his behalf, save that no such limit shall be imposed on the number of proxies appointed by Shareholders which are nominee companies.

2. Where a Shareholder appoints 2 proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

NOTICE OF ANNUAL GENERAL MEETING

3. A Shareholder (who is a Relevant Intermediary) is entitled to appoint more than 2 proxies to attend and vote at the AGM. He shall specify in the proxy form the proportion of his shares (expressed as a percentage of the whole) to be represented by each proxy.

   "Relevant intermediary" shall have the meaning ascribed to it in Section 181 of the Companies Act.

4. A proxy need not be a Shareholder of the Company. A Shareholder can appoint the Chairman of the AGM as his proxy, but this is not mandatory.

5. The instrument appointing a proxy(ies) ("**Proxy Form**"), duly executed, must be submitted to the Company in the following manner:

   (a) by post to the registered office of the Company at 47 Scotts Road, #02-03/04 Goldbell Towers, Singapore 228233; or

   (b) by email to the Company at proxy@totmtechnologies.com,

   in either case, by 10.00 a.m. on Monday, 23 September 2024 (being not less than 72 hours before the time appointed for holding the AGM).

6. A Shareholder who wishes to submit a Proxy Form can use the printed copy of the Proxy Form which is despatched to him by post. Alternatively, he may download a copy of the Proxy Form from the SGXNET or the Company's website.

   After completing and signing the Proxy Form, he should submit it to the Company, either (i) by post, or (ii) scan and send it electronically via email, to the addresses provided above.

7. CPFIS Investors and SRS Investors who hold the Company's shares through CPF Agent Banks and/or SRS Operators:

   (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks and/or SRS Operators (as the case may be), and should approach their respective CPF Agent Banks and/or SRS Operators (as the case may be) if they have any queries regarding their appointment as proxies; and

   (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM,

   in which case they should approach their respective CPF Agent Banks and/or SRS Operators (as the case may be) to submit their votes at least 7 business days before the AGM (i.e. by 10.00 a.m. on Tuesday, 17 September 2024), in order to allow sufficient time for their respective CPF Agent Banks and/or SRS Operators to in turn submit a Proxy Form to vote on their behalf by 10.00 a.m. on Monday, 23 September 2024 (being not less than 72 hours before the time appointed for holding the AGM).

8. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

9. The Company shall be entitled to reject a Proxy Form 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 Proxy Form (such as in the case where the appointor submits more than 1 Proxy Form). In addition, in the case of Shares entered in the Depository Register, the Company may reject a Proxy Form if the Shareholder, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM 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 AGM of the Company and/or any adjournment thereof, a Shareholder of the Company (i) consents to the collection, use and disclosure of the Shareholder'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 AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes of meeting and other documents relating to the AGM 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 Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the Shareholder 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. Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a Shareholder of the Company (such as his name, his presence at the AGM and any questions he may raise or motions he proposes/seconds) may be recorded by the Company for such purpose.

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

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

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

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT
1. CPFIS Investors and SRS Investors:
   (a) may vote at the AGM in person if they are appointed as proxies by their respective CPF Agent Banks and/or SRS Operators, and should contact their respective CPF Agent Banks and/or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks and/or SRS Operators,

   to submit their votes by 10.00 a.m. on Tuesday, 17 September 2024.
2. This Proxy Form is not valid for use by CPFIS Investors and SRS Investors and shall be ineffective for all intents and purported to be used by them.

I/We*, ______________________________ (Full Name)

NRIC/Passport/ Company Registration* No. ______________________________

of ______________________________ (Address)

being a shareholder/shareholders* of TOTM Technologies Limited (the "**Company**"), hereby appoint:

Name:	**NRIC/Passport Number:**	**Proportion of Shareholding**	
		Number of Shares	**%**
Address:			

and/or (delete as appropriate)

Name:	**NRIC/Passport Number:**	**Proportion of Shareholding**	
		Number of Shares	**%**
Address:			

or if no proxy is named, the Chairman of the Annual General Meeting ("**AGM**") of the Company as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the AGM of the Company to be at 39 Scotts Road, Level 2, Topaz & Opal Room, Sheraton Towers Hotel, Singapore 228230 on Thursday, 26 September 2024 at 10.00 a.m., and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for, vote against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the AGM and at any adjournment thereof.

No.	**Ordinary Resolutions**	**For****	**Against****	**Abstain****
Ordinary Business				
1.	To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 May 2024, together with the Independent Auditor's Report thereon.			
2.	To approve the payment of Directors' fees of S$283,000 for the financial year ending 31 May 2025, payable quarterly in arrears.			
3.	To re-elect Mr Low Chai Chong as Director pursuant to Regulation 104 of the Company's Constitution.			
4.	To re-elect Mr Diaz Faisal Hendropriyono as Director pursuant to Regulation 104 of the Company's Constitution.			
5.	To re-appoint Messrs Forvis Mazars LLP as Auditor of the Company and to authorise the Directors to fix their remuneration.			
Special Business				
6.	Authority to allot and issue shares.			

** Please indicate your vote "For" or "Against" or "Abstain" with a tick [√] within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing the Chairman of the AGM not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this __________ day of ________________ 2024

Total number of Shares in	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

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

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Notes:

1. If the Shareholder has shares entered against his name in the Depository Register, he should insert that number of shares. If the Shareholder has shares registered in his name in the Register of Members, he should insert that number of shares. If the Shareholder has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the Shareholder.

2. A Shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint not more than 2 proxies, to attend and vote on his behalf, save that no such limit shall be imposed on the number of proxies appointed by Shareholders which are nominee companies.

3. Where a Shareholder appoints 2 proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

4. A Shareholder (who is a Relevant Intermediary) is entitled to appoint more than 2 proxies to attend and vote at the AGM. He shall specify in the Proxy Form the proportion of his shares (expressed as a percentage of the whole) to be represented by each proxy.

   "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 Shareholder of the Company. A Shareholder can appoint the Chairman of the AGM as his proxy, but this is not mandatory.

6. This Proxy Form, duly executed, must be submitted to the Company in the following manner:

   (a) by post to the registered office of the Company at 47 Scotts Road, #02-03/04 Goldbell Towers, Singapore 228233, or

   (b) by email to the Company at proxy@totmtechnologies.com,

   in either case, by 10.00 a.m. on Monday, 23 September 2024 (being not less than 72 hours before the time appointed for holding the AGM).

7. This Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

8. Where this Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.

9. A corporation which is a Shareholder may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act 1967 of Singapore.

10. The Company shall be entitled to reject this Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this Proxy Form (including any related attachment). In addition, in the case of a Shareholder whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged if the Shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this Proxy Form, the Shareholder is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of AGM of the Company dated 11 September 2024.