

iWOW TECHNOLOGY LIMITED
(Company Registration No.: 199905973K)
(Incorporated in the Republic of Singapore
on 1 October 1999)



Placement in respect of
26,000,000 Placement
Shares at S\$0.25 for each
Placement Share by way
of placement, payable in
full on application.

LEADING IOT SERVICES PROVIDER WITH A STRONG FOCUS ON WIRELESS TECHNOLOGIES

OFFER DOCUMENT DATED 6 APRIL 2022

(Registered by the Singapore Exchange Securities Trading Limited, acting as agent
on behalf of the Monetary Authority of Singapore on 6 April 2022)

**This document is important. If you are in any doubt as to the action you should take,
you should consult your legal, financial, tax or other professional adviser(s).**

Evolve Capital Advisory Private Limited (“ECA” or the “Sponsor and Issue Manager”) has, on behalf of iWOW Technology Limited (the “Company”), made an application to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for permission to deal in, and for the listing and quotation of, all the ordinary shares (the “Shares”) in the capital of the Company already issued, the new Shares (the “Placement Shares”) which are the subject of the Placement (as defined herein), the new Shares which may be issued upon the exercise of the options to be granted under the iWOW Employee Share Option Scheme (the “Option Shares”) and the new Shares which may be issued upon the vesting of the awards to be granted under the iWOW Performance Share Plan (the “Award Shares”), on Catalyst (as defined herein).

Acceptance of applications will be conditional upon the issue of the Placement Shares and upon, inter alia, permission being granted by the SGX-ST for the listing and quotation of all the Shares already issued, the Placement Shares, the Option Shares and the Award Shares on Catalyst. Monies paid in respect of any application accepted will be returned at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed, and you will have no claims against us, the Sponsor and Issue Manager and/or the Underwriter and Placement Agent if the admission and listing do not proceed. The dealing in and quotation of the Shares will be in Singapore dollars.

Companies listed on Catalyst may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalyst without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalyst. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

This offer of Placement Shares is made in or accompanied by an offer document that has been lodged with and registered by the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore (the “Authority”).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor and Issue Manager confirming that our Company is suitable to be listed and complies with the Catalyst Rules (as defined herein). Neither the Authority nor the SGX-ST has in any way considered the merits of the Shares being offered for investment. The registration of this Offer Document by the SGX-ST does not imply that the Securities and Futures Act 2001 of Singapore, or any other legal or regulatory requirements, or requirements under the SGX-ST’s listing rules, have been complied with.

During the Period Under Review (as defined herein), we generated a significant portion of our revenue from our major customers for the supply of our products and services to several Singapore government related entities for the purpose of essential public services such as the electronic monitoring of ex-offenders and accused persons and contact tracing during the COVID-19 pandemic. Our major customers account for approximately 75%, 85%, 96% and 93% of our revenue for FY2019, FY2020, FY2021 and 6M2022, respectively. We expect revenue generated from these major customers to continue to represent a significant portion of our revenue in the foreseeable future as part of our business strategies and future plans and accordingly, we may be subject to concentration risk from such customers. Please refer to the section entitled “General Information on our Group – Major Customers” of this Offer Document for further details of our major customers.

In particular, the revenue of S\$21 million derived from the Group’s TraceTogether Tokens account for 81% of the Group’s revenue of approximately S\$26 million for FY2021. Prior to FY2021, the Group’s revenue for FY2019 and FY2020 was approximately S\$2 million and S\$4 million respectively and did not include any revenue from the TraceTogether Tokens, given that this contact tracing solution was only developed in 2020 as a result of the COVID-19 pandemic. As at the Latest Practicable Date, the TraceTogether Tokens constitutes approximately 16.8% of our order book. Accordingly, there remains risks associated with having a significant portion of our revenue generated from a single product offering. Moreover, in light of the evolving COVID-19 situation and should COVID-19 become endemic, demand for the TraceTogether Tokens could be adversely impacted in the future. Please refer to the section entitled “Prospects, Business Strategies and Future Plans – Order Book” of this Offer Document for further details of our order book as well as the section entitled “Risk Factors – Risks relating to our Business – We depend on government tenders (for instance the TraceTogether Tokens) for a significant portion of our revenue and a limited number of customers and products account for the majority of our revenue, and hence a change in demand driver (for example COVID-19 becomes endemic) may have a material adverse impact on our Business”.

We have not lodged or registered this Offer Document in any other jurisdiction.

Investing in our Shares involves risks which are described in the section entitled “RISK FACTORS” of this Offer Document.

After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of our Shares, or allot, issue or sell any of our Shares, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any of our Shares or the allotment, issue or sale of any of our Shares, on the basis of this Offer Document.

Sponsor and Issue Manager



Evolve Capital Advisory Private Limited
(Company Registration No.: 201718400R)
(Incorporated in the Republic of Singapore)

Underwriter and Placement Agent









FUTU Singapore Private Limited
(Company Registration No.: 201942579C)
(Incorporated in the Republic of Singapore)

CORPORATE PROFILE

Established in 1999, iWOW Technology Limited is a technology provider specialising in integrated wireless IoT (as defined herein) solutions offered as a service. We are a one-stop end-to-end wireless IoT technology provider that help create value for our customers for every aspect of an IoT deployment. Our services range from providing design and development for the hardware and software underlying the IoT solution, overseeing the manufacturing of the product, installation, maintenance and the operationalisation of the IoT solution.

BUSINESS SEGMENTS

Segment	Product / Solution	Segment	Product / Solution
Smart City Solutions	 Smart Metering	IoT as-a-Service	 Smart Metering
	 Trace Token		 Alarm Alert System
	 Alarm Alert System		 Electronic Monitoring System

With sustainability being a focus for many people and organisations now, our Smart City Solutions aims to leverage on technology to provide urban living solutions for businesses and governments and under our Smart City Solutions segment, we provide customised wireless IoT solutions for the design and conceptualisation of the solution and the manufacturing and production of the products.

Under our IoT-as-a-Service segment, in addition to providing the design and conceptualisation of the solution and the manufacturing and production of the products, we also assist our customers with the installation, implementation and operationalisation of the IoT solution which is bundled into a subscription service for our customers who pay a monthly or annual subscription fee.

COMPETITIVE STRENGTHS

- 1 Unique ability to provide end-to-end and a wide range of IoT Solutions
- 2 Well-positioned to capture robust tailwinds and megatrends
- 3 Established reputation and strong track record of over 20 years in customising and tailoring IoT solutions
- 4 Operating a fabless and resilient business model
- 5 Strong business relations forged with our key customers
- 6 Strong financial growth supported by a robust order book
- 7 Strong track record of innovation
- 8 Committed and highly experienced founder and management team

BUSINESS STRATEGIES AND FUTURE PLANS

Enhance our R&D development to bolster our IoT offerings

- Develop our capabilities in wireless technologies
- Development of a smart test kit which data can be sent in real-time to a cloud application
- Develop and enhance our other existing IoT offering such as our Smart Metering, Alarm Alert System and Electronic Monitoring System

Expand our customer base and product offerings

- Expand range of products to existing B2B customers and acquire new B2B customers
- Offer new and innovative B2C solutions – e.g. telemedicine, housekeeping, home maintenance through our Alarm Alert System



Expand through investments, mergers and acquisitions, joint ventures and/or strategic collaborations

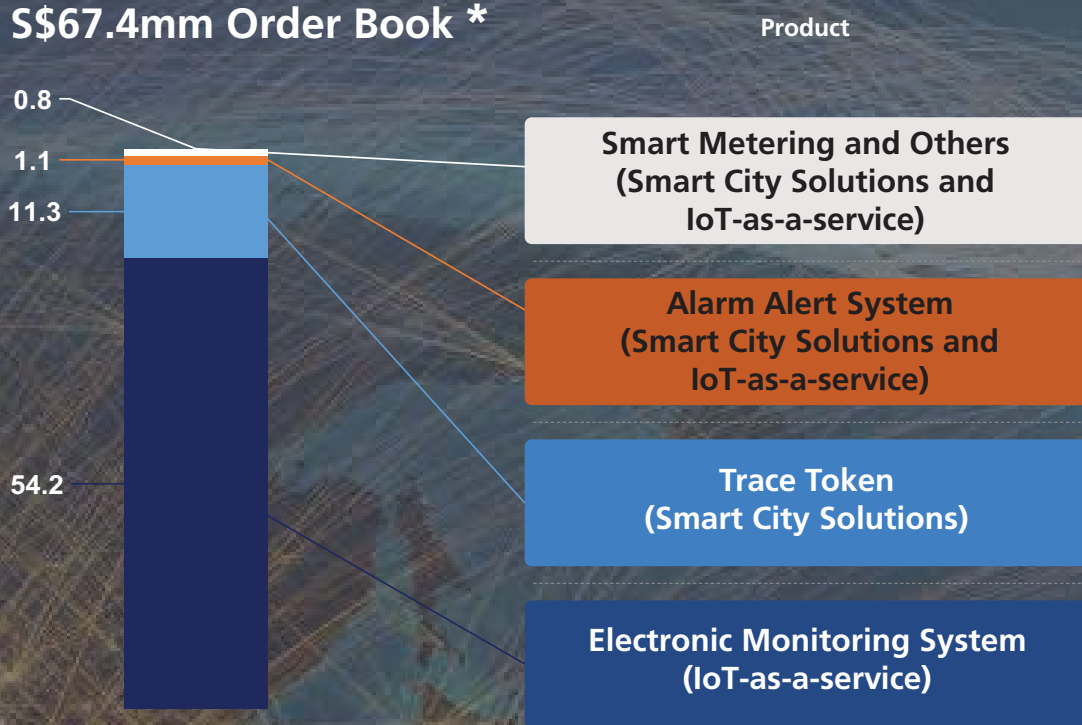
- Target companies that have complementary technological solutions, allowing the Group to expand its offerings to other geographical locations and/or achieving value chain integration in existing markets or to penetrate into emerging markets

Expand our market reach

- To offer IoT solutions in adjacent countries – Japan, Thailand, Malaysia, Indonesia and the UAE
- Target countries with high IoT penetration and digital infrastructure or countries with technology driven policies like Singapore's Smart Nation Initiatives
- Increase strategic cooperation with overseas technology partners and suppliers

FINANCIAL HIGHLIGHTS – STRONG ORDER BOOK

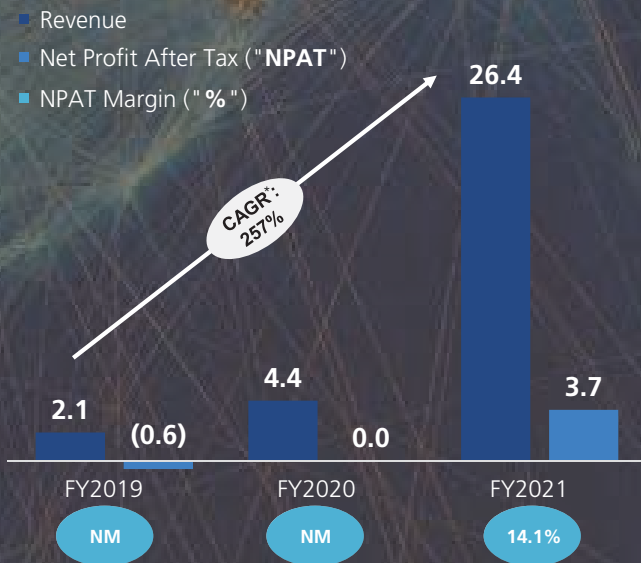
\$S\$67.4mm Order Book *



* As of 8 March 2022

FINANCIAL HIGHLIGHTS

Revenue (\$\$'million)



Strong Business Momentum

\$S\$26.4 million FY2021 Revenue	\$S\$3.7 million FY2021 NPAT
12.5x increase FY2019-21 Revenue	14.1% FY2021 NPAT Margin

* Compound annual growth rate

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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Bo Jiang Chek Raymond (CEO and Executive Director) Soo Kee Wee (Chairman and Non-Executive Director) Ang Swee Tian (Lead Independent Director) Liew Kok Oon (Independent Director) Thong Yuen Siew Jessie (Independent Director)
JOINT COMPANY SECRETARIES	:	Nor Hafiza Binte Alwi (Fellow Member of the Chartered Secretaries Institute of Singapore) Loh Mei Ling (Associate Member of the Chartered Secretaries Institute of Singapore)
REGISTERED OFFICE	:	1004 Toa Payoh North #02-17 Singapore 318995
PRINCIPAL PLACE OF BUSINESS	:	Singapore
SPONSOR AND ISSUE MANAGER	:	Evolve Capital Advisory Private Limited 138 Robinson Road #13-02 Oxley Tower Singapore 068906
UNDERWRITER AND PLACEMENT AGENT	:	Futu Singapore Pte. Ltd. 1 Raffles Quay #39-02 Singapore 048583
SHARE REGISTRAR AND SHARE TRANSFER OFFICE	:	B.A.C.S. Private Limited 77 Robinson Road #06-03 Robinson 77 Singapore 068896
SOLICITORS TO THE PLACEMENT AND LEGAL ADVISER TO OUR COMPANY AS TO SINGAPORE LAW	:	Rajah & Tann Singapore LLP 9 Straits View #06-07 Marina One West Tower Singapore 018937
INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS	:	Mazars LLP 135 Cecil Street #10-01 Singapore 069536 Partner-in-charge: Ooi Chee Keong (a member of the Institute of Singapore Chartered Accountants)

PRINCIPAL BANKER : **DBS Bank Ltd.**
12 Marina Boulevard
Level 3 Marina Bay Financial Centre Tower 3
Singapore 018982

RECEIVING BANKER : **The Bank of East Asia, Limited**
60 Robinson Road, BEA Building
Singapore 068892

DEFINITIONS

In this Offer Document and the accompanying Application Forms, the following definitions apply where the context so admits:

Group Companies

<i>“Company” or “iWOW Technology”</i>	:	iWOW Technology Limited
<i>“EEM”</i>	:	Electrique Energie & Metering Pte. Ltd.
<i>“Group”</i>	:	Our Company and our subsidiaries
<i>“iWOW Connections”</i>	:	iWOW Connections Pte Ltd

Other Corporations and Agencies

<i>“ACRA”</i>	:	Accounting and Corporate Regulatory Authority of Singapore
<i>“Authority” or “MAS”</i>	:	Monetary Authority of Singapore
<i>“CDP”</i>	:	Central Depository (Pte) Limited
<i>“Government Agency A”</i>	:	A government agency established under the Ministry of Home Affairs of Singapore which provides for the secure custody of and rehabilitation of offenders
<i>“HDB”</i>	:	Housing and Development Board
<i>“Independent Auditors and Reporting Accountants”</i>	:	Mazars LLP
<i>“Issue Manager” or “Sponsor” or “Sponsor and Issue Manager” or “ECA”</i>	:	Evolve Capital Advisory Private Limited
<i>“Ministry A”</i>	:	A ministry of the government of Singapore responsible for national security, public safety, civil defence, border control and immigration
<i>“MOM”</i>	:	Ministry of Manpower of Singapore
<i>“Placement Agent” or “Underwriter” or “Underwriter and Placement Agent” or “Futu”</i>	:	Futu Singapore Pte. Ltd.
<i>“Receiving Banker”</i>	:	The Bank of East Asia, Limited
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Registrar”</i>	:	B.A.C.S. Private Limited
<i>“SIIX Dongguan”</i>	:	SIIX EMS (Dong Guan) Co., Ltd.

<i>“SIIX Singapore”</i>	:	SIIX Singapore Pte. Ltd.
<i>“Statutory Board A”</i>	:	A statutory board of Singapore responsible for building key platforms and solutions to support Singapore as a Smart Nation
<i>“Statutory Board B”</i>	:	A statutory board of Singapore responsible for public housing within Singapore
<i>“Statutory Board C”</i>	:	A statutory board of Singapore responsible for animal health and welfare as well as plant health in Singapore
General		
<i>“6M2021”</i>	:	The six-month financial period ended 30 September 2020
<i>“6M2022”</i>	:	The six-month financial period ended 30 September 2021
<i>“Application Forms”</i>	:	The printed application forms to be used for the purpose of the Placement and which form part of this Offer Document
<i>“Application List”</i>	:	The list of applications for subscription for the Placement Shares
<i>“associate”</i>	:	As defined in the Catalist Rules: <ul style="list-style-type: none"> (a) in relation to any individual, including a Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual), means – <ul style="list-style-type: none"> (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
<i>“Audit and Risk Management Committee”</i>	:	The audit and risk management committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Audited Consolidated Financial Statements”</i>	:	The “Independent Auditors’ Report on the Audited Consolidated Financial Statements for the Financial Years ended 31 March 2019, 2020 and 2021” as set out in Appendix A to this Offer Document

<i>Awards</i>	:	The awards which may be granted by our Company pursuant to the iWOW Performance Share Plan
<i>“Award Shares”</i>	:	The new Shares which may be issued or transferred from time to time upon the vesting of the Awards
<i>“Board” or “Board of Directors”</i>	:	The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Catalist”</i>	:	The Catalist Board of the SGX-ST, sponsor-supervised listing platform of the SGX-ST
<i>“Catalist Rules”</i>	:	Section B of the Listing Manual: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
<i>“CEO”</i>	:	Chief Executive Officer
<i>“Companies Act”</i>	:	Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
<i>“Constitution”</i>	:	The constitution of our Company
<i>“Controlling Shareholder”</i>	:	As defined in the Catalist Rules: <ul style="list-style-type: none"> (a) a person who holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in our Company (unless otherwise determined by the SGX-ST); or (b) a person who in fact exercises control over our Company
<i>“COVID-19”</i>	:	Coronavirus disease 2019, a contagious respiratory disease caused by the virus SARS-CoV-2
<i>“CTO”</i>	:	Chief Technology Officer
<i>“Directors”</i>	:	The directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“EPS”</i>	:	Earnings per Share
<i>“Executive Directors”</i>	:	The executive Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Executive Officers”</i>	:	The executive officers of our Group as at the date of this Offer Document, unless otherwise stated
<i>“FY”</i>	:	Financial year ended or, as the case may be, ending 31 March
<i>“GST”</i>	:	Goods and services tax
<i>“Independent Directors”</i>	:	The independent Directors of our Company as at the date of this Offer Document, unless otherwise stated

<i>“iWOW Employee Share Option Scheme”</i>	:	The iWOW Employee Share Option Scheme, the terms of which are set out in Appendix G of this Offer Document
<i>“iWOW Performance Share Plan”</i>	:	The iWOW Performance Share Plan, the terms of which are set out in Appendix H of this Offer Document
<i>“Latest Practicable Date”</i>	:	8 March 2022, being the latest practicable date for the purposes of lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority
<i>“Listing”</i>	:	The listing of our Company and quotation of all our Shares already issued, the Placement Shares, the Option Shares and the Award Shares on Catalist
<i>“Listing Date”</i>	:	The date of admission of our Company to Catalist
<i>“Management and Sponsorship Agreement”</i>	:	The management and sponsorship agreement dated 14 April 2021 (as amended by the amendment agreements dated 27 December 2021, 11 January 2022 and 16 March 2022 respectively) entered into between our Company and ECA pursuant to which ECA agreed to manage and sponsor the Placement, details as described in the section entitled “Plan of Distribution – Management, Underwriting and Placement Arrangements” of this Offer Document
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“NAV”</i>	:	Net asset value
<i>“Nominating Committee”</i>	:	The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Non-Executive Directors”</i>	:	The non-executive Directors of our Company (including Independent Directors) as at the date of this Offer Document, unless otherwise stated
<i>“NTA”</i>	:	Net tangible assets
<i>“Offer Document”</i>	:	This offer document dated 6 April 2022 issued by our Company in respect of the Placement
<i>“Options”</i>	:	The share options which may be granted by our Company pursuant to the iWOW Employee Share Option Scheme
<i>“Option Shares”</i>	:	The new Shares which may be issued or transferred from time to time upon the exercise of the Options
<i>“PER”</i>	:	Price earnings ratio
<i>“Period Under Review”</i>	:	The period which comprises FY2019, FY2020, FY2021 and 6M2022
<i>“Placement”</i>	:	The placement of the Placement Shares by the Placement Agent on behalf of our Company for subscription at the Placement Price, subject to and on the terms and conditions of this Offer Document

<i>“Placement Price”</i>	:	S\$0.25 for each Placement Share
<i>“Placement Shares”</i>	:	The 26,000,000 new Shares which are the subject of the Placement, subject to and on the terms and conditions set out in this Offer Document
<i>“Remuneration Committee”</i>	:	The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“R&D”</i>	:	Research and development
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
<i>“Securities and Futures Act” or “SFA”</i>	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
<i>“SFR”</i>	:	Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, as amended, modified or supplemented from time to time
<i>“Share(s)”</i>	:	Ordinary share(s) in the capital of our Company
<i>“Shareholder(s)”</i>	:	Person(s) who are registered as holder(s) of Shares in the register of members of our Company, or where CDP is the registered holder, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
<i>“Share Consolidation”</i>	:	The consolidation of three (3) existing Shares into two (2) Shares effected on 9 March 2022
<i>“Share Split”</i>	:	The subdivision of one (1) existing Share into six (6) Shares effected on 29 December 2021
<i>“SVP”</i>	:	Senior Vice President
<i>“Substantial Shareholders”</i>	:	Persons who have an interest in the Shares of not less than five per cent (5.0%) of all the voting shares of our Company
<i>“Toa Payoh Office”</i>	:	1004 Toa Payoh North #02-11/12, #02-16/17, #03-08/09/10, #05-11 and #06-08/09, Singapore 318995
<i>“Unaudited Interim Condensed Consolidated Financial Statements”</i>	:	The “Independent Auditors’ Report on the Unaudited Interim Condensed Consolidated Financial Statements for the Financial Period from 1 April 2021 to 30 September 2021” as set out in Appendix B to this Offer Document
<i>“Unaudited Pro Forma Consolidated Financial Information”</i>	:	The “Independent Auditors’ Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 31 March 2021 and the Six Month Period ended 30 September 2021” as set out in Appendix C to this Offer Document

“Underwriting and Placement Agreement” : The underwriting and placement agreement dated 6 April 2022 entered into between our Company and the Underwriter and Placement Agent pursuant to which the Underwriter and Placement Agent agreed to (i) underwrite our offer of the Placement Shares; and (ii) subscribe and/or procure subscribers for the Placement Shares, details as described in the section entitled “Plan of Distribution – Management, Underwriting and Placement Arrangements” of this Offer Document

Currencies, Units and Others

“%” or “per cent.” : Per centum

“EUR” : The lawful currency of the European Union

“RMB” : The lawful currency of the People’s Republic of China

“S\$” or “Singapore dollar” : The lawful currency of Singapore

“US\$” : The lawful currency of the United States of America

Names used in this Offer Document

“Mr. Ang” : Mr. Ang Swee Tian

“Mr. Ashokan” : Mr. Ashokan Ramakrishnan

“Mr. Bo” : Mr. Bo Jiang Chek Raymond

“Mr. Chen” : Mr. Chen Jer Yaw

“Mr. Ho” : Mr. Ho Junxuan Adrian

“Mr. Liew” : Mr. Liew Kok Oon

“Mr. Lim” : Mr. Lim Choon Kee

“Mr. Mah” : Mr. Mah Kian Yen

“Mr. Soo” : Mr. Soo Kee Wee

“Ms. Thong” : Ms. Thong Yuen Siew Jessie

The expressions “associated company”, “associated entity”, “related corporation”, “related entity”, “Entity At Risk”, “Interested Person”, “Interested Person Transaction”, “subsidiary” and “subsidiary entity” shall have the meanings ascribed to them respectively in the SFA, the SFR, the Companies Act and/or the Catalist Rules, as the case may be.

The expressions “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Any word defined under the Companies Act, the SFA, the SFR, the Catalist Rules or any statutory modification thereof and used in this Offer Document and the Application Forms shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the SFR, the Catalist Rules or any statutory modification thereto, as the case may be.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Offer Document and the Application Forms to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted.

Any reference in this Offer Document and the Application Forms to Shares being allotted to an applicant includes allotment and/or allocation to CDP for the Securities Account of that Applicant.

Any reference to a time of day in this Offer Document and the Application Forms shall be a reference to Singapore time unless otherwise stated.

References in this Offer Document to “our Group”, “we”, “our”, and “us” or any other grammatical variations thereof shall unless otherwise stated, mean our Company, our Group or any member of our Group as the context requires.

Certain numerical figures set out herein, including financial data presented in millions, thousands and percentages, have been subject to rounding adjustments, and, as a result, the totals of the data herein may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in the section entitled “Management’s Discussion and Analysis of Financial Position and Results of Operations” of this Offer Document have been calculated using the numerical data in our combined financial statements or the tabular presentation of other data (subject to rounding) contained in this Offer Document, as applicable, and not using the numerical data in the narrative description thereof.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of our Group, the following glossary contains an explanation and description of certain terms used in this Offer Document in connection with our Group. The terms and their assigned meanings may not correspond to standard industry or common meanings, as the case may be, or usage of these terms.

“2G”	:	The second-generation technology standard for broadband cellular networks
“3G”	:	The third-generation technology standard for broadband cellular networks
“4G”	:	The fourth-generation technology standard for broadband cellular networks
“5G”	:	The fifth-generation technology standard for broadband cellular networks
“Alarm Alert System” or “AAS”	:	A wireless emergency distress system developed on the LoRaWAN for the elderly to alert passers-by if the elderly individuals are in distress
“Automated Meter Reading” or “AMR”	:	Automated meter reading
“B2B”	:	Business-to-Business
“B2C”	:	Business-to-Consumer
“C&I”	:	Commercial and industrial
“Electronic Monitoring System” or “EMS”	:	Electronic monitoring system
“GSM”	:	Global System for Mobile Communication, a standard developed by the European Telecommunications Standards Institute to describe the protocols for 2G digital cellular networks.
“GPRS”	:	General Packet Radio Service, a packet oriented mobile data standard on the 2G and 3G cellular communication network’s GSM.
“Internet of Things” or “IoT”	:	A network of physical objects or things (such as devices, vehicles, equipment, homes, buildings) that are connected to the internet through embedded devices and software, which allows these physical objects to collect, analyse and exchange data

“Internet of Things-as-a-Service” or “IoT-as-a-Service”	:	A set of end-to-end services in which businesses contract with external providers to design, build, install and operate IoT solutions, including advisory consulting for IoT planning
“iTegno”	:	The Company’s brand that specialises in modules and modems
“LoRaWAN”	:	A low power wide area wireless network technology that allows connected devices to have long-range communications capabilities at a low bit rate. LoRaWAN is typically used in asset monitoring and management in smart cities and industrial IoT deployments
“M2M”	:	Machine to machine
“NBIOT”	:	A low power wide area network technology for M2M and IoT devices and applications
“Pandogrid”	:	The Company’s proprietary cloud-based smart metering platform
“Smart City”	:	A city that uses technology to provide services and solve city problems
“Smart Metering”	:	The digital, remote monitoring of resource consumption, such as water and gas, through modern metering devices
“Smart Nation”	:	A Singapore government initiative
“TraceTogether Tokens”	:	A physical contact tracing device adopted by the Singapore government for contact tracing during the COVID-19 pandemic
“Trace Token”	:	A contact tracing device used for contact tracing during the COVID-19 pandemic

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us or our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these statements by forward-looking terms such as “anticipate”, “believe”, “could”, “estimate”, “profit estimate”, “expect”, “intend”, “may”, “plan”, “will” and “would” or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, trend information, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including without limitation, statements as to our revenue and profitability, cost measures, planned strategy and anticipated expansion plans, expected growth in demand, expected industry trends and any other matters discussed in this Offer Document regarding matters that are not historical fact, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others, the following:

- (a) changes in political, social and economic conditions, the regulatory environment, laws and regulations and interpretation thereof in the jurisdictions where we conduct business or expect to conduct business;
- (b) the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;
- (c) changes in currency exchange rates;
- (d) changes in the availability and prices of materials, technical parts and equipment which we require to operate our business;
- (e) changes in competitive conditions and our ability to compete under such conditions, locally and internationally;
- (f) changes in our future capital needs and the availability of financing and capital to fund these needs; and
- (g) other factors beyond our control.

Some of these risk factors are discussed in greater detail in this Offer Document, in particular, but not limited to, the discussions under the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” of this Offer Document. All forward-looking statements by or attributable to us, the Sponsor and Issue Manager, the Underwriter and Placement Agent or persons acting on our or their behalf, contained in this Offer Document are expressly qualified in their entirety by such factors. These forward-looking statements are applicable only as of the date of this Offer Document.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on these statements. None of us, the Sponsor and Issue Manager, the Underwriter and Placement Agent or any other person represents or warrants that our actual future results, performance or achievements will be as discussed in those statements.

Our actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We, the Sponsor and Issue Manager, and the Underwriter and Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future. We are, however, subject to the provisions of the SFA and the Catalist Rules regarding corporate disclosure.

In particular, pursuant to Section 241 of the SFA, if after the registration of this Offer Document but before the close of the Placement, we become aware of:

- (a) a false or misleading statement or matter in this Offer Document;
- (b) an omission from this Offer Document of any information that should have been included in it under the SFA, the SFR or the Catalist Rules; or
- (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority, which would have been required by the SFA, the SFR or the Catalist Rules to be included in this Offer Document if it had arisen before this Offer Document was lodged,

and that is materially adverse from the point of view of an investor, our Company may in consultation with the Sponsor and Issue Manager, and the Underwriter and Placement Agent, lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority.

SELLING RESTRICTIONS

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legal or regulatory requirements of any jurisdiction, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit a public offering of the Placement Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the Placement Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by us, the Sponsor and Issue Manager and the Underwriter and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us, the Sponsor and Issue Manager, and the Underwriter and Placement Agent.

Persons to whom a copy of this Offer Document have been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

DETAILS OF THE PLACEMENT

LISTING ON CATALIST

An application has been made to the SGX-ST for permission to deal in, and for listing and quotation of, all our Shares already issued, the Placement Shares, the Option Shares and the Award Shares, on Catalist. Such permission will be granted when our Company has been admitted to Catalist. Our acceptance of applications will be conditional upon the issue of the Placement Shares and upon, among others, permission being granted by the SGX-ST to deal in, and for quotation of, all our Shares already issued, the Placement Shares, the Option Shares and the Award Shares, on Catalist. Monies paid in respect of any application accepted will be returned, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, if the completion of the Placement does not occur because the said permission is not granted or for any reason, and the applicant will not have any claim against us, the Sponsor and Issue Manager and/or the Underwriter and Placement Agent if the admission and listing do not proceed. No Shares will be allotted and/or allocated on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor and Issue Manager confirming that our Company is suitable to be listed and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has in any way considered the merits of the Placement Shares being offered for investment.

Admission to Catalist is not to be taken as an indication of the merits of the Placement, our Company, our subsidiaries, our existing issued Shares, the Placement Shares, the Option Shares or the Award Shares.

A copy of this Offer Document has been lodged with and registered by the SGX-ST, acting as agent on behalf of the Authority. Registration of the Offer Document by the SGX-ST, acting as agent on behalf of the Authority, does not imply that the SFA, the SFR, the Catalist Rules or any other legal or regulatory requirements, have been complied with. The SGX-ST has not, in any way, considered the merits of our existing issued Shares, the Placement Shares, the Option Shares or the Award Shares, as the case may be, being offered or in respect of which an invitation is made, for investment. We have not lodged or registered this Offer Document in any other jurisdiction.

We are subject to the provisions of the SFA, the SFR and the Catalist Rules regarding the contents of this Offer Document. In particular, if after the registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, but before the close of the Placement, we become aware of:

- (a) a false or misleading statement or matter in this Offer Document;
- (b) an omission from this Offer Document of any information that should have been included in it under the requirements of the SFA, SFR or the Catalist Rules; or

- (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority, and which would have been required by the requirements of the SFA, SFR or the Catalist Rules to be included in this Offer Document if it had arisen before this Offer Document was lodged,

that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority.

In the event that a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Placement shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the Placement Shares and:

- (a) where the Placement Shares have not been allotted and issued to the applicants, we shall either:
 - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - (iii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled and we shall within seven (7) days from the date of lodgement of the supplementary or replacement offer document, return all monies paid in respect of any application, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk, and the applicant shall not have any right or claim against us, the Sponsor and Issue Manager and/or the Underwriter and Placement Agent; or
- (b) where the Placement Shares have been allotted and issued to the applicants but trading has not commenced, we shall either:
 - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to return to us the Placement Shares which they do not wish to retain title in and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;

- (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the Placement Shares which they do not wish to retain title in; or
- (iii) treat the issue of the Placement Shares as void, in which case the issue of the Placement Shares shall be deemed void and we shall within seven (7) days from the date of lodgement of the supplementary or replacement offer document return all monies paid in respect of any application, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk and you shall not have any right or claim against us, the Sponsor and Issue Manager and/or the Underwriter and Placement Agent.

An applicant who wishes to exercise his option under paragraph (a)(i) or (ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this, whereupon we shall, within seven (7) days from the receipt of such notification, purchase the applicant's Placement Shares at the Placement Price and refund to him all monies paid by him on account of his application for the Placement Shares without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk and the applicant shall not have any claim against us, the Sponsor and Issue Manager, and/or the Underwriter and Placement Agent, and those Placement Shares shall be cancelled upon repurchase by our Company.

An applicant who wishes to exercise his option under paragraph (b)(i) or (ii) to return the Placement Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this and return all documents, if any, purporting to be evidence of title to those Placement Shares, to us, whereupon we shall, within seven (7) days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those Placement Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the issue of those Placement Shares shall be deemed to be void, and he shall not have any claim against us, the Sponsor and Issue Manager and/or the Underwriter and Placement Agent.

Pursuant to Section 242 of the SFA, the Authority and/or the SGX-ST, acting as agent on behalf of the Authority, may, in certain circumstances issue a stop order (the "**Stop Order**") to our Company, directing that no or no further Shares to which this Offer Document relates, be allotted or issued. Such circumstances will include a situation where this Offer Document (i) contains any statement or matter which, in the Authority's opinion, is false or misleading, (ii) omits any information that should have been included in it under the SFA, (iii) does not, in the Authority's opinion, comply with the requirements of the SFA, or (iv) the Authority is of the opinion that it is in the public interest to do so.

In the event that the Authority and/or the SGX-ST issues a Stop Order and applications to subscribe for the Placement Shares have been made prior to the Stop Order, then:

- (a) in the case where the Placement Shares have not been issued to the applicants, the applications of the Placement Shares pursuant to the Placement shall be deemed to have been withdrawn and cancelled and we shall refund to the applicants all monies the applicants have paid on account of their applications for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk) to you within 14 days of the date of the Stop Order; or
- (b) in the case where the Placement Shares have been issued to the applicants but trading has not commenced, the issue of the Placement Shares pursuant to the Placement is required by the SFA to be deemed to be void and we shall, subject to compliance with the Companies

Act and our Constitution, within 14 days from the date of the Stop Order, purchase your Placement Shares at the Placement Price and pay to you all monies you have paid on account of your application for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk).

Such monies paid in respect of an application will be returned to the applicants at their own risk, without interest or any share of revenue or other benefit arising therefrom, and they will not have any claim against our Company, the Sponsor and Issue Manager, and/or the Underwriter and Placement Agent.

Neither our Company, the Sponsor and Issue Manager, or the Underwriter and Placement Agent, nor any other parties involved in the Placement is making any representation to any person regarding the legality of an investment by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own professional or other advisers for business, legal or tax advice regarding an investment in our Shares.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Placement and, if given or made, such information or representation must not be relied upon as having been authorised by us, the Sponsor and Issue Manager, and the Underwriter and Placement Agent. Neither the delivery of this Offer Document, the Application Forms nor any documents relating to the Placement shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of our Company or our subsidiaries or in any statements of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we will comply with the relevant provisions and, if required, make an announcement of the same to the SGX-ST and to the public and/or lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority. You should take note of any such announcement and, upon release of such an announcement, shall be deemed to have been given notice of such changes.

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies. The Placement Shares are offered for subscription for solely on the basis of the instructions contained and representations made in the Offer Document.

This Offer Document has been prepared solely for the purpose of the Placement and may not be relied upon by any persons other than the applicants in connection with their application for the Placement Shares or for any other purpose.

This Offer Document does not constitute or form any part of an offer, solicitation or invitation to subscribe for the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or unauthorised nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such offer, solicitation or invitation.

Copies of this Offer Document and the Application Forms may be obtained on request, subject to availability during office hours, from:

Evolve Capital Advisory Private Limited

138 Robinson Road
#13-02 Oxley Tower
Singapore 068906

A copy of this Offer Document is also available on the SGX-ST website, <http://www.sgx.com>.

The Placement will be open from 6 April 2022 (immediately upon the registration of the Offer Document by the SGX-ST, acting as agent on behalf of the Authority (the “Registration”)) to 12 April 2022.

The Application List will open immediately upon the Registration and will remain open until 12.00 noon on 12 April 2022 or for such further period or periods as our Directors may, in consultation with the Sponsor and Issue Manager, and the Underwriter and Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws and regulations. In the event a supplementary offer document or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures to subscribe for the Placement Shares are set out in Appendix J entitled “Terms and Conditions and Procedures for Application and Acceptance” to this Offer Document.

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable for the Placement and trading in our Shares is set out below:

Indicative date/time	Event
6 April 2022 (immediately upon registration)	Application List opens
12 April 2022 at 12.00 noon	Close of Application List
14 April 2022 at 9.00 a.m.	Commence trading on a “ready” basis
19 April 2022	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative as it assumes that the date of closing of the Application List is 12 April 2022, the date of admission of our Company to Catalist is 14 April 2022, the SGX-ST’s shareholding spread requirement will be complied with and the Placement Shares will be issued and fully paid-up prior to 14 April 2022. **The actual date on which our Shares will commence trading on a “ready” basis will be announced when it is confirmed by the SGX-ST.**

Please note that the above timetable is indicative only and is subject to change (whether in relation to the Placement Shares or any mode of application thereof) at the discretion of our Company, with the agreement of the Sponsor and Issue Manager and the Underwriter and Placement Agent. We may, at our discretion, in consultation with the Sponsor and Issue Manager and the Underwriter and Placement Agent and subject to all laws and regulations and the Catalist Rules, agree to extend or shorten the Placement period.

The above timetable and procedures may be subject to such modifications as the SGX-ST may, in its absolute discretion, decide, including the decision to permit commencement of trading on a “ready” basis and the commencement date of such trading. **The commencement of trading on a “ready” basis will be entirely at the discretion of the SGX-ST. All persons trading in our Shares before their Securities Accounts with CDP are credited with the relevant number of Shares do so at the risk of selling Shares which neither they nor their nominees, as the case may be, have been allotted or are otherwise beneficially entitled to.**

In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same:

- (a) through a SGXNET announcement to be posted on the internet at the SGX-ST website, <http://www.sgx.com>; and
- (b) in a major English newspaper(s) in Singapore.

We will publicly announce the results of the Placement (including the level of subscription for the Placement Shares and the basis of allotment and/or allocation of the Placement Shares) as soon as it is practicable after the close of the Application List through the channels described in (a) and (b) above.

Investors should consult the SGX-ST’s announcement on the “ready” trading date released on the internet (at the SGX-ST website, <http://www.sgx.com>) or the local newspapers, or check with their brokers on the date on which trading on a “ready” basis will commence.

PLAN OF DISTRIBUTION

THE PLACEMENT

The Placement is for 26,000,000 Placement Shares offered in Singapore by way of placement and the Listing is sponsored by ECA.

Prior to the Placement, there has been no public market for our Shares. The Placement Price is determined by our Company following consultation with the Sponsor and Issue Manager, and the Underwriter and Placement Agent, taking into consideration, *inter alia*, the prevailing market conditions and estimated market demand for our Shares (including the Placement Shares) determined through a book-building process. The Placement Price is the same for all Placement Shares and is payable in full on application.

Pursuant to the Management and Sponsorship Agreement entered into between us and ECA as set out in the section entitled “Plan of Distribution – Management, Underwriting and Placement Arrangements” of this Offer Document, we have appointed ECA and ECA has agreed to act as full sponsor for the Listing. ECA will receive a management fee for its services rendered in connection with the Placement.

PLACEMENT SHARES

The Placement Shares are made available to retail and institutional investors in Singapore. Applications for the Placement Shares may be made by way of printed Application Forms or such other forms of application as the Sponsor and Issue Manager, and the Underwriter and Placement Agent deem appropriate. The terms and conditions and procedures for application and acceptance are set out in Appendix J entitled “Terms and Conditions and Procedures for Application and Acceptance” to this Offer Document.

Pursuant to the terms and conditions contained in the Underwriting and Placement Agreement as disclosed in the section entitled “Plan of Distribution – Management, Underwriting and Placement Arrangements” of this Offer Document, the Placement Agent has agreed to subscribe for or procure subscribers for the Placement Shares, at the Placement Price. The Placement Agent may, at its absolute discretion, appoint one (1) or more sub-placement agents for the Placement Shares.

Subscribers for and purchasers of the Placement Shares may be required to pay brokerage of up to one per cent. (1.0%) of the Placement Price to the Placement Agent or any sub-placement agent as may be appointed by the Placement Agent as well as stamp duties and other charges.

SUBSCRIPTION FOR THE PLACEMENT SHARES

None of our Directors or Substantial Shareholders intends to subscribe for the Placement Shares pursuant to the Placement. As far as we are aware, none of our Independent Directors, the members of our Company’s management or employees intends to subscribe for more than five per cent. (5.0%) of the Placement Shares in the Placement.

To the best of our knowledge, as at the date of this Offer Document, we are not aware of any person who intends to subscribe for more than five per cent. (5.0%) of the Placement Shares in the Placement.

However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate an interest to subscribe for more than five per cent. (5.0%) of the Placement Shares. If such person(s) were to make an application for more than five per cent. (5.0%) of the Placement Shares and are subsequently allotted such number of Shares, we will make the necessary announcements at an appropriate time. The final allotment of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406 of the Catalist Rules.

No Shares shall be allotted and/or allocated on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

Pursuant to the Management and Sponsorship Agreement entered into between our Company and ECA as the Sponsor and Issue Manager, our Company has appointed ECA to manage and sponsor the Listing. ECA will receive a management fee for such services rendered.

Pursuant to the Underwriting and Placement Agreement entered into between our Company and Futu as the Underwriter and Placement Agent, our Company has appointed Futu as the Underwriter and the Placement Agent, and Futu agreed to subscribe, or procure subscriptions for, the Placement Shares for an underwriting and placement commission of up to 3.5% of the Placement Price for the total number of Placement Shares (and the prevailing GST thereon, if applicable). Futu may, at its absolute discretion, appoint one (1) or more sub-placement agents for the Placement.

Subscribers of the Placement Shares may be required by the Underwriting and Placement Agent to pay brokerage of up to one per cent. (1.0%) of the Placement Price (and the prevailing GST thereon, if applicable) to the Underwriting and Placement Agent or any sub-placement agent that may be appointed by the Underwriting and Placement Agent.

Other than pursuant to the Underwriting and Placement Agreement, there are no contracts, agreements or understandings between our Company and any person or entity that would give rise to any claim for brokerage commission, finder's fees or other payments in connection with the subscription for the Placement Shares.

Save as aforesaid, no commission, discount or brokerage, has been paid or other special terms granted within the two (2) years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in our Company.

INTERESTS OF THE SPONSOR AND ISSUE MANAGER, AND THE UNDERWRITER AND PLACEMENT AGENT

In the reasonable opinion of our Directors, ECA does not have a material relationship with our Company save as disclosed below and in the section entitled "Plan of Distribution – Management, Underwriting and Placement Arrangements" of this Offer Document:

- (a) ECA is the Sponsor and Issue Manager in relation to the Listing; and
- (b) ECA will be the continuing Sponsor of our Company for a period of at least three (3) years from the date our Company is admitted and listed on Catalist.

In the reasonable opinion of our Directors, Futu does not have a material relationship with our Company save that Futu is the Underwriter and Placement Agent in relation to the Listing and as disclosed in the section entitled "Plan of Distribution – Management, Underwriting and Placement Arrangements" of this Offer Document.

OFFER DOCUMENT SUMMARY

The information contained in this summary is derived from, and should be read in conjunction with, the full text of this Offer Document. As it is a summary, it does not contain all of the information that prospective investors should consider before investing in our Shares. Prospective investors should read this entire Offer Document carefully, especially the section entitled “Risk Factors” of this Offer Document and our financial statements and related notes before deciding on whether or not to invest in our Shares.

OUR COMPANY

Our Company was incorporated in the Republic of Singapore on 1 October 1999 under the Companies Act as a private limited company, under the name of “iWOW Technology Pte Ltd”. Our Company’s registration number is 199905973K. Our Company was converted into a public limited company on 27 December 2021 and the name of our Company was changed to “iWOW Technology Limited” in connection therewith pursuant to the certificate of conversion issued by ACRA on 28 December 2021.

BUSINESS OVERVIEW

A summary of the Company’s vision, mission and objectives are set out below:

Company	iWOW stands for inspiring the World of Wireless and is a technology provider specialising in integrated wireless IoT solutions as a service.
Vision	A smarter, greener, and safer world through our innovations in wireless technology solutions.
Mission	To provide innovative IoT solutions for an increasingly urbanised, aging and resource constrained world.
Objectives	<p>Promote solutions for sustainable living through technologies that help businesses and nations to optimise resource allocation (e.g. electricity, water, gas, etc).</p> <p>Provide solutions for our aging population to help keep elderly and vulnerable communities safe and independent such as through our silver concierge service via our proprietary AAS.</p> <p>Provide solutions for Smart City/Smart Nation living to address security and safety issues in countries undergoing rapid urbanisation such as through our Trace Token and our EMS solution.</p> <p>Provide IoT solutions that are aligned with future megatrends that shape our world.</p>

Our current key products and services comprise the following:

- Smart Metering solutions to enable remote monitoring of utilities and provide full transparency and insights into energy and water consumption within buildings
- Alarm Alert System which is a wireless emergency distress system that caters to the elderly
- Electronic Monitoring System to monitor ex-offenders and accused persons while they are out on bail or have been released under a remission order

- Trace Tokens, which is a contact tracing solution and which has been deployed by the Singapore government termed TraceTogether Tokens to help curb the spread of COVID-19

Further details are set out in the sections entitled “General Information on our Group – History” and “General Information on our Group – Business Overview” of this Offer Document.

COMPETITIVE STRENGTHS

Our competitive strengths are:

- Ability to provide unique end-to-end IoT solutions to our customers
- Well positioned through differentiated product offerings to capture the robust tailwinds and megatrends disrupting the productivity deadlock, empowering sustainable growth through technology, and leveraging on the demographic tailwinds of the region
- Established reputation and strong track record of over 20 years of strong core competency in customising and tailoring IoT solutions that differentiates us from our competitors
- Operating a fables and resilient business model
- Strong business relationship forged with our key customers
- Strong financial growth supported by a robust order book to further augment our growth going forward
- Strong track record of innovation
- Committed and highly experienced founder and management team, with deep insights into the IoT industry, who have been instrumental in building up our Group’s brand and reputation

For further details, please refer to the section entitled “General Information on our Group – Competitive Strengths” of this Offer Document.

PROSPECTS

Our Directors believe that the prospects of our Group are encouraging for the following reasons:

- Sector tailwinds within the IoT industry driving increased adoption and demand for IoT solutions
- Proliferation of enabling technology for the development of IoT solutions
- Confluence of megatrends catalysing IoT industry growth

A detailed discussion of our prospects is set out in the section entitled “Prospects, Business Strategies and Future Plans – Prospects” of this Offer Document.

BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans for the growth and expansion of our business are as follows:

- Enlarge our customer base through a two-pronged approach of engaging both our existing B2B customers and expanding our offerings to the B2C segments
- Expanding our market reach through offering of our IoT solutions in overseas markets

- Enhancement of our research and solution development activities to bolster our IoT offerings
- Expand our business through, *inter alia*, investments, mergers and acquisitions, joint ventures and/or strategic collaborations

A detailed discussion of our business strategies and future plans is set out in the section entitled “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” of this Offer Document.

FINANCIAL HIGHLIGHTS

The following tables present a summary of the financial highlights of our Group and should be read in conjunction with the section entitled “Management’s Discussion and Analysis of Financial Position and Results of Operations” of this Offer Document and the Audited Consolidated Financial Statements, the Unaudited Interim Condensed Consolidated Financial Statements, and the Unaudited Pro Forma Consolidated Financial Information as set out in Appendices A, B and C to this Offer Document, respectively.

Selected Items from the Consolidated Statements of Comprehensive Income

	AUDITED			UNAUDITED			
	FY2019 S\$’000	FY2020 S\$’000	FY2021 S\$’000	Pro Forma FY2021 S\$’000	6M2021 S\$’000	6M2022 S\$’000	Pro Forma 6M2022 S\$’000
Revenue	2,070	4,376	26,422	26,422	2,257	17,516	17,516
(Loss)/Profit before income tax	(590)	22	4,071	4,052	386	1,923	1,923
Profit for the year/period	(595)	22	3,715	3,696	386	1,558	1,558
Profit attributable to owners of the parent	(595)	22	3,715	3,696	386	1,558	1,558

Selected Items from the Consolidated Statements of Financial Position

	AUDITED			UNAUDITED			
	FY2019	FY2020	FY2021	Pro Forma FY2021	6M2021	6M2022	Pro Forma 6M2022
EPS immediately before the Placement (S\$ cents) ⁽¹⁾	(0.27)	0.01	1.66	1.65	0.17	0.69	0.69
EPS immediately after the Placement (S\$ cents) ⁽²⁾	(0.24)	0.01	1.48	1.48	0.15	0.62	0.62

Notes:

- (1) For comparative purposes, EPS for the Period Under Review has been computed based on the profit attributable to equity holders of our Company for the relevant financial year/period and the pre-Placement share capital of 224,430,260 Shares.
- (2) For comparative purposes, EPS for the Period Under Review has been computed based on the profit attributable to equity holders of our Company for the relevant financial year/period and the post-Placement share capital of 250,430,260 Shares.

Selected Items from the Combined Statements of Financial Position

	AUDITED	UNAUDITED		
	As at 31 March 2021 S\$'000	Pro Forma as at 31 March 2021 S\$'000	As at 30 September 2021 S\$'000	Pro Forma as at 30 September 2021 S\$'000
Current Assets	12,885	9,685	16,067	12,867
Non-current Assets	2,745	2,745	2,592	2,592
Current liabilities	8,757	8,276	9,779	9,779
Non-current liabilities	961	961	831	831
Total equity	5,912	3,193	8,049	4,849
NAV per Share (S\$ cents) ⁽¹⁾	2.63	1.42	3.59	2.16
NTA per Share (S\$ cents) ⁽²⁾	1.86	0.65	2.92	1.49

Notes:

- (1) NAV per Share is computed based on the equity attributable to our Company's equity holders and the pre-Placement issued share capital of 224,430,260 Shares.
- (2) NTA per Share is computed based on the equity attributable to our Company's equity holders net of intangible assets and the pre-Placement issued share capital of 224,430,260 Shares.

OUR CONTACT DETAILS

Our registered office and principal place of business is at 1004 Toa Payoh North, #02-17, Singapore 318995. The telephone and facsimile numbers for our registered office and principal place of business are +65 6748 8123 and +65 6748 2668, respectively. Our internet address is iwow.com.sg and our email address is investor_relations@iwow.com.sg. **Information contained in our website does not constitute part of this Offer Document.**

THE PLACEMENT

- Placement Size : 26,000,000 Placement Shares offered in Singapore.
- The Placement Shares will, upon issue and allotment, rank *pari passu* in all respects with the existing issued Shares.
- Placement Price : S\$0.25 for each Placement Share, payable in full on application.
- Purpose of the Placement : Our Directors believe that the listing of our Company and the quotation of our Shares on Catalist will enhance our public image locally and overseas and enable us to raise funds from the capital markets for the expansion of our business operations.
- The Placement will also provide members of the public, our management, employees and business associates as well as those who have contributed to our success with an opportunity to participate in the equity of our Company. In addition, the proceeds of the issue of the Placement Shares will provide us with additional capital to finance our business expansion and for general working capital of our Company.
- Listing Status : Prior to the Placement, there has been no public market for our Shares. Our Shares will be quoted in Singapore dollars on Catalist, subject to admission of our Company to Catalist and permission for dealing in, and for quotation of, our Shares that are already issued, the Placement Shares, the Option Shares and the Award Shares, being granted by the SGX-ST.
- Use of Proceeds : Please refer to the section entitled “Use of Proceeds and Expenses of the Placement” of this Offer Document for more details.
- Risk Factors : Investing in our Shares involves risks which are described in the section entitled “Risk Factors” of this Offer Document.

PLACEMENT STATISTICS

Placement Price S\$0.25

NAV

The NAV per Share based on the unaudited interim condensed consolidated balance sheet of our Group as at 30 September 2021 and after adjusting for the Share Split and Share Consolidation referred to in the section entitled “Share Capital” in this Offer Document (the “**Adjusted NAV**”):

- | | |
|---|------------|
| (a) before adjusting for the estimated net proceeds of the Placement and based on the pre-Placement share capital of 224,430,260 Shares | 3.59 cents |
| (b) after adjusting for the estimated net proceeds of the Placement and based on the post-Placement share capital of 250,430,260 Shares | 5.28 cents |

Premium of Placement Price over the Adjusted NAV per Share:

- | | |
|---|--------|
| (a) before adjusting for the estimated net proceeds of the Placement and based on the pre-Placement share capital of 224,430,260 Shares | 597.1% |
| (b) after adjusting for the estimated net proceeds of the Placement and based on the post-Placement share capital of 250,430,260 Shares | 373.6% |

EPS

Audited net EPS of our Group for FY2021 based on the pre-Placement share capital of 224,430,260 Shares 1.66 cents

Audited net EPS of our Group based on the audited consolidated income statements of our Group for FY2021 based on the pre-Placement share capital of 224,430,260 Shares, assuming that the Service Agreement (as set out in the section entitled “Directors, Executive Officers and Employees – Service Agreement” of this Offer Document) had been in place since 1 April 2020 1.66 cents

PER

Audited net PER based on the Placement Price and audited net EPS of our Group for FY2021 based on the pre-Placement Share capital of 224,430,260 Shares 15.1 times

Audited net PER based on the Placement Price and audited net EPS of our Group for FY2021 based on the pre-Placement Share capital of 224,430,260 Shares, assuming that the Service Agreement (as set out in the section entitled “Directors, Executive Officers and Employees – Service Agreement” of this Offer Document) had been in place since 1 April 2020 15.1 times

Net Operating Cash Flow

Audited net operating cash flow per Share of our Group for FY2021 based on the Company's pre-Placement share capital of 224,430,260 Shares 2.02 cents

Audited net operating cash flow per Share of our Group for FY2021 based on the Company's pre-Placement share capital of 224,430,260 Shares, assuming that the Service Agreement (as set out in the section entitled "Directors, Executive Officers and Employees – Service Agreement" of this Offer Document) had been in place since 1 April 2020 2.02 cents

Market Capitalisation

Our market capitalisation based on the Placement Price and our post-Placement share capital of 250,430,260 Shares immediately after the completion of the Placement S\$62.6 million

RISK FACTORS

An investment in our Shares involves risks. Prospective investors should carefully consider and evaluate each of the following risk factors (which are not intended to be exhaustive) and all other information contained in this Offer Document before deciding to invest in our Shares. Some of the following considerations relate principally to the industry in which we operate and our business in general. Other considerations relate principally to general social, economic, political and regulatory conditions, the securities market and ownership of our Shares, including possible future dilution in the value of our Shares. The following describes some of the significant risks known to us now that could directly or indirectly affect us and any investments in, or the value or trading price of, our Shares. The following does not state risks unknown to us now but which could occur in the future and risks which we currently believe to be immaterial, which could turn out to be material. Should such risks occur or turn out to be material, they could materially and adversely affect our Business.

You should also note that certain of the statements set forth below constitute “forward-looking statements” that involve risks and uncertainties. Please refer to the section entitled “Cautionary Note Regarding Forward-Looking Statements” of this Offer Document. If any of the following risk factors and uncertainties develops into actual events, our Business may be adversely affected. In such circumstances, the trading price of our Shares could decline and investors may lose all or part of their investment. To the best of our Directors’ belief and knowledge, all the risk factors that are material to investors in making an informed judgement about our Group have been set out below.

RISKS RELATING TO OUR BUSINESS

We depend on government tenders (for instance the TraceTogether Tokens) for a significant portion of our revenue and a limited number of customers and products account for the majority of our revenue, and hence a change in demand driver (for example COVID-19 becomes endemic) may have a material adverse impact on our Business

During the Period Under Review, we generated a significant portion of our revenue from our major customers for the supply of our products and services to several Singapore government related entities for the purpose of essential public services such as the electronic monitoring of ex-offenders and accused persons and contact tracing during the COVID-19 pandemic. The revenue generated from these Singapore government related entities, which may be billed through SIIX Singapore, our consortium partner, account for more than approximately 72%, 76%, 96% and 93% of our revenue for FY2019, FY2020, FY2021 and 6M2022, respectively. Our largest customer, Statutory Board A, accounted for approximately 30%, 85% and 85% of our revenue for FY2020, FY2021 and 6M2022, respectively. Their revenue contribution is primarily in our Smart City solutions segment, although we supply other products such as our AAS solutions, as part of our consortium arrangement, to them as well. Our major customers account for approximately 75%, 85%, 96% and 93% of our revenue for FY2019, FY2020, FY2021 and 6M2022, respectively. We expect revenue generated from these major customers to continue to represent a significant portion of our revenue in the foreseeable future as part of our business strategies and future plans and accordingly, we may be subject to concentration risk from such customers. Please refer to the section entitled “General Information on our Group – Major Customers” of this Offer Document for further details of our major customers.

In particular, the revenue of approximately S\$21 million derived from our Group’s TraceTogether Tokens account for 81% of our Group’s revenue of approximately S\$26 million for FY2021. Prior to FY2021, our Group’s revenue for FY2019 and FY2020 was approximately S\$2 million and S\$4 million respectively and did not include any revenue from the TraceTogether Tokens, given that this contact tracing solution was only developed in 2020 as a result of the COVID-19 pandemic. As at the Latest Practicable Date, the TraceTogether Tokens constitutes approximately 16.8% of

our order book. Accordingly, there remains risks associated with having a significant portion of our revenue generated from a single product offering. Moreover, in light of the evolving COVID-19 situation and should COVID-19 become endemic, demand for the TraceTogether Tokens could be adversely impacted in the future. Please refer to the section entitled “Prospects, Business Strategies and Future Plans – Order Book” of this Offer Document for further details of our order book.

We cannot assure you that we are able to retain the abovementioned customers, or that we will be able to successfully win new contracts through competitive government tender bids, or that the volume of our customers’ product orders or service engagements will not vary significantly from year to year, or that we will be able to generate a significant portion of our revenue from our other IoT solutions. This could adversely and materially impact our business, financial condition, results of operations and/or prospects.

We are subject to intense competition in securing new projects

Our business is mainly project-based and these projects are generally secured through a tender process whereby the contract is usually awarded to the most competitive bidder. As such, our financial performance is dependent on our ability to secure new projects. Due to the nature of our business, the number and value of the projects we are able to secure fluctuates from year to year. There is no assurance that we will continue to be able to secure new projects that are profitable. If we are unable to secure new projects that are profitable, our financial performance will be adversely affected.

Furthermore, as we face intense competition in the tender process, we may be forced to lower our tender prices to secure the projects which may adversely affect our profit margins.

We are exposed to information technology and cyber security risks and disruption of service

Some of our businesses and operations rely heavily on information technology. For example, our Smart Metering solution enables our customers to obtain real-time insights of their utilities consumption through our proprietary Pandogrid platform, which is a cloud-based Smart Metering platform. We are therefore exposed to risks of cyber security threats, data privacy breaches as well as other network security and stability risks. The scale and level of sophistication of cyber security threats have increased especially in recent times. We are also reliant on a number of vendors to implement and maintain our information technology systems. Any failure of these vendors to provide adequate and timely software and hardware support could have a material adverse effect on our systems. Disruptions to our information technology systems, whether resulting from cyber-attacks, a failure by a key vendor or otherwise, that can cause interruptions to our network and services, may result in penalties. While we have established appropriate policies and frameworks to ensure information system security and network stability, we cannot assure you that such policies and frameworks are sufficient or that our business, financial condition, results of operations and/or prospects would not be adversely affected by such information technology and cyber security threats, data privacy breaches as well as other network security and stability risks.

Our business, financial condition, results of operations and/or prospects may be materially and adversely affected by changes in economic conditions in Singapore.

Our existing business activities are located mainly in Singapore, with revenue from our customers in Singapore accounting for a significant approximately 95%, 98%, 100% and 100% of our revenue for FY2019, FY2020, FY2021 and 6M2022, respectively. Demand for our products and services are dependent, among other things, on economic conditions in Singapore. We expect that the primary drivers for additional demand for the use of our products and services are the

growth of the overall population of Singapore and the growth of commercial activity in the country, including through small and medium enterprises. Any downturn in economic conditions in Singapore could reduce the demand for our products and services. Any decrease in the rate of population growth would also likely result in a decrease in the growth rate across some of our products. Additionally, a decline in commercial activity could reduce demand for IoT solutions. Any deterioration in the economic conditions in Singapore could have a material adverse effect on our business, financial condition, results of operations and/or prospects.

Our business is in part dependent upon our participation in and the successful roll-out of the Smart Nation programme

We anticipate that the demand for our products and services will continue to grow with the roll-out of Singapore's Smart Nation programme. In particular, we were awarded contracts by Statutory Board A for our Alarm Alert System and Trace Tokens. The Smart Nation programme is expected to be rolled out in a number of phases. However, the roll-out and uptake of the Smart Nation programme is largely dependent on factors outside our control, such as the level of funding by the Singapore government and decisions made by the Singapore government in support of the programme. The Smart Nation programme is coordinated by the Smart Nation and Digital Government Office and implemented by the Government Technology Agency of Singapore, collectively forming the Smart Nation and Digital Government Group under the Prime Minister's Office. Accordingly, if we are to be selected to participate in the Smart Nation programme, we will be required to effectively manage relationships with, and meet the requirements of, these various government agencies.

In the event that we are not selected to participate in or the roll-out and uptake of the Smart Nation programme is not as successful as we believe, or to the extent we are not able to successfully meet all requirements imposed by government agencies, we may not be able to realise the level of growth that we expect to achieve, which could have an adverse effect on our business, financial condition, results of operations and/or prospects.

We are exposed to the risks of the sporadic nature of the demand for some of our electronic products

Our products and services serve several market segments. For example, (a) our EMS serves multiple government agencies for personnel monitoring; (b) our AAS serves Statutory Board A to help monitor elderly individuals for medical emergencies; (c) our TraceTogether Tokens serves Statutory Board A to support contact tracing work during the COVID-19 pandemic; (d) our Smart Metering provides analytics and insights for water, power and gas consumption to electricity retailers and other C&I customers; and (e) our IoT communication technologies can be deployed for use for a range of applications. Each of these end-markets is subject to industry cycles which are beyond our control which can affect the demand for the various components, services and products that we provide.

In particular, pandemics such as the COVID-19 pandemic occur sporadically in nature, and therefore, it may result in potential volatility in the demand for our Trace Tokens, and consequently, potential volatility in our revenue and earnings. Trace Tokens accounted for a significant approximately 81% of our Group's revenue for FY2021 and we had no revenue from our Trace Tokens in prior years. While our Group has not experienced any incidents of volatility due to industry cycles or sporadic demand for our products and services which resulted in a material adverse impact on our Group's financials and/or operations, we cannot assure you that such volatility due to industry cycles or sporadic demand will be reversed or arrested in the future, and this may materially and adversely affect our business, financial condition, results of operations and/or prospects.

The demand for our Smart Metering solution is dependent on progression in sustainability trends and the consequent adoption of smart meters over manually read meters

The market for our Smart Metering solution is generally dependent on the adoption of sustainability trends, and while sustainability is a focus for many people and organisations now, therefore leading us to expect strong growth in the market for our solution, it is possible that the growth in the market for our Smart Metering solution may not meet our expectations, or materialise at all. Our Smart Metering solution in Singapore is distributed to end-users either through our channel partners such as major electricity retailers, or by us directly to our B2B customers, to help them monitor the generation, distribution, supply and consumption patterns of electricity usage, with the expectation that the insights provided will help our customers consume their utilities more efficiently, as well as provide cost savings to them. The demand for our Smart Metering solution therefore stems mainly from the willingness of our customers to adopt smart meters over manually read meters, as well as the growth of the electric utilities industry in general, and in part, the ability of our Group to continually innovate to improve our smart meters to meet the changing needs of our customers. In the event sustainability trends progress slower than expected, or regresses, leading to a slower rate of adoption of smart meters over manually read meters, or if there is a slowdown in the growth of the electric utilities industry and/or if we are unable to improve our products to meet the satisfaction of our customers, our business, financial condition, results of operations and/or prospects would be materially and adversely affected.

Our products and IoT solutions may be copied

As an IoT solutions company, we have sometimes chosen to build our products and IoT solutions based on open-technology standards. While our IoT solutions are customised and refined continuously to suit the needs of our customers, they may be copied by competitors. As at the Latest Practicable Date, we are not aware of, nor has there been any incidents where our products and IoT solutions have been copied by our competitors resulting in a material adverse impact on our Group's financials and/or operations.

While we intend to take steps to protect our proprietary know-how and intellectual property rights, there is no guarantee that our products and IoT solutions will be sufficiently or successfully protected. In the event some of our competitors are able to copy our products and/or IoT solutions, and further make improvements to our existing products and/or IoT solutions, we may not be able to compete effectively with these competitors and may not be able to successfully retain our existing customers over our competitors. In the event of the foregoing, our business, financial condition, results of operations and/or prospects would be materially and adversely affected.

We may be subject to claims for infringement of third parties' intellectual property rights

We also collaborate with our customers and other third party collaborators to develop our solutions under written agreements with these parties. Typically, the rights to the intellectual property developed in the collaboration will belong to us, and we may in the future grant the counterparty a licence to use the intellectual property resulting from the collaboration. However, depending on our commercial negotiations, it is possible that on occasion, some of the intellectual property resulting from the collaboration will belong to the counterparty or will be jointly held by us and the counterparty. In such an event, we will seek to negotiate for a right to use the intellectual property on a non-exclusive basis. In addition, the counterparties with whom we collaborate with on R&D and engineering will retain their intellectual property rights in respect of their own processes, products or components. To the extent that the collaboration requires us to have access or to utilise the counterparties' intellectual property, we may also have to negotiate for a right to use the counterparties' intellectual property for purposes of the collaboration. If we are unable to negotiate for such a right on terms acceptable to us, we will be unable to utilise the intellectual property belonging to the counterparty, which would limit the extent of collaboration we

may have with them. If they decide to revoke or limit our licence to use their intellectual property, this could negatively affect our business, financial condition, results of operations and/or prospects.

As at the Latest Practicable Date, we are not aware of, nor have we received any claims from third parties for any violations or infringements of intellectual property rights of third parties by us. Nevertheless, we cannot assure you that we have identified all relevant third party patents or applications or that the products and services offered under our solutions by us (including those which are provided in accordance with our customers' requirements and specifications) would not inadvertently infringe the intellectual property rights of others, or that others would not assert infringement claims against us or claim that we have infringed their intellectual property rights. Such claims against us, even if untrue or baseless, may result in additional costs, legal or otherwise, cause product shipment delays, require us to provide non-infringing products, modify our business processes, enter into licensing agreements or negatively affect our reputation and brand image. Licensing agreements, if required, may not be available on terms acceptable to us or at all. If we decide to develop alternative technologies, we may not be able to do so in a timely or cost-effective manner, or at all. In the event of a successful claim of infringement of intellectual property rights against us and our failure or inability to provide non-infringing products or to license the infringed intellectual property rights or to develop alternative technologies in a timely or cost-effective manner, our business, financial condition, results of operations and/or prospects may be negatively affected.

Moreover, we do not insure against the risk of our, or our counterparties', infringement of a third party's intellectual property rights or of a third party infringing on our intellectual property rights. Consequently, we may suffer losses, claims or damages from such infringement (either by us or our customer) and in the case of a third party's infringement of our intellectual property rights, we may be unable to seek full indemnification or compensation from the infringing party if at all. Such losses, claims or damages, if substantial, could have a negative effect on our business, financial condition, results of operations and/or prospects.

We are reliant on outsourced contractors and suppliers for the manufacturing of our products and are exposed to potential fluctuating costs of contractors as well as potential price fluctuations and shortages of electronic components and raw materials.

We do not own any production facilities or operate our own manufacturing plants and our production and refurbishment capabilities are outsourced to third party contractors instead. During the Period Under Review, a significant proportion of our products were manufactured in the People's Republic of China. We also rely on a global network of contractors and suppliers to manufacture, produce and supply us with electronic components and raw materials, as well as to manufacture and assemble our end electronic products which we design.

As we do not enter into long-term or exclusive arrangements with our contractors and suppliers, we cannot assure you that they will continue to manufacture or produce our products, or continue to supply us with electronic components and raw materials at prices that are acceptable to us or at all. Our ability to deliver our products to our customers is thus dependent on our contractors' and/or suppliers' ability to continue manufacturing our electronic products and provide us with the electronic components and raw materials used to make such products on time and at competitive prices. In the event that we are unable to negotiate manufacturing terms with our contractors at favourable prices or at all, or if there is any disruption in our arrangements with our suppliers, we may not be able to source for suitable alternative contractors and suppliers in a timely manner, or at all, and this in turn would affect our delivery of our products, which in turn would delay income recognition and/or affect our profitability.

In particular, the COVID-19 pandemic has limited manufacturing capacity, and this has resulted in a shortage in supply of semiconductor chips worldwide, which shortage continues as of the Latest Practicable Date. Semiconductor chips are required in all our electronic components, and a failure to obtain such semiconductor chips at favourable prices or at all due to the worldwide shortage could disrupt the production of our electronic products and consequently have a material and adverse effect on our profitability. Further, any delays by us in delivering our products may result in late delivery penalties imposed by our customers.

In instances where our Group is expecting a shortage or a disruption in manufacturing, we have and would proactively adopt mitigating measures such as looking for alternative suppliers and/or renegotiating the delivery schedule with the end-customers. Our Directors believe that such practices are in line with the industry's practice where fabless companies would commonly outsource production to third party original equipment manufacturers.

As at the Latest Practicable Date, while our Group has been affected by the global shortage in supply of semiconductor chips worldwide, there have been no incidents of disruption that have resulted in a material adverse impact on our Group's financials and/or operations, including during the COVID-19 pandemic.

Notwithstanding the foregoing, if we are unable to find suitable alternatives in a timely manner, or are required to resort to suitable alternatives at higher prices, it could have a material and adverse effect on our business, financial condition, results of operations and/or prospects.

Our end-customers have significant leverage over us under our contracts with them which may require us to pay penalties or liquidated damages for failure to meet delivery deadlines or termination for failure to meet quality standards and requirements

Under the sales contracts entered into with our customers, we are required to adhere to the delivery schedules stipulated in these contracts. Any failure to meet such delivery deadlines could result in us having to pay penalties or liquidated damages to such customers. Some of our sales contracts may in the future render us liable to part of or the full amount of the contract value in liquidated damages in the event of our late delivery or failure to deliver. Though we have not, in the past, incurred material costs and liabilities as a result of any such penalties or liquidated damages claims, we cannot assure you that we will not face such claims in the future, which may have an adverse impact on our business, financial condition, results of operations and/or prospects.

In addition, several of our long-term agreements with our major end-customers set out key terms and conditions that govern the business relationship between these end-customers and us, including the end-customers' right of termination, data security, service standards and technical specifications provided for in the contract. In addition to providing for financial penalties for breaches of these agreements, these contracts may provide for termination of the contract in the event of a data breach, breach of service standards or requirements specified in the contract. As at the Latest Practicable Date, we have not had any incidents where financial penalties have been imposed for breaches of these agreements nor incidents where contracts have been terminated as a result of data breaches, breach of services standards or requirements specified in the contract which has resulted in a material adverse impact on our Group's financials and/or operations.

While we engage our customers on a continuous basis to ensure that we do not inadvertently breach our agreements with them, in the event that we are unable to comply with the terms of our agreements with them or the requirements imposed by them, we may be subject to termination of the customer relationship, as well as claims, litigation and other liabilities which may negatively affect our business, financial condition, results of operations and/or prospects. While we have not had any incidents where our agreements have been terminated due to non-compliance with the

terms of the agreement, claims, litigation and other liabilities which have resulted in a material adverse impact on the Group's financials and/or operations, there can be no assurance that upon the occurrence of any of the foregoing events, we would be able to replace any major end-customers that elect to terminate or secure a future tender with them, which would in turn have a negative effect on our business, financial condition, results of operations and/or prospects.

Technological changes may affect our business, financial condition, results of operations and/or prospects

The IoT industry is characterised by rapid technological changes. These technological changes may affect our Group if the products that we manufacture for our customers become obsolete. Our ability to compete effectively also depends on our ability to adapt to the required engineering and production technologies to meet our customers' needs.

Our financial performance may be adversely affected if we do not operate as efficiently as our competitors or if we cannot adapt on a timely basis to technological changes. In addition, in order to keep abreast with the technological changes, we may be required to make substantial expenditures in the acquisition of new technology to support our business. This may have a material and adverse effect on our cash flow and profitability. If we are unable to adapt to technological changes, our business, financial condition, results of operations and/or prospects may be materially and adversely affected.

We face competition from alternative products and solutions and may not be able to maintain our competitiveness

While we believe our technology, quality, performance, reliability, reputation, range of solutions, and service and support, provide us a strong competitive advantage, our competitors may develop and introduce new technologies and/or enhance their existing products and services, which could cause a reduction in our existing market share. Some of our competitors may have greater financial, technical, and marketing resources than we do or may benefit from governmental support or enjoy favourable tax, financial or other incentives. They may also develop exclusive arrangements with potential customers, suppliers and/or contractors, or have the ability to devote greater resources to promoting and selling certain products. Unlike many of our competitors who specialise in a single or limited number of product lines, we have a portfolio of product lines and must allocate resources across these product lines. Our competitors may therefore have greater financial, technical, and marketing resources available to them with respect to their product lines. If we are not able to successfully defend our existing market share against our competitors, and if there is a significant reduction of our market share, our business, financial condition, results of operations and/or prospects may be adversely affected.

In addition, while we have internal R&D capabilities which allow us to develop solutions that are versatile, can adapt to shifting trends, and are in accordance with our customers' requirements, our solutions may not always be suitable for use in a customer's new end-product or newer generation of an existing end-product. Any failure by us to adapt or develop solutions for our customers for use in their new or newer generation end-products may adversely affect our ability to retain our customers as well as our revenue and financial performance. In addition, if there are significant delays in the launch of our end-customers' products, including due to factors outside of our control such as product modifications by our end-customers or shortages in other areas of the supply chain, such delays may adversely affect our business, financial condition, results of operations and/or prospects.

Furthermore, the industry in which we operate is highly competitive. We compete on, among other things, price, features and performance. As new products and solutions are launched, the prices of older products and solutions will face price erosion pressure. There is no assurance that we will be able to compete successfully against our competitors or be able to reduce our costs to match declines in the price of our products in the future.

While there have not been any incidents in the past in relation to the aforementioned events which have affected our ability to compete effectively thereby resulting in a material adverse impact on our Group's financials and/or operations, upon the occurrence of such events, our sales and profitability will be adversely and materially affected if we are not able to compete effectively.

We may not be able to maintain and/or obtain approvals, licences and registrations necessary to carry on or expand our business

We require certain approvals, licences and registrations to conduct our business. All our applications for approvals, licences and registrations are subject to review by the relevant government authorities and as part of the application process, our premises and/or products may also be subject to inspection by the relevant government authorities. These approvals, licences and registrations are also subject to periodic renewal by the relevant government authorities, and the standards of compliance may change. Accordingly, we are subject to the supervision of these authorities with the power to revoke, grant, to extend and amend our approvals, licences and/or registrations.

While we have obtained all necessary approvals, licences and registrations required for our business operations and have not encountered any instances of failure to obtain or renew any of our approvals, licences and registrations, we cannot assure you that we will be able to do so in future or that we will be able to renew our existing approvals, licences or registrations in a timely manner, or at all. Additionally, in the event we breach the conditions of our approvals, licences, registrations or the provisions of any code of practice, standard of compliance or other government regulation or regulatory requirement, this will expose us to penalties, or the risk that our approvals may be suspended, revoked or amended by the relevant government authority to our detriment. While there have not been any incidents in the past in relation to such events, the occurrence of any of these events may be costly, require us to cease our business in whole or in part, cause us to default on our obligations to our customers and other counterparties, harm our reputation or otherwise adversely affect our business, financial condition, results of operations and/or prospects.

We may be unable to meet our customers' specifications resulting in liability, complaints and negative publicity, or we may be exposed to product liability claims

We provide our solutions based on the demands, preferences and specifications of our customers. We may be exposed to liability or claims from our customers for issues with respect to our products and services or with our inability to meet client orders or specifications.

A successful assertion of one (1) or more large product liability or breach of contract claims against us can be expensive to defend and can divert the attention of management and other personnel for long periods of time, regardless of the ultimate outcome. If we cannot successfully defend ourselves against such claims, we may incur substantial liabilities and this could negatively affect our business, financial condition, results of operations and/or prospects.

As we rely on our existing relationships with our customers and the quality of our products and services for the continued growth of our business, failure to consistently deliver quality products and services which meet our customers' specifications may negatively affect our ability to retain our existing customers, secure new customers or develop new market segments, thereby hampering our future business growth.

In addition to complaints arising from issues with our products and services or our failure to comply with our customers' specifications, we may also be subject to other complaints, whether with or without merit, about our products and services. We may also be affected by negative publicity arising from the publication of industry findings and research reports (regardless of their accuracy or validity) concerning our solutions. Such complaints and negative publicity may affect our reputation and our sales, and may materially and adversely affect our business, financial condition, results of operations and/or prospects.

We may in the future be involved in disputes, legal, regulatory, and other proceedings arising out of our business operations

We may in the future be involved in disputes with various parties in the course of our business including customers, suppliers, employees and ex-employees. Such disputes may involve various matters such as business disputes, employment matters, disputes over intellectual property rights, disputes over breach of confidentiality obligations, and regulatory compliance. We may be the subject of complaints and claims made by our ex-employees in relation to, for instance, claims of unfair dismissal and disputes over employment contracts and terms. As part of our R&D collaboration with customers, we receive designs, schematics, blue prints and/or drawings of our customer's products and are granted access to information which may be the intellectual property of our customer, and in respect of which we may be under stringent non-disclosure, confidentiality or other contractual obligations to protect. In the event of any confidential information being leaked, stolen or misused by any of our employees, inadvertently or not, or due to failure of our information technology systems, we may be subject to disputes and claims from our customers.

These disputes and claims may lead to legal or other proceedings and may result in costs, negative publicity, and the diversion of resources and management's attention regardless of the outcome. Any negative publicity arising from such disputes or complaints against us, whether with or without merit, may negatively affect our reputation and goodwill. While we are not involved in any disputes with any legal or arbitration proceedings with any customer, supplier, employee or ex-employee which may have a material effect on the financial position or profitability of our Group as at the Latest Practicable Date, we cannot assure you that disputes (whether relating to employees, outsource workers or otherwise) will not arise in future.

In addition, we are subject to labour laws and regulations in Singapore. These include labour protection laws and laws and regulations relating to the use of temporary workers and workplace health and safety laws. Breaches of such laws and regulations may expose us to, among others, fines and/or other penalties. As at the Latest Practicable Date, there have been no incidents of breaches of such laws and regulations which have resulted in a material adverse impact on our Group's financials and/or operations.

Negative publicity or announcements may also include, amongst others, our involvement in litigation or regulatory investigations, online complaints or negative reviews of our business (anonymous or otherwise), or unfavourable third party research reports on us. We cannot assure you that attempts to resolve any outstanding disputes will be successful, or that similar claims would not be asserted. Such claims may also incur significant costs and time to defend.

Responding to disputes and/or negative publicity arising from any of the above circumstances, regardless of their ultimate outcomes and notwithstanding that they may be baseless, frivolous or vexatious, can divert the time and effort of our management from our business. Claims and complaints that assert some form of wrongdoing, regardless of the factual basis for the assertions being made, may further result in negative publicity, lawsuits, or investigations by regulators. Any unfavourable decisions by regulators may result in regulatory sanctions against us and other person(s) responsible for the breach, including the imposition of fines and/or term of imprisonment, where applicable.

We may not have sufficient insurance coverage

While we maintain insurance at a level we believe is commercially appropriate against risks customarily insured in our industry, we may become subject to liabilities for events against which we are not adequately insured or which we cannot be insured on terms which are acceptable to us. As at the Latest Practicable Date, we have not had any incidents where we have been subject to liabilities for events which we have been inadequately insured or which cannot be insured against which has resulted in a material adverse impact on our Group's financials and/or operations. Examples of these events include natural disasters, riots, general strikes, acts of terrorism and other events beyond our control. Some of the losses we suffer may also not be easily quantifiable and may damage our reputation.

Our business, financial condition, results of operations and/or prospects may be materially and adversely affected if:

- an event occurs for which we are not adequately or sufficiently insured;
- one or more large claims is or are successfully asserted against us that exceed the available insurance coverage;
- any of our insurance claims are contested by the insurance company; or
- we are not able to purchase insurance of the types and in the amounts that we deem necessary at acceptable premiums.

Further, our insurance policies are typically renewed on an annual basis and we cannot assure you that we will be able to renew all of our policies or obtain new policies on similar terms.

In addition, whilst we maintain insurance coverage for workers' injury compensation or losses arising from workers' compensation, we cannot rule out the possibility that the damages we suffer or are liable for in the future may not be covered by our insurance, or may exceed our insurance coverage. This may materially and adversely affect our business, financial condition, results of operations and/or prospects.

We are dependent on key management personnel for our continued access and growth

Our Group's success to-date is attributable to the contributions and expertise of our key management personnel, who each have valuable and extensive experience and knowledge of the IoT industry. In particular, Mr. Bo, our CEO and Executive Director, has been instrumental in formulating our business strategies and spearheading the growth of our business and operations. Also, Mr. Mah, our CTO, has made significant contributions to charting the Group's technology roadmap, and developing and exploiting technology to improve and innovate products and bespoke IoT solutions for our customers. Our continued success and growth will depend, to a large extent, on our ability to retain the services of our CEO and Executive Director as well as our CTO. The loss of services of any key management personnel without suitable and timely replacements may materially and adversely affect our business, prospects and financial performance.

Further, we believe that our future success will depend on our ability to attract, retain and motivate our key management personnel. In the event that we need to increase employee compensation levels substantially to attract, retain and motivate any key management personnel, our costs may increase and our financial performance may be materially and adversely affected. Our inability to attract, retain and motivate our key management personnel would adversely affect our business and financial performance.

We are dependent on our ability to attract and retain skilled and experienced personnel and to maintain our labour costs

We require skilled and experienced personnel for our operations and to ensure our continued success. In particular, we are dependent on our ability to attract and retain skilled and experienced engineers. Our inability to do so may constrain our growth and competitiveness. The demand for such personnel is intense and we cannot assure you that we will be able to attract or retain skilled and experienced personnel.

All of our skilled and experienced personnel are employed on employment contracts but there is no assurance that they will not leave or renew their employment with us upon the expiry thereof.

Although we have not encountered any material issues arising in respect of the foregoing, in the event that we are unable to successfully attract and retain skilled and experienced personnel, our business, financial condition, results of operations and/or prospects may be materially and adversely affected. Additionally, if any of our skilled and experienced personnel were to join a competitor or form a competing company, we may lose know-how, trade secrets, customers and staff, which may adversely affect our business, financial condition, results of operations and/or prospects.

Fluctuations in foreign currency exchange rates may negatively affect our revenue, cost of sales and gross margins

Our reporting currency is in S\$. However, some of our capital expenditures, and particularly those for goods and services provided by international suppliers are denominated in foreign currencies such as the US\$ and the RMB. The exchange rate between the S\$ and these currencies, primarily the US\$ and the RMB, has fluctuated in the past and any appreciation or depreciation of the S\$ against these currencies can impact our profitability and results of operations. For example, a significant fluctuation in the S\$ and other foreign currency exchange rates could lead to an increase in our operating costs. As our cash flows are generally generated in S\$ and there is no assurance that we will be able to pass all or any part of the increase in operating cost to our customers in a timely manner or find a cheaper source of supply, significant changes in the value of costs paid in foreign currencies could have a material and adverse effect on our financial condition.

In addition, we may also need to raise the price of our solutions in the long run to recover any persistent increase in operating costs to maintain our gross margins, which may lead to lower demand for our solutions or our tender bids being less competitive. In such event, our business, financial condition, results of operations and/or prospects may be adversely affected.

Our expansion plans into new markets and/or territories in which we have no prior operating experience in may place additional demands on our resources and present us with difficulties

We plan to expand our products and services into new overseas markets. We anticipate that additional investments and R&D spending will be required to scale our operations to expand into these identified new markets and/or territories. Our success will depend in part upon the ability of our management team to manage our projected growth effectively. To do so, we must continue to increase the productivity of our existing employees and to hire, train and manage new employees as needed. To manage the expected growth of our operations and personnel, we may need to improve our operational, financial and management controls and our reporting systems and procedures. While our expansion plans would enable us to diversify and increase our current revenue streams, the additional investments we make to this end will also increase our cost base, which will make it more difficult for us to offset any future revenue shortfalls. If we fail to successfully scale our operations and increase productivity or to meet the demands of our newly diversified customer base, we will be unable to execute our expansion plans successfully, and this may adversely affect our business, financial condition, results of operations and/or prospects.

One of our growth strategies is to identify growth opportunities outside of Singapore in order to provide geographic breadth for our current and future customers. This would involve expanding into countries and regions where we have less familiarity with local regulations, environment and procedures. It may involve expanding into regions which have different cost structures, labour conditions, regulations and socioeconomic dynamics than Singapore. As we expand our business into new countries and regions, we may encounter economic, regulatory, personnel, technological and other difficulties that increase our expenses or delay our ability to start up our operations or become profitable in such countries. A failure to implement our growth strategy may negatively affect our business, financial condition, results of operations and/or prospects.

We are subject to regulatory requirements for our operations

We are subject to the regulatory regimes of each country in which we operate, including, among others, those relating to antitrust, anti-corruption, corporate governance, labour, consumer safety, energy generation, and taxation. If we violate any applicable law or regulation or fail to satisfy the conditions or comply with the restrictions imposed by our licenses, permits, and governmental approvals, or the restrictions imposed by any statutory or regulatory requirements, we may become subject to regulatory enforcement actions or be subject to fines, penalties, or additional costs or revocation of governmental approvals, permits, or licences.

We have been subject to composition fines imposed by ACRA under the Companies Act for conducting our annual general meetings and filing our annual returns out of the statutorily prescribed timeframe during the Period Under Review. For the late holding of annual general meeting and filing of annual returns for financial years ending on or after 31 August 2018, the Registrar may impose a minimum composition sum of S\$1,000 in lieu of prosecution. In addition, from 30 April 2021, ACRA has streamlined its late lodgement penalty to S\$300 for late annual lodgements filed within three (3) months after the filing due date and S\$600 for late annual lodgements filed more than three (3) months after the filing due date.

We have also identified the following irregularities in our corporate secretarial records:

- (a) filing of statutorily required documents or furnishing of required information, such as the change of registered address, amendment of constitution and appointment of past directors of our Company, beyond the statutorily prescribed timeframe; and
- (b) records of corporate secretarial filings for the appointment and resignation of past directors and secretary and the prescribed forms executed by past directors and secretary in respect to his/her appointment as director or secretary (as the case may be) which cannot be located.

The statutory penalty for each instance of past non-compliance identified is a fine not exceeding S\$5,000 or S\$10,000 and a default penalty. Section 409B(1) of the Companies Act provides that ACRA may, in its discretion, compound any offence under the Companies Act which is prescribed as a compoundable offence by collecting from a person reasonably suspected of having committed the offence a sum of money not exceeding the lower of the following: (a) one half of the amount of the maximum fine that is prescribed for the offence; or (b) S\$5,000. On payment of such sum of money referred to in Section 409B(1) of the Companies Act, no further proceedings shall be taken against that person in respect of the offence. To prevent a recurrence of such events, our Group has since strengthened the finance department of our Group through recent hires and engaged the services of an established corporate secretarial service provider. Our Group will also bolster the functions of our Company through new hires where there is a significant change in the business model and/or increase in business activity arising from the expansion plans. No enforcement actions have been taken against us as at the Latest Practicable Date and our Company does not expect the statutory penalties, if imposed, to have a material impact on the financial position of our Company. As at the Latest Practicable Date, all composition fines and late

lodgement fees imposed have been fully paid, and the aggregate value of such fines and lodgement fees imposed is not material and do not have any material impact on the financial position of our Company.

We may also incur significant costs associated with enhancing our compliance functions as regulations and laws change in the countries in which we may operate in the future. Although we have internal control and compliance systems in place for the purpose of complying with such laws and regulations, we cannot assure you that such systems and our other efforts to promote compliance will be effective.

Any or all of such events could have an adverse effect on our business, financial condition, results of operations and/or prospects.

We cannot ensure that our business strategies and future plans will be commercially successful or that we will be able to manage our growth effectively due to external factors beyond our control or which we cannot reasonably anticipate

We intend to expand our operations in accordance with our business strategies and future plans as set out in the section entitled “Prospects, Business Strategies and Future Plans” of this Offer Document.

However, we cannot ensure you that our business strategies and future plans will be commercially successful, or that we will be able to maintain our historical growth rates due to external factors beyond our control or which are not reasonably anticipated. If we fail to achieve a sufficient level of revenue or if our expansion plans result in the incurrence of debt and liabilities, or any other unanticipated events or circumstances or if our future plans are not successfully implemented, our business, financial condition, results of operations and/or prospects may be materially and adversely affected.

Our growth may slow or decline for any number of reasons, some of which are beyond our control and some which we cannot reasonably anticipate including changes in general economic and business conditions at regional and national levels, and changes in government policies to become unfavourable to our business and operations. We may also lose customers for other reasons, such as failure to deliver satisfactory products and services.

We have, since incorporation, expanded our operations. We may enter into joint ventures and/or invest into strategic companies that are complementary to our business. Any existing and future investments may expose us to potential risks outside our control or which are not reasonably foreseeable, including in relation to, amongst others:

- technological, regulatory and operational risks and challenges with which we are unfamiliar;
- unidentified issues not discovered in our due diligence process, such as hidden liabilities and contingencies;
- diversion of our management’s attention and Group’s resources from daily business operations during the investment process;
- failure to realise anticipated synergies for revenue growth and cost benefits;
- unexpected delays and costs to the completion of investments;
- the availability, terms and costs of financing required to fund our investments; and

- the costs and difficulties in integrating new companies and/or businesses which we may acquire.

We may also fail to identify or secure suitable investment opportunities, or our competitors may capitalise on such opportunities before we do. Moreover, identifying such opportunities demands substantial management attention and resources, and the investment process involves significant costs and uncertainties. If we fail to successfully source, execute and integrate our investments, our overall growth could be impaired, and our business, financial condition, results of operations and/or prospects could be materially and adversely affected.

In addition, our Group may face disruptions to our operations due to uncontrollable external factors such as natural disasters, acts of God, fire, flooding, civil commotion, and other calamities or events beyond our control. Notwithstanding the measures and steps that we have taken, there is no assurance that the foregoing emergency crises would not cause interruptions in our operations. As a result of such disruptions, failure to meet our customers' expectations and make deliveries as scheduled and required by our agreements with customers could damage our reputation and/or expose us to legal claims and may, as a result, lead to loss of business and may affect our ability to attract new business. In such events, our business and financial performance will be adversely affected.

We face inherent risks from our consortium arrangements and other investments which we do not wholly own

We are part of a consortium with SIIX Singapore that was awarded contracts for electronic monitoring services, wireless wearables and hardware, AAS, and TraceTogether Tokens. Consortiums and such investments expose us to the inherent risk of disagreements with the other investors regarding the business and operations of the consortium and/or investee company that we may not be able to resolve amicably.

For example, during the Period Under Review, some of our contracts have been secured as part of a consortium with SIIX Singapore. As part of our consortium arrangement with SIIX Singapore, they have been designated as the payment collection entity and accordingly, our Group may be exposed to credit risks in the event that there are any disagreements between our Group and SIIX Singapore. The other consortium partners may (a) have economic or business interests that conflict with our interests; (b) take action contrary to our instructions, requests, policies or objectives; (c) be unable or unwilling to fulfil their obligations; (d) have financial difficulties; (e) suffer from unforeseen delays; (f) dispute the scope of their responsibilities and obligations; or (g) withdraw from the consortium.

As the consortium parties remain obligated to perform their contractual obligations under the contract notwithstanding the inability or unwillingness of a consortium party to perform and/or the withdrawal of a consortium party, as each consortium party may perform a different role and assume different obligations within the consortium, the inability or unwillingness to fulfil their obligations or withdrawal by a consortium party may result in the remaining consortium parties being unable to assume the role and/or effectively discharge the obligations of the withdrawing consortium party. Accordingly, there can be no assurance that upon the occurrence of the foregoing events, our Group will be able to find a sub-contractor, additional consortium partner and/or successfully assume the role and fulfil the obligations of the other consortium parties and discharge the consortium's contractual obligations under the contract. As such, our Group mitigates the aforementioned risk by engaging its consortium partners on a regular basis to understand its operations and identify any potential issues in advance.

Our Group may also face challenges in coordinating and working with its consortium partners due to differences in work and company structure. This risk is mitigated by our Group's practice of testing out the viability of the consortium by collaborating with potential consortium partners for

smaller projects and only collaborating on bigger projects with partners that our Group has an established working relationship with. For instance, while our Group began collaborating with SIIX Singapore in 2011, we had only entered into a consortium arrangement with SIIX Singapore in 2013 to secure its first EMS contract.

Our Group intends to continue entering into consortium arrangements if it is commercially viable and is in the interest of our Group to do so such as, where our Directors believe that it would allow our Group to provide a more compelling bid and increases our Group's chances of securing a contract. Accordingly, the occurrence of any of the aforementioned events and other factors may result in delays to the performance of the contract, breach of contract, negatively affect the performance of our consortiums and investments, which may in turn negatively affect our business, financial condition, results of operations and/or prospects although there have been no incidents of disagreements or occurrence of any of the aforementioned events between our Group and any of our consortium partners which have had a material adverse impact on the Group's financials and/or operations as at the Latest Practicable Date.

We may not be able to successfully identify, acquire or integrate acquisition targets

Our Group had in 2021 acquired EEM, whose principal business was the provision of Smart Metering and other sustainability solutions, from unrelated third parties. EEM has since been successfully integrated into our Group and EEM's revenue contribution to our Group for 6M2022 would be approximately three per cent. (3.0%) of our Group's revenue.

While we have grown organically almost exclusively, with the exception of acquiring and successfully integrating EEM in 2021, we may, in the future, pursue more acquisitions as part of our growth strategy that may include acquisitions of complementary businesses in certain geographies or exposure to certain industries, and acquisitions of companies with technologies that are complementary to ours.

These transactions could be material to our business, financial condition, results of operations and/or prospects. We may face difficulties identifying and acquiring suitable acquisition targets or investments on attractive or commercially viable terms, and may face further difficulties arising from integrating newly acquired businesses and facilities into our existing operations. We may also experience negative effects on our results of operations and financial condition from acquisition-related charges, amortisation of intangible assets and asset impairment charges, and other issues that could arise in connection with, or as a result of, the acquisition of the acquired company, including regulatory or compliance issues that could exist for an acquired company or business and potential negative short-term effects on results of operations through increased costs or otherwise. These effects, individually or in the aggregate, could cause a deterioration of our credit profile and result in reduced availability of credit to us or increased borrowing costs and interest expense in the future. Any such risks relating to future acquisitions could have a negative effect on our business, financial condition, results of operations and/or prospects.

We depend on the strength of our reputation, brands and intellectual property

Over the years, we have established our reputation in the IoT industry as a quality, integrated and innovative wireless communications solutions and services provider. We believe that we have built significant goodwill in our name which has enabled us to gain credibility with our end-customers. This is evidenced by the fact that we have managed to secure tenders for different projects with our end-customers such as Statutory Board A and Government Agency A. We derive a significant portion of our revenue from our major customers which accounted for approximately 75%, 85%, 96% and 93% of our revenue in FY2019, FY2020, FY2021 and 6M2022 respectively. While we have not had any incidents in the past of any major defects or lapses in our solutions and services or adverse publicity due to circumstances beyond our control that has resulted in a material adverse impact on our Group's financials and/or operations, in the event that there are any such

major defects or lapses in our solutions and services or adverse publicity on our Company due to circumstances beyond our control, our reputation may be adversely affected and our customers may lose confidence in our solutions and services. As a result, our business, financial condition, results of operations and/or prospects may be adversely affected.

Our historical financial and operating results are not indicative of our future performance

Our Company has navigated several challenging economic cycles over the course of our 22 years of business operations since the founding of our Company in 1999, which we believe demonstrates our resilience and ability to adapt to the changing business environment over the years. Though we have been profitable since FY2020, we cannot assure you that our revenue and profits will grow at the same rate as in the past or that we will be able to continue our performance in a manner consistent with our historical track record.

We may be adversely affected by COVID-19 or any other infectious and communicable disease or serious public health issue

In March 2020, the World Health Organisation declared the outbreak of a new infectious disease known as “COVID-19” to be a pandemic. COVID-19, has spread rapidly in almost all regions around the globe, and has resulted in a rapid deterioration of the political, socio-economic and financial situation globally. We continue to monitor the impact which the COVID-19 outbreak could have on our operations, the markets in which we operate and more broadly on the macro-economic outlook as further cases emerge and governments and international agencies impose a range of measures to deal with the outbreak.

Due to the infectiousness and severity of COVID-19, the various emergency measures taken globally to manage the pandemic and the negative effects the pandemic may have on the economy and financial markets, COVID-19 has and may continue to adversely impact our business, financial condition, results of operations and/or prospects. In particular, our employees or their contacts could be inflicted with COVID-19 and the measures imposed on businesses generally in response to COVID-19 could result in a closure of all or part of our business and manufacturing premises, the requirement to implement social distancing measures, and the quarantine or self-isolation of all or some of our staff, amongst other restrictive measures. This could disrupt and adversely affect our ability to carry on our business and we may incur additional costs to comply with measures imposed on us. COVID-19 has also disrupted global supply chains through restrictions on movement and travel and border closures. Our ability to receive and provide goods and services could consequently be delayed, become more costly, or be prevented altogether. The economic downturn from COVID-19 may also affect the ability of our counterparties to perform their obligations in a timely manner or at all. Government measures to alleviate the economic impact of COVID-19 such as the adoption of rules relating to the payment of penalty interest, the imposition of restrictions on the termination of agreements and/or the application of enforcement measures and on taking steps with a view to initiating insolvency and/or enforcement proceedings could adversely affect our ability to enforce and require our counterparties to perform their obligations under our contracts. Factory footprint and business expansion decisions may be impacted by COVID-19 outcomes and related complexities, and potential trade policy initiatives by governments to protect local industry. A pandemic creates the risk of volatility in financial markets (including interest rate and foreign exchange rate risks) and may adversely impact the cost, availability, duration or terms of financing and credit available to us. The potential exists for recession within individual countries, the failure of businesses and austerity measures, all of which might impact the confidence of, and in, the economies and markets in which we do business. COVID-19 has also significantly increased the risk of cyber-attack as some of our employees work from home in line with government policies and recommendations.

While the impact of the COVID-19 pandemic has resulted in increased demand for some of our products and services, for example the increased demand for our TraceTogether Tokens, and while we have not experienced any material disruptions to our supply chain as a result of measures taken by us to minimise the impact of COVID-19 on our supply chain, such as obtaining our supplies from multiple suppliers located in various locations and increasing our inventory levels during this period, we cannot assure you that the risks from COVID-19 including those described above or from any other communicable or infectious disease or public health issue will not have a material adverse effect on us in future. If the current COVID-19 situation deteriorates, or restrictions persist over longer periods (even intermittently), our business, financial condition, results of operations and/or prospects may be adversely affected.

We may be affected by terrorist attacks, wars, natural disasters, outbreaks of communicable diseases and other events beyond our control

Terrorist attacks, wars, natural disasters and other events beyond our control in the markets in which we operate may lead to uncertainty in the economic outlook of these markets leading to an economic downturn. This in turn could have an adverse effect on the industry and our business. The consequences of any such terrorist attacks, wars, natural disasters or other events beyond our control are unpredictable, such as the ongoing war in Ukraine and trade sanctions imposed on Russia, and we are not able to foresee events of such nature, which could cause interruptions to parts of our businesses and have an adverse effect on our business, financial condition, results of operations and/or prospects.

In addition to the current COVID-19 pandemic, an outbreak of Zika, SARS, avian influenza, Influenza A (H1N1) and/or other communicable diseases, if uncontrolled, could affect our operations. This may lead to a decrease in demand for our products, which may adversely affect our business, financial condition, results of operations and/or prospects. Further, in the event that our employees and/or employees of our suppliers are infected or suspected of being infected with any communicable disease, our Group and/or our suppliers may be required by health authorities to temporarily shut down the affected premises or offices and quarantine the relevant employees to prevent the spread of the disease. This will result in delays and may have an adverse effect on our business, financial condition, results of operations and/or prospects.

We may require additional funding for our future growth

As we grow our business, our working capital requirements will increase. In order to access new markets, increase our market share and/or enhance our technological capabilities, we may also pursue investment opportunities which are in line with our growth strategy. We may also find other opportunities to grow which cannot be predicted at this juncture. To the extent that funds generated from operations are insufficient, we may have to raise additional funds to meet new financial requirements. These additional funds may be raised by way of issuance of new shares through a placement or rights offering (which would be subject to Shareholders' approval if necessary) or by way of borrowings.

In the event that new Shares are issued, Shareholders who are unable or unwilling to participate in such fund-raising will suffer a dilution in their investments. Further, if we fail to utilise the new equity to generate a commensurate increase in earnings, our EPS will be diluted, and this could lead to a decline in the market price of our Shares. Any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fundraising exercises and other financial and operational matters. If we are unable to procure the additional funding that may be required, our business, financial condition, results of operations and/or prospects will be adversely affected.

RISKS RELATING TO OWNERSHIP OF OUR SHARES

Investments in shares quoted on Catalist involve a higher degree of risk and can be less liquid than investments in shares quoted on the Mainboard of the SGX-ST

We have made an application for our Shares to be listed for quotation on Catalist, a listing platform primarily designed for fast-growing and emerging or smaller companies to which a higher investment risk tends to be attached as compared to larger or more established companies listed on the Mainboard of the SGX-ST. An investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Mainboard of the SGX-ST and the future success and liquidity in the market of our Shares cannot be guaranteed.

Market and economic conditions may affect the market price and demand for our Shares

Movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price and demand for our Shares. As our Shares will be quoted in S\$ on the SGX-ST, dividends, if any, in respect of our Shares will be paid in S\$. Fluctuations in the exchange rate between the S\$ and other currencies will affect, amongst other things, the foreign currency value of the proceeds which a Shareholder would receive upon sale in Singapore of our Shares and the foreign currency value of dividend distributions.

Future sale or availability of Shares may exert a downward pressure on our Share price

Shares in our Company, except for those under moratorium, may be sold in the public market in Singapore. The sale of a substantial number of our Shares after the Placement, or the perception that such sales may occur, could exert a downward pressure on our Share prices. In addition, these factors may also affect our ability to raise capital through the issue of additional equity securities in the future. Save as otherwise described in the section entitled “Shareholders – Moratorium” of this Offer Document and subject to all applicable laws and regulations, there will be no other restriction on the ability of our Shareholders to sell their Shares either on the SGX-ST or otherwise. Our share price may decline if certain Shareholders sell their Shares upon expiry of their moratorium periods.

There has been no prior market for our Shares and the Placement may not result in an active or liquid market for our Shares

Prior to the Placement, there has been no public market for our Shares. Although we have applied to the SGX-ST for the dealing in and quotation of our Shares on Catalist, there is no assurance that an active trading market for our Shares will develop or, if developed, will be sustained. There is also no guarantee of the continued listing of our Shares.

The Placement Price was determined following a book-building process by agreement between the Sponsor and Issue Manager, Underwriter and Placement Agent and us, after taking into consideration, *inter alia*, prevailing market conditions and estimated market demand for our Shares. The Placement Price may not be indicative of the market price for our Shares after the completion of the Placement. Investors may not be able to resell their Shares at a price at or above the Placement Price.

There are inherent risks in the stock market

There exists both a potential for risks and benefits when an investor participates in the stock market. Our Share price is determined not only by internal factors such as our Group’s profit margins and development prospects, but may also be adversely affected by changes in macro political and economic conditions. Our Share price is also subject to extraneous factors such as the market demand and supply conditions, prevailing interest rates, inflation, the prevailing

investor sentiment and other unforeseeable factors. All these factors can give rise to a deviating share value which can, directly or indirectly, cause the investor to suffer a loss whilst investing in the stock market.

Our Share price may be volatile, which could result in substantial losses for investors purchasing our Shares pursuant to the Placement

The market price of our Shares may fluctuate significantly and rapidly as a result of, *inter alia*, the following factors, some of which are beyond our control and may be unrelated or disproportionate to our financial results:

- fluctuations in stock market prices and volume;
- material changes or uncertainty in the political, economic and regulatory environment in Singapore;
- perceived prospects, the general outlook of our industry, and success or failure of management in implementing our business plans;
- changes in general economic and stock market conditions;
- changes in our operating results;
- changes in securities analysts' estimates of our financial performance and recommendations;
- announcements by our competitors or ourselves of the gain or loss of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- changes in market valuations and share prices of companies with similar businesses to our Group that may be listed in Singapore or elsewhere;
- fluctuations of exchange rates;
- ability to obtain or maintain regulatory approval for our operations;
- addition or loss of key personnel; and
- our involvement in material litigation or arbitration proceedings.

For these reasons, *inter alia*, our Shares may trade at prices that are higher or lower than the NAV per Share. In addition, our Shares are not capital-safe products and there is no guarantee that investors of our Shares can realise a higher amount or even the principal amount of their investments.

We do not have a fixed dividend policy and may not be able to declare any dividends in the future

We cannot assure you that we will declare dividends in the future or, if we declare dividends in the future, when we will pay them. The declaration and payment of future dividends will depend upon our operating results and cash flow, financial condition, other cash requirements, including capital expenditures, general economic conditions and other factors specific to the industries that we operate in, many of which are beyond our control. In the event that our Company enters into any loan agreements in the future, covenants therein may also limit when and how much dividends we can declare and pay.

Negative publicity may adversely affect our Share price

Negative publicity involving our Group, any of our Directors, Executive Officers or Controlling Shareholders, may adversely affect the market perception or the stock performance of our Company, whether or not it is justified. Some examples include unsuccessful attempts in joint ventures, takeovers or involvement in litigation or insolvency proceedings.

You will incur immediate dilution and may experience further dilution in the NAV of your Shares

The Placement Price is substantially higher than our Group's NAV per Share of 5.28 cents as at 30 September 2021 based on the post-Placement issued and paid-up share capital after adjusting for the net proceeds from the issue of Placement Shares. If we were liquidated immediately following the Placement, each investor subscribing for the Placement Shares would receive less than the price he paid for the Shares. Please refer to the section entitled "Dilution" of this Offer Document for further details.

Our Controlling Shareholders will retain significant influence over our Group after the Placement which will allow them to influence the outcome of matters submitted to Shareholders for approval

Upon completion of the Placement, our Controlling Shareholders, namely Mr. Soo and Ms. Kau Wee Lee will respectively have a shareholding interest of approximately 1.9% and 46.8% in our enlarged share capital after the Placement, which amount to a collective shareholding interest of approximately 48.7% of our enlarged share capital after the Placement.

As a result, each of Mr. Soo and Ms. Kau Wee Lee will be able to exercise significant influence over matters requiring the approval of Shareholders, including the election of Directors and approval of significant corporate transactions. Mr. Soo and Ms. Kau Wee Lee interests may not be aligned with the interests of our other Shareholders, and they may cause us to, or prevent us from, entering into certain transactions, the result of which might not be in, or may conflict with, the interests of our other Shareholders. We cannot assure you that Mr. Soo and Ms. Kau Wee Lee will vote on Shareholders' resolutions in a way that will benefit all of our Shareholders. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Group which may not benefit our Shareholders.

Investors may not be able to participate in future issues of our Shares

In the event that we issue new Shares, we will be under no obligation to offer those Shares to our existing Shareholders at the time of issue, except where we elect to conduct a rights issue. However, in electing to conduct a rights issue or certain other equity issues, we may be subject to regulations as to the procedure to be followed in making such rights offering available to our existing Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. We may choose not to offer the rights or other equity issues to our Shareholders or investors having an address outside Singapore. Accordingly, overseas Shareholders or investors may be unable to participate in future offerings of our Shares and may experience dilution of their shareholdings as such.

Certain transactions may dilute the ownership of Shareholders

As a result of adjustments from rights offerings, certain issuances of new Shares and certain other actions we may take to modify our capital structure, Shareholders may experience a dilution in their ownership of our Shares. There can be no assurance that we will not take any of the foregoing actions, and such actions in the future may adversely affect the market price of our Shares.

The actual performance of our Company may differ materially from the forward-looking statements in this Offer Document

This Offer Document contains forward-looking statements, which are based on a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside our control. Furthermore, our revenue and financial performance are dependent on a number of external factors, such as demand for our services which may decrease for various reasons, including increased competition within the industry or changes in applicable laws and regulations. We cannot assure you that these assumptions will be realised and our actual performance will be as projected.

USE OF PROCEEDS AND EXPENSES OF THE PLACEMENT

Based on the Placement Price of S\$0.25, the gross proceeds from the Placement will be approximately S\$6.5 million. The net proceeds to be raised by our Company from the Placement is estimated to be approximately S\$5.2 million, after deducting the estimated listing expenses in relation to the Placement of approximately S\$1.3 million.

USE OF PROCEEDS

We intend to use the net proceeds due to us from the issue of the Placement Shares primarily for the following purposes:

- Enlarging our customer base by engaging both existing B2B customers and expanding our offerings to the B2C segments;
- Expanding our market reach by offering out IoT solutions in overseas markets;
- Enhancing our research and solution development activities to bolster out IoT offerings;
- Expanding our business through, *inter alia*, investments, mergers and acquisitions, joint ventures and/or strategic collaborations; and
- Working capital purposes.

The following table, which is included for the purpose of illustration, sets out the intended purposes of the gross proceeds due to us from the Placement:

Use of proceeds	Amount in aggregate (S\$'000)	As an amount in cents for each S\$1.00 of the gross proceeds due to us from the Placement (cents) ⁽¹⁾
Enlarging our customer base by engaging both existing B2B customers and expanding our offerings to the B2C segments	1,000	15.4
Expanding our market reach by offering out IoT solutions in overseas markets	500	7.7
Enhancing our research and solution development activities to bolster our IoT offerings	1,250	19.2
Expanding our business through, <i>inter alia</i> , investments, mergers and acquisitions, joint ventures and/or strategic collaborations ⁽²⁾	1,000	15.4
Working capital	1,420	21.8
Listing expenses	1,330	20.5
Total	6,500	100.0

Notes:

(1) Figures may not add up due to rounding.

(2) As at the Latest Practicable Date, we have not entered into definitive agreements with any party to acquire potential businesses or to form joint ventures and/or strategic alliances or identified any specific acquisition targets for which the net proceeds from the Placement may be allocated towards.

Further details of our use of proceeds may be found in the section entitled “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” of this Offer Document.

Save as disclosed in the section entitled “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” of this Offer Document, none of the proceeds from the Placement will be used to acquire or refinance the acquisition of any asset, business or entity.

The foregoing discussion represents our best estimate of our allocation of the proceeds due to us from the Placement based on our current plans and estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates and we may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. In the event that we decide to reallocate the net proceeds of the Placement for other purposes, we will publicly announce our intention to do so through a SGXNET announcement to be posted on the internet at the SGX-ST website, <http://www.sgx.com>. Pending the deployment of the net proceeds to be raised from the Placement as aforesaid, we may use the funds as working capital or invest in short-term money market instruments as our Directors may, in their absolute discretion, deem fit.

In addition, our Company will make periodic announcements on the use of the proceeds from the Placement as and when the proceeds from the Placement are materially disbursed, and provide a status report on the use of the proceeds attributable to our Company from the Placement in our annual reports. The announcement will state whether the use of proceeds is in accordance with the stated use and the percentage allocated which has been disclosed above.

In the opinion of our Directors, no minimum amount must be raised by the Placement.

None of the proceeds of the Placement will be used to discharge, reduce or retire any indebtedness of our Group.

LISTING EXPENSES

The estimated amount of expenses of the Placement and of the application for listing, including underwriting and placement commission, brokerage, management fees, audit and legal fees, advertising and printing expenses, fees payable to the SGX-ST and all other incidental expenses in relation to this Placement is approximately S\$1.3 million.

A breakdown of these estimated expenses to be borne by us in relation to the Placement is as follows⁽¹⁾:

Expenses	Estimated Amount in aggregate (S\$'000)	As a percentage of gross proceeds due to us from the Placement (%)⁽²⁾
Listing and application fees	32	0.5
Professional fees ⁽³⁾	990	15.2
Underwriting and placement commission ⁽⁴⁾	228	3.5
Miscellaneous expenses ⁽⁵⁾	80	1.2
Total	1,330	20.5

Notes:

(1) Amounts exclude GST, where applicable.

- (2) Figures may not add up due to rounding.
- (3) Includes, among others, legal adviser's fees and fees for the Independent Auditor and Report Accountant and any other professionals' fees.
- (4) The underwriting and placement commission (exclusive of GST) payable by us in connection with the Placement is up to 3.5% of the gross proceeds due to us from the Placement.
- (5) Includes the estimated cost of production of this Offer Document, road show and other marketing expenses and certain other expenses incurred or to be incurred in connection with the Placement.

Our Company will pay the Underwriter and Placement Agent, as compensation for its services rendered in connection with the Placement, an underwriting and placement commission of up to 3.5% of the Placement Price for the total number of Placement Shares (and the prevailing GST thereon, if applicable), payable in the proportion in which the Placement Shares are offered by our Company. The underwriting and placement commission (exclusive of GST) is estimated to be approximately S\$0.0088 for each Placement Share.

Please refer to the section entitled "Plan of Distribution" of this Offer Document for a description of the commissions payable in connection with the Placement.

DIVIDENDS

Statements contained in this section that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those which may be forecasted and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumption by us, the Sponsor and Issue Manager, Underwriter and Placement Agent, or any other person. Prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak as of the date hereof. Please also refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document.

PAST DIVIDENDS

Under the Companies Act, dividends shall only be paid to the shareholders of a company out of profits. As the Company had recorded profits of approximately S\$3.7 million for the Financial Year Ended 31 March 2021, our Directors had on 27 December 2021 declared interim dividends of S\$3.2 million ("**Interim Dividends**") in compliance with all applicable laws and regulations and accounting standards in respect of FY2021 paid on 5 January 2022 to the persons who were registered Shareholders of our Company as at 27 December 2021, which were determined based on, and paid out of, the available profits of our Company as at 31 March 2021, as set out in our Audited Consolidated Financial Statements for the Financial Years Ended 30 March 2019, 2020 and 2021. The source of funds for the Interim Dividends will be from our Group's internal resources. See the sections entitled "Appendix A – Independent Auditors' Report on the Audited Consolidated Financial Statements for the Financial Years ended 31 March 2019, 2020 and 2021" and "Appendix C – Independent Auditors' Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 31 March 2021 and the Six Month Period ended 30 September 2021" to this Offer Document for further details.

Save for the Interim Dividends as set out above and the dividends paid by our subsidiaries to our Company, our Group has not paid or declared any cash dividend in respect of FY2019, FY2020 and FY2021 and for the period between 1 April 2021 to the Latest Practicable Date.

DIVIDEND POLICY

The declaration and payment of future dividends will be subject to the factors outlined below, as well as other factors deemed relevant by our Board:

- the level of our cash and retained earnings;
- our actual and projected financial performance;
- our projected levels of capital expenditure and expansion plans;
- our working capital requirements and general financial condition; and
- the terms of borrowing arrangements (if any).

As our Company is also a holding company, we depend upon the receipt of dividends and other distributions from our subsidiaries to pay the dividends on the Shares. Any future loan agreements entered into by our Group may impose restrictions on our ability to declare dividends. For more information, please refer to the section entitled "Risk Factors – Risks Relating to Ownership of our Shares – We do not have a fixed dividend policy and may not be able to declare any dividends in the future" of this Offer Document.

We do not have a fixed dividend policy. Currently, our Board intends to recommend dividends of at least 20.0% of our net profit after tax (after deducting profit attributable to non-controlling interests) generated in FY2022 and FY2023 (collectively, the “**Proposed Dividend**”) as we wish to reward our Shareholders for participating in our Group’s growth. However, investors should note that the foregoing statements, including the statement on the Proposed Dividend, are merely statements of our present intention and shall not constitute legally binding obligations on our Company or legal binding statements in respect of our future dividends (including those proposed for FY2022 and FY2023), which may be subject to modification (including reduction or non-declaration thereof) at our Directors’ sole and absolute discretion. As we do not have a fixed dividend policy, investors should not treat the Proposed Dividend as an indication of our future dividend policy.

Any final dividends we declare must be approved by an ordinary resolution of our Shareholders at a general meeting. All dividends must be paid out of our profits available, as derived from the standalone audited financial statements of our Company and not from our audited consolidated financial statements. We are not permitted to pay dividends in excess of the amount recommended by our Board. Our Board may, without the approval of our Shareholders, also declare interim dividends. All dividends will be paid in accordance with the Companies Act. Payment of cash dividends and distributions, if any, will be declared in Singapore dollars and paid in Singapore dollars to CDP on behalf of our Shareholders who maintain, either directly or through depository agents, Securities Accounts.

No inference should or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends. See the section entitled “Risk Factors – Risks Relating to Ownership of our Shares – We do not have a fixed dividend policy and may not be able to declare any dividends in the future” of this Offer Document for further details.

See the section entitled “Appendix F – Description of Singapore Law relating to Taxation – Dividend Distributions” of this Offer Document for a description of Singapore taxation on dividends.

SHARE CAPITAL

Our Company (Registration No. 199905973K) was incorporated in Singapore on 1 October 1999 under the Companies Act as a private limited company, under the name of “iWOW Technology Pte Ltd”. Our Company was converted into a public limited company on 27 December 2021 and the name of our Company was changed to “iWOW Technology Limited” in connection therewith pursuant to the certificate of conversion issued by ACRA on 28 December 2021.

As at the date of incorporation, our issued and paid-up share capital was S\$10,000 comprising 10,000 ordinary shares of S\$1.00 each. As at the Latest Practicable Date, our issued and paid-up share capital was S\$21,402,899.19 comprising 336,645,390 Shares. As at the date of this Offer Document, our issued and paid-up share capital is S\$21,402,899.19 comprising 224,430,260 Shares.

Pursuant to resolutions passed at the extraordinary general meetings of the Company on 22 December 2021 and 9 March 2022, our Shareholders approved, *inter alia*, the following:

- (a) the conversion of our Company into a public company limited by shares and the change of our name to “iWOW Technology Limited”;
- (b) the Share Split and the Share Consolidation;
- (c) the adoption of a new Constitution;
- (d) the allotment and issue of the Placement Shares which are the subject of the Placement, on the basis that the Placement Shares, when allotted, issued and fully paid-up, will rank *pari passu* in all respects with the existing issued Shares;
- (e) the adoption of the iWOW Employee Share Option Scheme (details of which are set out in the section entitled “iWOW Share Incentive Schemes” of this Offer Document and in “Appendix G – Rules of the iWOW Employee Share Option Scheme” to this Offer Document) and the authorisation of our Directors, pursuant to Section 161 of the Companies Act, to allot and issue Shares upon the exercise of Options granted under the iWOW Employee Share Option Scheme and the authorisation of our Directors, pursuant to Section 161 of the Companies Act, to allot and issue Shares upon the exercise of Options granted under the iWOW Employee Share Option Scheme;
- (f) the adoption of the iWOW Performance Share Plan (details of which are set out in the section entitled “iWOW Share Incentive Schemes” of this Offer Document and in “Appendix H – Rules of the iWOW Performance Share Plan” to this Offer Document) and the authorisation of our Directors, pursuant to Section 161 of the Companies Act, to allot and issue Shares upon the vesting of Awards granted under the iWOW Performance Share Plan;
- (g) the approval of the listing and quotation of all the issued Shares (including the Placement Shares to be allotted and issued pursuant to the Placement, the Option Shares and the Award Shares) on Catalist; and
- (h) the authorisation to our Directors, pursuant to Section 161 of the Companies Act, and by way of ordinary resolution in a general meeting, to:
 - (A) (i) issue Shares 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 during the continuance of such authority or thereafter, including but not limited to the creation and issue of (as well

as adjustments to) warrants, debentures, convertible securities or other instruments convertible into Shares; and/or

- (iii) notwithstanding that such authority may have ceased to be in force at the time such Instruments are to be issued, issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues,

at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit; and

- (B) issue Shares in pursuance of any Instrument made or granted by our Directors pursuant to (A) above, while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution), provided that:

- (i) the aggregate number of Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority but excluding Shares which may be issued pursuant to any adjustments (“**Adjustments**”) effected under any relevant Instrument, which Adjustment shall be made in compliance with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of our Company) does not exceed 100.0% of the post-Placement issued share capital excluding treasury shares, and provided further that the aggregate number of Shares to be issued other than on a *pro rata* basis to Shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to such authority but excluding Shares which may be issued pursuant to any Adjustments effected under any relevant Instrument) shall not exceed 50.0% of the post-Placement issued share capital excluding treasury shares;
- (ii) in exercising such authority, our Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of our Company; and
- (iii) unless revoked or varied by our Company in a general meeting by ordinary resolution, the authority so conferred shall continue in force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting of our Company is required by law to be held, whichever is earlier.

For the purpose of this resolution, “post-Placement issued share capital” shall mean the total number of issued Shares of our Company (excluding treasury shares) immediately after the Placement, after adjusting for (i) new Shares arising from the conversion or exercise of any convertible securities; (ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time such authority is given, provided the options or share awards were granted in compliance with the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or sub-division of Shares.

Our Shares are in registered form. As at the date of this Offer Document, there is only one (1) class of shares in the capital of our Company, being ordinary shares. A summary of our Constitution relating to, among others, the voting rights of our Shareholders is set out in “Appendix D – Summary of our Constitution” to this Offer Document.

There is no founder, management, deferred or unissued Shares reserved for issuance for any purpose. The Placement Shares shall have the same interest and voting rights as our existing Shares that were issued prior to the Placement and there are no restrictions to the free transferability of our Shares except where required by law, the Catalist Rules or our Constitution. No person has been, or is permitted to be, given an option to subscribe for or purchase any securities of our Company or any of our subsidiaries.

Details of the changes in the issued and paid-up share capital of our Company at the beginning and the end of FY2021, and the resultant issued and paid-up share capital immediately after the Placement are as follows:

Purpose	Consideration	Purpose of Issue	No of Shares and/or Preference Shares	Resultant issued and paid-up share capital (S\$)
Issued and paid-up share capital as at 1 April 2020			49,779,625 Shares	18,552,899.19
			191,176 Preference Shares	650,000.00
2,630,042 Shares issued to Mr. Aw Peng Khoon on 18 December 2020	S\$1,200,000 ⁽¹⁾	Partial settlement of the consideration for the acquisition of EEM	52,409,667 Shares	19,752,899.19
			191,176 Preference Shares	650,000.00
1,753,361 Shares issued to Mr. Chiu Sin Cheun Albert on 18 December 2020	S\$500,000	Capitalisation of loan	54,163,028 Shares	20,252,899.19
			191,176 Preference Shares	650,000.00
Issued and paid-up share capital as at 31 March 2021			54,163,028 Shares	20,252,899.19
			191,176 Preference Shares	650,000.00
191,176 Shares issued to Daetum Sdn. Bhd. on 3 August 2021	S\$650,000	Conversion of 191,176 Preference Shares to 191,176 Shares	54,354,204 Shares	20,902,899.19

Purpose	Consideration	Purpose of Issue	No of Shares and/or Preference Shares	Resultant issued and paid-up share capital (\$)
1,753,361 Shares issued to Mr. Soo on 14 August 2021	S\$500,000	Capitalisation of Loan	56,107,565 Shares	21,402,899.19
Issued and paid-up share capital immediately after the Share Split			336,645,390 Shares	21,402,899.19
Issued and paid-up share capital as at the Latest Practicable Date			336,645,390 Shares	21,402,899.19
Issued and paid-up share capital immediately after the Share Consolidation			224,430,260 Shares	21,402,899.19
26,000,000 Placement Shares to be issued pursuant to the Placement			250,430,260 Shares	27,764,816.84 ⁽²⁾
Issued and paid-up capital after the Placement			250,430,260 Shares	27,764,816.84 ⁽²⁾

Notes:

- (1) The consideration was arrived at following an independent valuation by an independent valuer on EEM commissioned by the Company. The Independent Auditors and Reporting Accountants have reviewed the report of the independent valuer, the underlying assumptions and bases used by the independent valuer and noted that they are reasonable and comply with SFRS(I) 13 – Fair Value Measurement. The Independent Auditors and Reporting Accountants are also of the view that save for any premium in consideration over the valuation of the book value of EEM which will be, and have been recorded in, the financial statements of the Group as goodwill of S\$828,800 in accordance with SFRS(I) 3 – Business Combination, there are no applicable accounting standards which pertain to the valuation of a company. The goodwill will be tested for impairment annually in accordance with SFRS(I) 38 – Intangible Assets.
- (2) As described in the section “Use of Proceeds and Expenses of the Placement” of this Offer Document, the estimated listing expenses in relation to the Placement is approximately S\$1.3 million. Of the estimated listing expenses of approximately S\$1.3 million, approximately S\$0.1 million will be capitalised against share capital and the remaining estimated listing expenses of approximately S\$1.2 million will be charged to profit and loss.

Save as disclosed above, there have been no changes in the issued and paid-up share capital of our Company since incorporation.

Please refer to the section entitled “General Information – Share Capital” of this Offer Document for details of changes in the issued and paid-up share capital of our Group within the three (3) years preceding the Latest Practicable Date.

SHAREHOLDERS

OWNERSHIP STRUCTURE

Our Directors and Substantial Shareholders and their respective shareholdings (as adjusted for the Share Consolidation) as at the Latest Practicable Date and immediately after the Placement are as follows:

	As at the Latest Practicable Date			After the Placement		
	Direct Interest Number of Shares	%	Deemed Interest Number of Shares	Direct Interest Number of Shares	%	Deemed Interest Number of Shares
Directors						
Mr. Bo Jiang Chek Raymond	22,777,004	10.1	—	22,777,004	9.1	—
Mr. Soo Kee Wee ⁽¹⁾	4,721,784	2.1	117,192,056	4,721,784	1.9	117,192,056
Mr. Ang Swee Tian	—	—	—	—	—	—
Mr. Liew Kok Oon	—	—	—	—	—	—
Ms. Thong Yuen Siew Jessie	—	—	—	—	—	—
Executive Officers						
Mr. Mah Kian Yen	16,810,280	7.5	—	16,810,280	6.7	—
Mr. Chen Jer Yaw	14,442,844	6.4	—	14,442,844	5.8	—
Mr. Ashokan Ramakrishnan	7,527,100	3.4	—	7,527,100	3.0	—
Mr. Ho Junxuan Adrian	352,732	0.2	—	352,732	0.1	—
Substantial Shareholders						
Ms. Kau Wee Lee ⁽²⁾	117,192,056	52.2	4,721,784	117,192,056	46.8	4,721,784
Ms. Chan Fooi Peng	15,335,208	6.8	—	15,335,208	6.1	—
Other Shareholders⁽³⁾	25,271,252	11.3	—	25,271,252	10.1	—
Ms. Lee Eng Choo	1,600,000	0.7	—	1,600,000	0.6	—
Mr. Lim Choon Kee	340,716	0.2	—	340,716	0.1	—
New Public Shareholders	—	—	—	26,000,000	10.4	—
Total	224,430,260	100.0		250,430,260	100.0	

Notes:

- (1) Mr. Soo Kee Wee is deemed interested in the Shares held by his wife, Ms. Kau Wee Lee.
- (2) Ms. Kau Wee Lee is deemed interested in the Shares held by her husband, Mr. Soo Kee Wee.
- (3) None of such Shareholders has an interest, direct or indirect, in five per cent. (5.0%) or more of the Shares in our Company immediately after the Placement.

Save as disclosed above and in the section entitled “Directors, Executive Officers and Employees” of this Offer Document, there are no relationships among our Directors, Substantial Shareholders and Executive Officers.

Save as disclosed above, to the best of the knowledge of our Directors, we are not directly or indirectly owned or controlled, whether severally or jointly, by any other corporation, any government or other natural or legal person.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the Placement Shares which are the subject of the Placement.

As at the Latest Practicable Date, our Company has only one (1) class of shares, being ordinary shares. There is no restriction on the transfer of fully paid Shares in scripless form except where required by law, the Catalist Rules or our Constitution.

There has been no public takeover offer by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or units of business trust which has occurred between the date of the incorporation of our Company to the Latest Practicable Date.

There is no known arrangement, the operation which may, at a subsequent date, result in a change in control of our Company.

There are no Shares in our Company that are held by or on behalf of our Company or by the subsidiaries of our Company.

Save as disclosed in the section entitled “Shareholders – Significant Changes in Percentage of Ownership”, our Directors are not aware of any arrangement the operation of which may, at a subsequent date, result in a change in control of our Company.

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

The following table sets forth the significant changes in the shareholding interests in our Company of our Directors, Executive Officers, Substantial Shareholders and certain shareholders who had acquired shares less than 12 months prior to the date of Listing as at 31 March 2019, 31 March 2020, 31 March 2020 and the Latest Practicable Date. Save as disclosed in this section and the section entitled "Share Capital", there were no significant changes in the percentage of ownership of our Company nor has there been any changes to the Controlling Shareholders in the last three (3) years prior to the Latest Practicable Date.

Name	As at 31 March 2019 ⁽¹⁾			As at 31 March 2020 ⁽¹⁾			As at 31 March 2021 ⁽¹⁾			As at Latest Practicable Date ⁽¹⁾		
	Direct Interest	Deemed Interest	%	Direct Interest	Deemed Interest	%	Direct Interest	Deemed Interest	%	Direct Interest	Deemed Interest	%
Directors												
Mr. Bo Jiang Chek Raymond ⁽²⁾	21,977,004	–	11.0	21,977,004	–	11.0	21,977,004	–	10.1	22,777,004	–	10.1
Mr. Soo Kee Wee ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾	4,431,580	117,192,056	2.2	6,388,172	117,192,056	3.2	6,388,172	117,192,056	2.9	4,721,784	117,192,056	2.1
Mr. Ang Swee Tian	–	–	–	–	–	–	–	–	–	–	–	–
Mr. Liew Kok Oon	–	–	–	–	–	–	–	–	–	–	–	–
Ms. Thong Yuen	–	–	–	–	–	–	–	–	–	–	–	–
Stew Jessie	–	–	–	–	–	–	–	–	–	–	–	–
Executive Officers												
Mr. Mah Kian Yen	16,810,280	–	8.4	16,810,280	–	8.4	16,810,280	–	7.7	16,810,280	–	7.5
Mr. Chen Jer Yaw ⁽⁶⁾	16,042,844	–	8.0	16,042,844	–	8.0	16,042,844	–	7.4	14,442,844	–	6.4
Mr. Ashokan Ramakrishnan ⁽⁵⁾⁽⁶⁾	–	7,174,368	–	–	7,174,368	–	–	7,174,368	–	7,527,100	–	3.4
Mr. Ho Junxuan Adrian ⁽⁷⁾	–	–	–	–	–	–	–	–	–	352,732	–	0.2
Substantial Shareholders												
Booming Wealth Group Corp	117,192,056	–	58.6	117,192,056	–	58.6	117,192,056	–	53.9	–	–	–
Ms. Kau Wee Lee ⁽⁶⁾	–	121,623,636	–	–	123,580,228	–	–	123,580,228	–	117,192,056	–	52.2
Ms. Chan Foo Peng	15,335,208	–	7.7	15,335,208	–	7.7	15,335,208	–	7.1	15,335,208	–	6.8
Other Shareholders	8,094,232	–	4.0	6,137,640	–	3.1	23,671,252	–	10.9	25,271,252	–	11.3
Ms. Lee Eng Choo ⁽⁸⁾	–	–	–	–	–	–	–	–	–	1,600,000	–	0.7
Mr. Lim Choon Kee ⁽¹⁰⁾	–	340,716	–	–	–	–	–	–	–	340,716	–	0.2
Wireless World Limited ⁽¹⁰⁾	340,716	–	0.2	340,716	–	0.2	340,716	–	0.2	–	–	–

Notes:

- (1) Calculated based on the issued share capital of our Company as of the relevant dates and on an as-converted basis in respect of 31 March 2019, 31 March 2020 and 31 March 2021. The number of Shares has been adjusted for the Share Split and the Share Consolidation.
- (2) Pursuant to an agreement dated 22 December 2021, Mr. Bo agreed to acquire 800,000 Shares (adjusted for the Share Split and the Share Consolidation) for S\$226,800 from Mr. Soo, which was transferred to Mr. Bo on 29 December 2021. The Shares were offered by Mr. Soo to Mr. Bo as an incentive and to recognise Mr. Bo's contributions and services to the Group.

and to align his interest and encourage greater dedication and loyalty to the Group. Mr. Bo is not an associate nor is he holding shares as a nominee for any Director, Controlling Shareholder or Substantial Shareholder or their respective associates.

(3) Mr. Soo is deemed interested in the 117,192,056 Shares (adjusted for the Share Split and the Share Consolidation) held by Booming Wealth Group Corp, which was transferred to his wife, Ms. Kau Wee Lee on 29 December 2021 as part of her efforts to simplify the manner of her shareholding. Mr. Soo is the sole director of Booming Wealth Group Corp and Ms. Kau Wee Lee is the sole shareholder of Booming Wealth Group Corp.

(4) A summary of the changes in Mr. Soo's shareholding for the period between 31 March 2021 and before the Placement (as adjusted for the Share Split and the Share Consolidation) is as follows:

Date	Purpose of transaction	Resultant Shareholding
14 August 2021	Issue of 7,013,444 Shares by the Company to Mr. Soo pursuant to the capitalisation of a S\$500,000 loan.	13,401,616 Shares
29 December 2021	Transfer of 800,000 Shares from Mr. Soo to Mr. Bo for S\$226,800 pursuant to an agreement dated 22 December 2021 as an incentive and to recognise Mr. Bo's contributions and services to the Group and to align his interest and encourage greater dedication and loyalty to the Group.	12,601,616 Shares
29 December 2021	Transfer of 352,732 Shares from Mr. Soo to Mr. Ashokan for S\$100,000 pursuant to an agreement dated 22 December 2021 as an incentive and to recognise Mr. Ashokan's contributions and services to the Group and to align his interest and encourage greater dedication and loyalty to the Group.	12,248,884 Shares
29 December 2021	Transfer of 7,174,368 Shares from Mr. Soo to Mr. Ashokan for S\$350,000 pursuant to an agreement dated 28 June 2017. The 7,174,368 Shares were offered by Mr. Soo to Mr. Ashokan as an incentive and to recognise Mr. Ashokan's contributions and services to the Group and to align his interest and encourage greater dedication and loyalty to the Group.	5,074,516 Shares
29 December 2021	Transfer of 352,732 Shares from Mr. Soo to Mr. Ho for S\$100,000 pursuant to an agreement dated 22 December 2021 as an incentive and to recognise Mr. Ho's contributions and services to the Group and to align his interest and encourage greater dedication and loyalty to the Group.	4,721,784 Shares

(5) Pursuant to an agreement dated 22 December 2021, Mr. Ashokan agreed to acquire 352,732 Shares (adjusted for the Share Split and the Share Consolidation) for S\$100,000 from Mr. Soo, which was transferred to Mr. Ashokan on 29 December 2021. The Shares were offered by Mr. Soo to Mr. Ashokan as an incentive and to recognise Mr. Ashokan's contributions and services to the Group and to align his interest and encourage greater dedication and loyalty to the Group. Mr. Ashokan is not an associate nor is he holding shares as a nominee for any Director, Controlling Shareholder or Substantial Shareholder or their respective associates.

(6) Mr. Ashokan is deemed interested in 7,174,368 Shares (adjusted for the Share Split and the Share Consolidation) held by Mr. Soo and his affiliates pursuant to an agreement dated 28 June 2017 entered into an agreement between Mr. Ashokan and Mr. Soo for the transfer of such number of Shares from Mr. Soo to Mr. Ashokan for S\$350,000, which was transferred to Mr. Ashokan on 29 December 2021. The Shares were offered by Mr. Soo to Mr. Ashokan as an incentive and to recognise Mr. Ashokan's contributions and services to the Group and to align his interest and encourage greater dedication and loyalty to the Group. Mr. Ashokan is not an associate nor is he holding shares as a nominee for any Director, Controlling Shareholder or Substantial Shareholder or their respective associates.

- (7) Pursuant to an agreement dated 22 December 2021, Mr. Ho agreed to acquire 352,732 Shares (adjusted for the Share Split and Share Consolidation) for S\$100,000 from Mr. Soo, which was transferred to Mr. Ho on 29 December 2021. The Shares were offered by Mr. Soo to Mr. Ho as an incentive and to recognise Mr. Ho's contributions and services to the Group and to align his interest and encourage greater dedication and loyalty to the Group. Mr. Ho is not an associate nor is he holding shares as a nominee for any Director, Controlling Shareholder or Substantial Shareholder or their respective associates.
- (8) Ms. Lee Eng Choo had on 29 December 2021 received a gift of 1,600,000 Shares (adjusted for the Share Split and Share Consolidation) from her son-in-law, Mr. Chen for no consideration. Mr. Chen is neither a promoter of the Company nor had he acquired Shares within the 12 months prior to Listing. Accordingly, as the shares are being acquired by Ms. Lee Eng Choo as a gift for no consideration and not being acquired by Ms. Lee Eng Choo for investment purposes and as investors, Ms. Lee Eng Choo's Shares shall not be subject to the moratorium pursuant to Rule 422(2) of the Catalyst Rules. Save as aforementioned, Ms. Lee Eng Choo is not an associate nor is she holding shares as a nominee for any Director, Controlling Shareholder or Substantial Shareholder of the Company or their respective associates.
- (9) Ms. Kau Wee Lee is deemed interested in the 117,192,056 Shares (adjusted for the Share Split and Share Consolidation) held by Booming Wealth Group Corp prior to the transfer of such number of Shares from Booming Wealth Group Corp to Ms Kau Wee Lee on 29 December 2021 as part of her efforts to simplify the manner of her shareholding. Ms. Kau Wee Lee is deemed interested in the Shares held by her husband, Mr. Soo. Mr. Soo is the sole director of Booming Wealth Group Corp and Ms. Kau Wee Lee is the sole shareholder of Booming Wealth Group Corp.
- (10) Mr. Lim was the prior sole director and shareholder of Wireless World Limited and ceased to be a director and shareholder of Wireless World Limited on 18 November 2019. The current director of Wireless World Limited is Ong Xeng Thou and the current shareholders of Wireless World Limited are Ong Xeng Thou and Zou Tefeng. As the 340,716 Shares (adjusted for the Share Split and the Share Consolidation) were acquired by Mr. Lim when he was the sole director and shareholder of Wireless World Limited, Wireless World Limited had on 24 December 2021 entered into an agreement to transfer 340,716 Shares (adjusted for the Share Split and Share Consolidation) to Mr. Lim for a nominal consideration of S\$1. Mr. Lim is not an associate nor is he holding shares as a nominee for any Director, Controlling Shareholder or Substantial Shareholder.

CHANGES IN ISSUED SHARE CAPITAL

Details of the changes in our issued and paid-up capital in the last three (3) years up to the Latest Practicable Date are set out in the table below:

Description	Number of Shares and/or Preference Shares	Resultant Issued and Paid-up Share Capital (S\$)
Number of shares issued as at 8 March 2019	49,779,625 Shares	18,552,899.19
	191,176 Preference Shares	650,000.00
2,630,042 Shares issued for an aggregate value of S\$1,200,000 to Mr. Aw Peng Khoon on 18 December 2020 ⁽¹⁾⁽²⁾	52,409,667 Shares	19,752,899.19
	191,176 Preference Shares	650,000.00
1,753,361 Shares issued to Mr. Chin Sin Cheun Albert on 18 December 2020 ⁽³⁾	54,163,028 Shares	20,252,899.19
	191,176 Preference Shares	650,000.00
191,176 Shares issued for an aggregate value of S\$650,000 to Daetum Sdn. Bhd. on 3 August 2021 ⁽⁴⁾	54,354,204 Shares	20,902,899.19
1,753,361 Shares issued to Mr. Soo on 14 August 2021 ⁽⁵⁾	56,107,565 Shares	21,402,899.19
Share Split	336,645,390 Shares	21,402,899.19

Notes:

- (1) The 2,630,042 Shares were issued to Mr. Aw Peng Khoon by our Company pursuant to a business purchase agreement dated 30 March 2017 (as amended by an addendum dated 28 December 2020) for the acquisition of all the issued and paid-up share capital in Electrique Energie & Metering Pte Ltd. Mr. Aw Peng Khoon is not related directly or indirectly to the Substantial Shareholders, Directors, or Executive Officers and/or their respective associates.
- (2) The consideration was arrived at following an independent valuation by an independent valuer on EEM which was commissioned by the Company. The Independent Auditors and Reporting Accountants have reviewed the report of the independent valuer, the underlying assumptions and bases used by the independent valuer and noted that they are reasonable and comply with SFRS(I) 13 – Fair Value Measurement. The Independent Auditors and Reporting Accountants are also of the view that save for any premium in consideration over the valuation of the book value of EEM which will be, and has been recorded in, the financial statements of the Group as goodwill of S\$828,800 in accordance with SFRS(I) 3 – Business Combination, there are no applicable accounting standards which pertain to the valuation of a company. The goodwill will be tested for impairment annually in accordance with SFRS(I) 38 – Intangible Assets.

- (3) The 1,753,361 Shares were issued to Mr. Chin Sin Cheun Albert by our Company for non-cash consideration, pursuant to the capitalisation of the outstanding loan and accrued interest owed by our Company to Mr. Chin Sin Cheun Albert pursuant to a convertible loan agreement dated 14 February 2018 between Mr. Chin Sin Cheun Albert and our Company. Mr. Chin Sin Cheun Albert is not related directly or indirectly to the Substantial Shareholders, Directors, or Executive Officers and/or their respective associates.
- (4) The 191,176 Ordinary Shares were issued to Daetum Sdn. Bhd. by our Company for non-cash consideration, pursuant to the conversion of 191,176 Preference Shares held by Daetum Sdn. Bhd. Daetum Sdn. Bhd is not related directly or indirectly to the Substantial Shareholders, Directors, or Executive Officers of the Group and/or their respective associates.
- (5) The 1,753,361 Ordinary Shares were issued to Mr. Soo by our Company for non-cash consideration, pursuant to the capitalisation of the outstanding loan owed by our Company to Mr. Soo pursuant to a convertible loan agreement dated 14 February 2020 (as amended by supplemental agreements dated 14 February 2020, 6 March 2020, 14 September 2020, 15 December 2020, 14 March 2021 and 14 June 2021) between Mr. Soo and our Company.

Save as disclosed in this section and the section entitled “Share Capital” of this Offer Document, there has been no significant change in the percentage ownership of our substantial shareholder, Directors and CEO in our Shares in the last three (3) years up to the Latest Practicable Date.

MORATORIUM

Promoters

Under Rule 422 of the Catalist Rules, (a) our Controlling Shareholders and their associates; and (b) Executive Directors with interest of five per cent. (5.0%) or more as at our Company’s date of admission to Catalist, namely Mr. Soo, Mr. Bo and Ms. Kau Wee Lee, will be deemed promoters of the Company.

Ms. Kau Wee Lee

To demonstrate her commitment to the Group, Ms. Kau Wee Lee has voluntarily undertaken to the Sponsor and Issue Manager and our Company, *inter alia*, that, she will not, in respect of the Shares which she holds or has an interest in as at the Listing Date (“**Lock-Up Shares**”), from the Listing Date and for a period of six (6) months from the Listing Date (both dates inclusive) (“**Initial Period**”), without prior written consent of the Sponsor and Issue Manager, perform any of the following activities:

- (a) sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, encumber or otherwise dispose of, any part of his/her Lock-up Shares;
- (b) enter into any agreement, transaction or other arrangement with a similar economic effect to the foregoing (including any swap, hedge, or derivative transaction), in whole or in part, whether such transaction is to be settled by delivery of the Lock-up Shares, in cash or otherwise;
- (c) deposit all of her effective interest in any Lock-Up Shares in any depository receipt facility;
- (d) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; and
- (e) publicly announce any intention to do any of the above

(collectively, “**Restrictions**”).

For the Initial Period, the Restrictions shall apply to all Shares held by Ms. Kau Wee Lee immediately before the Listing, being 117,192,056 Shares (representing approximately 46.8% of our Company's post-Placement share capital). For the six (6) months period after the Initial Period, the restriction shall apply to 50.0% of the Shares held directly by Ms. Kau Wee Lee immediately before the Listing (the "**Subsequent Period**").

Ms. Kau Wee Lee is the sole shareholder of Booming Wealth Group Corp. Booming Wealth Group Corp had on 29 December 2021 transferred 117,192,056 Shares to Ms. Kau Wee Lee for the purpose of simplifying the manner of her shareholding. In the absence of the aforementioned transfer, Booming Wealth Group Corp would have to comply with the requirements of Rule 422(1) of the Catalist Rules only, and accordingly, Ms. Kau Wee Lee in simplifying the manner of her shareholding will correspondingly only be subject to the requirements under Rule 422(1) of the Catalist Rules.

Mr. Soo

Pursuant to the capitalisation of a S\$500,000 loan on 14 August 2021, Mr. Soo acquired an aggregate of 7,013,444 Shares (adjusted for the Share Split and the Share Consolidation) pursuant to an allotment and issue of Shares on 14 August 2021. Following the allotment and issue of the 7,013,444 Shares (adjusted for the Share Split and the Share Consolidation), Mr. Soo held an aggregate of 13,401,616 Shares (adjusted for the Share Split and the Share Consolidation). On 29 December 2021, Mr. Soo transferred 800,000 Shares, 7,527,100 Shares and 352,732 Shares (each adjusted for the Share Split and the Share Consolidation) to each of Mr. Bo, Mr. Ashokan and Mr. Ho, respectively. Following the transfer of Shares to each of Mr. Bo, Mr. Ashokan and Mr. Ho, Mr. Soo held an aggregate of 4,721,784 Shares (adjusted for the Share Split and the Share Consolidation).

As Mr. Soo acquired an aggregate of 7,013,444 Shares (adjusted for the Share Split and the Share Consolidation) pursuant to an allotment and issue of Shares on 14 August 2021, less than 12 months prior to the Listing, he has undertaken to the Company and the Sponsor and Issue Manager to comply with the Restrictions in respect of the profit portion of his Shares that he holds immediately before the Listing, pursuant to Rule 422(2) of the Catalist Rule (calculated based on the formula set out below), for the period of 12 months from the Listing Date (both dates inclusive).

$$M = \frac{V_{\text{IPO}} - V_{\text{CP}}}{V_{\text{IPO}}} \times P$$

M = the number of Shares subject to moratorium, rounded up to the nearest whole number ("**Profit Portion**");

V_{IPO} = the value of Mr. Soo's Shares based on the Placement Price;

V_{CP} = the total cash paid by Mr. Soo as consideration for his acquisition of Shares; and

P = the total number of Shares acquired by Mr. Soo.

Mr. Soo's Profit Portion calculated in accordance with the formula above is 5,013,444 Shares (adjusted for the Share Split and the Share Consolidation). As Mr. Soo's resultant shareholding following the Placement will be 4,721,784 Shares which is less than his Profit Portion calculated in accordance with the formula above, the 4,721,784 Shares held by Mr. Soo will be subject to moratorium for the period of 12 months from the Listing Date (both dates inclusive). With respect to the remaining of Mr. Soo's Profit Portion, being 291,660 Shares (adjusted for the Share Split and the Share Consolidation), to demonstrate their commitment to the Company, each of Mr. Bo, Mr. Ashokan and Mr. Ho which acquired an aggregate of 8,679,832 Shares (adjusted for the Share Split and the Share Consolidation) from Mr. Soo less than 12 months prior to the Listing have each undertaken to comply with the Restrictions in respect of the entire of their respective

shareholdings (which would include the aggregate of 8,679,832 Shares transferred to them) in the share capital of the Company for the period of 12 months from the Listing Date (both dates inclusive).

For the avoidance of doubt, any Shares that Mr. Soo acquires and/or subscribes for on or after the Listing shall not be subject to the Restrictions.

Mr. Bo

Mr. Bo is a promoter of the Company and had acquired 800,000 Shares (adjusted for the Share Split and the Share Consolidation) for S\$226,800 less than 12 months prior to Listing. Accordingly, as a promoter, he is required to comply with the Restrictions pursuant to Rule 422(1) of the Catalist Rules in respect of the Shares held by him immediately before the Listing and the Restrictions in respect of the Profit Portion of the 800,000 Shares (adjusted for the Share Split and the Share Consolidation) which he acquired less than 12 months prior to Listing pursuant to Rule 422(2) of the Catalist Rules.

Nevertheless, to demonstrate his commitment to the Group, Mr. Bo has voluntarily undertaken to the Company and the Sponsor and Issue Manager to comply with the Restrictions in respect of his entire shareholding in the share capital of the Company for the period of 12 months from the Listing Date (both dates inclusive).

Executive Officers

Mr. Ashokan

Mr. Ashokan had acquired 7,174,368 Shares (adjusted for the Share Split and the Share Consolidation) for S\$350,000 and 352,732 Shares (adjusted for the Share Split and the Share Consolidation) for S\$100,000 pursuant to two (2) separate transfers less than 12 months prior to the Listing, and accordingly is required to comply with the Restrictions in respect of the profit portion of his Shares that he acquired immediately before the Listing, pursuant to Rule 422(2) of the Catalist Rules (calculated based on the formula set out above), for the period of 12 months from the Listing Date (both dates inclusive).

Nevertheless, to demonstrate his commitment to the Group, Mr. Ashokan has voluntarily undertaken to the Company and the Sponsor and Issue Manager to comply with the Restrictions in respect of his entire shareholding in the share capital of the Company for the period of 12 months from the Listing Date (both dates inclusive).

Mr. Ho

Mr. Ho had acquired 352,732 Shares (adjusted for the Share Split and the Share Consolidation) for S\$100,000 less than 12 months prior to the Listing, and accordingly is required to comply with the Restrictions in respect of the Profit Portion of his Shares that he acquired immediately before the Listing, pursuant to Rule 422(2) of the Catalist Rules (calculated based on the formula set out above), for the period of 12 months from the Listing Date (both dates inclusive).

Nevertheless, to demonstrate his commitment to the Group, Mr. Ho has voluntarily undertaken to the Company and the Sponsor and Issue Manager to comply with the Restrictions in respect of his entire shareholding in the share capital of the Company for the period of 12 months from the Listing Date (both dates inclusive).

Mr. Mah and Mr. Chen

To demonstrate their commitment to the Group, Mr. Mah and Mr. Chen have each voluntarily undertaken to the Company and the Sponsor and Issue Manager to comply with the Restrictions in respect of their respective shareholdings in the share capital of our Company. The total number of Shares held by Mr. Mah and Mr. Chen which will be moratorised are as follows:

Executive Officer	Number of Shares to be moratorised for the Initial Period	Number of Shares to be moratorised for the Subsequent Period
Mr. Mah	16,810,280	8,405,140
Mr. Chen	14,442,844	7,221,422

For the Initial Period, the Restrictions shall apply to all Shares held directly by Mr. Mah and Mr. Chen immediately before the Listing, being an aggregate of 31,253,124 Shares (representing approximately 12.5% of our Company's post-Placement share capital). For the six (6) months period after the Initial Period, the restriction shall apply to 50.0% of the Shares held by Mr. Mah and Mr. Chen immediately before the Listing.

Mr. Lim

As Mr. Lim ceased to be the sole shareholder of Wireless World Limited from 18 November 2019, Rule 422(2) of the Catalist Rules will apply and Mr. Lim has undertaken to the Company and the Sponsor and Issue Manager to comply with the Restrictions in respect of the profit portion of his Shares that he holds immediately before the Listing, pursuant to Rule 422(2) of the Catalist Rule (calculated based on the formula set out below), for the period of 12 months from the Listing Date (both dates inclusive).

$$M = \frac{V_{\text{IPO}} - V_{\text{CP}}}{V_{\text{IPO}}} \times P$$

Where:

M = the number of Shares subject to moratorium, rounded up to the nearest whole number (“**Profit Portion**”);

V_{IPO} = the value of Mr. Lim’s Shares based on the Placement Price;

V_{CP} = the total cash paid by Mr. Lim as consideration for his acquisition of Shares; and

P = the total number of Shares acquired by Mr. Lim.

For the avoidance of doubt, any Shares that Mr. Lim acquires and/or subscribes for on or after the Listing shall not be subject to the Restrictions.

Accordingly, Mr. Lim’s Profit Portion calculated in accordance with the formula above is 340,712 Shares.

DILUTION

Dilution is the amount by which the Placement Price paid by subscribers of our Placement Shares in this Placement exceeds our NAV per Share after the Placement. The NAV of our Company as of 30 September 2021 was 3.6 cents per Share. NAV per Share is determined by dividing our NAV as of 30 September 2021 by the 224,430,260 Shares prior to the Placement.

Based on the issue of 26,000,000 Placement Shares at an Placement Price of 25.0 cents per Share pursuant to the Placement and after deducting estimated issue expenses, the NAV of our Company as at 30 September 2021 would have been 5.3 cents per Share. This represents an immediate increase in NAV of 1.7 cents per Share to our existing Shareholders and an immediate dilution in NAV of 19.7 cents per Share to our new investors. The following table illustrates this per Share dilution:

	cents
Placement Price per Share	25.0
NAV per Share as of 30 September 2021, before adjusting for the Placement	3.6
Increase in NAV per Share attributable to the Placement	1.7
NAV per Share after the Placement	5.3
Dilution in NAV per Share to new investors	19.7
Dilution in NAV per Share to new Investor as a percentage of Placement Price	78.9%

Note:

This does not take into account actual financial performance after 30 September 2021. Depending on the actual financial results, the NAV per Share after the Placement may be higher or lower than the above computed NAV per Share

The following table summarises the total number of Shares acquired by our existing Directors and/or Substantial Shareholders and their respective associates (as the case may be), or which they have the right to acquire, during the period of three (3) years prior to the date of lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority, the total consideration paid by them and the average effective cost per Share to them and to our new investors pursuant to the Placement.

	Number of Shares acquired in the last three (3) years	Consideration paid in the last three (3) years (S\$'000)	Average Effective Cost Per Share (Cents)
Directors and/or Substantial Shareholders and their associates			
Bo Jiang Check Raymond	800,000	227	28.4
Soo Kee Wee ⁽¹⁾	8,970,036	693	7.7
Ang Swee Tian	—	—	—
Liew Kok Oon	—	—	—
Thong Yuen Siew Jessie	—	—	—
Kau Wee Lee ⁽²⁾	117,192,056	7,595	6.5
Chan Fook Peng	—	—	—
New investors pursuant to the Placement	26,000,000	6,500	25.0

Notes:

(1) Mr. Soo is deemed interested in the 117,192,056 Shares acquired by his wife, Ms. Kau Wee Lee.

Mr. Soo acquired 1,492,732 Shares and 463,860 Shares (adjusted for the Share Split and the Share Consolidation) from Affinity Worldwide Group Ltd and SRT Investment Ltd on 9 March 2020 and 9 March 2020 respectively at a nominal price of S\$1 as part of his effort to simplify the manner of his shareholding in the Company. As at the date

of the respective transfers, being 9 March 2020, Affinity Worldwide Group Ltd and SRT Investment Ltd were wholly owned by Mr. Soo. Affinity Worldwide Group Ltd and SRT Investment Ltd acquired the 1,492,732 Shares and 463,860 Shares (adjusted for the Share Split and the Share Consolidation) for a total consideration of S\$77,288 and S\$115,965 respectively.

In addition, as described in the section entitled “Shareholders – Significant Changes in Percentage of Ownership” of this Offer Document, Mr. Soo acquired 7,013,444 Shares (adjusted for the Share Split and the Share Consolidation) pursuant to the capitalisation of his S\$500,000 loan on 14 August 2021. The total consideration and effective cash cost per Share is hence calculated based on the total consideration paid by Affinity Worldwide Group Ltd and SRT Investment Ltd respectively for the relevant number of Shares (adjusted for the Share Split and the Share Consolidation) in the Company and the capitalisation of the loan.

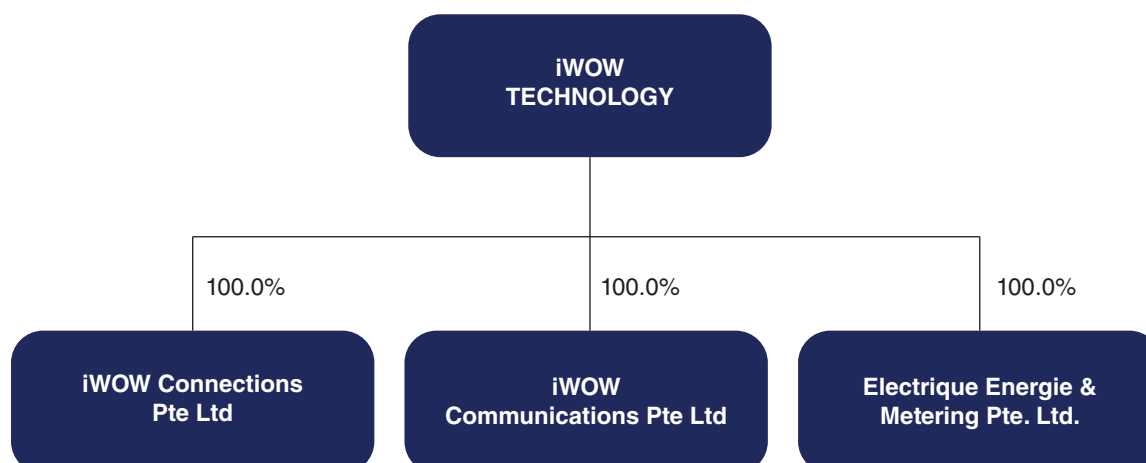
- (2) Ms. Kau Wee Lee is deemed interested in the 8,970,036 Shares acquired by her husband Mr. Soo.

As described in the section entitled “Shareholders – Significant Changes in Percentage of Ownership” of this Offer Document, Ms. Kau Wee Lee acquired 117,192,056 Shares (adjusted for the Share Split and the Share Consolidation) in the Company from Booming Wealth Group Corp on 29 December 2021 at a nominal price of S\$1 as part of her effort to simplify the manner of her shareholding in the Company. As at 29 December 2021, Ms. Kau Wee Lee was the sole shareholder of Booming Wealth Group Corp. Booming Wealth Group Corp had previously acquired an aggregate of 171,717,236 Shares (adjusted for the Share Split and the Share Consolidation) for a total consideration of S\$11,128,361. The total consideration and effective cash cost per Share is hence calculated based on the total consideration paid by Booming Wealth Group Corp for the 171,717,236 Shares. The date of acquisition of the 171,717,236 Shares are set out below.

Date	No. of Shares	Consideration
31 December 2012	31,769,647	S\$7,630,915
27 May 2013	515,000	S\$515,000
1 July 2016	544,433	S\$3,809
1 July 2016	522,384	S\$3,657
22 November 2016	3,833,802	S\$1,000,000
22 November 2016	3,277,855	S\$1,424,980
22 November 2016	2,466,188	S\$550,000
Total:	42,929,309	
Total (adjusted for Share Split and Share Consolidation):	171,717,236	S\$11,128,361

GROUP STRUCTURE

Our Group structure is as follows:



Details of our subsidiaries are as follows:

Name of Company	Date and Country of Incorporation	Principal business/ Principal country of business	Directors	Auditors	Effective ownership (%)
iWOW Connections Pte Ltd	29 November 2000 Singapore	IoT services and Smart City Solutions as well as manufacturing of wireless communications devices and equipment Singapore	Mr. Mah Mr. Bo	Mazars LLP	100.0
iWOW Communications Pte Ltd	19 February 2001 Singapore	IoT infrastructure, research and development Singapore	Mr. Mah Mr. Bo	Mazars LLP	100.0
Electrique Energie & Metering Pte. Ltd.	7 December 2004 Singapore	Smart metering and other sustainability services Singapore	Mr. Aw Peng Khoon ⁽¹⁾ Mr. Soo Mr. Bo	Mazars LLP	100.0

Note:

- (1) Mr. Aw Peng Khoon is a current employee of the Group and was an executive officer of EEM prior to the Group's acquisition of EEM in January 2021. Accordingly, due to his familiarity with the operations and affairs of EEM, the Group had considered it appropriate to approve his appointment as a director of EEM. However, as Mr. Aw Peng Khoon's focus and areas of responsibility is limited to the operations and affairs of EEM and he is not involved in the decision making process at the Group level, he has not been designated as an Executive Officer.

Save for the acquisition of EEM which was completed in January 2021, there has been no changes to our Group structure during the Period Under Review. Following completion of the acquisition of EEM, the financial statements of EEM have been consolidated and included in the financial statements of the Group in accordance with the applicable accounting standards. Please refer to the Audited Consolidated Financial Statements as set out in Appendix A to this Offer Document and the Unaudited Interim Condensed Consolidated Financial Statements as set out in Appendix B to this Offer Document for further details.

Save as disclosed above, there are no other subsidiaries, subsidiary entities, associated companies and associated entities of our Group.

None of our subsidiaries is listed on any stock exchange.

SELECTED FINANCIAL INFORMATION

You should read the following selected consolidated financial information for the periods and as of the dates indicated in conjunction with the section entitled "Management's Discussion and Analysis of Financial Position and Results of Operations" of this Offer Document and our financial statements, the accompanying notes and the related independent auditor's report included in this Offer Document. Our financial statements are reported in Singapore dollars and are prepared and presented in accordance with the SFRS(I), which may differ in certain significant respects from generally accepted accounting principles in other countries. For more details with respect to the accuracy, completeness and compliance of our Group's financial statements for the Period Under Review with the SFRS(I), please refer to the Audited Consolidated Financial Statements as set out in Appendix A to this Offer Document and the Unaudited Interim Condensed Consolidated Financial Statements as set out in Appendix B to this Offer Document. The following selected financial information for the financial year ended 31 March 2019, financial year ended 31 March 2020, the financial year ended 31 March 2021 and six months period ended 30 September 2021 have been derived from our audited financial statements included in the Offer Document and should be read together with those financial statements and the notes thereto. A review of the interim financial information for the six months period ended 30 September 2020 has been included as comparative figures in the consolidated financial statements for the six months period ended 30 September 2020.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Financial Year Ended 31 Mar				
	FY2019	FY2020	FY2021	6M2021	6M2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	2,070	4,376	26,422	2,257	17,516
Other income	114	117	541	241	46
Changes in inventories and raw materials used	(697)	(1,928)	(18,654)	(635)	(12,788)
Employee benefits expense	(724)	(1,110)	(2,400)	(814)	(1,216)
Amortisation and depreciation expense	(711)	(914)	(1,148)	(454)	(501)
Other expenses	(370)	(257)	(378)	(102)	(896)
Allowance for expected credit loss on receivables	(3)	–	–	–	–
Loss on liquidation of a subsidiary	–	–	–	–	(79)
Allowance for inventory obsolescence	(9)	2	(10)	–	(9)
Other operating expenses	(382)	(255)	(388)	(102)	(984)
Finance costs	(260)	(264)	(302)	(107)	(150)
(Loss)/profit before income tax	(590)	22	4,071	386	1,923
Income tax expense	(5)	–	(356)	–	(365)
(Loss)/profit for the financial year/period	(595)	22	3,715	386	1,558
Components of other comprehensive income that will be reclassified to profit or loss, net of taxation					
Reclassification of cumulative exchange differences relating to liquidation of a subsidiary included in profit or loss	–	–	–	–	79
Total comprehensive (loss)/income for the financial year/period	(595)	22	3,715	386	1,637
(Loss)/profit attributable to owners of the parent	(595)	22	3,715	386	1,558
Total comprehensive (loss)/income attributable to owners of the parent	(595)	22	3,715	386	1,637
EPS (cents) ⁽¹⁾	(0.27)	0.01	1.66	0.17	0.69
Adjusted EPS (cents) ⁽²⁾	(0.24)	0.01	1.48	0.15	0.62
Profit before income tax margin (%)	(28.5)	0.5	15.4	17.1	11.0

Notes:

- (1) For comparative purposes, EPS for the Period Under Review has been computed based on the profit attributable to equity holders of our Company for the relevant financial year/period and the pre-Placement share capital of 224,430,260 Shares.
- (2) For comparative purposes, adjusted EPS for the Period Under Review has been computed based on the profit attributable to equity holders of our Company for the relevant financial year/period and the post-Placement share capital of 250,430,260 Shares.

RECONCILIATION OF PROFIT FOR THE YEAR/PERIOD TO EBIT AND EBITDA

The following table reconciles our audited consolidated statements of comprehensive income for FY2019, FY2020, FY2021, 6M2021 and 6M2022 under SFRS(I) to our definition of earnings before interest and taxes (“**EBIT**”) and earnings before interest, tax, depreciation and amortisation (“**EBITDA**”) for the respective financial year/period and have been included for the purposes of providing supplemental financial measures of the Group’s performance and to provide the comparative financial measures in the absence of the adoption of SFRS(I) 16 in FY2020.

	Financial Year Ended 31 Mar				
	FY2019	FY2020	FY2021	6M2021	6M2022
	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000
(Loss)/profit for the financial year/period	(595)	22	3,715	386	1,558
Add: Finance costs ⁽¹⁾	260	264	302	107	150
Add: Income tax expense	5	–	356	–	365
EBIT	(330)	286	4,373	493	2,073
Add: Amortisation and depreciation expense ⁽²⁾	711	914	1,148	454	501
EBITDA	381	1,200	5,521	947	2,574

Notes:

- (1) Finance costs for FY2020, FY2021, 6M2021 and 6M2022 includes interest expense on lease liabilities due to recognition of right-of-use assets and lease liabilities (which were previously recognised as operating lease expense in FY2019) as a result of adoption of SFRS(I) 16, which was effective on 1 April 2019. Should it not recognise the right-of-use assets and lease liabilities, the finance costs will be approximately S\$255,000, S\$292,000, S\$103,000 and S\$143,000 and EBIT will be approximately S\$277,000, S\$4,363,000, S\$489,000 and S\$2,066,000 in FY2020, FY2021, 6M2021 and 6M2022, respectively.
- (2) Amortisation and depreciation expense for FY2020, FY2021, 6M2021 and 6M2022 included depreciation expense on right-of-use assets due to recognition of right-of-use assets and lease liabilities (which were previously recognised as operating lease expense in FY2019) as a result of adoption of SFRS(I) 16, which was effective on 1 April 2019. Should it not recognise the right-of-use assets and lease liabilities, the amortisation and depreciation expense will be approximately S\$827,000, S\$1,040,000, S\$390,000 and S\$405,000 and EBITDA will be approximately S\$1,113,000, S\$5,413,000, S\$883,000 and S\$2,478,000 in FY2020, FY2021, 6M2021 and 6M2022, respectively.

EBIT and EBITDA are not required by, or presented in accordance with, SFRS(I) or generally accepted accounting principles in other countries and are not measures of financial performance under SFRS(I) or any other generally accepted accounting principles and should not be considered as alternatives to profit after income tax, operating profit or any other performance measures derived in accordance with SFRS(I) or any other generally accepted accounting principles.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 March			As at
	2019	2020	2021	30 September 2021
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Prepayments	137	245	3,463	3,104
Inventories	28	289	1,022	1,488
Trade receivables	778	752	3,599	8,023
Other receivables	88	116	145	128
Cash and cash equivalents	522	29	4,656	3,324
Total current assets	1,553	1,431	12,885	16,067
Non-current assets				
Property, plant and equipment	627	901	1,006	1,092
Intangible assets – Development costs	1,453	1,478	910	671
Intangible assets – Goodwill	–	–	829	829
Intangible assets	1,453	1,478	1,739	1,500
Total non-current assets	2,080	2,379	2,745	2,592
Total assets	3,633	3,810	15,630	18,659
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	1,330	1,230	618	238
Lease liabilities	–	84	151	136
Trade payables	605	674	4,589	4,945
Other payables and contract liabilities	1,285	1,228	3,030	3,909
Provision for taxation	5	5	369	551
Total current liabilities	3,225	3,221	8,757	9,779
Non-current liabilities				
Borrowings	–	–	863	743
Lease liabilities	–	112	98	88
Total non-current liabilities	–	112	961	831
Total liabilities	3,225	3,333	9,718	10,610
Capital and reserves				
Share capital	19,203	19,203	20,903	21,403
Capital reserve	325	265	285	285
Foreign currency translation reserve	(79)	(79)	(79)	–
Accumulated losses	(19,041)	(18,912)	(15,197)	(13,639)
Total equity	408	477	5,912	8,049
Total liabilities and equity	3,633	3,810	15,630	18,659
NAV per Share (cents) ⁽¹⁾	0.18	0.21	2.63	3.59
NTA per Share (cents) ⁽²⁾	(0.47)	(0.45)	1.86	2.92

Notes:

- (1) NAV per Share is computed based on the equity attributable to our Company's equity holders and the pre-Placement issued share capital of 224,430,260 Shares.
- (2) NTA per Share is computed based on the equity attributable to our Company's equity holders net of intangible assets and the pre-Placement issued share capital of 224,430,260 Shares.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Financial Year Ended 31 Mar				
	FY2019	FY2020	FY2021	6M2021	6M2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities					
(Loss)/profit before income tax	(590)	22	4,071	386	1,923
Adjustments for:					
Allowance for expected credit loss on receivables	3	–	–	–	–
Allowance for/(reversal of) inventory obsolescence	9	(2)	10	–	9
Loss on liquidation of a subsidiary	–	–	–	–	79
Amortisation and depreciation expense	711	914	1,148	454	501
Trade payables written off	(69)	(27)	(34)	–	–
Interest expense	260	264	170	107	65
Gain on disposal of plant & equipment	–	–	–	–	(5)
Operating cash flows before changes in working capital	324	1,171	5,365	947	2,572
Inventories	344	(259)	(376)	141	(474)
Trade and other receivables	827	(111)	(5,965)	16	(4,048)
Trade payables, other payables and contract liabilities	(360)	40	5,609	(595)	1,236
Cash from/(used in) operations	1,135	841	4,633	509	(714)
Income tax refund/(paid)	3	–	–	–	(183)
Interest paid	(105)	(105)	(102)	(57)	(37)
Net cash from/(used in) operating activities	1,033	736	4,531	452	(934)

	Financial Year Ended 31 Mar				
	FY2019	FY2020	FY2021	6M2021	6M2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Investing activities					
Purchase of plant and equipment	(158)	(446)	(513)	(392)	(284)
Addition of intangible assets	(739)	(490)	–	–	–
Acquisition of a subsidiary	–	–	13	–	–
Proceeds from disposal of plant and equipment	–	–	–	–	8
Net cash used in investing activities	(897)	(936)	(500)	(392)	(276)
Financing activities					
Repayment of obligations under lease liabilities	–	(90)	(107)	(45)	(103)
Repayment of borrowings	–	(500)	(297)	(297)	(19)
Proceeds from borrowings	–	297	1,000	1,000	–
Net cash (used in)/from financing activities	–	(293)	596	658	(122)
Net change in cash and cash equivalents	136	(493)	4,627	718	(1,332)
Cash and cash equivalents at beginning of the financial year/period	386	522	29	29	4,656
Cash and cash equivalents at end of the financial year/period	522	29	4,656	747	3,324

BASIS OF PRESENTATION

You should read the following selected unaudited pro forma financial information for the periods and as at the dates indicated in conjunction with our financial statements, the accompanying notes and the related reporting accountant's report included in this Offer Document. Our financial statements are reported in Singapore dollars and are prepared and presented in accordance with the SFRS(I), which may differ in certain significant respects from generally accepted accounting principles in other countries.

The Unaudited Pro Forma Consolidated Financial Information of our Group, as included in "Appendix C – Independent Auditors' Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 31 March 2021 and the Six Month Period ended 30 September 2021" to this Offer Document, has been prepared for illustrative purposes, and is arrived at based on the following assumptions and after making certain adjustments to illustrate the impact of the following:

- (a) Interim Dividend of S\$0.057 per Share (before the Share Split and the Share Consolidation) declared on 27 December 2021 and paid on 5 January 2022, totalling S\$3.2 million in respect of FY2021;
- (b) Capitalisation of a S\$0.5 million convertible loan to share capital on 14 August 2021, where 1,753,361 ordinary shares of the Company (before the Share Split and the Share Consolidation) were issued to Mr. Soo pursuant to the capitalisation of the outstanding loan owed by our Company pursuant to a convertible loan agreement dated 14 February 2018 (as amended by supplemental agreements dated 14 February 2020, 6 March 2020, 14 September 2020, 15 December 2020, 14 March 2021 and 14 June 2021) between Mr. Soo and the Company; and
- (c) Conversion of 191,176 preference shares (before the Share Split and the Share Consolidation) to 191,176 ordinary shares (before the Share Split and the Share Consolidation) on 3 August 2021, pursuant to the conversion of preference shares held by Daetum Sdn Bhd. However, there is no implication to the share capital as both ordinary shares and preference shares are categorised as Share Capital,

(collectively, the "**Pro Forma Adjustment Events**").

The unaudited pro forma consolidated financial information of our Group for FY2021 and 6M2022 has been prepared based on paragraph 24(b) of Part 9 of the Fifth Schedule to the SFR as the Pro Forma Adjustment Events constitute significant changes to the capital structure (including any material distribution) of our Company during the period between the end of the most recently completed financial year and the date of registration of this Offer Document by the SGX-ST, acting on behalf of the Authority. This selected pro forma financial data has been derived from, and should be read in conjunction with, our unaudited pro forma consolidated financial statements and the related notes thereto included in "Appendix C – Independent Auditors' Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 31 March 2021 and the Six Month Period ended 30 September 2021" to this Offer Document.

In preparing our unaudited pro forma consolidated financial statements, we have made a number of assumptions and adjustments. Consequently, these financial statements are not necessarily indicative of the results of operations that we would have presented if the Pro Forma Adjustment Events had occurred prior to the relevant periods presented, or of the results of operations that we will realise in the future. Due to the nature of the unaudited pro forma consolidated financial information, such unaudited pro forma consolidated financial information may not give a true picture of the actual financial position or performance of our Group.

No adjustment was made to the audited consolidated statement of profit or loss and other comprehensive income as the unaudited pro forma statement of profit or loss and other comprehensive income is the same, in all material respects, as the audited statement of profit or loss and other comprehensive income for 6M2022.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Pro Forma	
	FY2021	6M2022
	S\$'000	S\$'000
Revenue	26,422	17,516
Other income	541	46
Changes in inventories and raw materials used	(18,654)	(12,788)
Employee benefits expense	(2,400)	(1,216)
Amortisation and depreciation expense	(1,148)	(501)
Other expenses	(378)	(896)
Allowance for expected credit loss on receivables	–	–
Loss on liquidation of a subsidiary	–	(79)
Allowance for Inventory obsolescence	(10)	(9)
Other operating expenses	(388)	(984)
Finance costs	(321)	(150)
Profit before income tax	4,052	1,923
Income tax expense	(356)	(365)
Profit for the financial year/period	3,696	1,558
Components of other comprehensive income that will be reclassified to profit or loss, net of taxation		
Reclassification of cumulative exchange differences relating to liquidation of a subsidiary included in profit or loss	–	79
Total comprehensive income for the financial year/period	3,696	1,637
Profit attributable to owners of the parent	3,696	1,558
Total comprehensive income attributable to owners of the parent	3,696	1,637
EPS (cents) ⁽¹⁾	1.65	0.69
Adjusted EPS (cents) ⁽²⁾	1.48	0.62
Profit before income tax margin (%)	15.3	11.0

Notes:

- (1) EPS is computed based on the profit attributable to equity holders of our Company for the relevant financial year/period and the pre-Placement share capital of 224,430,260 Shares.
- (2) Adjusted EPS is computed based on the profit attributable to equity holders of our Company for the relevant financial year/period and the post-Placement share capital of 250,430,260 Shares.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Pro Forma	
	As at 31 March 2021	As at 30 September 2021
	S\$'000	S\$'000
ASSETS		
Current assets		
Inventories	1,022	1,488
Trade receivables	3,599	8,023
Other receivables	3,608	3,232
Cash and cash equivalents	1,456	124
Total current assets	9,685	12,867
Non-current assets		
Property, plant and equipment	1,006	1,092
Intangible assets – Development costs	910	671
Intangible assets – Goodwill	829	829
Intangible assets	1,739	1,500
Total non-current assets	2,745	2,592
Total assets	12,430	15,459
LIABILITIES AND EQUITY		
Current liabilities		
Borrowings	137	238
Lease liabilities	151	136
Trade payables	4,589	4,945
Other payables and contract liabilities	3,030	3,909
Provision for taxation	369	551
Total current liabilities	8,276	9,779
Non-current liabilities		
Borrowings	863	743
Lease liabilities	98	88
Total non-current liabilities	961	831
Total liabilities	9,237	10,610
Capital and reserves		
Share capital	21,403	21,403
Capital reserve	285	285
Foreign currency translation reserve	(79)	–
Accumulated losses	(18,416)	(16,839)
Total equity	3,193	4,849
Total liabilities and equity	12,430	15,459
NAV per Share (cents) ⁽¹⁾	1.42	2.16
NTA per Share (cents) ⁽²⁾	0.65	1.49

Notes:

- (1) NAV per Share is computed based on the equity attributable to our Company's equity holders and the pre-Placement issued share capital of 224,430,260 Shares.
- (2) NTA per Share is computed based on the equity attributable to our Company's equity holders net of intangible assets and the pre-Placement issued share capital of 224,430,260 Shares.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOW

	Pro Forma	
	FY2021	6M2022
	S\$'000	S\$'000
Operating activities		
Profit before income tax	4,052	1,923
Adjustments for:		
Depreciation of plant and equipment	579	262
Amortisation of intangible assets	569	239
Gain on disposal of plant and equipment	–	(5)
Allowances for inventory obsolescence	10	9
Trade payables written off	(34)	–
Loss on liquidation of a subsidiary	–	79
Interest expense	189	65
Operating cash flows before changes in working capital	5,365	2,572
Inventories	(376)	(474)
Trade and other receivables	(5,965)	(4,048)
Trade payables, other payables and contract liabilities	5,609	1,236
Cash from/(used in) operations	4,633	(714)
Interest paid	(102)	(37)
Income tax paid	–	(183)
Net cash from/(used in) operating activities	4,531	(934)
Investing activities		
Acquisition of a subsidiary	13	–
Purchase of plant and equipment	(513)	(284)
Proceeds from disposal of plant and equipment	–	8
Net cash used in investing activities	(500)	(276)
Financing activities		
Dividend paid	(3,200)	–
Proceeds from borrowings	1,000	–
Repayment of borrowings	(297)	(19)
Repayment of obligations under lease liabilities	(107)	(103)
Net cash used in financing activities	(2,604)	(122)
Net change in cash and cash equivalents	1,427	(1,332)
Cash and cash equivalents at beginning of the financial year/period	29	1,456
Cash and cash equivalents at end of the financial year/period	1,456	124

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

In the following section we discuss our historical audited consolidated financial statements for FY2019, FY2020 and FY2021 and reviewed consolidated financial statements for 6M2022, our historical consolidated financial positions as at 31 March 2019, 2020, 2021 and 30 September 2021, and our management's assessment of the factors that may affect our prospects and performance in future periods. You should read the following discussion together with the Audited Consolidated Financial Statements, the Unaudited Interim Condensed Consolidated Financial Statements and the Unaudited Pro Forma Consolidated Financial Information as set out in Appendices A, B and C of this Offer Document, respectively.

This discussion and analysis contains forward-looking statements which involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements. Factors that might cause our actual future results to differ from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Offer Document, particularly in the section entitled "Risk Factors" of this Offer Document.

OVERVIEW

Our Group is a technology provider specialising in offering vertically integrated solutions which utilise wireless communications technologies to connect devices and sensors to cloud-application servers for a variety of applications. We currently render our services to various B2B customers and government agencies in Singapore. We use a variety of open and proprietary wireless communication technologies to create our customised IoT offerings and link our in-house products to cloud-application servers. By not being tied to any single wireless communication technology, we are able to respond rapidly to changes in technological trends and remain flexible with the creation and design of our IoT solutions.

We have two (2) main business segments:

- Smart City Solutions
- IoT-as-a-Service

Please refer to the section entitled "General Information on our Group – Business Overview" of this Offer Document for further details of our business.

KEY COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Revenue

For the Period Under Review, our revenue is mainly derived from:

- (a) the Smart City Solutions segment, which accounted for approximately, 14.9%, 50.7%, 88.7%, 39.8% and 86.1% of our total revenue in FY2019, FY2020, FY2021, 6M2021 and 6M2022, respectively; and
- (b) the IoT-as-a-Service segment, which accounted for approximately 78.2%, 45.7%, 10.7%, 57.5% and 10.4% of our total revenue in FY2019, FY2020, FY2021, 6M2021 and 6M2022, respectively.

The breakdown of our revenue by business segments for the Period Under Review is as follows:

	Audited						Unaudited			
	FY2019		FY2020		FY2021		6M2021		6M2022	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Revenue										
Smart City Solutions	309	14.9	2,222	50.8	23,442	88.7	899	39.8	15,091	86.1
IoT-as-a-Service	1,619	78.2	1,997	45.6	2,814	10.7	1,298	57.5	1,820	10.4
Others	142	6.9	157	3.6	166	0.6	60	2.7	605	3.5
Total	2,070	100.0	4,376	100.0	26,422	100.0	2,257	100.0	17,516	100.0

The increase in revenue from the Smart City Solutions segment during the Period Under Review was mainly due to the commercialisation of new products such as the Alarm Alert System for the elderly in FY2020, TraceTogether Token in FY2021 and the Group securing tenders such as a utility management system implementation project with Statutory Board B. The increase in revenue from the IoT-as-a-Service segment during the Period Under Review was mainly due to our Group's strategy to focus on growing its recurring revenue base by growing its EMS revenue and creating new revenue streams from new products commercialised through the Smart City Solutions segment.

The breakdown of our revenue by geographical segments for the Period Under Review is as follows:

	Audited						Unaudited			
	FY2019		FY2020		FY2021		6M2021		6M2022	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Revenue										
Singapore	1,960	94.7	4,301	98.3	26,409	100.0	2,257	100.0	17,437	99.6
Others ⁽¹⁾	110	5.3	75	1.7	13	N.M	–	–	79	0.4
Total	2,070	100.0	4,376	100.0	26,422	100.0	2,257	100.0	17,516	100.0

Our revenue may be affected by, *inter alia*, the following factors:

- (a) our ability to retain existing customers and/or secure new customers;
- (b) changes to the business conditions of the IoT industry;
- (c) our ability to remain competitive in terms of pricing, quality and delivery schedules;
- (d) fluctuations in foreign currency exchange rates;
- (e) our available capacity and ability to meet the increase in demand for our products and services; and
- (f) our ability to adapt to technological advancement in the IoT industry.

Note:

- (1) The other countries comprise of Indonesia, Thailand, Myanmar, South Africa, India, Germany and Malaysia. As our Group's revenue is substantially generated within Singapore, the other geographical segments are presented in aggregate.

Please refer to the section entitled "Risk Factors" of this Offer Document for other factors that may affect our revenue and financial performance.

Other income

Our other income comprises mainly (a) government grants; and (b) other income comprising gains from write-backs and miscellaneous income. The breakdown of our other income for the Period Under Review is as follows:

	Audited						Unaudited			
	FY2019		FY2020		FY2021		6M2021		6M2022	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Other Income										
Government grants	7	6.2	6	4.7	338	62.5	215	89.0	35	76.8
Foreign exchange gain	–	–	–	–	–	–	6	2.6	8	16.5
Others	107	93.8	111	95.3	203	37.5	20	8.4	3	6.7
Total	114	100.0	117	100.0	541	100.0	241	100.0	46	100.0

Changes in inventories of finished goods and work in progress, and raw materials used

Our changes in inventories of finished goods and work in progress, and raw materials used accounted for approximately 33.7%, 44.1%, 70.6%, 28.1% and 73.0% of our total revenue in FY2019, FY2020, FY2021, 6M2021 and 6M2022, respectively.

	Audited						Unaudited			
	FY2019		FY2020		FY2021		6M2021		6M2022	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Changes in inventories of finished goods and work in progress, and raw materials used										
Smart City Solutions	211	30.3	1,544	80.1	18,195	97.5	454	71.6	12,098	94.6
IoT-as-a-Service	400	57.4	285	14.8	299	1.6	136	21.4	404	3.2
Others	86	12.3	99	5.1	160	0.9	45	7.0	286	2.2
Total	697	100.0	1,928	100.0	18,654	100.0	635	100.0	12,788	100.0

The changes in inventories of finished goods and work in progress, and raw materials used for the Smart City Solutions segment and IoT-as-a-Service segments during the Period Under Review were in line with the changes in revenue from these two (2) segments.

The changes in inventories of finished goods and work in progress, and raw materials increased to 70.6% of total revenue in FY2021, mainly due to sales of the TraceTogether Token from the Smart City Solutions segment, which commanded a lower profit margin, as compared to other projects for the segment.

Our changes in inventories of finished goods and work in progress, and raw materials used may be affected by, *inter alia*, the following factors:

- (a) fluctuations in foreign currency exchange rates;
- (b) fluctuations in prices of raw materials; and
- (c) product mix of actual sales.

Please refer to the section entitled “Risk Factors” of this Offer Document for other factors that may affect our changes in inventories of finished goods and work in progress, and raw materials used.

Employee benefits expense

Our employee benefits expense comprises mainly (a) salaries, bonuses and other staff benefits; (b) contributions to defined contribution plans; and (c) other employee benefits comprising miscellaneous staff benefits.

The breakdown of our employee benefits expense for the Period Under Review is as follows:

	Audited						Unaudited				
	FY2019		FY2020		FY2021		6M2021		6M2022		
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	
Employee benefits expense											
Salaries, bonuses and other staff benefits	556	76.8	918	82.7	2,172	90.5	718	88.3	1,085	89.2	
Contributions to defined contribution plans	157	21.7	173	15.6	211	8.8	89	10.9	129	10.6	
Other employee benefits	11	1.5	19	1.7	17	0.7	7	0.8	2	0.2	
Total	724	100.0	1,110	100.0	2,400	100.0	814	100.0	1,216	100.0	

Our employee benefits expense accounted for approximately 35.0%, 25.4%, 9.1%, 36.1% and 6.9% of our total revenue in FY2019, FY2020, FY2021, 6M2021 and 6M2022, respectively. The decrease from approximately 35.0% in FY2019 to approximately 9.1% in FY2021 was mainly due to the significant growth in revenue over the Period Under Review and the Group’s lean organisational structure.

The increase of our employee benefits expense from approximately S\$0.7 million in FY2019 to S\$2.4 million in FY2021, was mainly due to the absence of manpower cost capitalised for research and development in FY2021, and growth in staff headcounts across all functions. Manpower cost capitalised for research and development amounts to approximately S\$0.8 million, S\$0.5 million and nil in FY2019, FY2020 and FY2021, respectively. The increase in performance bonus by S\$0.5 million in FY2021 was due to the Group’s growth which also contributed to the higher employee benefits expense.

Amortisation and depreciation expense

Our amortisation and depreciation expense comprises amortisation of intangible assets and depreciation of property, plant and equipment and from FY2020, right-of-use assets. Intangible assets relate to expenditure incurred for research and development that was capitalised and amortised from commencement of the commercial production of a project on a straight-line basis over the period of their expected benefits.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) the intention to complete the intangible asset for use or sale;
- (c) the ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Development costs that have been capitalised as intangible assets are amortised from the commencement of commercial production on a straight-line basis over the period of its expected benefits, which normally does not exceed four (4) years. Where no internally generated intangible assets can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and any accumulated impairment losses.

Other expenses

The breakdown of our other expenses for the Period Under Review is as follows:

	Audited						Unaudited			
	FY2019		FY2020		FY2021		6M2021		6M2022	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Other expense										
Other cost of sales ⁽¹⁾	67	18.2	85	32.9	104	27.6	30	29.0	116	13.0
Distribution costs	67	18.2	35	13.6	49	13.0	21	20.5	54	6.1
Operating leases	89	24.0	–	–	–	–	–	–	–	–
General and administrative expenses ⁽²⁾	113	30.6	109	42.6	177	46.7	51	50.5	175	19.3
Listing Expenses	–	–	–	–	–	–	–	–	551	61.6
Foreign exchange loss	34	9.0	28	10.9	48	12.7	–	–	–	–
Total	370	100.0	257	100.0	378	100.0	102	100.0	896	100.0

Notes:

- (1) Other cost of sales comprise mainly sub-contract expenses and other indirect expenses used in the production of our products.
- (2) General and administrative expenses comprise mainly professional fees (including expenses incurred in connection with the Listing), insurance, office expenses and utilities cost.

Finance costs

Our finance costs comprise mainly interest expenses on our (a) loans; (b) trade financing; (c) factoring of receivables; and (d) lease liabilities.

The breakdown of our finance costs for the Period under Review is as follows:

	Audited						Unaudited			
	FY2019		FY2020		FY2021		6M2021		6M2022	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Finance costs										
Loans	260	100.0	255	96.6	155	51.5	103	95.8	50	33.4
Trade financing	–	–	–	–	10	3.2	–	–	10	6.6
Factoring of receivables	–	–	–	–	127	42.1	–	–	83	55.7
Lease liabilities	–	–	9	3.4	10	3.2	4	4.2	7	4.3
Total	260	100.0	264	100.0	302	100.0	107	100.0	150	100.0

Income tax expense

Our Group is subject to income tax at the applicable tax rates in Singapore. The statutory tax rate in Singapore was 17.0% during the Period Under Review.

The reconciliation of our income tax expense to accounting profit for the Period Under Review is as follows:

	Financial Year Ended 31 Mar				
	FY2019	FY2020	FY2021	6M2021	6M2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Income tax expense					
Income tax calculated at statutory tax rate	(100)	4	692	66	327
Non-deductible items	–	194	325	77	178
Non-taxable items	(116)	–	(233)	–	–
Utilisation of deferred tax benefits previously not recognised	–	(198)	(409)	(126)	(123)
Deferred tax benefit not recognised	222	–	–	–	–
Over-provision in prior financial years	(1)	–	–	–	–
Tax exemption	–	–	(17)	(17)	(17)
Others	–	–	(2)	–	–
Total	5	–	356	–	365

REVIEW OF RESULTS OF OPERATIONS

FY2020 and FY2019

Revenue

Our revenue increased by approximately S\$2.3 million or 111% from approximately S\$2.1 million in FY2019 to approximately S\$4.4 million in FY2020.

The increase was mainly due to the commercialisation of new products such as the Alarm Alert System and the Group securing tenders such as a utility management system implementation project for Statutory Board B for the Smart City Solutions segment. Higher recurring revenue from EMS also contributed to the growth of the IoT-as-a-Service segment.

Other income

Our other income remained relatively stable at approximately S\$0.1 million in both FY2019 and FY2020.

Changes in inventories of finished goods and work in progress, and raw materials used

Our changes in inventories of finished goods and work in progress, and raw materials used increased by approximately S\$1.2 million, representing a 2-fold increase from approximately S\$0.7 million in FY2019 to approximately S\$1.9 million in FY2020.

The increase in inventories of finished goods and work in progress, and raw materials used was in line with the increase in overall revenue, which was contributed by the commercialisation of the Alarm Alert System and new tenders such as the utility management system implementation project for Statutory Board B.

Employee benefits expense

Our employee benefits expense increased by approximately S\$0.4 million or 53% from approximately S\$0.7 million in FY2019 to approximately S\$1.1 million in FY2020. The increase in our employee benefits expense was mainly due to (a) lower manpower cost capitalised for research and development in FY2020 as compared to FY2019; and (b) expansion in our operations workforce, to support the growing business.

Manpower cost capitalised for research and development amount to approximately S\$0.8 million, S\$0.5 million and nil in FY2019, FY2020 and FY2021, respectively.

Despite the increase in employee benefits expense, the percentage of our employee benefits expense to our total revenue decreased from approximately 35% in FY2019 to approximately 25% in FY2020, mainly due to the growth in revenue of the Group.

Amortisation and depreciation expense

Our amortisation and depreciation expense increased by approximately S\$0.2 million or 29% from approximately S\$0.7 million in FY2019 to approximately S\$0.9 million in FY2020. The increase in our amortisation and depreciation expense was mainly due to (a) additional equipment acquired during the year for the provision of EMS services to Government Agency A; and (b) the adoption of SFRS(I) 16 – Leases with effect from 1 April 2019, where all leases are capitalised by recognising lease liabilities and right-of-use assets on the consolidated statement of financial position.

Other expenses

Our other expenses decreased by approximately S\$0.1 million or 30% from approximately S\$0.4 million in FY2019 to approximately S\$0.3 million in FY2020. The decrease in our other expenses was mainly due to (a) the absence of operating lease expense in FY2020 which resulted from the adoption of SFRS(I) 16 – Leases with effect from 1 April 2019, where all leases are capitalised instead; and (b) lower distribution costs incurred due to product mix changes.

Finance costs

Our finance costs increased by approximately S\$4,000 or 1% from approximately S\$260,000 in FY2019 to approximately S\$264,000 in FY2020, mainly due to the adoption of SFRS(I) 16 – Leases with effect from 1 April 2019, where all leases are capitalised by recognising lease liabilities, which incurs interest.

Profit before income tax

As a result of the above, our profit before income tax increased by approximately S\$612,000 from a loss of approximately S\$590,000 in FY2019 to a profit of approximately S\$22,000 in FY2020.

The increase in profit before income tax margin was mainly due to revenue doubling in FY2020, which brought the Group back in the black.

Income tax expense

Our income tax expense decreased by approximately S\$5,000 or 100% from approximately S\$5,000 in FY2019 to approximately nil in FY2020, mainly due to the Group not being in a tax paying position in FY2020.

Profit attributable to owners of the parent

As a result of the above, our net profit attributable to owners of the parent increased by approximately S\$617,000 from a loss of approximately S\$595,000 in FY2019 to a profit of approximately S\$22,000 in FY2020.

FY2021 and FY2020

Revenue

Our revenue increased by approximately S\$22.0 million, representing a 5-fold increase from approximately S\$4.4 million in FY2020 to approximately S\$26.4 million in FY2021.

The increase was mainly due to revenue derived from the sale of TraceTogether Tokens for the Smart City Solutions segment. Higher recurring revenue from EMS as well as new contribution from the AAS project also contributed to the growth of the IoT-as-a-Service segment.

Other income

Our other income increased by approximately S\$0.4 million, representing a 4-fold increase from approximately S\$0.1 million in FY2020 to approximately S\$0.5 million in FY2021, mainly due to (a) an increase in government grants received in relation to the Jobs Support Scheme; and (b) a S\$0.1 million gain from the write-back of other payables no longer required.

Changes in inventories of finished goods and work in progress, and raw materials used

Our changes in inventories of finished goods and work in progress, and raw materials used increased by approximately S\$16.7 million, representing a 9-fold increase from approximately S\$1.9 million in FY2020 to approximately S\$18.7 million in FY2021.

The increase in inventories of finished goods and work in progress, and raw materials used was in line with the increase in overall revenue, which was mainly contributed by the sale of TraceTogether Tokens.

The year on year increase in changes in inventories of finished goods and work in progress, and raw materials used was higher, as compared to the increase in revenue, which was mainly due to the lower profit margins commanded by the TraceTogether Tokens.

Employee benefits expense

Our employee benefits expense increased by approximately S\$1.3 million or 116% from approximately S\$1.1 million in FY2020 to approximately S\$2.4 million in FY2021.

The increase in our employee benefits expense was mainly due to (a) the absence of manpower cost capitalised for research and development in FY2021, as compared to approximately S\$0.5 million in FY2020; (b) expansion in our workforce to support the growing business; and (c) higher performance bonus as a result of the Group's performance.

Despite the increase in employee benefits expense, the percentage of our employee benefits expense to our total revenue decreased from approximately 25% in FY2020 to approximately 9% in FY2021, mainly due to the significant growth in revenue of the Group.

Amortisation and depreciation expense

Our amortisation and depreciation expense increased by approximately S\$0.2 million or 26% from approximately S\$0.9 million in FY2020 to approximately S\$1.1 million in FY2021. The increase in our amortisation and depreciation expense was mainly due to additional equipment acquired during the year for the provision of EMS services to Government Agency A.

Other expenses

Our other expenses increased by approximately S\$0.1 million or 47% from approximately S\$0.3 million in FY2020 to approximately S\$0.4 million in FY2021. The increase in our other expenses was mainly due (a) higher other cost of sales; (b) higher distribution costs; and (c) higher foreign exchange losses, which were in line with the increase in revenue and transactions in FY2021.

Also contributing to the increase was higher professional service fees incurred during the year for the upgrading of certain solutions for EMS, due to additional requirements for the renewed service contract.

Finance costs

Our finance costs increased by approximately S\$38,000 or 15% from approximately S\$264,000 in FY2020 to approximately S\$302,000 in FY2021, mainly due to interest and costs incurred for (a) trade financing; and (b) factoring of receivables, but partially offset by lower loan interest, due to the repayment of a convertible loan at the end of FY2020 and the capitalisation of another convertible loan during the year.

Amidst the COVID-19 pandemic, the local banks had made available facilities to small and mid-size enterprises (“**SMEs**”). Accordingly, the Group capitalised on the availability of these facilities and entered into the relevant trade financing, factoring of receivables and a S\$1 million bridging loan in FY2021 to capitalise on the opportunity to bolster its liquidity. To the best knowledge and belief of the Directors, this was in line with the practice adopted by other SMEs within Singapore.

Profit before income tax

As a result of the above, our profit before income tax increased by approximately S\$4.0 million from approximately S\$22,000 in FY2020 to approximately S\$4.1 million in FY2021.

The increase in profit before income tax margin was mainly due to the surge in revenue in FY2021. However, the margin grew at a slower pace due to lower profit margin for the Smart City Solutions projects embarked in FY2021.

Income tax expense

Our income tax expense increased by approximately S\$0.4 million from nil in FY2020 to approximately S\$0.4 million in FY2021, which was in line with the increase in our profit before tax from approximately S\$22,000 in FY2020 to approximately S\$4.1 million in FY2021.

Profit attributable to owners of the parent

As a result of the above, our net profit attributable to owners of the parent increased by approximately S\$3.7 million from approximately S\$22,000 in FY2020 to approximately S\$3.7 million in FY2021.

6M2022 and 6M2021

Revenue

Our revenue increased by approximately S\$15.2 million, representing a 7-fold increase from approximately S\$2.3 million in 6M2021 to approximately S\$17.5 million in 6M2022.

The increase was mainly due to revenue derived from the sale of TraceTogether Tokens for the Smart City Solutions segment, which only commenced in the second half of FY2021.

Although our increase in revenue from the sale of TraceTogether Tokens in first half of 6M2022 was moderated due to the global shortage in supply of semiconductor chips, which continues to persist as of the Latest Practicable Date, the Group has taken proactive steps to mitigate the impact of this shortage including leveraging on its network of suppliers to secure the required components and renegotiating the fulfilment of contracted and outstanding orders on a revised delivery schedule which were agreed to by the customer.

The Group is currently on track to fulfilling all contracted and outstanding orders of TraceTogether Tokens on a revised delivery schedule by the fourth quarter of FY2022. Save for the initial disruption to the delivery schedule, there have been no, and it is not expected that there will be, any other material disruptions and/or implication (including penalties) to the Group.

In addition, the Group received additional TraceTogether token orders totaling approximately S\$11.6 million during the period between 30 September 2021 and the Latest Practicable Date. The new orders have been included in the Group's order book which we expect to begin fulfilling starting from the end of FY2022.

The increase in the Group's revenue was also contributed by the growth of recurring revenue from EMS as well as new contribution from the AAS project for the IoT-as-a-Service segment and the Group is continuing to see strong growth trajectory for this segment.

Other income

Our other income decreased by approximately S\$195,000 or 81% from approximately S\$241,000 in 6M2021 to approximately S\$46,000 in 6M2022, mainly due to lower government grants received, due to the cessation of Jobs Support Scheme for the sector.

Changes in inventories of finished goods and work in progress, and raw materials used

Our changes in inventories of finished goods and work in progress, and raw materials used increased by approximately S\$12.2 million, representing a 19-fold increase from approximately S\$0.6 million in 6M2021 to approximately S\$12.8 million in 6M2022.

The increase in inventories of finished goods and work in progress, and raw materials used was in line with the increase in overall revenue, which was mainly contributed by the sale of TraceTogether Tokens.

The increase in changes in inventories of finished goods and work in progress, and raw materials used was higher, as compared to the increase in revenue for the period, which was mainly due to the lower profit margins of the TraceTogether Tokens.

Employee benefits expense

Our employee benefits expense increased by approximately S\$0.4 million or 49% from approximately S\$0.8 million in 6M2021 to approximately S\$1.2 million in 6M2022. The increase in our employee benefits expense was mainly due to expansion in our workforce to support the growing business.

Despite the increase in employee benefits expense, the percentage of our employee benefits expense to our total revenue decreased from approximately 36% in 6M2021 to approximately 7% in 6M2022, mainly due to the growth in revenue of the Group.

Amortisation and depreciation expense

Our amortisation and depreciation expense increased by approximately S\$47,000 or 10% from approximately S\$454,000 in 6M2021 to approximately S\$501,000 in 6M2022. The increase in our amortisation and depreciation expense was mainly due to contribution of depreciation expense from the subsidiary acquired in the second half of FY2021.

Other expenses

Our other expenses increased by approximately S\$0.8 million, representing an 8-fold increase from approximately S\$0.1 million in 6M2021 to approximately S\$0.9 million in 6M2022. The increase in our other expenses was mainly due to (a) the absence of listing costs of approximately S\$0.6 million in prior period; and (b) higher distribution costs, other cost of sales and administrative expenses, which were in line with the increase in revenue and transactions in 6M2022.

Loss on liquidation of a subsidiary

In 6M2022, the Group completed the liquidation of its dormant subsidiary in China. The loss on liquidation mainly consists the cumulated foreign currency translation losses recorded in the foreign currency translation reserve prior to the liquidation.

Finance costs

Our finance costs increased by approximately S\$43,000 or 40% from approximately S\$107,000 in 6M2021 to approximately S\$150,000 in 6M2022, mainly due to additional interest and costs incurred for (a) trade financing; (b) factoring of receivables; and (c) bridging loan. These facilities were secured by the Group in the second quarter of FY2021 to support its growth.

Profit before income tax

As a result of the above, our profit before income tax increased by approximately S\$1.5 million, representing an approximate 4-fold increase from approximately S\$0.4 million in 6M2021 to approximately S\$1.9 million in 6M2022.

However, profit before income tax margin decreased from 17.1% in 6M2021 to 11.0% in 6M2022 mainly due to the lower profit margin for the TraceTogether Token sales, as compared to other and past projects.

Income tax expense

Our income tax expense increased by approximately S\$0.4 million from nil in 6M2021 to approximately S\$0.4 million in 6M2022, mainly due to (a) the increase of our profit before tax; and (b) non recurrence of utilising unutilised tax credits to offset the estimated tax expenses in 6M2022.

Profit attributable to owners of the Company

As a result of the above, our net profit attributable to owners of the Company increased by approximately S\$1.2 million, representing a 3-fold increase from approximately S\$0.4 million in 6M2021 to approximately S\$1.6 million in 6M2022.

REVIEW OF FINANCIAL POSITION

A review of the financial position of our Group as at 31 March 2021 is set out below.

Current assets

Our current assets amounted to approximately S\$12.9 million, representing approximately 82.4% of our total assets as at 31 March 2021. Our current assets comprised the following:

- (a) prepayments which amounted to approximately S\$3.5 million or 26.9% of total current assets. The prepayments mainly relate to advance payments made to contract manufacturers and/or suppliers for our Smart City Solutions products, which increased in line with the growth in revenue.

The increase in prepayments from FY2019 to FY2020 by approximately S\$0.1 million was mainly attributable to advance payments made to suppliers to secure supplies required for the utilities management system project with Statutory Board B.

The increase in prepayments from FY2020 to FY2021 by approximately S\$3.2 million was mainly attributable to advance payments made to suppliers, to secure components required to fulfil pending orders for our TraceTogether Tokens and Alarm Alert System in the first half of FY2022.

Such prepayments arrangements are not entered into in respect of all of the Group's transactions but are commercially assessed and negotiated on a case by case basis and depends on factors such as the payment schedule imposed by the relevant suppliers, the commercial bargaining power of the parties, and/or the timing for delivery of goods and/or services;

- (b) inventories, which amounted to approximately S\$1.0 million or 7.9% of total current assets. The increase from prior year, was mainly due to (i) finished goods brought in for the Alarm Alert System project, in anticipation of installation works in 2021; and (ii) inventory contributed by the newly acquired subsidiary, EEM, in the second half of FY2021;
- (c) trade receivables which amounted to approximately S\$3.6 million or 27.9% of total current assets. The increase from the prior year was mainly due to increased billings from higher sales;
- (d) other receivables which amounted to approximately S\$0.1 million or 1.2% of total current assets. The other receivables as of 31 March 2021 includes a S\$30,000 balance due from the Executive Director. The sums due consisted of:

- (i) the return of an outstanding amount of S\$20,000 of directors fees for FY2020, which arose following a unanimous decision by the board of Directors in October 2019 to return the aggregate directors fees of S\$70,000 which had already been paid out in September 2019 to conserve the Company's cash at the relevant time; and
 - (ii) the return of S\$10,000 by the Executive Director in respect of sums which was erroneously paid by the Company to the Executive Director for a loan which was extended to the Group for working capital purposes prior to the Period Under Review. The overpayment arose as a result of an administrative error when processing the repayment to the Executive Director. It should be noted that as at the Latest Practicable Date, additional control measures have been implemented to prevent the recurrence of similar incidents; and
- (e) cash and cash equivalent which amounted to approximately S\$4.7 million or 36.1% of total current assets. The increase from the prior year, was mainly due to higher revenue in FY2021.

Non-current assets

Our non-current assets amounted to approximately S\$2.7 million, representing approximately 17.6% of our total assets as at 31 March 2021. Our non-current assets comprised the following:

- (a) property, plant and equipment which amounted to approximately S\$1.0 million or 36.7% of total non-current assets.

Property, plant and equipment mainly comprised (i) machinery and equipment which amounted to approximately S\$0.7 million; (ii) right-of-use assets which amounted to approximately S\$0.2 million; and (iii) office furniture and fixtures, computer equipment, office equipment and motor vehicle.

Machinery and equipment includes equipment utilised in the provision of EMS and smart metering services for the IoT-as-a-Service segment; and

- (b) intangible assets, which amounted to approximately S\$1.7 million or 63.3% of total non-current assets.

Intangible assets comprised (i) research and development costs which amounted to approximately S\$0.9 million; and (ii) goodwill which amounted to approximately S\$0.8 million.

The goodwill resulted from the acquisition of wholly owned subsidiary, EEM, in FY2021.

Save for the annual amortisation charges on the capitalised research and development expenses according to our accounting policy, there was no write-off or impairment for intangible assets during the Period Under Review.

Current liabilities

Our current liabilities amounted to approximately S\$8.8 million, representing approximately 90.1% of our total liabilities as at 31 March 2021. Our non-current liabilities comprised the following:

- (a) borrowings which amounted to approximately S\$0.6 million or 7.1% of total current liabilities. Borrowings relate to a convertible loan and outstanding portion of a bridging loan obtained for working capital needs.

The decrease in borrowings from FY2019 to FY2020 was mainly attributable to the redemption of a convertible loan of S\$0.5 million in FY2020, but was partially offset by a new director's loan of S\$0.3 million for working capital needs.

The decrease in borrowings from FY2020 to FY2021 was mainly attributable to (i) the capitalisation of a convertible loan of S\$0.5 million; and (ii) the repayment of the director's loan of S\$0.3 million in FY2021, but was partially offset by the outstanding portion of the 5-year bridging loan of S\$1.0 million (comprising current portion of S\$0.2 million and non-current portion of S\$0.8 million) obtained in FY2021;

- (b) lease liabilities, which amounted to approximately S\$0.2 million or 1.7% of total current liabilities, relates to the capitalisation of leases for office and production premises, which arose from the adoption of SFRS(I) 16 – Leases in FY2020;
- (c) trade payables which amounted to approximately S\$4.6 million or 52.4% of total current liabilities.

The increase in trade payables from FY2019 to FY2020 by approximately S\$0.1 million was mainly attributable to higher volume of purchases which increased in tandem with FY2020's revenue, but was partially offset by more timely payments to suppliers.

The increase in trade payables from FY2020 to FY2021 by approximately S\$3.9 million was mainly due to a higher volume of purchases which increased in tandem with FY2021's revenue;

- (d) other payables and contract liabilities which amounted to approximately S\$3.0 million or 34.6% of total current liabilities.

The decrease in other payables and contract liabilities from FY2019 to FY2020 by approximately S\$0.1 million was mainly attributable to a decrease in contract liabilities by approximately S\$0.3 million due to a decrease in advance billing to customers, but was partially offset by an increase in accruals by approximately S\$0.2 million.

The increase in other payables and contract liabilities from FY2020 to FY2021 by approximately S\$1.8 million was mainly due to an increase in (i) contract liabilities by approximately S\$1.1 million for orders for our TraceTogether Tokens and installation of the Alarm Alert System; and (ii) payroll accruals by approximately S\$0.6 million as a result of higher bonus accruals due to FY2021's financial performance as well as a larger employee base; and

- (e) provision for taxation which amounted to approximately S\$0.4 million or 4.2% of total current liabilities.

Our net current assets amounted to approximately S\$4.1 million as at 31 March 2021. The improvement from a net current liabilities position of S\$1.7 million and S\$1.8 million as at 31 March 2019 and 31 March 2020 respectively was mainly due to (i) the completion of the Group's shift in its business model to focus on providing integrated solutions, which took place over the course of FY2019 and FY2020; (ii) the completion of R&D of the AAS product which was

only successfully commercialised in FY2020; (iii) higher revenue derived from the sale of TraceTogether Tokens for the Smart City Solutions after FY2020; (iv) growth of the IoT-as-a-Service segment, with increasing revenue contribution from the EMS and AAS project; (v) partial capitalisation of the convertible loans which amounts to S\$0.5 million in FY2021; and (vi) S\$1.5 million of convertible loans which were entered into in FY2018 to fund the shift in the Group's business model mentioned in (i).

Non-current liabilities

Our non-current liabilities amounted to approximately S\$1.0 million, representing approximately 9.9% of our total liabilities as at 31 March 2021. Our non-current liabilities comprised the following:

- (a) borrowings which amounted to S\$0.9 million or 89.7% of total non-current liabilities. Borrowings comprised the non-current portion of a bridging loan obtained for working capital needs. The increase as compared to FY2020 was attributable to a 5-year bridging loan of S\$1.0 million obtained in FY2021. There was no non-current borrowings in FY2019 and FY2020; and
- (b) lease liabilities, which amounted to approximately S\$0.1 million or 10.3% of total non-current liabilities, relating to the capitalisation of leases for office and production premises, which arose from the adoption of SFRS(I) 16 – Leases in FY2020.

Total equity

Our total equity, comprising share capital, capital reserve, foreign currency translation reserve and retained profits, amounted to approximately S\$5.9 million as at 31 March 2021.

A review of the financial position of our Group as at 30 September 2021 is set out below.

Current assets

Our current assets amounted to approximately S\$16.0 million, representing approximately 86.1% of our total assets as at 30 September 2021. Our current assets comprised the following:

- (a) prepayments which amounted to approximately S\$3.1 million or 19.3% of total current assets. Prepayment mainly relates to advance payments made to contract manufacturers and/or suppliers for our Smart City Solutions products, which decreased by S\$0.4 million due to delivery of inventories for the Alarm Alert System project in 6M2022.

Such prepayments arrangements are not entered into in respect of all of the Group's transactions but are commercially assessed and negotiated on a case by case basis and depends on factors such as the payment schedule imposed by the relevant suppliers, the commercial bargaining power of the parties, and/or the timing for delivery of goods and/or services;

- (b) inventories, which amounted to approximately S\$1.5 million or 9.3% of total current assets. The increase from 31 March 2021 was mainly due to additional finished goods brought in for the Alarm Alert System project, in anticipation of installation works in FY2022. However, the increase is largely transient in nature, as the Alarm Alert System project's installations are scheduled to be completed in FY2022 and inventory levels are expected to normalise by the end of the financial year;

As at the Latest Practicable Date, we do not anticipate any material provisions or write-offs due to inventory obsolescence issues. In addition, the Independent Auditors and Reporting Accountants have reviewed and are satisfied that the applicable accounting standards have been complied with and no material provisions or write-offs would be required;

- (c) trade receivables which amounted to approximately S\$8.0 million or 49.9% of total current assets. The increase from 31 March 2021, was mainly due to the fulfilment of TraceTogether Tokens orders in the latter half of 6M2022. TraceTogether Tokens sales in first half of 6M2022 was moderated due to the global shortage in supply of semiconductor chips.

As at the Latest Practicable Date, approximately 92.3% of our trade receivables as at 30 September 2021 had been collected and we do not anticipate any material provisions or write-offs as a result of credit risk. In addition, the Independent Auditors and Reporting Accountants have reviewed and are satisfied that the applicable accounting standards have been complied with and no material provisions or write-offs would be required;

- (d) other receivables which amounted to approximately S\$0.1 million or 0.8% of total current assets.

The marginal decrease of other receivables from 31 March 2021 was mainly due to the full repayment of the S\$30,000 balance due from the Executive Director; and

- (e) cash and cash equivalent which amounted to approximately S\$3.3 million or 20.7% of total current assets. The decrease from 31 March 2021, was mainly due to changes in working capital.

Non-current assets

Our non-current assets amounted to approximately S\$2.6 million, representing approximately 13.9% of our total assets as at 30 September 2021. Our non-current assets comprised the following:

- (a) property, plant and equipment which amounted to approximately S\$1.1 million or 42.1% of total non-current assets.

Property, plant and equipment mainly comprised (i) machinery and equipment which amounted to approximately S\$0.7 million; (ii) right-of-use assets which amounted to approximately S\$0.2 million; (iii) office furniture and fixtures which amounted to approximately S\$0.1 million; and (iv) computer equipment and office equipment.

Machinery and equipment includes equipment utilised in the provision of EMS and smart metering services for the IoT-as-a-Service segment; and

- (b) intangible assets, which amounted to approximately S\$1.5 million or 57.9% of total non-current assets.

Intangible assets comprised (i) research and development costs which amounted to approximately S\$0.7 million; and (ii) goodwill which amounted to approximately S\$0.8 million.

The goodwill resulted from the acquisition of wholly owned subsidiary, EEM, in FY2021.

As at the Latest Practicable date, we do not anticipate any material impairment or write-offs as the recoverable amount of the intangible assets are in excess of its carrying amounts. In addition, the Independent Auditors and Reporting Accountants have reviewed and are satisfied that the applicable accounting standards have been complied with and no material provisions or write-offs would be required.

Current liabilities

Our current liabilities amounted to approximately S\$9.8 million, representing approximately 92.2% of our total liabilities as at 30 September 2021. Our current liabilities comprised the following:

- (a) borrowings which amounted to approximately S\$0.2 million or 2.4% of total current liabilities. Borrowings comprised a bridging loan obtained for working capital needs;
- (b) lease liabilities, which amounted to approximately S\$0.1 million or 1.4% of total current liabilities, mainly relating to the capitalisation of leases for office and production premises, which arose from the adoption of SFRS(I) 16 – Leases in FY2020;
- (c) trade payables which amounted to approximately S\$4.9 million or 50.6% of total current liabilities. The increase from 31 March 2021 was mainly due to higher volume of purchases, which increased in tandem with the fulfilment of TraceTogether Tokens orders in the latter half of 6M2022;
- (d) other payables and contract liabilities which amounted to approximately S\$3.9 million or 40.0% of total current liabilities.

Other payables and contract liabilities comprised (i) contract liabilities which amounted to approximately S\$2.5 million; (ii) other payables which amounted to approximately S\$1.2 million (including (A) S\$0.4 million accrual of listing expenses and other professional fees; (B) S\$0.6 million provision for unbilled costs in relation to Trace Tokens and Alarm Alert System; and (C) S\$0.2 million of long outstanding payables⁽¹⁾ and miscellaneous accruals); and (iii) accrued employee benefits and expense which amounted to S\$0.2 million.

The increase from 31 March 2021 was mainly due to the increase in contract liabilities by \$0.8 million; and

- (e) provision for taxation which amounted to approximately S\$0.6 million or 5.6% of total current liabilities.

Note:

- (1) The long outstanding payables, which totals S\$132,000, arose from disputed invoices prior to the Period Under Review with two vendors whom the Group no longer has dealings with. While the Group had disputed the invoices, the Group had nevertheless recognized these invoices as current liabilities during the Period Under Review, which is the maximum amount payable by the Group to the vendors. The Group will continue to recognize these liabilities until the liabilities are time-barred or until the time that the Group reaches an agreement with the respective vendors for the reversal of the liabilities. Given the circumstances under which the long outstanding payables of S\$132,000 have arisen and that there was no correspondence with the respective vendors in the past four years, the Group does not expect any further potential penalties or claims to arise from these disputed invoices.

There are no potential penalties or claims or any other contingent liabilities expected other than the disputed invoices set out above and provision for these disputed invoices has been made in accordance with SFRS(I) 1-37 Provision, Contingent Liabilities and Contingent Assets. The Independent Auditors and Reporting Accountants have also carried out independent checks and are satisfied that there are no unrecorded liabilities and concur with the Company's assessment that there should not be any material implications to the Group stemming from these payables as any corresponding profit and loss impact of the liabilities have already been recorded prior to the Period Under Review, and should the liabilities be written back when it is time barred moving forward, it will result in a non-material gain to the profit and loss of the Group.

Non-current liabilities

Our non-current liabilities amounted to approximately S\$0.8 million, representing approximately 7.8% of our total liabilities as at 30 September 2021. Our non-current liabilities comprised the following:

- (a) borrowings which amounted to S\$0.7 million or 89.4% of total non-current liabilities. Borrowings comprised a bridging loan obtained for working capital needs; and
- (b) lease liabilities, which amounted to approximately S\$0.1 million or 10.6% of total non-current liabilities, mainly relating to the capitalisation of leases for office and production premises, which arose from the adoption of SFRS(I) 16 – Leases in FY2020.

Total equity

Our total equity, comprising share capital, capital reserve and retained profits, amounted to approximately S\$8.0 million as at 30 September 2021.

LIQUIDITY AND CAPITAL RESOURCES

During the Period Under Review, our Group had financed its working capital, capital expenditures and other capital requirements through a combination of funds generated from our operating activities, shareholders' equity and bank borrowings.

With regards to our liquidity and capital resources, we would like to highlight the following:

- (a) during FY2021 and 6M2022, our Group generated a net increase and decrease in cash and cash equivalents of approximately S\$4.6 million and S\$1.3 million, respectively;
- (b) during FY2021, our Group generated net cash from operating activities of approximately S\$4.5 million. During 6M2022, the net cash used in operating activities was approximately \$0.9 million;
- (c) as at 30 September 2021, our Group had cash and cash equivalents of approximately S\$3.3 million and borrowings of approximately S\$1.0 million.

Our Group's borrowings comprised a S\$1.0 million bridging loan obtained for working capital needs;

- (d) Our Group's current asset to current liability ratio improved to 1.5 and 1.6 as at 31 March 2021 and 30 September 2021 respectively, as compared to 0.4 as at 31 March 2020.

The improvement was mainly due to (i) the Group's financial performance in FY2021 and 6M2022, which was attributed to revenue growth from the Smart City Solutions segment; and (ii) a reduction of borrowings by approximately S\$1.3 million, with the full repayment of a S\$0.3 million loan from a director, the capitalisation of a S\$0.5 million convertible loan to equity in FY2021 and an additional capitalisation of a S\$0.5 million convertible loan to equity in 6M2022, offset by a S\$1.0 million bridging loan obtained in FY2021; and

- (e) as at 30 September 2021, our Group had unutilised banking facilities of approximately S\$4.0 million.

We expect to receive approximately S\$5.2 million from the net proceeds of the Placement. See the section entitled “Use of Proceeds and Expenses of the Placement” of this Offer Document for a description of the proceeds we expect to receive from the Placement and how we intend to use them.

A summary of our cash flows for FY2019, FY2020, FY2021, 6M2021 and 6M2022 is set out as follows.

	Financial Year Ended 31 Mar				
	FY2019	FY2020	FY2021	6M2021	6M2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Net cash from/(used in) operating activities	1,033	736	4,531	452	(934)
Net cash used in investing activities	(897)	(936)	(500)	(392)	(276)
Net cash (used in)/from financing activities	–	(293)	596	658	(122)
Net change in cash and cash equivalents	136	(493)	4,627	718	(1,332)
Cash and cash equivalents at beginning of the financial year/period	386	522	29	29	4,656
Cash and cash equivalents at end of the financial year/period	522	29	4,656	747	3,324

Net cash from/used in operating activities

FY2019

We generated net cash from operating activities of approximately S\$1.0 million. This was a result of operating cash flow before movement in working capital of approximately S\$0.3 million and working capital inflows of approximately S\$0.8 million, partially offset by interest paid of approximately S\$0.1 million.

Our net working capital inflow was mainly due to (a) a decrease in inventories of approximately S\$0.3 million due to more efficient inventory management; and (b) a net decrease in receivables of approximately S\$0.8 million due to collections, offset by a net decrease in payables of approximately S\$0.3 million.

FY2020

We generated net cash from operating activities of approximately S\$0.7 million. This was a result of operating cash flow before movement in working capital of approximately S\$1.2 million, adjusted for working capital outflows of approximately S\$0.4 million and interest paid of approximately S\$0.1 million.

Our net working capital outflow was mainly due to (a) an increase in inventories of approximately S\$0.3 million due to inventory procured for the utilities management system project with Statutory Board B; and (b) a net increase in receivables of approximately S\$0.1 million due to prepayments made for the utilities management system project purchases.

FY2021

We generated net cash from operating activities of approximately S\$4.5 million. This was a result of operating cash flow before movement in working capital of approximately S\$5.4 million, adjusted for working capital outflows of approximately S\$0.8 million and interest paid of approximately S\$0.1 million.

Our net working capital outflow was mainly due to (a) an increase in inventories of approximately S\$0.4 million due to finished goods brought in for the Alarm Alert System project, in anticipation of installation works in FY2022; and (b) an increase in receivables of approximately S\$6.0 million due to Trace Tokens billings, offset by an increase in payables of approximately S\$5.6 million due to increased volume of purchases which corresponded to the increased Trace Tokens sales in end FY2021.

6M2021

We generated net cash from operating activities of approximately S\$0.5 million. This was mainly a result of operating cash flow before movement in working capital of approximately S\$0.9 million, adjusted for working capital outflows of approximately S\$0.4 million.

6M2022

We recorded net cash used in operating activities of approximately S\$0.9 million. This was mainly a result of operating cash flow before movement in working capital of approximately S\$2.6 million, adjusted for working capital outflows of approximately S\$3.3 million and income tax payments of approximately S\$0.2 million.

Our net working capital outflow was mainly due to (a) an increase in inventories of approximately S\$0.5 million due to finished goods brought in for the Alarm Alert System project in anticipation of installation works in FY2022; and (b) a net increase in receivables of approximately S\$4.0 million due to Trace Tokens billings, offset by a net increase in payables of approximately S\$1.2 million mainly due to an increase in trade payables which corresponded to the increased volume of purchases as a result of increased Trace Token sales in the second quarter of FY2022.

Net cash used in investing activities

FY2019

Net cash used in investing activities amounted to approximately S\$0.9 million, which was mainly due to (a) addition of intangible assets of approximately S\$0.7 million which relate to research and development cost for the Alarm Alert System; and (b) purchase of plant and equipment of approximately S\$0.2 million which mainly consist equipment for the EMS project.

FY2020

Net cash used in investing activities amounted to approximately S\$0.9 million, which was mainly due to (a) addition of intangible assets of approximately S\$0.5 million which relate to research and development cost on new products; and (b) purchase of plant and equipment of approximately S\$0.4 million which mainly consist equipment for the EMS project.

FY2021

Net cash used in investing activities amounted to approximately S\$0.5 million, which was mainly due to purchase of plant and equipment of approximately S\$0.5 million for the EMS project. This was partially offset by a net inflow of cash from the acquisition of a subsidiary during the year, which amounted to S\$13,000.

6M2021

Net cash used in investing activities amounted to approximately S\$0.4 million, which was mainly due to purchase of plant and equipment for the EMS project.

6M2022

Net cash used in investing activities amounted to approximately S\$0.3 million, which was mainly due to purchase of plant and equipment for the EMS project.

Net cash used in/from financing activities**FY2019**

There was no cash movement from financing activity during the year.

FY2020

Net cash used in financing activities amounted to approximately S\$0.3 million, which was mainly attributable to (a) repayment of a convertible loan of S\$0.5 million; and (ii) repayment of obligations under leases of approximately S\$0.1 million. This was partially offset by proceeds from a borrowing of approximately S\$0.3 million from a director.

FY2021

Net cash inflows from financing activities amounted to approximately S\$0.6 million, which was mainly attributable to proceeds from a bank borrowing of S\$1.0 million. This was offset by the repayment of (a) a loan of S\$0.3 million from a director; and (b) obligations under leases of approximately S\$0.1 million.

6M2021

Net cash inflows from financing activities amounted to approximately S\$0.6 million, which was mainly attributable to proceeds from a bank borrowing of S\$1.0 million. This was offset by (a) repayments totalling S\$0.3 million for a loan from a director; and (b) repayment of obligations under leases of approximately S\$0.1 million.

6M2022

Net cash used in financing activities amounted to approximately S\$0.1 million, which was attributable to the repayment of obligations under leases.

CAPITAL EXPENDITURES, DIVESTMENTS AND COMMITMENTS

Major Capital Expenditures

Our major capital expenditures incurred during the Period Under Review and from 1 October 2021 up to the Latest Practicable Date were as follows:

	FY2019	FY2020	FY2021	6M2022	From 1 October 2021 to the Latest Practicable Date
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Expenditures					
Computers	15	9	13	17	9
Machinery & equipment	143	416	471	190	1,029
Office furniture & fittings	–	21	20	60	15
Right-of-use assets	–	249	135	68	20
Office equipment	–	–	9	2	–
Renovation	–	–	–	15	32
Total	158	695	648	352	1,105

The above capital expenditures were incurred in Singapore. The capital expenditure for machinery and equipment were mainly for acquisition of equipment utilised in the provision of EMS and Smart Metering services for the IoT-as-a-Service segment. The increase in capital expenditure from 1 October 2021 to the Latest Practicable Date as compared to Period Under Review is mainly attributed to the purchase of new hardware for fulfilling the new EMS contract. Please refer to the section entitled “Prospects, Business Strategies and Future Plans – Order Book” of this Offer Document for further details. Additions of right-of-use assets were due to the capitalisation of leases following our Group’s adoption of SFRS(I) 16 – Leases with effect from 1 April 2019. The above capital expenditures were financed by internally generated resources and external bank financing.

As at the Latest Practicable Date, save as disclosed above, we do not have any material expenditure on capital investment in progress.

Major Divestments

Our major divestments during the Period Under Review and from 1 October 2021 and up to the Latest Practicable Date were as follows:

	FY2019	FY2020	FY2021	6M2022	From 1 October 2021 to the Latest Practicable Date
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Divestments					
Motor Vehicle	–	–	–	74	–
Total	–	–	–	74	–

The above divestment was made in Singapore.

The aged asset was divested as part of the Group's plans to refresh its asset. As at the Latest Practicable Date, save as disclosed above, we do not have any material divestment of capital investment in progress.

Capital Commitments

As at the Latest Practicable Date, our Group does not have any material commitment for capital expenditure.

Lease Commitments

Our Group adopted SFRS(I) 16 – Leases with effect from 1 April 2019, and all property and vehicle leases were capitalised as right-of-use assets and corresponding lease liabilities. Save as disclosed above, the Group has not entered into any other significant long-term leases.

Short-term leases with a term of 12 months or less, if any, will be finance with our internal resources.

CONTINGENT LIABILITIES

As at the Latest Practicable Date, our Group has no contingent liabilities.

FOREIGN EXCHANGE EXPOSURE

The accounting records of our Group are maintained in Singapore Dollars and our operations are carried out in Singapore. The proportions of our revenue and purchases denominated in S\$ and foreign currencies for each of FY2019, FY2020, FY2021 and 6M2021 and 6M2022 are as follows:

	Financial Year Ended 31 Mar				
	FY2019	FY2020	FY2021	6M2021	6M2022
	(%)	(%)	(%)	(%)	(%)
% of revenue denominated in					
S\$	95	98	100	100	100
US\$	5	N.M ⁽¹⁾	N.M ⁽¹⁾	–	N.M ⁽¹⁾
EUR	–	2	–	–	–
Total	100	100	100	100	100

Note:

(1) N.M means not meaningful.

	Financial Year Ended 31 Mar				
	FY2019	FY2020	FY2021	6M2021	6M2022
	(%)	(%)	(%)	(%)	(%)
% of purchases denominated in					
S\$	73	85	12	48	9
US\$	27	15	21	30	32
EUR	–	N.M ⁽¹⁾	1	22	N.M ⁽¹⁾
RMB	–	–	66	–	59
Total	100	100	100	100	100

Note:

(1) N.M means not meaningful.

	Financial Year Ended 31 Mar				
	FY2019	FY2020	FY2021	6M2021	6M2022
	(%)	(%)	(%)	(%)	(%)
% of expenses denominated in					
S\$	100	100	100	100	99
US\$	N.M ⁽¹⁾	N.M ⁽¹⁾	N.M ⁽¹⁾	–	1
Total	100	100	100	100	100

Note:

(1) N.M means not meaningful.

To the extent that our revenue, purchases and expenses are not naturally matched in the same currency and to the extent that there are timing differences between invoicing and collection/payment, we will be exposed to adverse fluctuations of the various currencies against the Singapore Dollar, which could adversely affect our earnings.

Our net foreign exchange (losses)/gains for each of FY2019, FY2020, FY2021, 6M2021 and 6M2022 are as follows:

	Financial Year Ended 31 Mar				
	FY2019	FY2020	FY2021	6M2021	6M2022
Net foreign exchange (losses)/gains (S\$'000)	(34)	(28)	(48)	6	8
(Loss)/profit before income tax (S\$'000)	(590)	22	4,071	386	1,923
As a percentage of loss/profit before income tax (%)	5.7	(127.2)	(1.2)	1.6	0.4

At present, we do not have a formal policy for hedging against foreign exchange exposure. We will continue to monitor our foreign exchange exposure and may employ hedging instruments to manage our foreign exchange exposure should the need arise.

Should we enter into any hedging transaction in the future, such transaction shall be subject to the review of our Board. In addition, should we establish any formal hedging policy in the future, such policy shall be subject to the review and approval by our Board prior to implementation. Our Audit and Risk Management Committee will review periodically the hedging policies, all types of instruments used for hedging as well as the foreign exchange policies and practices of our Group.

SEASONALITY

Due to the nature of our business, we have not observed any significant seasonal trends within each of the financial periods for the Period Under Review.

INFLATION

During the Period Under Review, inflation did not have a material impact on our financial performance.

CHANGES TO ACCOUNTING POLICIES

The accounting policies have been consistently applied by our Group during the Period Under Review. There has been no significant change in the accounting policies for our Group during the Period Under Review. In addition, the Company does not intend to change its accounting policy for at least 12 months after the Listing of our Company on the Catalist Board of the SGX-ST. Please refer to the Audited Consolidated Financial Statements as set out in Appendix A to this Offer Document and the related notes elsewhere in this Offer Document for further details on our accounting policies.

CAPITALISATION AND INDEBTEDNESS

The table below sets out our capitalisation and indebtedness based on the unaudited financial statements of our Group as at 28 February 2022 on an actual basis and as adjusted to reflect the issuance of the Placement, and the application of net proceeds due to us from the Placement in the manner described in the section entitled “Use of Proceeds and Expenses of the Placement” of this Offer Document.

The information in this table should be read in conjunction with the sections entitled “Use of Proceeds and Expenses of the Placement – Use of Proceeds”, “Selected Financial Information”, and “Management’s Discussion and Analysis of Financial Position and Results of Operations” of this Offer Document and our historical financial statements and the notes thereto included in the Offer Document.

	As at 28 February 2022	
	Actual basis based on unaudited management accounts (S\$’000)	As adjusted for the net proceeds from the issuance of the Placement Shares (S\$’000)
Cash and cash equivalents	3,014	8,931
Current Indebtedness		
Secured and guaranteed	221	221
Secured and non-guaranteed	–	–
Unsecured and guaranteed	–	–
Unsecured and non-guaranteed	155	155
Non-Current Indebtedness		
Secured and guaranteed	682	682
Secured and non-guaranteed	–	–
Unsecured and guaranteed	–	–
Unsecured and non-guaranteed	134	134
Total indebtedness	1,192	1,192
Shareholders’ equity		
Share capital	21,403	27,765

As at 28 February 2022

	Actual basis based on unaudited management accounts (S\$'000)	As adjusted for the net proceeds from the Issuance of the Placement Shares (S\$'000)
Capital reserve	285	285
Accumulated losses	(15,614)	(15,824)
Total shareholders' equity	6,074	12,226
Total capitalisation and indebtedness	7,266	13,418

Banking, Trade and Credit Facilities

As at 30 September 2021, our Group's banking and credit facilities (utilised and unutilised) amounted to an aggregate of S\$6.5 million and the aggregate outstanding amount was approximately S\$2.5 million.

Details of our Group's banking and credit facilities as at 30 September 2021 are as follows:

Financial institution/ lender	Type and purpose of facilities	Amount of facilities granted (S\$'000)	Amount utilised (S\$'000)	Amount unutilised (S\$'000)	Interest rates	Maturity profile
DBS Bank Ltd.	Temporary Bridging Loan I (Working Capital)	1,000	1,000	–	3.5%	16 Aug 2025
DBS Bank Ltd.	Overdraft Facility II (Working Capital)	500	–	500	DBS Bank Ltd's prevailing prime rate plus 0.25% per annum	Payable on demand
DBS Bank Ltd.	Accounts Receivables Purchase I – Client Advance Limit – Domestic (Notified)	2,000	67	1,933	DBS Bank Ltd's prevailing cost of funds plus 1.50% per annum	–
DBS Bank Ltd.	Inventory / Stock Financing Facility I ⁽¹⁾	3,000	25	1,556	2.3%	19 Oct 2021
			498		2.2%	20 Oct 2021
			168		2.2%	26 Oct 2021
			753		2.2%	12 Nov 2021
Total		6,500	2,511	3,989		

Note:

(1) The Inventory/Stock Financing Facility I comprises of Sight/Usance/Local Letters of Credit, Trust Receipts, Import/Local Bills Receivable Purchase, Shipping Guarantees, Air Waybill Guarantees and Packing Loan. Issuance of local letters of credit/financing under the Bills Receivable Purchase facility is restricted to purchases from suppliers acceptable to DBS Bank Ltd. and no related party transactions are permitted for issuance of local letters of credit/financing. The Inventory/Stock Financing Facility I shall not be used to finance purchases from all related companies.

Each line item under the Inventory/Stock Financing Facility I taken up by the Company with DBS Bank Ltd relates to a separate loan taken up in relation to a unique supplier invoice received by company. The term of each loan is 90-days from the date of the relevant invoice, hence there are different maturity dates reflected for each line item.

The above facilities granted by the DBS Bank Ltd. are secured by personal guarantees provided by Mr. Bo, our CEO and Executive Director, and Mr. Soo, our Chairman, Non-Executive Director and Controlling Shareholder, which will be discharged upon Listing, as well as a corporate guarantee provided by iWOW Connections Pte. Ltd. See the section entitled “Interested Person Transactions – Present and On-Going Interested Person Transactions” of this Offer Document for further details on the provision of such personal guarantees by our interested persons.

Save as disclosed above, our Group has not provided corporate guarantees to any related third parties in the past and as at the Latest Practicable Date. For the avoidance of doubt, our Group has only provided corporate guarantees solely for the purposes of obtaining requisite corporate guarantees from such financing companies which are required by the relevant banks granting the banking and/or credit facilities to our Group.

Save as disclosed above, our Group does not have any material unused sources of liquidity as at the Latest Practicable Date. As at the Latest Practicable Date, our Group is not in breach of any terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our Group’s financial position and results or business operations, or the investments by our Shareholders.

With respect to the restriction in the Bills Receivable Purchase facility set out in Note (1) above, to date, such restriction has not had and is not expected to have any operational or financial impact on the Group as the Group only utilises this facility for major purchases and to date, the Group has not been prohibited from working with any of its suppliers or had any of its vendors rejected by virtue of this provision, nor has the Group utilised this facility or the Inventory/Stock Financial Facility I to finance any purchases from any related companies. The Sponsor and Issue Manager has considered the key conditions of all the Group’s facilities in the forecast and projections in order to confirm the sufficiency of the working capital of the Company pursuant to Catalist Rule 407(2) and (3).

WORKING CAPITAL

A summary of our working capital as at 31 March 2019, 31 March 2020, 31 March 2021 and as at 30 September 2021 is set out as follows:

	As at 31 March			As at 30 September 2021
	2019	2020	2021	
	S\$’000	S\$’000	S\$’000	S\$’000
Current assets	1,553	1,431	12,885	16,067
Current liabilities	3,225	3,221	8,757	9,779
Working Capital	(1,672)	(1,790)	4,128	6,288

With regard to our working capital, we would like to highlight that the Group was in a negative working capital position of approximately S\$1.7 million and S\$1.8 million as of 31 March 2019 and 31 March 2020, respectively. However, the Group’s working capital position improved to approximately S\$4.1 million and S\$6.3 million as of 31 March 2021 and 30 September 2021, respectively. The improvement was mainly due to (a) the Group’s financial performance in FY2021 and 6M2022, which was attributable to revenue growth from the Group’s Smart City Solutions segment; and (b) a reduction of borrowings by approximately S\$1.3 million, with the full repayment of a S\$0.3 million loan from a director, the capitalisation of a S\$0.5 million convertible loan to equity in FY2021 and an additional capitalisation of a S\$0.5 million convertible loan to equity in 6M2022, offset by a S\$1.0 million bridging loan obtained in FY2021.

Our Directors are of the reasonable opinion that, after taking into consideration the above, having made due and careful enquiry and after taking into account the expected cash flows generated from our Group's operations, our banking and credit facilities, our existing cash and cash equivalents, the Interim Dividends, prepayments to be made to suppliers, R&D costs and general business and financing conditions, operational requirements, expansion plans, finance costs, capital expenditure renewals and investments, the listing expenses and any potential composition fines and late lodgement fees imposed by ACRA under the Companies Act, the sums of which are considered to be immaterial, but excluding the net proceeds from the Placement, the material sources of liquidity and the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for its present requirements and for at least 12 months after the Listing of our Company on the Catalist Board of the SGX-ST.

The Sponsor and Issue Manager is of the reasonable opinion that, after having made due and careful enquiry and after taking into consideration the factors set out above but excluding, for the avoidance of doubt, the net proceeds from the Placement, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for its present requirements and for at least 12 months after the listing of our Company on the Catalist Board of the SGX-ST.

GENERAL INFORMATION ON OUR GROUP

HISTORY

Our origins can be traced back to 1999 when our CEO and Executive Director, Mr. Bo, amongst others, founded the business to provide in-house product design and manufacturing services for mobile and wireless telecommunication devices to leading mobile brands and large electronics companies. Making it a point to adapt our technology and offerings alongside the shifting market, we have since transitioned from engaging in R&D design services, to the provision of hardware such as our iTegno modules and modems, to our current focus area of becoming an integrated solutions provider in the IoT industry.

Our Company was incorporated in Singapore on 1 October 1999 under the Companies Act as a private company limited by shares, under the name of “iWOW Technology Pte Ltd”. Our Company’s registration number is 199905973K. Our Company was converted into a public limited company on 27 December 2021 and the name of our Company was changed to “iWOW Technology Limited” in connection therewith pursuant to the certificate of conversion issued by ACRA on 28 December 2021.

KEY MILESTONES

Year	Key Event
1999	iWOW Technology was founded by, amongst others, Mr. Bo, our CEO and Executive Director. We started out by providing our in-house product design and manufacturing services for mobile and wireless telecommunication devices to Nokia.
2000	We incorporated iWOW Connections Pte Ltd as the product arm of our Group for the purposes of producing our in-house brands of wireless products.
2001	We incorporated iWOW Communications Pte Ltd as the design arm of our Group for the purpose of providing full turnkey development services.
2002	We developed the world’s first USB GPRS modem and created our iTegno brand.
2003	We developed our first mobile phone using Texas Instruments Inc’s semiconductors.
2004	We expanded our capabilities to provide mobile phone original design manufacturing services to smaller mobile phone brands.
2005	Texas Instruments Inc., the leader in mobile phone semiconductors, appointed us as an independent design house for their mobile phone platform. We licensed our mobile phone operating system (OS) and provided design services to leading phone makers. The OS was licensed to our customers such as Samsung, Alcatel, Toshiba and Sony from which we collected royalties from the deployment of over 30 million mobile phones.
	We further expanded our product design and manufacturing services for wireless products to, amongst others, leading mobile brands and large electronics companies such as Motorola, Alcatel, Panasonic, Hewlett-Packard, Lantronix, TCL, Samsung, Hitachi, Toshiba and Nextel. We were serving customers from Singapore, China, Japan, USA and Europe.
	We deployed iTegno modems to enable HDB lifts to go wireless replacing wired lift monitoring communications.

Year	Key Event
2006	We were awarded the Enterprise 50 award 2006 and the Deloitte's fastest growing 500 companies in Asia Pacific.
2007	We were awarded the Enterprise 50 award 2007. We deployed iTegno Modems for Automatic Meter Reading to SMART TELCOMS and Provincial Energy Authority in Thailand for 30,000 electricity meters in various Thai provinces. Joint development with Sony Japan on GSM phone employing FeliCa and Near-field Communications.
2009	We were awarded the Frost and Sullivan Industrial Wireless Emerging Company of the Year. We launched a dual mode IDEN and GSM mobile phone in US, Latin America, Middle East and Singapore.
2010	We piloted a Residential Automatic Water Meter reading ("AMR") trial for a statutory board of Singapore.
2011	Following the successful pilot of the AMR, we secured a contract to deploy the AMR to the Top 100 industrial water consumers on behalf of a statutory board of Singapore.
2012	As the consumer mobile phone market was very volatile, we devised the strategy to pivot our business to focus on the rapidly emerging M2M market (now known as IoT). We expanded our IoT offering to provide a complete end-to-end solution covering hardware, software, cloud services, telecommunications and operation. Customers will receive a full-package solution directly from our Group and do not have to deal with different partners and service providers. This allow us to move from one-off project fees to an IoT-as-a-Service recurring revenue model, in which our customers pay us a monthly or annual fee for our bundled service offerings.
2013	We, together with SIIX Singapore, secured a public tender from Ministry A to design, build and deploy an electronic monitoring service, which is an electronic tagging solution for Government Agency A to facilitate and monitor the movements of ex-offenders and accused persons without the need for the deployment of a guard or escort by Government Agency A. We showcased Pandogrid Smart Metering Solution at the Public Utilities Board's Inaugural Water Event.
2014	We developed an AMR portal for a statutory board of Singapore's Water Efficiency Management Practices (WEMP) programme.
2015	We were one of the approved suppliers supporting a statutory board of Singapore's WEMP programme. Under this programme, all eligible companies are mandated by law to install private water meters and to submit the readings to the statutory board. Pandogrid's customer base for smart water meters grew rapidly. We also extended Pandogrid to read electricity meters and we marketed this to utility companies and property management companies.

Year	Key Event
2018	<p>We secured a public tender from Statutory Board B to roll out a utility management system for 1,450 HDB households, comprising of smart water and electricity meters, and smart plugs. We also developed a mobile app to complement the smart devices, providing users with ease of access to insights regarding their water and electricity consumption.</p> <p>We were also the winner of the Singapore APEX Corporate Sustainability Awards for Sustainable Business Solutions for our work to help customers uncover unconscious waste.</p>
2019	<p>We, along with our consortium partner, SIIX Singapore, secured a public tender from Statutory Board A to deploy and operate our Alarm Alert System for eligible HDB households. The Alarm Alert System is a wireless alarm designed for an elderly occupant living alone to contact emergency services with the press of a button.</p>
2020	<p>We, along with our consortium partner, SIIX Singapore, secured a public tender from Statutory Board A to design and manufacture contact tracing tokens, which has been deployed in Singapore and distributed to Singapore residents to facilitate the government's contact tracing efforts to identify individuals who may have been exposed to individuals which are COVID-19 positive.</p>
2021	<p>In January 2021, we acquired EEM and expanded the solutions and capability of our Group to enhance the provision of energy AMR services, as well as the distribution of certain brands of meters such as Baylan and Microstar. This in turn allowed us to expand the provision of our Smart Metering services to a wider customer base across Singapore.</p> <p>We also, along with our consortium partner, SIIX Singapore, were awarded a new EMS contract from 2022 to 2027, with an option to extend the duration of the contract for a further period of two (2) years to 2029. Our new contract will serve multiple government agencies. We will be supplying all wireless wearables and hardware required, as well as provide on-site manpower for installation of wearables and technical support.</p>

BUSINESS OVERVIEW

Company

iWOW stands for inspiring the World of Wireless and is a technology provider specialising in integrated wireless IoT solutions as a service.

Vision

A smarter, greener, and safer world through our innovations in wireless technology solutions.

Mission

To provide innovative IoT solutions for an increasingly urbanised, aging and resource constrained world.

Objectives

- Promote solutions for sustainable living through technologies that help businesses and nations to optimise resource allocation (e.g. electricity, water, gas, etc).
- Provide solutions for our aging population to help keep elderly and vulnerable communities safe and independent such as through our silver concierge service via our proprietary AAS.
- Provide solutions for smart city/smart nation living to address security and safety issues in countries undergoing rapid urbanisation such as through our Trace Token and our EMS solution.
- Provide IoT solutions that are aligned with future megatrends that shape our world.

Our Products and Services

Smart Metering

Our Smart Metering solution enables remote monitoring of utilities and provides full transparency and insights into energy and water consumption within buildings. We can provide accurate, timely and granular consumption data that allows us to help organisations or individual households uncover unconscious waste based on our analysis of their utility consumption patterns in their premises. Our customers are provided a clear breakdown of their monthly utility bills and are alerted when abnormal consumption patterns are detected, and with this knowledge, they are able to adjust their energy and water consumption behaviour, cut down on utilities expenses, and concurrently reduce their carbon footprint. Our Smart Metering solution is also used by energy retailers to automate and streamline their monthly meter reading and billing process.

Our smart meters communicate wirelessly via cellular/LoRaWAN technology to a cloud-based application server located in Singapore and operated by us. LoRaWAN is a low-power wide-area network modulation technique and one (1) of its key features is enabling long-range transmissions with low power consumption, allowing our battery powered modems to last up to 15 years.

Our customers obtain real-time insights of their utilities consumption through our proprietary Pandogrid platform, which is a cloud based smart metering platform. Pandogrid utilises tested and proven wireless communications systems from our iTegno wireless modem product range, including data loggers and cellular modems connected to AMR ready meters, which provides a high degree of reliable data communication to the backend server. Pandogrid does not require our customers to invest in their own local IT infrastructure. With an Internet Protocol (IP) based web portal, our customers can easily access their meter readings and remotely monitor their energy and water consumption more frequently and reliably.

In collaboration with electricity retailers as set out below, we provide a more efficient and cost-effective AMR solution, which consists of supplying, installing and commissioning iTegno Cellular Modems to existing Time of Day meters. Its advantages includes its ease of implementation, as it does not require additional infrastructure, is versatile, compatible, and can be easily connected to existing infrastructure and all types of meters. It also optimises data transmission via public networks, providing utilities with a reliable communication solution. Our comprehensive solution includes connectivity services to ensure a smooth and easy deployment for our customers.

Our Smart Metering customers include major electricity retailers in Singapore such as Pacific Light, large real estate companies global brands with regional offices in Singapore and others such as a Singapore university and a Singapore hospital.

Alarm Alert System (AAS)

Our AAS is a wireless emergency distress system developed for Statutory Board A and Statutory Board B that caters to the elderly. It comprises of self-powered alert buttons that can be conveniently deployed anywhere in the residence and connected to a wireless LoRaWAN gateway that is typically located within the HDB block. It also includes a digital signboard at the ground level lift lobby. The digital signboard allows passers-by to be alerted and made aware that the individual is in distress.

An application software and server is connected to a 24/7 hotline service operated by a Singapore government ministry that provides health and social support to eligible elderly individuals who may be living alone or are frail. Residents in distress can press the red emergency button and the alerts are sent to the aforesaid hotline service and will also be displayed on the digital signboard.

Our AAS has the benefit of being able to be deployed at sites that may not have access to electrical power outlets. Previous emergency distress systems installed by other operators were all wired systems, and we were the first in Singapore to implement a wireless emergency distress system. We are also the first in Singapore to use LoRaWAN technology to transmit audio.

Our alert button operates on a battery life span of five (5) years. It sends alerts wirelessly via LoRaWAN, a technology also used in some of our Smart Metering solutions, to a cloud-based application server that is integrated to a dashboard that can be monitored by the relevant personnel managing the hotline. Please refer to the section entitled “General Information On Our Group – Research and Development” of this Offer Document for further details.

We partnered with SIIX Singapore in a consortium and was awarded a tender in 2019 by Statutory Board A to deploy the wireless AAS in various HDB townships across Singapore. The wireless alert buttons have been operational since October 2019 with approximately 16,000 alert buttons installed in the homes of elderly individuals residing in HDB rental flats as at the Latest Practicable Date. As at the Latest Practicable Date, we have deployed approximately 16,000 alert buttons across Singapore and the hotline service has responded to over 1,000 alerts sent via our alert buttons since the implementation of the AAS.

We see strong potential in offering our wireless AAS to consumers (B2C), beyond the current projects that these devices are being deployed in. We also have plans to cross-sell IoT-powered concierge services (example telemedicine, housekeeping, home maintenance, etc.) to consumers. Please refer to the section entitled “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” of this Offer Document for further details.

Electronic Monitoring System (EMS)

As part of a consortium with SIIX Singapore, we were awarded the EMS contract by Ministry A in 2013 and have been the sole provider of EMS solutions as-a-service to Government Agency A and various government agencies since 2014. The EMS solution monitors ex-offenders and accused persons while they are out on bail or have been released under a remission order.

Our tamper-protected wireless ankle tags, together with our secure home-based wireless infrastructure, provides alerts upon the occurrence of any events in violation of the conditions of bail or remission order (e.g. exceeding curfews imposed under the conditions of bail) during the monitoring period.

The ankle tags have proven to be reliable and suitable for daily wear for extended periods and the underlying technology has also been proven to be easy to deploy and capable of providing accurate information. Through the years, we have continuously upgraded our system components, improving their performance.

In February 2021, we were awarded a new contract by Ministry A from 2022 to 2027, with an option to extend the duration of the contract for a further two (2) year period to 2029. The service includes the supply of wireless wearables and the provision of manpower for on-site installations of wearables as well as for technical on-site support. As at the Latest Practicable Date, we are currently in the final stages of development of a series of new EMS products which we plan to launch in Singapore and international markets over the course of 2022. Our Directors believe that our upcoming EMS product line, proven efficacy of our EMS solution and our performance as a solutions provider is one of the basis of winning a new contract after the initial eight (8) year contract which we secured.

Trace Tokens

In August 2020, we submitted a tender as part of a consortium with SIIX Singapore, and were awarded a non-exclusive contract by Statutory Board A to develop a contact tracing solution. To the best of our Directors' knowledge and belief, we are one (1) of two (2) companies which were awarded the TraceTogether Tokens contract and as at the Latest Practicable Date, there have been no new tenders for the TraceTogether Tokens. Under the terms of the contract, our Group designed and developed a physical token for the purposes of contact tracing, which has since been termed the TraceTogether Tokens, for the Singapore government to help with mitigation efforts in the current COVID-19 pandemic. The TraceTogether Tokens were customised to connect with Statutory Board A's server and to interoperate with the TraceTogether application. The TraceTogether Tokens were designed with the highest level of security and has been certified as achieving CLS Level 4, the highest tier available, under Singapore's Cybersecurity Labelling Scheme.

Following our success in Singapore, we have expanded our offering to develop similar contact tracing solutions for the global market, which we have termed, Trace Tokens.

Our TraceTogether Tokens were first deployed by Statutory Board A in 2020 during the COVID-19 pandemic and are part of Singapore's TraceTogether programme to accelerate contact tracing efforts and to improve contact tracing accuracy. By using Bluetooth to record other nearby TraceTogether devices, it complements the TraceTogether mobile application as it offers an alternative to those who may not own or prefer not to use a mobile phone application.

TraceTogether Tokens only capture proximity data via Bluetooth and does not capture geolocation data. The TraceTogether Tokens do not have internet or cellular connectivity. The data is stored only on the token and data that exceeds 25 days is automatically deleted from the device. In the event that token users, or those that users have been in close contact with, tests positive for COVID-19, the Ministry of Health will approach them to upload their data for contact tracing purposes. The token is designed to be convenient, light and easy to use, and can easily fit into a bag or be attached to a lanyard. To the best of our Directors' knowledge and belief and based on the Group's order book, Singapore's prevailing three prong strategy of vaccination, contact tracing and testing, and the ongoing COVID-19 pandemic, our Directors believe that barring any unforeseen circumstances contact tracing will remain an integral part of Singapore's COVID-19 strategy for the next 12 to 15 months. The TraceTogether Tokens, which are battery operated, would have to be replaced upon depletion of the TraceTogether Token's battery, and it is expected that the demand for the TraceTogether Tokens would remain in the short-term. However, in the event COVID-19 becomes endemic, demand for the TraceTogether Token could be adversely impacted.

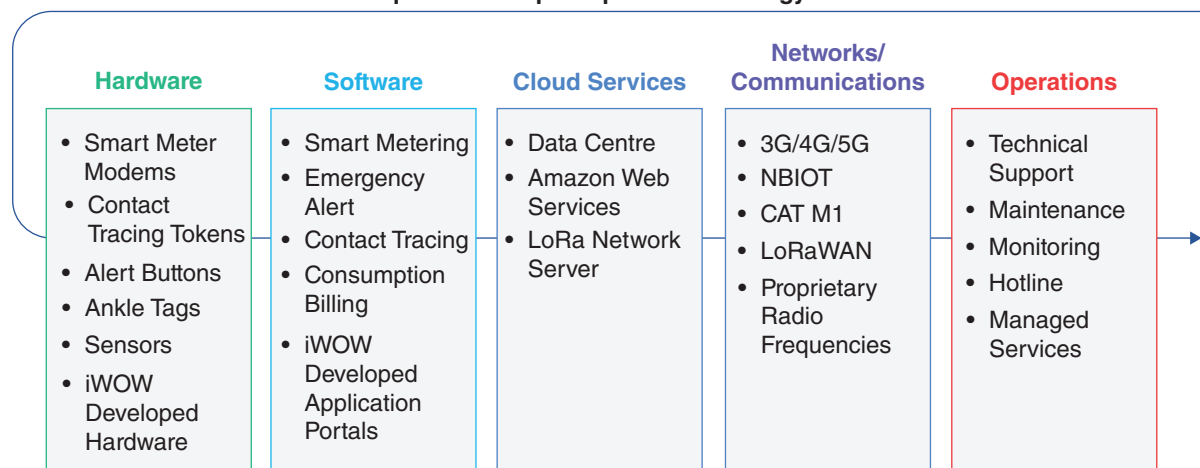


From top left: (1) Image of hardware and software application of our Smart Metering solution (2) Image of wireless alert button for our Alarm Alert System (3) Image of our tamper-protected wireless ankle tag for our Electronic Monitoring System and (4) Image for TraceTogether Token designed and developed by us.

Our IoT Solutions

iWOW offers a comprehensive spectrum of IoT solutions

Unique “One Stop Shop” IoT Technology Provider



We are a one-stop end-to-end wireless IoT technology provider that helps create value for our customers for every aspect of an IoT deployment. Our services range from providing design and development for the hardware and software underlying the IoT solution, overseeing the manufacturing of the product, installation, maintenance and the operationalisation of the IoT solution.

Our hardware and software solutions are predominantly designed in-house, and we have a regional network of third party contractors and suppliers to manufacture, produce and supply us with electronic components and raw materials, as well as to manufacture and assemble our end electronic products. By outsourcing the production and manufacturing of our products to third parties, we free up our resources which enables us to concentrate on innovation and development of customised solutions and products for our customers.

In addition, we also run our own cloud-application servers, as well as utilise third party cloud-application servers, to support and complement our in-house applications and software. With our cloud-application servers, we can scale our computing resources to meet the changing

needs and demands of our various customers. Such servers also provide a network which enables seamless integration and facilitates uninterrupted communication and fast deployment for our customers.

For telecommunications, we use a variety of open and proprietary wireless communication technologies such as 3G, 4G, 5G, NB-IOT, CAT M1, LoRaWAN and proprietary radio frequencies to connect the IoT devices to the internet. The choice of technology deployed for our customers is dependent upon the applications involved as well as on their budget. By not being tied to any single wireless communication technology, we can respond rapidly to changes in technological trends and remain flexible with the creation and design of our IoT solutions.

To complete our IoT offering, we are also able to provide a full managed service with technical support, maintenance, monitoring services and hotline services.

As we are able to provide end-to-end service, we are able to be intimately involved with our customer’s design solution journey at every step and are able to partner with them to engineer a customised IoT solution to meet their needs.






Our IoT Solutions and Offerings

Depending on the needs of each customer, our products and services may be provided under either of our two (2) main business segments:

- Smart City Solutions
- IoT-as-a-Service

Generally, our products can be used interchangeably and customised to the individual customers’ needs. Our offerings and the products are summarised in the table below:

Current IoT solutions and offerings

Segment	Product/Solution	Description	Nature of revenue
Smart City Solutions	 Smart Metering	Deployment of Smart Metering solution	Project Fees Product Sales
	 Trace Token	Design and supply of the contact tracing solution and Trace Token	
IoT as-a-Service	 Smart Metering	Deployment and operation of our Smart Metering solution	Recurring based on a subscription model
	 Alarm Alert System	Deployment and operation of Alarm Alert System solution with iWOW Developed Hardware	
	 Electronic Monitoring System	Deployment and operation of Electronic Monitoring System solution with iWOW Developed Hardware	

Smart City Solutions

With sustainability being a focus for many people and organisations now, our Smart City Solutions aims to leverage on technology to provide urban living solutions for businesses and governments

and under our Smart City Solutions segment, we provide customised wireless IoT solutions for the design and conceptualisation of the solution and the manufacturing and production of the products.

Our revenue under our Smart City Solutions segment are non-recurring in nature as such customers may prefer to manage the maintenance and operationalisation under separate arrangements and therefore do not require additional services and support to maintain the IoT solution.

Our Smart City Solutions segment accounted for 15%, 51%, 89% and 86% of our FY2019, FY2020, FY2021 and 6M2022 revenue, and 8%, 27%, 68% and 63% of our FY2019, FY2020, FY2021 and 6M2022 gross profit¹ respectively.

IoT-as-a-Service

Under our IoT-as-a-Service segment, in addition to providing the design and conceptualisation of the solution and the manufacturing and production of the products, we also assist our customers with the installation, implementation and operationalisation of the IoT solution which is bundled into a subscription service for our customers who pay a monthly or annual subscription fee.

Our IoT-as-a-Service segment accounted for 78%, 46%, 11% and 10% of our FY2019, FY2020, FY2021 and 6M2022 revenue, and 88%, 70%, 32% and 30% of our FY2019, FY2020, FY2021 and 6M2022 gross profit² respectively.

MAJOR CUSTOMERS

Our major customers are predominantly various statutory boards and government agencies as well as a blue-chip enterprise.

During the Period Under Review, we derived:

- (a) 72%, 41%, 8% and 8% of our revenue from the provision of our EMS solution to Government Agency A, which was billed through SIIX Singapore as part of our consortium arrangement for FY2019, FY2020, FY2021 and 6M2022, respectively. In addition, we, along with our consortium partner, SIIX Singapore, have secured a new EMS contract from 2022 to 2027, with an option to extend the duration of the contract for a further period of two (2) years to 2029. As at the Latest Practicable Date, we are currently in the final stages of development for a series of new EMS products which we are planning to launch in Singapore and international markets over the course of 2022;
- (b) 30%, 85% and 85% of our revenue from the provision of our AAS and Trace Token solutions to Statutory Board A, which was billed through SIIX Singapore as part of our consortium arrangement for FY2020, FY2021, and 6M2022 respectively. No revenue was derived from Statutory Board A in respect of FY2019;
- (c) 5% and 3% of our revenue from the provision of our Smart Metering solution to Statutory Board B for FY2020 and FY2021, respectively. No revenue was derived from Statutory Board B in respect of FY2019 and 6M2022;

1 The Group presented its statement of income statement "by nature" of expenses in accordance with FRS 1 First-time Adoption of Singapore Financial Reporting Standards. Hence, the computation of the gross profits considered only the cost of inventories

2 The Group presented its statement of income statement "by nature" of expenses in accordance with FRS 1 First-time Adoption of Singapore Financial Reporting Standards. Hence, the computation of the gross profits considered only the cost of inventories

- (d) 3% and 9% of our revenue was derived from the provision of our Smart Metering solutions to a telecommunications company listed on the Main Board of the SGX-ST for FY2019 and FY2020, respectively. The revenue derived from said customer in FY2021 was not meaningful and no revenue was derived from them in 6M2022.

Note:

- (1) Due to confidentiality obligations to which our Group is subject to, our Group is unable to disclose the names of the aforementioned major customers.

Save as disclosed above, there is no other customer who accounted for five per cent. (5.0%) or more of our Group's total revenue for each period for the Period Under Review.

While we are dependent on our relationship with our major customers, and our Group may be materially and adversely affected if we are not able to retain them, our Directors are of the opinion that we will be able/take steps to control the risks of reliance and our Group's reliance on our major customers would not adversely affect our business operations, our financial performance and would not impact on our Group's sustainability based on the following reasons:

- (a) We have mutually beneficial business relationships with our major customers

We consider that it is mutually beneficial for our major customers and us to maintain a close and stable business relationship with each other. This is due to our major customers being able to benefit from our proven track record as a leading player in the IoT industry to ensure that the solutions are executed in accordance with the requirements including quality standards. This in turn enables our major customers to fulfil their contracts or achieve their development objectives. With our strong R&D capabilities, we are able to adapt to rapid technological change which in turn, enables us to meet the shifts in our customers' expectations and market changes and build reliable relationships with our customers.

- (b) Diversification of customer base and expansion of our product and service offerings

Our Group continues to market our services to B2B customers. At the same time, our Group will continue our R&D efforts to expand our product and service offerings with existing B2B customers and intend to provide our service offerings to B2C consumers to diversify our source of revenue.

- (c) Stable demand for our products and services

The demand for our products and services has been stable and our Group expects such demand to increase if interest in IoT solutions increases. For example, based on the Group's order book, Singapore's prevailing three prong strategy of vaccination, contact tracing and testing, and the ongoing COVID-19 pandemic, our Directors believe that, barring unforeseen circumstances, contact tracing will remain an integral part of Singapore's COVID-19 strategy in the next 12 to 15 months. The TraceTogether Tokens, which are battery operated, would have to be replaced upon depletion of the TraceTogether Token's battery, and it is expected that the demand for the Group's contact tracing solution would remain in the short-term. However, in the event COVID-19 becomes endemic, demand for the TraceTogether Token could be adversely impacted.

Please refer to the sections entitled "Risk Factors – Risks Relating to our Business – We depend on government tenders (for instance the TraceTogether Tokens) for a significant portion of our revenue and a limited number of customers and products account for the majority of our revenue, and hence a change in demand driver, for example COVID-19 becoming endemic, will have a material adverse impact" and "Prospects, Business Strategies and Future Plans – Order Book" of this Offer Document for further details.

During the Period Under Review, some of our contracts have been secured as part of a consortium with SIIX Singapore. The percentage revenue contribution of such contracts secured as part of our consortium arrangement with SIIX Singapore is 72%, 76%, 96%, and 93% for FY2019, FY2020, FY2021, and 6M2022, respectively.

Such consortium arrangements are in line with the practices adopted across various industries, including the IoT industry, when submitting tenders including by large companies as they provide an added benefit of allowing the consortium parties to submit a stronger and more competitive bid, thereby bolstering the chances of winning a tender.

As part of the tender requirement for government-related contracts, the consortium parties have been required to enter into a teaming agreement to be submitted as part of the bid. The teaming agreement specified amongst others, the roles and responsibilities amongst the consortium parties and the termination provisions during the bidding stage. Subsequently, once the tender was awarded, the relationship between the consortium parties and the relevant customer will be governed by the conditions of the contract. For instance, for our contract relating to the TraceTogether Tokens solution which was secured as part of a consortium with SIIX Singapore, SIIX Singapore, with its stronger financial standing and a Government Supplier Registration of S10, was designated as the billing entity to Statutory Board A and was responsible for fronting any advance payments to the suppliers and/or contractors for the procurement of the necessary components, whereas in the contract relating to our EMS solution, which was similarly secured as part of a consortium with SIIX Singapore, SIIX Singapore was responsible for providing dedicated personnel to provide operational support in respect of day-to-day operations and services rendered to Government Agency A. In relation to the aforementioned projects, the Company's role was in respect of performing R&D, procurement, quality control, overall project management, operations and maintenance.

The contracts which have been secured as part of a consortium are awarded to the consortium parties jointly. The contracts which the Group have secured as part of a consortium do not prohibit nor limit any consortium party from liaising directly with the end-customer and any of the consortium parties may be responsible for maintaining the overall relationship with the customer. For instance, in connection with some of the Group's existing contracts which have been secured as part of a consortium (i.e. our AAS solution, our ongoing contract in respect of our EMS solution and TraceTogether Tokens), apart from the Company's role as mentioned above, the Company also serves as the primary liaison between the consortium and the relevant end-customer. Therefore, even when contracts are secured as part of a consortium, the Company is not restricted from establishing or maintaining a direct relationship with the relevant end-customer.

Each member of the consortium shall be jointly and severally responsible for the due performance of the contract and/or any purchase order issued in connection thereof. In the event any party withdraws from the consortium or is, for any reason whatsoever, unable to perform the contract, the withdrawing party shall remain jointly and severally liable for the consortium's obligations under the contract and the relevant customer shall have the right to seek damages from the withdrawing party for non-performance of the contract if the remaining consortium partners are unable to perform the contract. In addition, as each member of the consortium is jointly and severally responsible for the due performance of the contract, the withdrawing consortium party may be liable to the remaining consortium party for breach of contract. The consortium does not have a right under the conditions of contract to unilaterally terminate the contract.

In addition, where a consortium party withdraws from the consortium, goes into liquidation, is wound up, or ceases to exist under the laws of its country of incorporation, the contract and any purchase orders formed under the contract shall continue and shall not be terminated and the remaining members are obliged to carry out and complete the contract. In the event any consortium partner withdraws from the consortium or is, for any reason whatsoever, unable to perform the contract, the other remaining consortium partners shall continue the contract with the

relevant customer. As illustrated above, as different consortium parties may perform a different role or assume different obligations within the consortium, the remaining consortium parties may not be able to fulfil the role or discharge the responsibilities of the withdrawing consortium party. In such situations, the remaining consortium parties may, with the consent of the customer, appoint a sub-contractor and/or introduce a new consortium partner. As the withdrawal of a consortium party would be disruptive to the overall performance of the contract, this could result in delays and/or a breach of contract by the consortium parties. In the event such breaches (if capable of remedy) are not remedied within the contractually agreed timeframe or are otherwise incapable of remedy, the customer may terminate the contract and bring a claim against the consortium parties for damages. Please refer to the section entitled “Risk Factors – Risks Relating to our Business – We face inherent risks from our consortiums and other investments which we do not wholly own”.

Accordingly, to mitigate the aforementioned risks associated with entering into a consortium arrangement with incompatible consortium partners, the Group would, prior to entering into any consortium arrangements, consider factors such as the complimentary core competencies and capabilities of the consortium partner, its financial standing, track record, and the company structure of the consortium partner. Accordingly, the Group, after making a holistic assessment of the relevant factors, may in certain instances enter into consortium arrangements with consortium partners that may be, or are associated with, its competitors, customers or suppliers if it is in the interests of the Group. For instance, while SIIX Dongguan became a supplier of the Group for the purchase and manufacture of electronic components for TraceTogether Tokens for FY2021 and 6M2022, the Group having considered the relevant factors and benefits of a consortium arrangement with SIIX Singapore, an associated company of SIIX Dongguan, entered into a consortium arrangement with SIIX Singapore to tender for a new EMS contract which the Group has secured and has commenced as at the Latest Practicable Date.

The consortium arrangements entered into by the Group do not contain any prohibitions or restrictions that would prevent the Group from securing future contracts individually. For instance, the Group has recently secured a separate EMS project for pets from Statutory Board C individually, and not through a consortium arrangement.

As mentioned above, as part of our consortium arrangement with SIIX Singapore, they have been designated as the payment collection entity thereby exposing the Group to credit risks in the event of non-payment by SIIX Singapore to the Group. Notwithstanding the foregoing, in the Group's long standing business relationship of more than ten (10) years with SIIX Singapore, there have been no instances which has resulted in the Group failing to collect any receivables and/or having to factor in provisions and/or write-off such sums which were due from SIIX Singapore. In addition, as a result of our long history with SIIX Singapore and the positive relationship between ourselves and SIIX Singapore, the consortium arrangements have also been beneficial to the Group (e.g. where SIIX Singapore on account of the positive relationship agreed to provide advance payments to the Group). Such advance payments would have to be negotiated for between SIIX Singapore and the Group on a case by case basis including in respect of key terms such as the quantum and timing of such advance payments, taking into account various factors such as the timing of payments to be made to the suppliers and/or contractors and the receipt of payment from the relevant end-customers. For example, in cases where we will only be paid upon delivery of the end-product and the costs of hardware and development would have to be incurred upfront, SIIX Singapore has in such instances agreed to provide advance payments to the Group which has had the benefit of allowing the Group to defray such upfront expenses and improve the financial position of the Group. Such advance payments are treated as deferred income in accordance with the SFRS(I) 15 – Revenue from Contracts with Customers and recorded as contract liabilities in the financial statements. As at the Latest Practicable Date, there has been no instances in which such advance payments have been required to be refunded nor is the Group aware of any fact, matter or circumstances which could result in such advance payments being refunded.

Notwithstanding the foregoing, the Group has taken the following measures to mitigate the potential credit risks faced by the Group, including:

- (a) performing periodic credit assessment;
- (b) requesting for advance payments from SII Singapore in accordance with payment schedules specified within the quotations provided by the Company to SII Singapore; and
- (c) following up regularly with outstanding bills (if any).

While the entry into a consortium may bolster the Group's chances of securing a tender, the Group will need to factor in the impact of the consortium arrangement on its profit margin and cost structure of the project. For example, in the event that the Group tenders for a project individually, while the profit margins may be higher as there will not be any need to share the profits with a consortium partner, the Group may incur financing costs to finance any prepayments and assume the risk of non-payment by the end-customer. The incurrence of such additional financing costs or non-payment by the end-customer may increase the risks of the Group and erode its profit margins. Conversely, where the Group tenders for a project as part of a consortium, the revenue attributable to each consortium party will have to be negotiated and agreed at the outset. In considering the revenue to be apportioned as between the Group and its consortium partner, the Group will consider factors such as the scale of the project, the total cost involved as against the profits the Group expects from the project and the role that its consortium partners will be assuming in the consortium. Accordingly, as the profits would have to be apportioned between the consortium partners in a consortium arrangement, the profit margins will be lower than if the Group had tendered for the project individually, the aforementioned risks relating to financing and/or non-payment may be allocated as between the consortium parties and/or mitigated. As such, the Group will evaluate each tender opportunity individually to determine if it will bid for the project individually or form a consortium. The Group will adopt the same approach when it implements its expansion plans to diversify its customer base to B2C customers and expands its product and service offerings.

After Listing, the Group expects itself to become less reliant on consortium arrangements over time. The Group has obtained a Government Supplier Registration of S10 for its financial grading which is the highest financial grading available, which will allow the Company to bid for government projects up to a contract value of up to S\$30.0 million. The Listing is also expected to bolster the Group's financial position to allow it to maintain its S10 financial grading. For further details, please refer to the section entitled "General Information on our Group – Material Licences, Permits, Registrations and Approvals". Nonetheless, while the Group may bid for large-scale projects individually if a suitable opportunity arises, the Group will remain open to entering into consortium arrangements if it is commercially viable and is in the interest of the Group to do so, such as where the Directors believe that it would allow the Group to provide a more compelling bid and increases the Group's chances of securing a contract.

To the best of our Directors' knowledge, as at the Latest Practicable Date:

- (a) we are not aware of any information or arrangement which would lead to a cessation or termination of our relationship with our current major customers;
- (b) none of our Directors or Substantial Shareholders and their respective associates has any interest, direct or indirect, in any of our major customers listed above; and
- (c) there are no arrangements or understanding with our major customers pursuant to which any of our Directors or Executive Officers was appointed.

MAJOR SUPPLIERS AND CONTRACTORS

Our major suppliers and contractors are predominantly suppliers of certain electronic components and raw materials that we use, and manufacturers and assemblers of our end electronic products, which we design in-house.

We generally do not enter into long-term arrangements with our suppliers or contractors in respect of pricing or supply. Given the multitude of suppliers and contractors to choose from and that we are not dependent on any supplier or contractor, we usually seek competitive prices through calls for tender. It should also be noted that occasionally, our customers will specify the suppliers or contractors that we should use.

During the Period Under Review:

- (a) 70% and 51% of our Group's total purchases was from the purchase and manufacture of electronic components from SIIX Dongguan for the TraceTogether Tokens for FY2021 and 6M2022, respectively. No purchases were made from SIIX Dongguan for FY2019 and FY2020;
- (b) 13% and 5% of our Group's total purchases was from the purchase of electronic components from the Asia Pacific headquarters of a global leader of electronic components and services for FY2021 and 6M2022, respectively. No purchases were made from said supplier for FY2019 and FY2020;
- (c) 29%, 25%, 3% and 2% of our Group's total purchases was from the purchase of electronic components from a company based in Taiwan which is a leading provider of antennas, antenna modules and piezoelectric ceramic elements for the purchase of electronic monitoring devices for FY2019, FY2020, FY2021 and 6M2022, respectively;
- (d) 3%, 31%, 1% and 7% of our Group's total purchases was from the purchase of electronic components from a sole proprietorship, which is in the business of distributing electronic components and products for the manufacture of our AAS devices for FY2019, FY2020, FY2021 and 6M2022, respectively; and
- (e) 1% and 11% of our Group's total purchases was from the purchase of electronic components from Excelpoint Systems (Pte) Ltd mainly for the TraceTogether Tokens for FY2021 and 6M2022, respectively. No purchases were made from the said supplier for FY2019 and FY2020.

Note:

- (1) Due to confidentiality obligations to which our Group is subject to, our Group is unable to disclose the names of the aforementioned major suppliers.

Save for SIIX Dongguan, none of the aforementioned major suppliers are related entities of SIIX Singapore.

Save as disclosed above, there is no other supplier who accounted for five per cent. (5.0%) or more of our total purchases during the Period Under Review.

We have a well-diversified and extensive network of suppliers and contractors. As at the Latest Practicable Date, our business, operations and profitability are not materially dependent on any one (1) of our suppliers and/or contractors and the aforesaid materials and/or services can be easily source from other alternative suppliers and/or contractors in the market. It should also be noted that the contracts which the Group have secured as part of a consortium do not restrict the Group to the engagement of a particular supplier and/or contractor nor does it prohibit any

consortium party from liaising directly with the supplier and/or contractor. For example, notwithstanding the consortium arrangements entered into between our Group and SIIX Singapore, the terms of the consortium arrangements do not require the Group to engage SIIX Dongguan as a supplier. Instead, in most cases, the Group would obtain several quotations from different suppliers and/or contractors and in accordance with the procedures implemented, determine the appropriate supplier and/or contractor after a careful consideration and evaluation of factors such as track record, price, quality, ability to deliver on time and the requirements specified in the customer contract or tender. In addition, the Group may also perform sample reference checks, site visits, post-production sampling audits, participate actively in the pre-production processes to ensure consistency in production quality and conduct annual review of the relevant supplier and/or contractors' performance, quality and reliability in order to ensure that the quality of our products and/or services provided to our Group is maintained. Therefore, even when contracts are secured as part of a consortium, the Company would still be able to appoint suppliers and/or contractors based on an evaluation of the relevant factors and be able to maintain and expand upon its relationship with the relevant supplier and/or customer.

Our Group has also taken the following measures to mitigate any supplier/contractor-related risks:

- (a) our Group maintains good working relationships with key suppliers/contractors to ensure that there is adequate support and allocation of supply to meet our Group's business requirements;
- (b) to the extent possible, our Group conceptualises and designs our products to be compatible and be able to be assembled with alternative components which in turn allows the Group to source components from different suppliers in the event of a shortage and/or disruption to one supply chain;
- (c) our Group ensures that there are alternate services as far as practicable; and
- (d) for unique parts/services, our Group ensures that only suppliers/contractors that are reliable and financially strong are selected.

To the best of our Directors' knowledge, as at the Latest Practicable Date, we are not aware of any information or arrangement which would lead to a cessation or termination of our relationship with any of our current major suppliers or contractors.

None of our Directors or Substantial Shareholders and their respective associates has any interest, direct or indirect, in any of our major suppliers or contractors listed above.

There are no arrangements or understanding with any major supplier or contractor pursuant to which any of our Directors or Executive Officers was appointed.

MATERIAL PROPERTIES AND FIXED ASSETS

As at the Latest Practicable Date, our Group leased or licensed the following material properties:

Leased/ Licensed By	Location	Tenure	Approximate Gross Area (sq metres)	Monthly Rental	Lessor/ Licensor	Usage
iWOW Technology	1004 Toa Payoh North #02-11/12 Singapore 318995	3 years commencing from 12 March 2022	181.4	S\$3,357.71	DBS Trustee Limited (as trustee of MapleTree Industrial Trust)	For the purpose of warehousing of telecommunication devices cum ancillary office
iWOW Technology	1004 Toa Payoh North #02-16/17 Singapore 318995	3 years commencing from 16 January 2021	184.2	S\$3,310.07	DBS Trustee Limited (as trustee of MapleTree Industrial Trust)	For the purpose of R&D and assembly of wireless communication devices and equipment
iWOW Technology	1004 Toa Payoh North #03-08/09/10 Singapore 318995	3 years commencing from 14 July 2019	274.9	S\$5,088.40	DBS Trustee Limited (as trustee of MapleTree Industrial Trust)	For the purpose of R&D and assembly of wireless communication devices and equipment
iWOW Technology	1004 Toa Payoh North #05-11 Singapore 318995	3 years commencing from 14 July 2019	90.7	S\$1,678.86	DBS Trustee Limited (as trustee of MapleTree Industrial Trust)	For the purpose of R&D and assembly of wireless communication devices and equipment
Electrique Energie & Metering Pte. Ltd.	1004 Toa Payoh North Ave #06-08/09 Singapore 318995	3 years commencing from 1 October 2021	184.2	S\$3,310.07	DBS Trustee Limited (as trustee of MapleTree Industrial Trust)	For the purpose of warehouse storage and office

(collectively, the “**Toa Payoh Office**”).

As at the Latest Practicable Date, our Directors are not aware of any existing breach of any obligations under the abovementioned lease agreements that would result in their termination by the lessors or non-renewal, if required, when they expire.

Under the respective property leases for the Toa Payoh Office, the lessor may terminate the respective leases by (a) providing six (6) months’ notice in writing, if at any time during the term, the lessor decides to redevelop, retrofit or upgrade the building or sell the premises with vacant possession, or (b) if any notice, order or gazette notification of an intended acquisition is made or served by the Government or any competent authority acquiring or intending to acquire the building or premises on such date as may be specified in the notice or if no date is specified, the date of receipt of the notice. In addition, the lessor may also terminate the respective leases if the head lease is terminated for any reason whatsoever.

Save as disclosed above, the lessor may not unilaterally terminate the respective leases without cause (e.g. breach by the lessee of its obligations under the respective lessees). Our Directors are of the view that any unilateral termination by any lessor is unlikely to have a material impact on our Group's business or operations as we believe that we will be able to secure leases for alternative premises in such event.

SALES AND MARKETING

Our sales and marketing activities are led by:

- (a) our SVP of IoT – Mr. Chen Jer Yaw, who oversees the business development and sales activities of our IoT solutions to government and commercial (B2B) sectors; and
- (b) our SVP of Smart Metering – Mr. Ashokan who oversees the sales and marketing of our smart metering solutions to government and commercial (B2B) sectors.

Historically, we obtained our B2B contracts through winning private or public tender bids. Our Smart Metering contracts are obtained through our channel partners such as Singapore electricity retailers and facility management companies.

In the short-term, we will continue to participate in more local public and private tenders either by ourselves or by working in consortiums. Our IoT business strategy is to build strong long term relationships and build close rapport with our B2B customers by consistently bringing solutions to address the customers' IoT needs early in their IoT implementation decision making process. We intend to increase the size of our sales and marketing team and increase our efforts in engaging B2B customers through early proof-of-concepts trials which is expected to improve our ability to secure tenders and contracts.

For our Smart Metering division, we will put new focus on engaging landlords directly as the market is maturing and landlords are looking for greater control on managing their utilities as opposed to relying on electricity retailers for solutions. We will also focus on new market segments for our Smart Metering solutions such as in electric vehicle charging and solar panel monitoring.

In the longer term, we aim to commercialise our AAS solution to the general public in Singapore as well as overseas. Currently, our AAS solution is only installed in rental flats with elderly occupants living alone. We are confident that there is a growing market for this medical emergency system in any aging society. Singapore and many developed countries are currently facing an increasingly aging population due to increased life expectancy coupled with decreasing birth rates. Accordingly, commercialising our AAS solution to the mass market public will see us pivoting from our current B2B business model to a B2C business model.

Our new range of EMS offerings will also be introduced over the course of 2022 to countries that have implemented electronic monitoring for offenders and accused on bail.

RESEARCH AND DEVELOPMENT

To harness technological advances as a competitive advantage, we make deliberate efforts to stay abreast of developments in IoT and newer and better wireless communication technologies to improve our IoT offerings. We also keep abreast of new developments by reading research papers extensively, staying connected to new technology developments by semiconductor companies and conducting proof-of-concept trials with key customers. Our research and development activities are led by our CTO, Mr. Mah, who has been with our Group since 2000.

In 2015, we researched on LoRaWAN technology and developed our know-how on LoRaWAN technology to enhance our wireless communication capabilities. LoRaWAN is a patented, proprietary, low-power wide-area network modulation technique developed by Cycleo from France and later acquired by Semtech. One of its key features is enabling long-range transmissions with low power consumption. Though LoRaWAN is not our proprietary technology, substantial resources are required to learn how to utilise it.

LoRaWAN is advantageous to us as it builds up our “self-controlled” wireless communication capability, since LoRaWAN does not require the infrastructure and services of third parties such as telecommunication companies to facilitate the transfer of data for us.

We have since partnered with SIIX Singapore in a consortium and was awarded a tender in 2019 by Statutory Board A to deploy the wireless AAS using LoRaWAN technology in various HDB blocks in Singapore. Phase 1 of the deployment started in October 2019 and Phase 2 of the deployment started in March 2021. As at the Latest Practicable Date, we have approximately 16,000 alert buttons in operation. Phase 2 deployment will end around March 2022 with an expected contract quantity of up to 20,000 alert buttons.

Our AAS is a wireless emergency distress system for the elderly. It comprises of two (2) battery operated emergency buttons in the residence, a wireless gateway in the residential block, a digital signboard at the ground level lift lobby, and a server and an application software in the control centre located on the cloud. Residents in distress can press the red emergency button and the alerts are sent to a 24/7 hotline service operated by a Singapore government ministry. Our alert button operates on a battery life span of five (5) years. It sends alerts wirelessly via LoRaWAN technology to a cloud-based application server maintained by the Company.

We do not have any material research and development policies and research and development expenditure for the Period Under Review that is material as our research and development activities are driven by the investment of our employees’ time in innovation activities. Save as disclosed above, there are no significant new products or services introduced by our Group during the Period Under Review and as at the Latest Practicable Date.

INVENTORY MANAGEMENT

Our inventory mainly comprises finished goods that are manufactured by our contractors, smart meters and electronic components that we purchase pursuant to our ongoing projects.

Inventory levels are principally determined by taking into account secured orders, expected demand for products and the lead-time for completion of orders. For our Smart City Solutions products, we do not maintain significant stock levels. Generally, raw materials are procured and products are manufactured based on committed orders from our customers.

For products that we manufacture and sell under our in-house brands, we maintain adequate inventory levels in order to fulfil the anticipated needs of our customers. The level of inventories maintained may vary across different products, taking into account, among others, sales forecasts, the life cycle of the product, availability of components, economic production quantities, as well as production and delivery lead times.

We adopt the first-in first-out method of inventory management and costing, and maintain our inventory based on our ongoing projects. Inventory is valued at the lower of cost and net realisable value, and we review the Group’s inventory periodically to identify slow-moving and obsolete inventory to estimate the amount of inventory loss as an allowance required.

With respect to our operations, we utilise an inventory management module to monitor the movement of our inventory.

We continuously assess the value and usefulness of inventory. Where necessary, allowance is provided for damaged, obsolete and slow-moving items, to adjust the carrying value of inventory to lower the costs and net realisable value.

Our inventory turnover days for FY2019, FY2020, FY2021 and 6M2022 are as follows:

	FY2019	FY2020	FY2021	6M2022
Inventory turnover (days) ⁽¹⁾	15	55	20	21

Note:

(1) Inventory turnover days is computed as follows: (Closing Inventories/Costs of Sales) x Number of Days

Where:

“Closing Inventories” is defined as the closing amount of the relevant financial year/period.

“Number of Days” is defined as the number of calendar days in the relevant financial year/period.

“Cost of Sales” is defined as changes in inventories and raw materials used.

The increase in the inventory turnover days from 15 days in FY2019 to 55 days in FY2020 was mainly due to inventory purchased in 2H2020 for the utility management system project, which took place across FY2020 and FY2021.

The decrease in the inventory turnover days from 55 days in FY2020 to 20 days in FY2021 was mainly due to a higher cost of sales base, brought forth by the sale of Trace Tokens. Despite the increased in sales, we worked closely with our contract manufacturers and partners to optimise the production process and required inventory levels.

Inventory turnover days remained fairly constant at 20 days and 21 days in FY2021 and 6M2022, respectively.

As at the Latest Practicable Date, our Directors are not aware of any information or reason that our Group may have to make a material provision or write-down our inventory in accordance with applicable accounting standards.

CREDIT MANAGEMENT

Credit Terms to our Customers

Our payment terms for each customer differs. We have also established a credit policy under which each new customer is analysed for its creditworthiness before our standard payment terms are offered. Under our standard payment terms, we generally grant credit terms of 30 days. However, we may grant credit terms in excess of 30 days to some of our customers, depending on factors including but not limited to their payment history and their financial strength, as well as the size of the relevant transaction. Conversely, where circumstances require, we may request payment on delivery.

Our Group will review the trade debts and follow up on the outstanding debts with the respective customers. According to our Company’s policy, our Group will provide an allowance for doubtful debts for trade debts that are aged over 180 days and with recoverability issues. Specific provision or write-off will be made when we are of the view that the collectability of an outstanding debt is impaired or the debt is uncollectible.

Except for those trade receivables that have been included in the allowance for doubtful debts and based on our customers' historical default rates and experience, our Group does not foresee any issue with collection of the outstanding debts. We incurred bad debts written off of S\$3,000 in FY2019, and did not have any bad debts which were written off for FY2020, FY2021 and 6M2022.

Our trade receivables' turnover during the Period Under Review were as follows:

	FY2019	FY2020	FY2021	6M2022
Trade receivables' turnover days ⁽¹⁾	120	52	42	65

Note:

(1) Closing trade receivables turnover days is computed as follows: (Closing Trade Receivables/revenue) x Number of Days

Where:

“**Closing Trade Receivables**” is defined as the closing trade receivables (excluding accrued revenue) of the relevant financial year/period.

“**Number of Days**” is defined as the number of calendar days in the relevant financial year/period.

The Group did not incur any bad debts during the Period Under Review, save for a S\$3,000 exceptional bad debt in FY2019.

The high turnover of 120 days for FY2019 was due to slower repayments from two (2) of our major customers which accounted for approximately 60% of our accounts receivables as at 31 March 2019 and a long outstanding debt of approximately S\$70,000 which was subsequently collected in FY2020.

Trade receivables' turnover days improved to 52 days and 42 days for FY2020 and FY2021 respectively with proactive collection measures but increased to 65 days for 6M2022 mainly due to billings made at the end of the period.

As at the Latest Practicable Date, approximately 92.3% of our trade receivables as at 6M2022 had been collected.

Credit Terms from our Suppliers and Contractors

Our suppliers and contractors mainly comprise suppliers of electronic components and raw materials that we use, and manufacturers and assemblers of our end electronic products, which we design in-house. The payment terms granted by our suppliers and contractors vary depending on, among other things, our relationships with them and the services they provide.

Our trade payables turnover days during the Period Under Review were as follows:

	FY2019	FY2020	FY2021	6M2022
Trade payables turnover days ⁽¹⁾	207	113	88	66

Note:

(1) Closing trade payables turnover days is computed as follows: (Closing Trade Payables/Costs of Sales) x Number of Days

Where:

“**Closing Trade Payables**” is defined as the closing amount of the relevant financial year/period.

“**Number of Days**” is defined as the number of calendar days in the relevant financial year/period.

“**Cost of Sales**” is defined as changes in inventories, raw materials used and other direct related expenses.

The high trade payables turnover of 207 days for FY2019 was mainly due to (a) trade payables including long outstanding balances which will be written off in subsequent years; and (b) slower repayments to suppliers in FY2019. The trade payables to be written off pertain to disputed debts carried forward from prior years with vendors whom the Group no longer has dealings with and there has not been any recent correspondence with the respective vendors. Accordingly, they are to be written off in accordance with the applicable accounting standards.

Trade payables turnover decreased to 113 days for FY2020 mainly due to (a) increased purchases in FY2020 by 104%; and (b) more timely repayments to suppliers.

Trade payables' turnover days decreased further to 88 days and 66 days for FY2021 and 6M2022, respectively, mainly due to timely prepayments to our suppliers. The turnover is also consistent with the credit terms extended to the Group via trade facilities from DBS Bank Ltd., which was extended to the Group in FY2021.

ENVIRONMENT, HEALTH AND SAFETY

Our operations are subject to regulatory requirements and potential liabilities arising under applicable environmental, health or safety-related laws and regulations in Singapore.

We believe that we are in compliance in all material respects with regards to the applicable environmental regulations in Singapore. To date, no material environmental, health or safety-related incident involving us or any of our subsidiaries has occurred.

INTELLECTUAL PROPERTY RIGHTS


Save as disclosed below, our Group's business and profitability is not materially dependent on any trademark, patent, licence or other intellectual property rights.

Copyright

Our Group generally owns the copyright to the proprietary software which are developed and produced by our Group for our products. Where there is a co-developer or if a customer has commissioned us to develop a particular piece of software for particular products or any project undertaken by our Group, the copyright to the software may be jointly held by us or, if contractually agreed, held by such customer or co-developer. Where appropriate, we will use copyright laws to protect our intellectual property rights arising from our proprietary software which are developed by us.

Trademarks

As at the Latest Practicable Date, the trademark which we obtained registration include:

Trademark	Application/Registration Number	Place of Registration	Registered Owner	Class	Registration Date	Expiry Date
	40202109805P	Singapore	iWOW Technology Limited	9 ⁽¹⁾	28 April 2021	28 April 2031

Note:

(1) Class 9 includes Application software; Artificial intelligence and machine learning software; Apparatus for interconnecting data processing equipment; Apparatus for network communication; Communication software; Computer programmes for data processing; Consoles for use with data processing apparatus; Communication modems; Computers; Computer hardware; Computer networking hardware; Computer programmes for network management; Computer utility programmes; Data processing apparatus; Data processing equipment; Data processing programmes; Facial analysis software; Facial recognition apparatus.

Web Domain

As at the Latest Practicable Date, the domain names for which we obtained registration include:

Domain Name	Registered Owner	Creation Date	Expiration Date
iwow.com.sg	iWOW Technology Limited	24 March 2000	24 March 2022 ⁽²⁾
pandogrid.com	Web Commerce Communications Limited ⁽¹⁾	11 November 2013	11 November 2022
electrique.com.sg	A-Speed Infotech Pte Ltd ⁽¹⁾	5 August 2010	5 August 2022

Notes:

(1) This was set up by a third party service provider.

(2) The domain name "iwow.com.sg" was renewed on 24 March 2022 and the expiration date has been extended to 24 March 2023.

There are at present no facts or circumstances which would cause such web domains to be suspended or for any applications for the renewal of any of these web domains to be rejected.

Licensing Agreements

We have not entered into any material licencing agreements to use patents, inventions and/or technologies in the design of our products.

Save as disclosed above, we do not own or use any other registered trademarks, internet domain or intellectual property, including copyright and ancillary rights which are material to our business. Currently, our business and profitability are not materially dependent on any intellectual property such as patents, patent rights, licences and processes or other tangible assets. During the Period Under Review and up to the Latest Practicable Date, we did not have any dispute or any other pending legal proceedings concerning intellectual property rights.

MATERIAL LICENCES, PERMITS, REGISTRATIONS AND APPROVALS

Our Group's principal business activities are located in Singapore and we are subject to regulation by applicable laws, regulations and government agencies in Singapore. These regulations require us to possess various licences or approvals.

As at the Latest Practicable Date, our Group has the following material licences, permits, registrations and approvals which are material to our operations:

S/N	Name of Licence/ Registration	Product	Licence Holder	Authority	Effective Date	Expiry Date	Description
1.	Telecommunication Dealer's (Individual) Licence ⁽¹⁾	Not applicable	iWOW Connections Pte Ltd	Infocomm Media Development Authority	4 November 2020	31 December 2025	Licence in relation to the manufacture, import, let for hire, sale, or offer or possession for sale of registered equipment or telecommunication equipment
2.	Telecommunication Dealer's (Class) Licence ⁽¹⁾	Not applicable	iWOW Connections Pte Ltd	Infocomm Media Development Authority	27 April 2002	30 September 2088	Licence in relation to the manufacture, import, let for hire, sale, or offer or possession for sale of registered equipment or telecommunication equipment

S/N	Name of Licence/ Registration	Product	Licence Holder	Authority	Effective Date	Expiry Date	Description
3.	Telecommunication Dealer's (Individual) Licence ⁽¹⁾	Not applicable	iWOW Technology	Infocomm Media Development Authority	8 September 2020	31 August 2025	Licence in relation to the manufacture, import, let for hire, sale, or offer or possession for sale of registered equipment or telecommunication equipment
4.	Telecommunication Dealer's (Class) Licence ⁽¹⁾	Not applicable	iWOW Technology	Infocomm Media Development Authority	14 July 2020	14 October 2103	Licence in relation to the manufacture, import, let for hire, sale, or offer or possession for sale of registered equipment or telecommunication equipment

S/N	Name of Licence/ Registration	Product	Licence Holder	Authority	Effective Date	Expiry Date	Description
5.	Enhanced Simplified Equipment Registration Registration Number: N1958-19	Lora Node	iWOW Connections Pte Ltd	Infocomm Media Development Authority	7 May 2019	30 April 2024	Registration in relation to the import and sale of short range/low power devices, DECT Cordless Telephone, Portable mobile radio and multi-channel portable radio at less than 500mW, DVB-T2 Integrated Receiver Decoder, or Complex multi-line equipment
6.	Simplified Equipment Registration Registration Number: S1348-17	iTegno SJ205HAB	iWOW Connections Pte Ltd	Infocomm Media Development Authority	29 March 2017	28 February 2027	Registration in relation to mobile terminals or broadband access equipment
7.	Simplified Equipment Registration Registration Number: S1212-16	iTegno 5532	iWOW Connections Pte Ltd	Infocomm Media Development Authority	30 March 2016	28 February 2026	Registration in relation to mobile terminals or broadband access equipment

S/N	Name of Licence/ Registration	Product	Licence Holder	Authority	Effective Date	Expiry Date	Description
8.	Enhanced Simplified Equipment Registration Registration Number: N5251-20	TraceTogether Token	iWOW Technology	Infocomm Media Development Authority	27 October 2020	30 September 2025	Registration in relation to the import and sale of short range/low power devices, DECT Cordless Telephone, Portable mobile radio and multi-channel portable radio at less than 500mW, DVB-T2 Integrated Receiver Decoder, or Complex multi-line equipment
9.	Registered Contractor ME04 (Communications & Security Systems Workhead) ⁽¹⁾	Not applicable	iWOW Technology	Building Construction Authority	5 November 2020	1 November 2023	Registration for (a) the installation and maintenance of communications system and security systems and (b) installation and maintenance of Central Antenna Television systems

S/N	Name of Licence/ Registration	Product	Licence Holder	Authority	Effective Date	Expiry Date	Description
10.	Registered Contractor ME05 (Electrical Engineering) ⁽¹⁾	Not applicable	iWOW Technology	Building Construction Authority	5 November 2020	1 November 2023	The installation, testing, commissioning, maintenance and repair of electrical based systems such as switchgears, transformers and large generators. It also includes the electrical installations in building and marine vessels
11.	Registered Contractor SY05 (Electrical & Electronic Materials, Products & Components) ⁽¹⁾	Not applicable	iWOW Technology	Building Construction Authority	5 November 2020	1 November 2023	Registration for the supply of electrical and electronic products and materials such as batteries, electrical cables and wires, lightings, and includes control and measuring instruments

S/N	Name of Licence/ Registration	Product	Licence Holder	Authority	Effective Date	Expiry Date	Description
12.	Registered Producers ⁽¹⁾	Not applicable	iWOW Technology	National Environment Agency	– ⁽²⁾	Valid until revoked	Registration in relation to the supply of any class or type of electrical or electronic products, being regulated products under the Resource Sustainability Act 2019
13.	Registered Producers ⁽¹⁾	Kona Macro Gateway	iWOW Connections Pte Ltd	National Environment Agency	– ⁽²⁾	Valid until revoked	Registration in relation to the supply of any class or type of electrical or electronic products, being regulated products under the Resource Sustainability Act 2019

S/N	Name of Licence/ Registration	Product	Licence Holder	Authority	Effective Date	Expiry Date	Description
14.	Registered Government Supplier S10 (EPU/GMP/10 – Computer Related Hardware, Software, and Services) ⁽¹⁾	Not applicable	iWOW Technology	GeBIZ	Not applicable	10 November 2024	Registration of financial grade to tender for the supply of goods and/or services in respect to or connection with computer hardware and software products, software development and maintenance of system, equipment and computers
15.	Registered Government Supplier S10 (EPU/SER/19 – Data Entry, Supply of Manpower) ⁽¹⁾	Not applicable	iWOW Technology	GeBIZ	Not applicable	10 November 2024	Registration of financial grade to tender for the supply of services in respect to or connection with data entry and the supply of manpower services

Notes:

- (1) As part of the application process for the relevant approval, licence and/or registration supporting documents would have to be provided by the Company and the Group may be subject to inspection prior to the approval or renewal of the relevant approval, licence and/or registration. As at the Latest Practicable Date, the Group has not received any observations and/or findings from the relevant authorities in respect of applications submitted for approvals, licences and/or registrations.
- (2) Part 3 of Division 2 of the Resource Sustainability Act 2019 came into effect on 1 January 2020.

As at the Latest Practicable Date, none of the aforesaid licences, permits and approvals which are material to the business and operations of our Group has been suspended, revoked or cancelled. To the best knowledge and belief of the Directors, there have been no breaches for conditions of the aforesaid licences, permits and approvals which are material to the business and operations of our Group and there are at present no facts or circumstances which would cause such licences to be suspended, revoked or cancelled as the case may be or for any applications for, or the renewal of, any of these licences to be rejected by the relevant authorities.

Save as disclosed above, our Group does not require any other governmental licences, permits or approvals in respect of our operations apart from those pertaining to general business registration requirements.

To the best of our knowledge, as at the Latest Practicable Date, our Group has obtained all relevant business licences, certificates and approvals necessary for our business operations and we have complied with all relevant laws and regulations that would materially affect our business operations.

Please refer to the section entitled “General Information On our Group – Government Regulations” of this Offer Document for further information.

INSURANCE

As at the Latest Practicable Date, we maintain the following insurance policies to cover, amongst others, our risks relating to operations, human resource and fixed assets:

- (a) general liability insurance;
- (b) industrial all risks insurance to cover the loss due to business interruption or damage to our plant and machinery and stocks-in-trade;
- (c) group hospital and surgical insurance and group life and total permanent disability insurance for employees;
- (d) work injury compensation insurance for employees; and
- (e) directors' and officers' liability insurance.

As at the Latest Practicable Date, having considered the risk levels and the cost of procuring insurance for certain risks associated with our business, our Directors believe that we have taken up sufficient insurance coverage in line with industry practice and we will conduct annual reviews of such coverage of our Group and will consider taking up additional insurance if necessary. Please refer to the section entitled "Risk Factors – Risks Relating to our Business – We may not have sufficient insurance coverage" of this Offer Document for further details.

GOVERNMENT REGULATIONS

We are in a heavily regulated industry. There are extensive guidelines, regulations and laws governing our operations in Singapore. The following description is a summary of the material laws and regulations applicable to our Group under Singapore law. The regulations and policies set out below are not exhaustive and are only intended to provide some general information to the investors and are neither designed nor intended to be a substitute for professional advice. Prospective investors should consult their own advisers regarding the implication of Singapore laws and regulations on our Group.

Singapore Laws

Sale of Goods Act 1979 of Singapore ("SGA")

The SGA is the main governing law in Singapore in relation to sale of goods. The SGA applies to any contract for the sale of goods. A contract of sale of goods is a contract by which the seller transfers or agrees to transfer the property in goods to the buyer for a money consideration called the price.

Section 13 of the SGA provides that where there is a contract for the sale of goods by description, there is an implied condition that the goods will correspond with the description.

Section 14 of the SGA provides that where a seller sells goods in the course of a business, there is an implied condition that the goods supplied under the contract of satisfactory quality, except that there is no such condition (a) as regard defects specifically drawn to the buyer's attention before the contract is made; (b) where the buyer examines the goods before the contract is made, as regards defects which the examination ought to reveal; or (c) if the contract is a contract for sale by sample, which would have been apparent on a reasonable examination of the sample.

Telecommunications (Dealers) Regulations (“TDR”)

Under Regulation 3 of the TDR (which is promulgated under the Telecommunications Act 1999 of Singapore (“TA”)), a person who manufactures, imports, lets for hire, sells, or offers or possesses for sale any telecommunication equipment registered for sale under Regulation 20(6) of the TDR or telecommunication equipment set out in the First Schedule of the TDR (“**Telecommunication Equipment**”) shall be deemed to have been granted a dealer’s class licence for that purpose (“**Dealer’s Class Licence**”). iWOW Connections and iWOW Technology holds such Dealer’s Class Licence.

Any holder of a Dealer’s Class Licence who is carrying on any business or trade as a dealer (i.e. a person who manufactures, imports for sale, lets for hire, sells, or offers or possesses for sale any equipment which is capable of being used for the purpose of telecommunication) shall, in turn, register with the Infocomm Media Development Authority (“**IMDA**”) each of the premises under his control or occupation where he manufactures, imports, lets for hire, sells or offers or possesses for sale any Telecommunication Equipment. A Dealer’s Class Licence shall remain valid unless it is cancelled in accordance with the terms of the TA or the TDR.

Any person who imports any telecommunication equipment (being any appliance, apparatus or accessory used or intended to be used for telecommunications) shall, before such equipment is imported, notify IMDA of the intended import and furnish such particulars in such form as may be determined by IMDA.

In addition, under Regulation 20 of the TDR, subject to certain exceptions, it shall be a condition of the Dealer’s Class Licence that the licensee shall not sell (a) any type of telecommunication equipment to be used for connection to any telecommunication system or equipment belonging to a telecommunication system licensee; or (b) any type of radio-communication equipment to be used in Singapore, unless the type of equipment has been approved for sale by way of registration with IMDA. Such registration for a Dealer’s Class Licence is valid until cancelled or suspended and for a Dealer’s Individual Licence is for five (5) years from the date of assignment of registration number. Registration for a Dealer’s Individual Licence may be renewed for periods of five (5) years at a time.

Workplace Safety and Health Act 2006 of Singapore (“WSHA”)

The WSHA governs the safety, health and welfare of persons at work in workplaces. Under WSHA every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining for the employees a work environment which is safe, without risk to health and adequate as regards facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken and ensuring that the person at work has adequate instruction, information, training and supervision as is necessary for that person to perform his work. More specific duties imposed by the MOM on employers are laid out in the Workplace Safety and Health (General Provisions) Regulations.

Any person guilty of an offence under the WSHA (but not including the relevant regulations) for which no penalty is expressly provided by the WSHA shall be liable on conviction:

- (a) in the case of a natural person, to a fine not exceeding S\$200,000 or to imprisonment for a term not exceeding two (2) years or to both; and
- (b) in the case of a body corporate, to a fine not exceeding S\$500,000,

and, if the contravention in respect of which he was so convicted continues after the conviction, he shall (subject to Section 52 of the WSHA) be guilty of a further offence and shall be liable to a fine:

- (i) in the case of a natural person, not exceeding S\$2,000 for every day or part thereof during which the offence continues after conviction; or
- (ii) in the case of a body corporate, not exceeding S\$5,000 for every day or part thereof during which the offence continues after conviction.

Workplace Safety and Health (General Provisions) Regulations

Under the Workplace Safety and Health (General Provisions) Regulations (the “WSHR”), additional duties imposed include, inter alia, (a) taking effective measures to protect persons at work from the harmful effects of exposure to any infectious agents or biohazardous material which may constitute a risk to their health; (b) ensuring that while work is carried out in the workplace, the workplace is not overcrowded so as to pose safety and health risks to persons at work therein; (c) ensuring that every workroom of the workplace is provided with adequate ventilation; (d) providing and maintaining sufficient and suitable lighting, whether natural or artificial, in every part of the workplace in which persons are at work or passing; and (e) in any workplace where persons are at work in any process or operation which involves exposure to vibration which may constitute a risk to their health, providing, so far as it is reasonably practicable, effective means to reduce the vibration.

Pursuant to the WSHR, the occupier of a workplace has a duty to (a) take all reasonably practicable measures to ensure that no person at work in the workplace is exposed to toxic substances in excess of the specified permissible exposure levels; and (b) ensure that, so far as reasonably practicable, every container of hazardous substance is affixed with one or more warning labels that conform with prescribed standards. In addition, all hazardous substances in a workplace must be placed under the control of a competent person who has adequate knowledge of the properties of the hazardous substances and their dangers.

Employment Act 1968 of Singapore (“EA”)

The EA is administered by the MOM and sets out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees who are covered under the EA (“**relevant employees**”).

In particular, Part IV of the EA sets out requirements for rest days, hours of work and other conditions of service for workmen who receive salaries not exceeding S\$4,500 a month and employees (other than workmen) who receive salaries not exceeding S\$2,500 a month. Section 38(8) of the EA provides that a relevant employee is not allowed to work for more than 12 hours in any one day except in specified circumstances, such as where the work is essential to the life of the community, defence or security. In addition, section 38(5) of the EA limits the extent of overtime work that a relevant employee can perform to 72 hours a month.

Employers must seek the prior approval of the Commissioner for Labour (“**Commissioner**”) for exemption if they require a relevant employee or class of relevant employees to work for more than 12 hours a day or work overtime for more than 72 hours a month. The Commissioner may, after considering the operational needs of the employer and the health and safety of the relevant employee or class of relevant employees, by order in writing exempt such relevant employees from the overtime limits subject to such conditions as the Commissioner thinks fit. Where such exemptions have been granted, the employer shall display the order or a copy thereof conspicuously in the place where such employees are employed.

Employment of Foreign Manpower Act 1990 of Singapore (“EFMA”)

The availability and the employment cost of skilled and unskilled foreign workers are affected by the government’s policies and regulations on the immigration and employment of foreign workers in Singapore. The policies and regulations are set out in, *inter alia*, the EFMA and the relevant Government Gazettes.

Under the EFMA, no person shall employ a foreign employee and no foreign employee shall be in the employment of an employer unless the foreign employee has a valid work pass. In relation to the employment of semi-skilled or unskilled foreign workers, employers must ensure that such persons apply for a “Work Permit”. In relation to the employment of foreign mid-level skilled workers, employers must ensure that such persons apply for a “S Pass”.

In relation to the employment of foreign professionals, employers must ensure that such persons apply for an “Employment Pass”.

As at the Latest Practicable Date, we employ one (1) foreign employee in Singapore.

The Employment of Foreign Manpower (Work Passes) Regulations 2012 (“**EFMR**”) requires employers of work permit holders, *inter alia*, to:

- Subsidise medical expenses of foreign worker (unless agreed otherwise);
- Provide safe working conditions;
- Provide acceptable accommodation consistent with any law or governmental regulations; and
- Provide and maintain medical insurance for inpatient care and day surgery, with coverage of at least S\$15,000 per every 12-month period.

The EMFR also requires employers of S Pass holders, *inter alia*, to:

- Subsidise medical expenses of foreign worker (unless agreed otherwise); and
- Provide and maintain medical insurance for inpatient care and day surgery, with coverage of at least S\$15,000 per every 12-month period.

An employer of foreign workers is also subject to, *inter alia*, the provisions set out in the EA, the EFMA, the Immigration Act 1959 of Singapore and the Immigration Regulations.

Work Injury Compensation Act 2019 of Singapore (“WICA”)

The WICA, which is regulated by the MOM, applies to all employees in all industries engaged under a contract of service in respect of injury suffered by them in the course of their employment and sets out, *inter alia*, the amount of compensation they are entitled to and the method(s) of calculating such compensation.

The WICA provides that the employer shall be liable to pay compensation in accordance with the provisions of the WICA, if personal injury by accident arising out of and in the course of the employment is caused to an employee. Employers are required to maintain work injury compensation insurance for all employees doing manual work regardless of salary level and non-manual employees earning S\$2,600 or less a month, who are engaged under contracts of service (unless exempted).

Resource Sustainability Act 2019 of Singapore (“RSA”)

The RSA, which is regulated by the National Environmental Agency of Singapore regulates, *inter alia*, the collection and treatment of electrical and electronic waste.

The RSA provides that a producer of a class or type of electrical or electronic product that has been prescribed to be a regulated product must not supply such regulated products in Singapore unless they are first registered with the National Environmental Agency of Singapore. In addition, where a registered producer supplies a regulated non-consumer product, it is required upon presentation by any person of the non-consumer product for disposal, to collect the regulated non-consumer product for disposal with a licenced waste collector or licenced e-waste collector.

Personal Data Protection Act 2012 of Singapore (“PDPA”)

The PDPA establishes the Singapore regime for the protection of personal data (i.e. data, whether true or not, about an individual who can be identified from that data or other information accessible to the relevant organisation) and seeks to ensure that organisations comply with a baseline standard of protection for personal data of individuals. The nine (9) data protection obligations are summarised as follows:

- (a) Purpose limitation obligation – personal data must be collected, used or disclosed only for purposes that a reasonable person would consider appropriate in the circumstances, and if applicable, have been notified to the individual concerned;
- (b) Notification obligation – individuals must be notified of the purposes for the collection, use or disclosure of their personal data, prior to such collection, use or disclosure;
- (c) Consent obligation – the consent of individuals must be obtained for any collection, use or disclosure of their personal data, unless exceptions apply. Additionally, an organisation must allow the withdrawal of consent which has been given or is deemed to have been given;

- (d) Access and correction obligations – when requested by an individual and unless exceptions apply, an organisation must: (i) provide that individual with access to his personal data in the possession or under the control of the organisation and information about the ways in which his personal data may have been used or disclosed during the past year; and/or (ii) correct an error or omission in his personal data that is in the possession or under the control of the organisation;
- (e) Accuracy obligation – an organisation must make reasonable efforts to ensure that personal data collected by or on its behalf is accurate and complete if such data is likely to be used to make a decision affecting the individual or if such data will be disclosed to another organisation;
- (f) Protection obligation – an organisation must implement reasonable security arrangements for the protection of personal data in its possession or under its control;
- (g) Retention limitation obligation – an organisation must not keep personal data for longer than it is necessary to fulfil: (i) the purposes for which it was collected; or (ii) a legal or business purpose;
- (h) Transfer limitation obligation – personal data must not be transferred out of Singapore except in accordance with the requirements prescribed under the PDPA; and
- (i) Openness obligation – an organisation must implement the necessary policies and procedures in order to meet the obligations under the PDPA and shall make information about its policies and procedures publicly available.

Non-compliance may lead to financial penalties, civil liability or criminal liability. The Singapore data protection regulator, the Personal Data Protection Commission, also has broad powers to order the organisations to comply with the provisions of the PDPA.

COMPETITION

We operate in a competitive environment and face competition from new and existing competitors based in Singapore and elsewhere. We believe that the principal competitive factors for the industry and space that we operate in include, among other things, price, features and performance.

Our Directors believe that for new entrants to compete effectively, they would require the necessary technical knowledge, track record and ability to tailor solutions to the needs of the customers. Further, in participating for tenders, we are often required to satisfy stringent requirements in terms of service, products and capabilities. Our strong core competencies and capabilities to design customised IoT solutions, oversee and manage the manufacturing process, implement the solution effectively and provide after sales support allow us to offer a wide range of customised solutions within our Smart City Solutions and IoT-as-a-Service business segments. The competencies and capabilities to design such solutions and meet the stringent requirements of customers and tender specifications can only be built through years of experience in designing and customising IoT solutions. As such, our Directors believe that new entrants will have significant difficulties in providing the same level of services as the experienced industry players in the short-term.

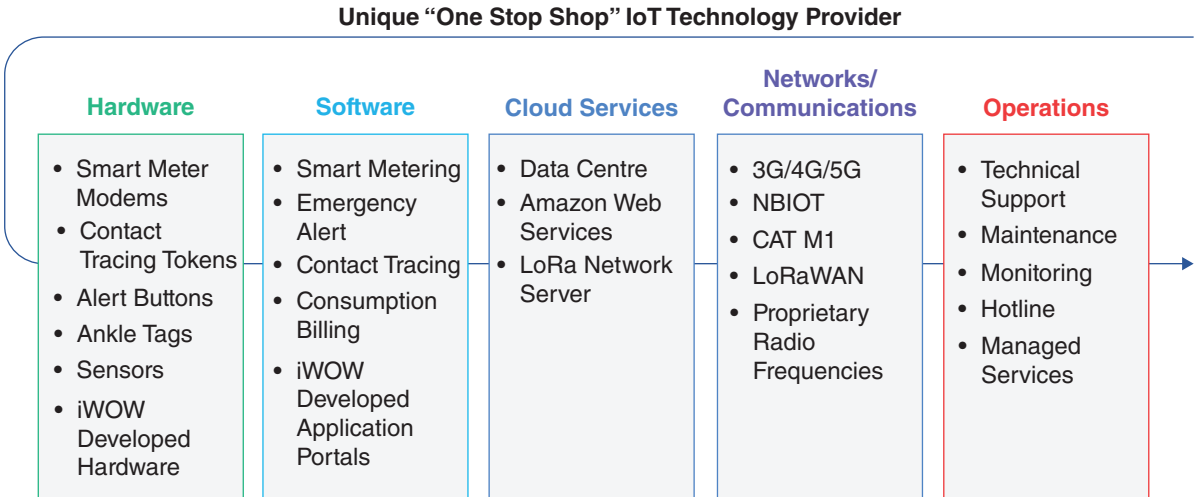
To the best knowledge of our Directors, we are not aware of any other company which provides a similar suite of products and services as our Group. For further details on the Group's products and services, please refer to the section entitled "General Information on our Group – Business Overview" of this Offer Document for further details.

COMPETITIVE STRENGTHS

We believe that we are able to compete effectively due to the following competitive strengths:

(a) Ability to provide unique end-to-end IoT solutions to our customers

iWOW offers a comprehensive spectrum of IoT solutions



We believe that our customers are increasingly seeking out solution providers that can offer comprehensive end-to-end solutions, which we are able to provide. We believe we have successfully achieved value chain integration to provide our customers with end-to-end service and one-stop solutions by leveraging our core competencies and capabilities to design customised IoT solutions, oversee and manage the manufacturing process, implement the solution effectively and provide after sales support. Please refer to the section entitled “Prospects, Business Strategies and Future Plans – Prospects” of this Offer Document for further details.

Our end-to-end platform entails providing solutions in Smart Meter, Trace Tokens, ankle tags to connectivity capabilities that allows 5G, LoRaWAN, Bluetooth and 4G access to our analytics and cloud platforms which allows data analytics capabilities which covers Smart Metering, AAS and contact tracing through our Trace Tokens.

As a result of our end-to-end capabilities, we are able to offer a wide range of solutions in each of our Smart City Solutions and IoT-as-a-Service business segments. We believe that our diverse and wide spectrum of solution offerings provides us with the flexibility to cope with market changes, thereby managing our reliance on any single solution offering, reliance on technology and broadens our customer base and sources of revenue. Some examples of our IoT capabilities include:

- (i) Provision of our EMS solution to Government Agency A for the wireless wearables and we are responsible for the design of each device, overseeing the manufacture of the device by our designated manufacturer, the provision of on-site installation, and maintenance and technical on-site support.
- (ii) Provision of our Smart Metering solutions which are currently adopted for commercial, industrial practices and can similarly be applied for residential usage. Our smart metering solution consists of a specialised wireless modem that is able to connect to any electricity or water meter. It transmits the consumption reading in an accurate, granular, and real-time manner into our cloud-based smart metering platform where the

data is stored, analysed and visualised to provide end users with better understanding and control of their consumption trends. This can help eliminate wastage caused by leaks, faulty equipment, or simply wasteful practices. For example, through the use of our Smart Metering solution and the regular consumption reports provided to management, we were able to investigate the abnormally high water consumption patterns of our customer, a Singapore university, and were able to identify that the irrigation system for their green walls was consuming more water than expected. The data analysis done for the client helped identify the cause to be damaged drip emitters and holes along irrigation pipes which was causing the unconscious wastage of water.

The water conservation assessment for the customer was conducted by Patricio Gonzalez Morel, a sustainability consultant of our Group, over a two (2)-week period from November to December 2019. This assessment resulted in the formulation of 17 recommendations, 11 of which could be quantified with the information collected during the assessment. It is estimated that by implementing these 11 quantified recommendations,³ the customer will:

- lower its water consumption by 21,900 m³ per year, which represents a 12% reduction in consumption with respect to 2019;
- lower its electricity consumption by 377,000 kWh per year; and
- save approximately \$110,000 per year in water and electricity.

We also believe that with the application of IoT and connected devices becoming increasingly popular and widely adopted, we are well-positioned to leverage on the combined experience and strengths of our Group in designing and customising IoT solutions to develop innovative IoT solutions and increase our offerings to capitalise on the opportunities in the Smart Nation initiatives and other residential, industrial and/or commercial applications.

(b) Well positioned through differentiated product offerings to capture the robust tailwinds and megatrends disrupting the productivity deadlock, empowering sustainable growth through technology, and leveraging on the demographic tailwinds of the region.

We are uniquely positioned to benefit from the innovative landscape and progresses from structural changes that is shaping the world we know today. The Company has witnessed the strong trajectory of IoT device penetration, particularly in connected health solutions such as medical alerts and patient monitoring, communication services with increased inter-connectivity such as LoRaWAN, smart tracking and smart cities initiatives like smart metering and smart utilities management, which are supported by megatrends shaping the global economy. Megatrends are transformative forces, changing the trajectory of global growth and shaping economic trends, such as (i) new technological breakthroughs, accelerated by inter-connectivity with almost half of the world's population having access to the internet; (ii) demographic and social changes that will largely include ageing populations in advanced economies; and (iii) rapid urbanisation that will require large scale infrastructure to support increasing migration to cities. Therefore, smart cities are becoming the norm across economies as a means to utilise connectivity to bridge the gap in crucial infrastructure.

³ The quantified recommendations are those for which savings could be reasonably estimated. The other recommendations presented in the report will also yield financial savings in addition to environmental benefits but, due to a lack of data, these savings and benefits could not be fully quantified.

Our differentiated product offering is supported by global megatrends, namely resource scarcity, aging population, increasing global connectivity with 5G adoption and an inevitable digitalisation trend and strategy adapted by government organisations and corporates globally. For example, on the back of increasing resource scarcity, our smart metering solutions will better help customers improve resource efficiency resulting in cost-savings and increased profitability. Our EMS solutions are catered to the aging population demographic shift. According to the Statistics Bureau of Japan, since the 1950s, the population pyramid of Japan has changed dramatically from a standard-shaped pyramid with a broad base due to a decline in birth rate and death rate. In 2020, Japan's aged population (aged 65 and above) was 36.19 million, constituting 28.8% of the total population.⁴ Further, it is projected that the number of Singapore senior citizens aged 65 and above will make up almost half of the population at 3.08 million out of an estimated 6.58 million by 2050.⁵ In addition, the IoT market size in Singapore is expected to reach an estimated US\$1.1 billion in 2022, representing a compounded annual growth rate of over 20% from 2017 to 2022.⁶ The growth is further supported by the Smart Nation initiatives advocated by the Government of Singapore, with the COVID-19 pandemic further increasing scrutiny and accelerating the pace of transformation.

4 This information was extracted from "Statistical Handbook of Japan 2021", which can be accessed at <https://www.stat.go.jp/english/data/handbook/c0117.html>, data accessed on the Latest Practicable Date.

Note: The Statistics Bureau, Ministry of Internal Affairs and Communications of Japan has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Offer Document and is therefore not liable for such information under Sections 253 and 254 of the SFA.

While we and the Sponsor and Issue Manager have taken reasonable actions to ensure that the above information has been reproduced in its proper form and context, and that the information has been extracted accurately and fairly, none of us, the Company and the Sponsor and Issue Manager or any other party has conducted an independent review of the information or verified the accuracy of the contents of the relevant information.

5 This information was extracted from "Elderly to make up almost half of S'pore population by 2050: United Nations", which can be accessed at <https://www.todayonline.com/singapore/elderly-make-almost-half-spore-population-2050-united-nations>, data accessed on the Latest Practicable Date.

Note: Mediacorp Pte. Ltd. has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Offer Document and is therefore not liable for such information under Sections 253 and 254 of the SFA.

While we and the Sponsor and Issue Manager have taken reasonable actions to ensure that the above information has been reproduced in its proper form and context, and that the information has been extracted accurately and fairly, none of us, the Company and the Sponsor and Issue Manager or any other party has conducted an independent review of the information or verified the accuracy of the contents of the relevant information.

6 This information was extracted from "Annexes A-1 Future Communications and Internet-Of-Things", which can be accessed at https://www.imda.gov.sg/-/media/Imda/Files/Industry-Development/Infrastructure/Technology/Technology-Roadmap/Annexes-A-1-Future-Communications-and-IoT_Full-Report.pdf, data accessed on the Latest Practicable Date.

Note: The Infocomm Media Development Authority has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Offer Document and is therefore not liable for such information under Sections 253 and 254 of the SFA.

While we and the Sponsor and Issue Manager have taken reasonable actions to ensure that the above information has been reproduced in its proper form and context, and that the information has been extracted accurately and fairly, none of us, the Company and the Sponsor and Issue Manager or any other party has conducted an independent review of the information or verified the accuracy of the contents of the relevant information.

The global digitalisation trend has spurred both the Singapore government and corporates to be increasingly supportive of adopting IoT solutions to replace older, less efficient solutions. The Group's smart metering solutions will help to minimise manpower and reduce the risk of human error which is aligned with Singapore's direction and initiatives in progressing towards a smart nation. To further support this, Singapore's Smart Nation Sensor Platform will enable agencies to collect, analyse, and share data from sensors deployed island-wide. Agencies can share common sensor communications backhaul and share the collected data to gain deeper insights. It would include a range of initiatives from smart metering in residential areas to provide consumers with timely information on their utility consumption to planning public transport using vehicular counting on a video analytics platform⁷ which creates broader IoT opportunities for the Group to capitalise on.

Amid multiple lockdown periods caused by the pandemic, demand for ultra-streaming video streaming applications, propagation of IoT devices and emerging technologies will require the capabilities of 5G networks, accelerating increasing adoption. The size of Singapore Future Communications' market is projected to be US\$567 million in 2022, representing a compounded annual growth rate of four per cent. (4.0%) from 2017 to 2022.⁸ While uncertainty in the overall economy remains due to the pandemic, there are robust tailwinds propelling the IoT industry where iWOW is in position to capitalise on.

(c) Established reputation and strong track record of over 20 years of strong core competency in customising and tailoring IoT solutions that differentiate us from our competitors

Over our more than 20 years operating track record in the industry, we have built up technological capabilities in wireless connectivity technologies such as 3G, 4G, 5G, NBIOT, Bluetooth and LoRaWAN. Together with our ability to customise and tailor IoT solutions to the needs of our customers, this has allowed us to position ourselves as a key technology enabler to our customers, assisting them to integrate technology and functionality to meet their needs. Over the years, we believe that we have gained the trust of our customers and, with our deep knowledge and expertise in wireless connectivity technology forming a critical backbone to our IoT solutions, have established ourselves as an innovative and reliable partner in the industry, through consistently providing our customers with precise, unique, tailored, and effective solutions and to drive value creation for our customers.

7 This information was extracted from "Updates on Smart Nation Sensor Platform – Connecting all 110,000 lampposts in the city; video analytics pilot in 2nd half of 2017", which can be accessed at <https://opengovasia.com/updates-on-smart-nation-sensor-platform-connecting-all-110000-lampposts-in-the-city-video-analytics-pilot-in-2nd-half-of-2017/>, data accessed on the Latest Practicable Date.

Note: CIO Network Pte Ltd has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Offer Document and is therefore not liable for such information under Sections 253 and 254 of the SFA.

While we and the Sponsor and Issue Manager have taken reasonable actions to ensure that the above information has been reproduced in its proper form and context, and that the information has been extracted accurately and fairly, none of us, the Company and the Sponsor and Issue Manager or any other party has conducted an independent review of the information or verified the accuracy of the contents of the relevant information.

8 This information was extracted from "Annexes A-1 Future Communications and Internet-Of-Things", which can be accessed at https://www.imda.gov.sg/-/media/Imda/Files/Industry-Development/Infrastructure/Technology/Technology-Roadmap/Annexes-A-1-Future-Communications-and-IoT_Full-Report.pdf, data accessed on the Latest Practicable Date.

Note: The Infocomm Media Development Authority has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Offer Document and is therefore not liable for such information under Sections 253 and 254 of the SFA.

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Our long operating history has also demonstrated our flexibility and adaptability to evolving market trends in the fast-changing wireless communications industry. We are agile and can quickly develop new solutions with short deployment time leads and short time-to-market. Moreover, we also believe that this is critical in providing our Group with a competitive edge, differentiating us from our competitors.

For example, in 2020 amidst the evolving COVID-19 pandemic, we, together with SIIX Singapore, were able to successfully capitalise on our Group's strong capabilities in customising and designing tailored solutions to design, build and deploy a contact tracing solution over a period of four (4) months. We eventually managed to secure a public tender with Statutory Board A for the provision of these TraceTogether Tokens which have been successfully distributed and deployed across Singapore.

In addition, Singapore has also introduced the "Smart HDB Town Framework" into housing estates in a five (5)-step approach focusing on Smart Planning, Smart Environment, Smart Estate, Smart Living and Smart community.⁹ These smart initiatives will help push sustainability efforts such as through the implementation of smart lighting that will allow HDB, through lighting fitted with sensors, to understand human traffic patterns and optimise the provision of lighting which could potentially reduce energy usage by as much as 40%.¹⁰ HDB has already begun trials to analyse how smart sensors and smart technologies can be used to collect and analyse estate data to optimise maintenance cycles and capture real-time environment information to create a more pleasant living environment for residents with further sustainable initiatives planned that can help residents save energy and reduce their electricity bills.¹¹ We have already further diversified our product offerings and revenue stream by winning the bid to supply Statutory Board A in the Alarm Alert System project. The bid was won against other major system integrators and telecommunications service providers in the region. As at the Latest Practicable Date, we have deployed approximately 16,000 alert buttons across Singapore. We expect this number to grow as Singapore and neighbouring countries adopt and assimilate to the trends as stated above.

9 This information was extracted from "The Smart Town Framework", which can be accessed at <https://www.smartnation.gov.sg/initiatives/urban-living/smart-towns>, data access on the Latest Practicable Date.

Note: The Smart Nation and Digital Government Office has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Offer Document and is therefore not liable for such information under Sections 253 and 254 of the SFA.

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10 This information was extracted from "Smart HDB Homes of the Future", which can be accessed at <https://www20.hdb.gov.sg/fi10/fi10296p.nsf/PressReleases/F93B15F80588397748257D500009CE6C?OpenDocument>, data access on the Latest Practicable Date.

Note: HDB has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Offer Document and is therefore not liable for such information under Sections 253 and 254 of the SFA.

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11 This information was extracted from "The Smart Town Framework", which can be accessed at <https://www.smartnation.gov.sg/initiatives/urban-living/smart-towns>, data access on the Latest Practicable Date.

Note: The Smart Nation and Digital Government Office has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Offer Document and is therefore not liable for such information under Sections 253 and 254 of the SFA.

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With our established reputation, strong track record and our ability to tailor our solutions rapidly to meet evolving market trends and changing customer demands, we believe that this puts us in an excellent position to capitalise on new opportunities in support of Singapore's Smart Nation Initiative and digitalisation efforts as well as the increasing adoption of new innovative IoT products and solutions.

(d) Operating a fabless and resilient business model

We adopt an asset light model without direct exposure to physical manufacturing plants. This provides the Group with the flexibility to be able to withstand the fast-changing nature of the IoT industry and to deliver highly customised IoT products and solutions without significant commitment by the Company into specific fixed assets and production capabilities which may hamper the Group's ability to adapt to evolving technologies. As our manufacturing is done by third parties, our technology team works closely with our partners in order to ensure that our highly customised IoT products meet the stringent specifications and requisite quality. For example, in devising our IoT products, our technology team will be actively involved in the various phases of the production cycle from prototyping to pre-production, with an employee being designated and deployed to the factories of our partners to oversee the entire manufacturing process. In addition, this fabless business model aims to reduce heavy capital expenditure that is typically required to build manufacturing plants and will allow the group to focus its resources in furthering our R&D to enhance our IoT capabilities and technologies.

Through working closely with the Group's carefully selected manufacturers and suppliers which possess the requisite expertise, processes, and capabilities, being actively involved in the production cycle from an early stage and exercising oversight over the entire process, this has allowed the Group to remain agile, flexible and be able to deliver tailored products and IoT solutions in accordance with the needs of our customers. For example, notwithstanding that our Group does not possess our own manufacturing plant, we worked closely with our partner, SIIX Dongguan and were able to deliver two (2) million units of TraceTogether Tokens over a short span of four (4) months through working closely with our suppliers.

(e) Strong business relationship forged with our key customers

We have an established reputation and strong track record of over 20 years in the industry and believe that we have built up good rapport with our key customers which comprise reputable organisations and blue-chip enterprises as well as various government agencies. We typically engage our customers at the early product development stage. Through providing precise, unique, tailored and effective solutions, we have gained the trust of these customers and established strong and resilient relationships with them over the years.

The relationships we build with these customers have also allowed our Group to improve our IoT solution development capabilities, deepen our understanding of market trends and further enhance our ability to secure new contracts as well as attract new customers. For example, with our proven competency and success in providing our tailored IoT solutions to the Government Agency A for the provision of EMS from 2015 to 2021, we believe that our proven reliability, credibility and ability to deliver effective IoT solutions was instrumental to us securing a public tender for the provision of a series of new EMS products and solution from 2022 to 2027 with an option to extend the contract for a further two (2) year period. As at the Latest Practicable Date, we are currently in the final stages of development of our new series of EMS products which is intended to be launched in Singapore and international markets in 2022.

Further, because of our good working relationships and the goodwill which we have built with our key customers, we have secured multiple long-term contracts with new customers which have since become our key customers for the provision of our IoT solutions as a service. Please refer to the section entitled “Prospects, Business Strategies and Future Plans – Order Book” of this Offer Document for further details.

(f) Strong financial growth supported by a robust order book to further augment our growth going forward

Our Group’s revenue has grown from approximately S\$2.1 million in FY2019 to approximately S\$26.4 million in FY2021. Our net profit after tax has grown from approximately (S\$0.6) million to approximately S\$3.7 million for the corresponding same period.

We believe that we are well-positioned to leverage on the competitive strengths and capabilities of our company for the continued growth of our Group.

This is evident from the robust order book Company has secured for the next 24 to 36 months which will provide clear visibility of revenue build-up and will seek to underpin the revenue trajectory of the Company. As at the Latest Practicable Date, our Group had an outstanding order book of approximately S\$67.4 million, mainly comprising approximately S\$54.2 million for our EMS solution, S\$11.3 million for our TraceTogether Tokens, and S\$1.1 million for our AAS solutions. Please refer to the section entitled “Prospects, Business Strategies and Future Plans – Order Book” of this Offer Document for further details.

(g) Strong track record of innovation

We constantly keep ourselves updated and proficient on the changing technologies and customer preferences in the wireless connectivity industry. We are sensitive to the latest market trends and developments and have been researching and developing new wireless connectivity applications and solutions before such solutions become mainstream. For example, we believe our Group was one of the industry pioneers in 2004 to design and manufacture a modem to enable GSM/GPRS wireless connectivity for M2M communications and more recently, in 2019, we believe our Group was one of the industry pioneers that offered the ability to transmit audio over the LoRaWAN network.

Our achievements in Smart Metering have won the United Nation Global Compact’s “Corporate Sustainability Award 2018”, and our Group’s industrial design of the TraceTogether Token has won the “DEmark Award 2021”.

We are constantly innovating and curating our technology solutions structured with an industry focus to address the unique challenges faced by each unique customer. For example, under Singapore law, dogs and cats which are imported into Singapore would have to be quarantined at a designated quarantine facility. We have secured a tender from Statutory Board C to devise an EMS solution for the electronic tagging of dogs and cats to facilitate the quarantine of these imported dogs and cats within the confines of the owner’s homes instead of at a designated quarantine facility. If successfully implemented, it is expected that this will reduce the costs involved in importing dogs and cats. We believe that our readiness to introduce new wireless connectivity applications and innovative IoT solutions to our customers will place us in a good position with them.

(h) Committed and highly experienced founder and management team, with deep insights into the IoT industry, who have been instrumental in building up our Group's brand and reputation

Our Group is led by a highly experienced management team, helmed by our founder, CEO and Executive Director, Mr. Bo, who has more than 28 years of experience in the manufacture and research and development of wireless communications products.

Mr. Bo is ably supported by a committed management team who is highly familiar with our business and understands our customers' needs and requirements. Each member of our management team has vast experience in their respective fields of expertise such as our CTO, Mr. Mah, who has been with our Group since 2000 and has more than 25 years of experience in the research and development of wireless communication products and has been instrumental in charting our Group's technology roadmap from our first iTegno cellular modem to our latest IoT solutions.

Our management team's in-depth product, industry, and technical knowledge, coupled with strong management capabilities, business network and ability to identify market trends and new business opportunities have contributed significantly to the growth of our Group, and are vital to our continued growth and future development. We believe our management team's experience and expertise have also been instrumental in building up our Group's reputation as well as in gaining the trust of our customers.

Our management team is also highly flexible and adaptable and has demonstrated foresight and understanding of trends in the IoT industry. In the rapidly changing and competitive IoT industry, new products and solutions are constantly being developed, while existing products and/or solutions can become obsolete quickly, resulting in shorter product/service life cycles. Nonetheless, over the years, we have been able to adapt and take advantage of these trends to integrate new products into innovative solutions and secure new customers to ride on new growth areas within the IoT industry.

For example, in 2012, we capitalised on our Group's strong capabilities in customising and designing tailored solutions and expanded our capabilities to offer vertically integrated solutions such as our EMS solution, which incorporates wireless connectivity-enabled sensor and connectivity networks to enable electronic tagging and real time monitoring of ex-offenders and accused persons. In 2013, we, together with SIIX Singapore, secured a public tender from Ministry A to design, build and deploy an EMS solution for Government Agency A to facilitate and monitor the movement of ex-offenders and accused persons.

In 2010, we also identified the strong growth opportunities in smart metering and started the development of our in-house Smart Metering solution to enable our customers to read their energy and water meters remotely and for the collection of accurate, timely and granular consumption data for analysis.

CORPORATE SOCIAL RESPONSIBILITY

Our Group recognises that for long-term sustainability, we need to achieve a balance between business profitability and corporate social responsibility.

Our Group currently does not have a fixed corporate social responsibility policy. Our Board will establish a corporate social responsibility policy which will include the recommendation and review of the following areas of our Group's activities:

- (a) our Group's policy in respect of corporate social responsibility issues;
- (b) our Group's health, safety and environmental policy and standards;
- (c) the social impact of our Group's business practices in the communities that we operate in;
- (d) policies and practices with regard to key stakeholders such as suppliers, customers and employees; and
- (e) policies and practices with regard to regulators.

SEASONALITY

Our business is not seasonal in nature. However, the project gestation period can be long, ranging from between one (1) to three (3) years.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Statements contained in this section that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those which may be forecasted and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumption by us, the Sponsor and Issue Manager, the Underwriter and Placement Agent, or any other person. Prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak as of the date hereof. Please also refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document.

PROSPECTS

Our Directors believe that, barring unforeseen circumstances, the outlook for our business is expected to remain positive, taking into account the growth trajectory of our IoT solutions and the following trends and developments affecting the IoT industry.

(a) Sector tailwinds within the IoT industry driving increased adoption and demand for IoT solutions

According to Mordor Intelligence, the global IoT market value is expected to grow at a compounded annual growth rate of 10.5% from US\$761 billion in 2020 to US\$1,386 billion by 2026.¹² Geographically, Asia Pacific spending on IoT is expected to reach US\$288 billion in market size by 2021 and is projected to achieve a compounded annual growth rate of 11.7% over 2020 to 2024.¹³

Significantly, 2020 marked an important milestone for the IoT industry as the number of active IoT connections (e.g. connected cars, smart home devices and connected industrial equipment) surpassed non-IoT connections (e.g. smartphones, laptops and computers).¹⁴

Accordingly, the Directors believe that the sector tailwinds within the IoT industry arising from the proliferation of connectivity is expected to drive increased adoption and demand for IoT solutions.

12 This information was extracted from "Internet of Things (IoT) Market – Growth, Trends, COVID-19 Impact, and Forecasts (2021 – 2026)" published by Mordor Intelligence, which can be accessed at: <https://www.mordorintelligence.com/industry-reports/internet-of-things-moving-towards-a-smarter-tomorrow-market-industry#>, data accessed on the Latest Practicable Date.

Note: Mordor Intelligence has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Offer Document and is therefore not liable for such information under Sections 253 and 254 of the SFA.

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13 This information was extracted from "Asia Pacific* Spending on IoT Expected to Reach US\$288.6 Billion in 2021, IDC Reports" published by the International Data Corporation, which can be accessed at: <https://www.idc.com/getdoc.jsp?containerId=prAP47465721>, data accessed on the Latest Practicable Date.

Note: International Data Corporation has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Offer Document and is therefore not liable for such information under Sections 253 and 254 of the SFA.

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14 This information was extracted from "State of the IoT 2020: 12 billion IoT connections, surpassing non-IoT for the first time" published by IoT Analytics, which can be accessed at: <https://iot-analytics.com/state-of-the-iot-2020-12-billion-iot-connections-surpassing-non-iot-for-the-first-time/>, data accessed on the Latest Practicable Date.

Note: IoT Analytics has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Offer Document and is therefore not liable for such information under Sections 253 and 254 of the SFA.

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(b) Proliferation of enabling technology for the development of IoT solutions

The Directors have observed that the advancement in new technology standards such as 5G and low-power wide area connectivity networks (e.g. LoRaWAN and NB-IoT) have enabled high-bandwidth communications with low latency, increased security and efficiencies.

The potential use cases for such technologies are far ranging, including applications across areas such as:

- **Smart Cities:** Connected smart meters, allowing homeowners to better manage energy usage; smart city functions such as smart traffic management or connected streetlights.
- **Healthcare and Safety:** Connected wearables and home sensors to send immediate notifications to first responders during emergencies; remote patient monitoring to drive a more proactive approach to diagnostics and treatments.

The advancement and proliferation of such technologies is expected to accelerate IoT innovation across all industries and may lead to an increased demand for IoT solutions developed by our Group using such technologies.

(c) Confluence of megatrends catalysing IoT industry growth

Apart from technological advancements which are at the forefront of shaping the growth of the IoT industry, the following megatrends which are shaping the global economy and society such as (i) new technological breakthroughs, accelerated by inter-connectivity; (ii) demographic and social changes that includes ageing populations in advanced economies; (iii) rapid urbanisation and emergence of smart cities; and (iv) climate change and resource scarcity, represent positive tailwinds for the IoT industry as a whole and provides significant opportunities for our Group:

- **Demographic shifts and ageing populations:** As most advanced economies are ageing rapidly, healthcare is likely to become a bigger share of household and government spending. In Singapore, approximately 14% of the population are aged 65 and above and is expected to increase to 25% by 2030.¹⁵ Our Directors expect that way in which healthcare services are delivered will evolve to include IoT solutions involving telemedicine, automated home help for the elderly and disabled, smart wearables, sensors, and connected devices.

¹⁵ This information was extracted from "Singapore's approach to healthy ageing is to see it as a positive force" published in the Straits Times by Singapore Press Holdings Limited, which can be accessed at: <https://www.straitstimes.com/singapore/singapores-approach-to-healthy-ageing-is-to-see-it-as-a-positive-force>, data accessed on the Latest Practicable Date.

Note: Singapore Press Holdings Limited has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Offer Document and is therefore not liable for such information under Sections 253 and 254 of the SFA.

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- Rapid urbanisation and emergence of smart cities: Globally, the population living in urban regions is set to increase by 2050 with more than two-thirds of the world's population dwelling in cities.¹⁶ Therefore, it is expected that significant investments in infrastructure will be required and in particular, investment in smart cities to address the challenges facing increased urbanisation including energy, waste and healthcare management.
- Climate change and resource scarcity: The expanding population and increasing demand for food and energy will continue to strain finite natural resources available, requiring innovative solutions that improve energy efficiency, lower food waste and provide alternatives to scarce resources. Accordingly, our Directors believe that innovative IoT solutions can assist in utilisation of data to enable the management of food and energy resources more efficiently.

Further, as Singapore is at the forefront in relation to addressing these structural trends through its Smart Nation programme, with similar initiatives being undertaken across a number of regional economies, we expect that this would provide the Group with significant growth opportunities in Singapore and beyond.

TREND INFORMATION

As at the Latest Practicable Date and barring unforeseen circumstances, our Directors have observed the following trends for the next 12 months from the Latest Practicable Date:

- general economic and market conditions will have an impact on the IoT industry as a whole and on the production of our products including but not limited to (i) the impact which the COVID-19 pandemic has had in limiting manufacturing capacity which resulted in a shortage in supply of semiconductor chips worldwide which are also used in all our electronic components; and (ii) the ongoing war in Ukraine and trade sanctions imposed on Russia, which is anticipated to negatively impact the global economy and cause an increase in oil prices and therefore shipping costs;
- our ability to manage disruptions arising from the COVID-19 pandemic and to continue the usual operations of our business, as well as to cope with travel restrictions imposed by the People's Republic of China, Malaysia and other countries arising from the COVID-19 pandemic;
- based on our Group's order book, Singapore's prevailing three-prong strategy of vaccination, contact tracing and testing, and the ongoing COVID-19 pandemic, and barring unforeseen circumstances, we expect demand for our TraceTogether Tokens to remain in the next 12 to 15 months as these remain an integral part of Singapore's COVID-19 strategy and would have to be replaced when the batteries are depleted. However, in the event COVID-19 becomes endemic, demand for the TraceTogether Token could be adversely impacted;

¹⁶ This information was extracted from "Urbanization: insights in a global megatrend" published by Smart City Hub, which can be accessed at: <https://smartcityhub.com/governance-economy/urbanization-insights-in-a-global-megatrend/>, data accessed on the Latest Practicable Date.

Note: Smart City Hub has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Offer Document and is therefore not liable for such information under Sections 253 and 254 of the SFA.

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- (d) we expect our revenue to increase in line with our order book;
- (e) higher demand for IoT solutions which may lead to higher revenue;
- (f) expected increases in other expenses for FY2022 due to:
 - (i) incremental annual and compliance costs such as Directors' and audit fees associated with our Listing; and
 - (ii) one-off Listing expenses which are expected to be expensed in FY2022.

Save as disclosed above and in the sections entitled "Risk Factors", "Management's Discussion and Analysis of Financial Position and Results of Operations", "General Information on our Group" of this Offer Document, and barring any unforeseen circumstances, our Directors are not aware of any (i) significant recent trends in productions, revenue and inventory and in the costs and selling prices of our products and services since the end of 6M2022, or (ii) any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenue, profitability, liquidity or capital resources, or that would cause the financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial condition. Please also refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document.

BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans for the growth and expansion of our businesses are further described below.

Enlarge our customer base through a two-pronged approach of engaging both our existing B2B customers and expanding our offerings to the B2C segments

Since our establishment, our Group has cultivated much goodwill and progressed steadily to become a trusted IoT solutions provider for B2B customers and government agencies. We believe that there is significant room for us to increase our market share in our existing markets by increasing sales of our other IoT solutions and offerings to existing customers and growing our customer base.

We intend to leverage on our capabilities, technological know-how and proven track record to further expand our range of IoT solutions and offerings to our existing B2B customers and to acquire new B2B customers by increasing our efforts in the area of pre-sales and engagement of B2B customers through early proof-of-concept trials. In addition, we intend to capitalise on our capabilities to offer new and innovative IoT solutions tailored to B2C consumers which we believe we are well-poised to service (e.g. telemedicine, housekeeping, and home maintenance).

We believe that this would enable our Group to diversify our revenue streams and business model.

We intend to use approximately S\$1.0 million of the net proceeds from the issuance of the Placement Shares for the above purpose.

Expanding our market reach through offering of our IoT solutions in overseas markets

We intend to expand our business by offering our IoT solutions in adjacent countries, in particular, Japan, Thailand, Malaysia, Indonesia and the United Arab Emirates. We intend to build an overseas presence by expanding our IoT solutions offering to target countries with high penetration rate of IoT and digital infrastructure or with a focus on technology-driven solutions similar to Singapore's Smart Nation Initiatives and to increase strategic cooperation with overseas

technology partners and suppliers. As of the Latest Practicable Date, we have entered into a distributorship agreement for the distribution of our Trace Tokens in Malaysia and received purchase orders for our Trace Tokens from customers within Indonesia and the United Arab Emirates.

We intend to use approximately S\$0.5 million of the net proceeds from the issuance of the Placement Shares for the above purpose.

Enhancement of our research and solution development activities to bolster our IoT offerings

We believe that our internal R&D capabilities have been instrumental to our development of innovative solutions and IoT solutions which in turn contributed to the success of our Group. With increased competition and the need for differentiation, we will continue to strengthen our R&D capabilities by investing in new and advanced technology, where necessary, to facilitate the development of improved, new and innovative solutions. By expanding our research and solution development capabilities, we intend to develop our capabilities in wireless technologies such as LoRaWAN, 5G, and NBIOT which we believe would allow our Group to provide customisable IoT solutions. For example, our Group is in the process of exploring a potential collaboration with Statutory Board A, a leading manufacturer in rapid antigen and antibody test kits, and a medical diagnostic company for the development of a smart test kit to allow for user authentication, automatic reading and analysis of the results of a COVID-19 antigen rapid test which data can be sent in real-time to a cloud application. The smart test kit is expected to facilitate the submission of regular antigen rapid test results by students, employees or COVID-19 patients on home recovery to schools, workplaces or authorities, respectively.

In addition, the Group also intends to develop our other existing IoT offerings such as our Smart Metering, AAS and EMS solutions to capitalise on the robust tailwinds propelling the IoT industry.

We intend to use approximately S\$1.3 million of the net proceeds from the issuance of the Placement Shares for the above purpose.

Expand our business through, *inter alia*, investments, mergers and acquisitions, joint ventures and/or strategic collaborations

We intend to expand and diversify our operations and service offerings either through our own investments or through potential mergers and acquisitions, joint ventures and/or strategic collaborations with parties who can provide synergistic value to our business. Through such investments, mergers and acquisitions, joint ventures and/or strategic collaborations, we will look to strengthen our market position, enhance the value-add in our products and services and/or expand into new areas that are complementary to our existing business. One such example would be company or companies that have complementary technological solutions, allow our Group to expand its offerings to other geographical locations and/or achieving value chain integration in existing markets or to penetrate into emerging markets.

As at the Latest Practicable Date, we have not entered into definitive agreements with any potential party to acquire potential businesses or to form joint ventures and/or strategic alliances or identified any specific acquisition targets for which the net proceeds from the issuance of the Placement Shares may be allocated towards. We will carefully consider any such opportunities and undertake a comprehensive review and evaluation to determine whether such transactions will benefit our business before entering into any such transaction. Key factors that our Group will take into consideration when assessing such opportunities include, *inter alia*, return on investments, market trends and commercial viability.

We intend to use approximately S\$1.0 million of the net proceeds from the issuance of the Placement Shares for the above purpose.

ORDER BOOK

Our order book consist secured and contracted orders received via (a) customers' purchase orders; (b) public tenders won; and (c) signed contracts with customers.

The revenue for the order book will be recognised once it meets the revenue recognition criteria in accordance with SFRS(I) 115, which primarily is governed by revenue recognition only when the goods or services are transferred and delivered to the customer at the transaction price.

Our order book is segregated between orders for our Smart City Solutions business segment (being one-off contracts) and our IoT-as-a-Service business segment (being recurring revenue). As at 30 September 2021, our Group had an outstanding order book amounting to approximately S\$61.7 million.

Between 30 September 2021 and the Latest Practicable Date, our Group recognised approximately S\$5.5 million and S\$0.7 million in sales for our TraceTogether Token and EMS solution, respectively. During the same period, we also received additional Trace Together token orders totaling approximately S\$11.6 million. As a result, together with the receipt of other minor contracted orders, our Group's outstanding order book increased from approximately S\$61.7 million as of 30 September 2021 to S\$67.4 million as of the Latest Practicable Date.

As at the Latest Practicable Date, 98.9% of the revenue contribution of our outstanding order book arises from contracts secured as part of our consortium arrangement with SIIX Singapore.

A summary of our Group's outstanding order book as at the Latest Practicable Date is set out below:

End Counterparty Customer	Product	Remaining Contract Value	Average Remaining Tenor (Years)
IoT-as-a-Service			
Government Agency A ⁽¹⁾	EMS	S\$54.2 million	7
Statutory Board B ⁽¹⁾	AAS Maintenance	S\$0.4 million	1
Others	Smart Metering and other solutions	S\$0.1 million	2
IoT-as-a-Service Total		S\$54.7 million	
Smart City Solutions			
Statutory Board A ⁽¹⁾	TraceTogether Token	S\$11.3 million	1
Statutory Board B ⁽¹⁾	AAS Installation	S\$0.7 million	1
Statutory Board C	EMS	S\$0.4 million	2
Others	Smart Metering and other solutions	S\$0.3 million	1
Smart City Solutions Total		S\$12.7 million	
Total		S\$67.4 million	

Note:

(1) The customer billing entity is SIIX Singapore as part of our consortium arrangement with SIIX Singapore and the end counterparty customers.

Our Group has been the incumbent provider of EMS solutions to Government Agency A since 2013. The outstanding value of approximately S\$54.2 million as reflected in the order book largely consists contributions from our new EMS contract which was secured by our Group as part of a consortium arrangement from 2022 to 2029, assuming the option to extend the duration of the contract for two (2) years is exercised. The per annum value of the new EMS contract represents a two-fold increase as compared to the existing contract.

The increase in the revenue contribution for the renewed EMS contract is mainly due to (a) an increase in the unit price of our improved EMS solution that we have developed; and (b) higher committed volumes by Government Agency A. While volumes may have risen gradually over the course of the existing contract, should volumes stagnate at current levels the expected contract value will be approximately S\$34.0 million instead. However, should volumes exceed Government Agency A's expected base, a maximum contract value of approximately S\$79.0 million would apply.

As the new EMS contract only commenced on 1 February 2022, the associated contract value has not been realised as revenue in the financial statements during the Period Under Review. As we will be paid a subscription fee for each EMS device deployed, the contract falls under our IoT-as-a-Service business segment. The revenue will be largely recognised over the seven (7) years that the contract is in force.

As our order book may be subject to cancellation and deferral, our order books as at any particular date may not be indicative of our revenue for the succeeding period.

INTERESTED PERSON TRANSACTIONS

For purposes of this section, the following definitions will apply:

1. “our Group” means:
 - (a) our Company;
 - (b) a subsidiary of our Company that is not listed on the SGX-ST or any approved exchange; or
 - (c) an associated company of our Company that is not listed on the SGX-ST or any approved exchange and which our Group and our interested person(s) have control.
2. “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9 of the Catalist Rules.
3. “interested person” means:
 - (a) a director, chief executive officer, or controlling shareholder of our Company; or
 - (b) an associate of any such director, chief executive officer, or controlling shareholder.

Certain terms such as “associate”, “control”, “controlling shareholder”, and “interested person” used in this section have the meanings as provided in the Catalist Rules and in the SFR, unless the context specifically requires the application of the definitions in one or the other as the case may be.

In general, transactions between our Group and any of our interested persons would constitute interested person transactions for the purposes of Chapter 9 of the Catalist Rules.

Details of the present and ongoing transactions as well as past transactions between our Group and interested persons which are material in the context of the Placement are set out below. Save as disclosed in this section and the sections entitled “Management’s Discussion and Analysis of Financial Position and Results of Operations – Capitalisation and Indebtedness” of this Offer Document, there are no material interested person transactions for FY2019, FY2020, FY2021 and 6M2022 and for the period from 1 October 2021 to the Latest Practicable Date (“**Relevant Period**”).

In line with the rules set out in Chapter 9 of the Catalist Rules, a transaction which value is less than S\$100,000 is not considered material in the context of the Placement and is not taken into account for the purposes of aggregation in this section.

PAST INTERESTED PERSON TRANSACTIONS

During the Period Under Review and up to the Latest Practicable Date, there were no transactions entered into between our Group and interested persons which were material in the context of the Placement.

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

Provision of Personal Guarantees by Interested Persons

Mr. Bo, our CEO and Executive Director, and Mr. Soo, our Chairman, Non-Executive Director and Controlling Shareholder, and accordingly, interested persons, had provided personal joint and several guarantees in respect of the following facilities granted to our Group as at the Latest Practicable Date:

Lender	Borrower	Guarantors	Amount of Facility/Amount Guaranteed	Amount outstanding as at the Latest Practicable Date	Interest Rate	Unutilised amount outstanding as at the Latest Practicable Date	Largest outstanding amount guaranteed for the Period Under Review and up to the Latest Practicable Date	Type of Facility
DBS Bank Ltd.	iWOW Technology	Mr. Bo, Mr. Soo and iWOW Connections	S\$1,000,000	S\$886,640	3.50% per annum on monthly rests	–	S\$1,000,000	Bridging Loan (Working Capital)
DBS Bank Ltd.	iWOW Technology	Mr. Bo, Mr. Soo and iWOW Connections	S\$500,000	–	Prevailing prime rate plus 0.25% per annum	S\$500,000	–	Overdraft Facility
DBS Bank Ltd.	iWOW Technology and iWOW Connections	Mr. Bo and Mr. Soo	S\$3,000,000	–	Prevailing cost of funds plus 2.00% per annum	S\$3,000,000	S\$1,444,140	Inventory financing and trade facilities (Working Capital)
DBS Bank Ltd.	iWOW Technology	Mr. Bo, Mr. Soo and iWOW Connections	S\$2,000,000	–	Prevailing cost of funds plus 1.50% per annum determined as of the 1st and 15th of each month	S\$2,000,000	S\$1,500,000	Accounts Receivable Purchase (Working Capital)

Note:

(1) The Bridging Loan (Working Capital) is extended on a non-revolving basis. Therefore, there is no unutilised amount outstanding as at the Latest Practicable Date.

As no consideration was paid by our Group to procure the present and ongoing personal guarantees provided by Mr. Bo and Mr. Soo, the personal guarantees are not provided on an arm's length basis and are not on normal commercial terms. However, as these personal guarantees are to secure the obligations of our Group, they are not prejudicial to the interests of our Group or our minority Shareholders.

We have requested, and DBS Bank Ltd. has given its consent, to the discharge of the above personal guarantees by Mr. Bo and Mr. Soo upon Listing. Our Directors do not expect any material change in the terms and conditions of the respective banking facilities if the personal guarantees are discharged.

GUIDELINES AND REVIEW PROCEDURES FOR ON-GOING AND FUTURE INTERESTED PERSON TRANSACTIONS

Our Audit and Risk Management Committee will review and approve all interested person transactions to ensure that they are on normal commercial terms and on arm's length basis, that is, the transactions are transacted in terms and prices not more favourable to the interested persons than if they were transacted with a third party and are not prejudicial to the interests of our Group and our minority Shareholders in any way.

To ensure that all future interested person transactions are carried out on normal commercial terms and will not be prejudicial to the interests of our Group or our minority Shareholders, the following procedures will be implemented by our Group:

- (a) when purchasing any products or engaging any services from an interested person, two (2) other quotations from non-interested persons will be obtained for comparison to ensure that the interests of our Group and minority Shareholders are not disadvantaged. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two (2) other quotations from non-interested persons. In determining the most competitive price or fee, all pertinent factors, including but not limited to quality, requirements, specifications, delivery time and track record will be taken into consideration;
- (b) when selling any products or supplying any services to an interested person, the price or fee and terms of two (2) other successful transactions of a similar nature with non-interested persons will be used as comparison to ensure that the interests of our Group or minority Shareholders are not disadvantaged. The price or fee for the supply of products or services shall not be lower than the lowest price or fee of the two (2) other successful transactions with non-interested persons;
- (c) in the case of renting properties from or to an interested person, our Board shall take appropriate steps to ensure that the rent is commensurate with the prevailing market rates, including adopting measures such as making relevant inquiries with landlords of similar properties and/or obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where considered appropriate). The amount payable shall be based on the most competitive market rental rate of similar properties in terms of size, suitability for purpose and location, based on the results of the relevant inquiries;

- (d) where it is not possible to compare against the terms of other transactions with unrelated third parties and given that the products or services may be purchased only from an Interested Person, the interested person transaction will be approved by either our CEO and Executive Director, if he has no interest in the transaction, or failing which, our Audit and Risk Management Committee, in accordance with our usual business practices and policies. In determining the transaction price payable to the Interested Person for such products and/or service, factors such as, but not limited to, quantity, requirements and specifications will be taken into account; and
- (e) in addition, we shall monitor all interested person transactions entered into by us and categorise these transactions as follows:
 - (i) a Category 1 interested person transaction is one where the value thereof is equal or in excess of 3.0% of the latest audited NTA of our Group; and
 - (ii) a Category 2 interested person transaction is one where the value thereof is below 3.0% of the latest audited NTA of our Group.

All Category 1 interested person transactions must be approved by our Audit and Risk Management Committee prior to entry, whereas Category 2 interested person transactions need not be approved by our Audit and Risk Management Committee prior to entry but shall be reviewed on a quarterly basis by our Audit and Risk Management Committee.

Our Audit and Risk Management Committee will review all interested person transactions, if any, on a quarterly basis to ensure that they are carried out on an arm's length basis and in accordance with the procedures outlined above, and will take into account all relevant non-quantitative factors. In the event that a member of our Audit and Risk Management Committee is interested in any such transaction, he will abstain from participating in the review and approval process in relation to that particular transaction.

We shall prepare all the relevant information to assist our Audit and Risk Management Committee in its review and will keep a register recording all interested person transactions. The register shall also record the basis for entry into the transactions, including the quotations and other evidence obtained to support such basis.

In addition, our Audit and Risk Management Committee and our Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Catalist Rules (in particular, Chapter 9) and relevant accounting standards, are complied with. The annual internal audit plan shall incorporate a review of all interested person transactions entered into at least on an annual basis. Such transactions will also be subject to the approval of our Shareholders if required by the Catalist Rules. We will also endeavour to comply with the recommendations set out in the Code of Corporate Governance.

These internal audit reports will be reviewed by the Audit and Risk Management Committee to ascertain whether the guidelines and procedures established to monitor interested person transactions have been complied with. Our Audit and Risk Management Committee shall also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that interested person transactions are conducted on normal commercial terms, on an arm's length basis and do not prejudice the interests of our Group and the interests of our minority Shareholders. Further, if during these periodic reviews by our Audit and Risk Management Committee, our Audit and Risk Management Committee is of the opinion that the guidelines and procedures as stated above are not sufficient to ensure that interested person transactions will be on normal commercial terms, on an arm's length basis and not prejudicial to the interests of our Group and the

interests of our minority Shareholders, our Audit and Risk Management Committee will adopt such new guidelines and review procedures for future interested person transactions as may be appropriate. Our Audit and Risk Management Committee may request for an independent financial adviser's opinion at our Group's expense as it deems fit.

Disclosure will be made in our annual report of the aggregate value of interested person transactions during the relevant financial year under review.

POTENTIAL CONFLICTS OF INTEREST

Save as disclosed in the sections entitled "Interested Person Transactions", "Directors, Executive Officers and Employees – Service Agreement" of this Offer Document, none of our Directors, Executive Officers, Controlling Shareholders or any of their associates has an interest, direct or indirect:

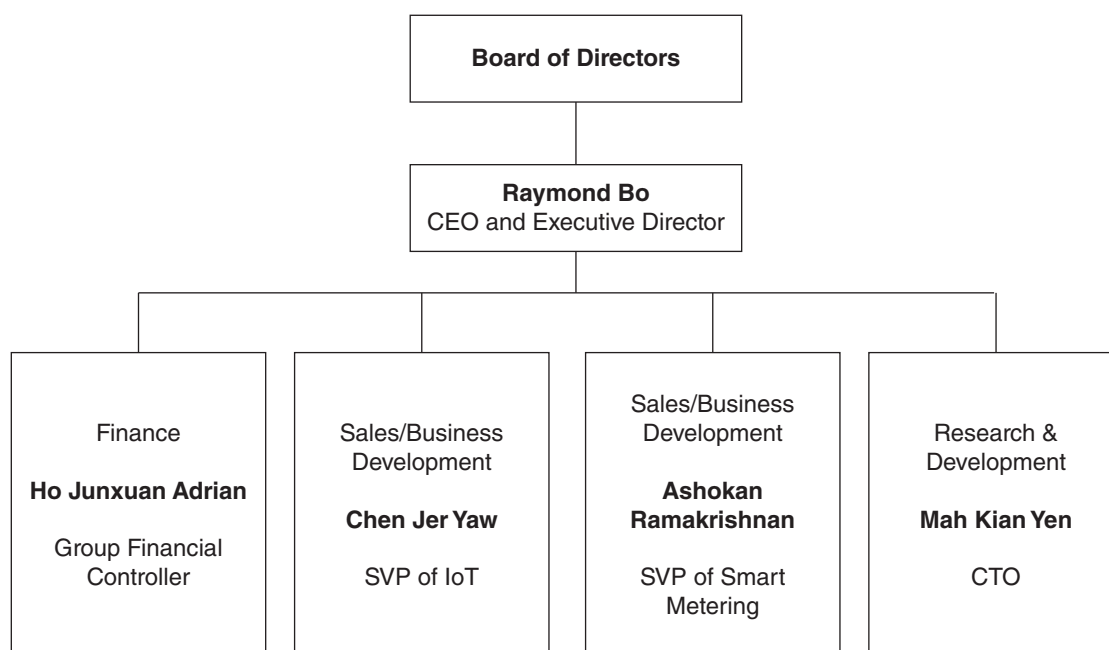
- (a) in any transaction to which our Group was or is to be a party;
- (b) in any entity carrying on the same business or dealing in similar services which competes materially and directly with the existing business of our Group; and
- (c) in any enterprise or company that is our Group's customer or supplier of goods and services.

Save as disclosed in the sections entitled "Interested Person Transactions" and "Directors, Executive Officers and Employees – Service Agreement" of this Offer Document, none of our Directors has any interest in any existing contract or arrangement which is significant in relation to the business of our Company and its subsidiaries, taken as a whole.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

MANAGEMENT REPORTING STRUCTURE

The following chart shows our management reporting structure as at the Latest Practicable Date.



DIRECTORS

Our Board of Directors is entrusted with the responsibility for the overall management of our Group. Our Directors' particulars are listed below:

Name	Age	Address	Designation
Mr. Bo Jiang Chek Raymond	53	c/o Block 1004 Toa Payoh North #02-17, Singapore 318995	CEO and Executive Director
Mr. Soo Kee Wee	46	c/o Block 1004 Toa Payoh North #02-17, Singapore 318995	Chairman and Non-Executive Director
Mr. Ang Swee Tian	73	c/o Block 1004 Toa Payoh North #02-17, Singapore 318995	Lead Independent Director
Mr. Liew Kok Oon	58	c/o Block 1004 Toa Payoh North #02-17, Singapore 318995	Independent Director
Ms. Thong Yuen Siew Jessie	55	c/o Block 1004 Toa Payoh North #02-17, Singapore 318995	Independent Director

Experience of our Board

Information on the business and working experience of our Directors are set out below:

Mr. Bo Jiang Chek Raymond is the CEO and Executive Director of our Company and was appointed to our Board since our Company's incorporation on 1 October 1999.

Mr. Bo is responsible for supervising the overall business operations and management of our Group, as well as business strategies and providing executive leadership and supervision to the senior management team. He is also responsible for transformation efforts to transform our Group from a product business model to one that has a growing IoT-as-a-service business model.

Mr. Bo has more than 28 years of experience in the manufacture and research and development of wireless telecommunication products.

Mr. Bo began his career in 1993 as a product engineer in Motorola Electronics Singapore Pte Ltd where he eventually rose to the position of a research and development section manager responsible for overseeing Motorola's Asia Pacific R&D team. He then left Motorola Electronics Singapore Pte Ltd in 1998 and subsequently founded our Company in 1999.

Mr. Bo graduated with a Bachelor's degree in Engineering (Electrical) in 1993 from the National University of Singapore.

Mr. Soo Kee Wee is our Chairman and Non-Executive Director of our Company and was appointed to our Board on 17 March 2017. He is also the spouse of our Controlling Shareholder, Ms. Kau Wee Lee.

Mr. Soo began his career as an engineer at ST Microelectronics in 1995, and subsequently joined Citibank NA as a relationship manager from 1998 to 2000. Thereafter, Mr Soo invested in certain private companies and partnerships, before joining UBS AG, Singapore branch in 2003 where he was responsible for advising clients on wealth management, and eventually rose to the position of an executive director of UBS AG, Singapore branch where he managed overall clients' relationships with the bank. After leaving UBS AG, Singapore branch in 2012, he set up Pristine Capital Pte Ltd, a company that provides financial services, in 2013, and has been the managing director of Pristine Capital Pte Ltd since its incorporation.

Mr. Soo graduated with a Bachelor's degree in Applied Science (Materials Engineering) from Nanyang Technological University in 1995.

Mr. Ang Swee Tian is our Lead Independent Director and was appointed to our Board on 30 December 2021.

Mr. Ang Swee Tian is currently the Lead Independent Director of COSCO Shipping International (Singapore) Co Ltd and Zheneng Jinjiang Environment Holding Co Ltd. He is also the non-executive director of ICE Futures Singapore Pte Ltd and ICE Clear Singapore Pte Ltd. Mr. Ang began his career at the Monetary Authority of Singapore in 1973 where he held positions as the head of the money market division in the Banking department and deputy insurance commissioner in the Insurance Commissioner's department. He subsequently joined Great Pacific Finance Ltd in 1982 as their Chief Financial Controller before joining the Singapore International Monetary Exchange (Simex) in 1983 where he held the position of Chief Executive Officer and was responsible for the operations and development of the futures exchange. In 1999, he joined the Singapore Exchange Ltd as its President and played an active role in successfully promoting the Singapore Exchange Ltd as a preferred listing and capital raising venue for Chinese enterprises. Following his retirement in 2006, Mr. Ang continued to serve as Senior Adviser to Singapore Exchange Ltd until 2007.

Mr. Ang graduated with a Bachelor's degree of Commerce (Accountancy) from the Nanyang University of Singapore in 1970 and was conferred a Master of Business Administration from the Northwestern University in 1973. Mr. Ang is presently a Life Member of the Institute of Singapore Chartered Accountants. For his contributions to the futures industry, Mr. Ang was inducted into the Futures Hall of Fame by the International Futures Industry Association in 2007, and the SIMEX Hall of Fame by Singapore Exchange Ltd in 2014.

Mr. Liew Kok Oon is our Independent Director and was appointed to our Board on 30 December 2021.

Mr. Liew has been self-employed since 2020 and has over 30 years of experience in the manufacturing industry. Mr. Liew began his career in 1988 with the Chartered Industries of Singapore as a Quality Engineer. He subsequently joined Shell Eastern Petroleum (Singapore) in 1991 where he was responsible for Consumer Sales before joining the AkzoNobel group in 1995 where he held various positions, including Sales & Marketing Director and Country Manager. In 2018, he joined Nouryon, formerly AkzoNobel Specialty Chemicals, where he held the position of Commercial Excellence Manager for Asia.

Mr. Liew graduated with a Bachelor's Degree in Engineering from the National University of Singapore in 1988 and a diploma in accounting and finance from the Association of Chartered Certified Accountants in the United Kingdom in 1992. He also graduated with a Master of Business Administration from the National University of Singapore in 1994 and a Master of Science, Materials Science and Engineering from the National University of Singapore in 1998.

Ms. Thong Yuen Siew Jessie is our Independent Director and was appointed to our Board on 30 December 2021.

Ms. Thong is currently an executive director of JHT Law Corporation, a law firm based in Singapore and has over 30 years of experience in the legal profession, primarily advising on conveyancing and litigation matters. Ms. Thong first started her career at Rodyk & Davidson LLP where she was a litigation lawyer and subsequently joined Dave Shaun Patel & Jim in 1998. She subsequently joined Jimmy Harry & Partners in 2001, which was dissolved upon the formation of JHT Law Corporation. She is currently an independent director of Spackman Entertainment Group Limited, a public company listed on the Catalist. Ms. Thong is also on the board of a number of other private corporations.

Ms. Thong read law at the University of Cambridge where she obtained a Bachelor's degree in law and her Masters in law. She was admitted to the Singapore bar in 1991 and has been in active practice ever since. She is a member of the Law Society of Singapore and was an active executive member of the National Family Council of Singapore from 2010 to 2013. She is currently serving on the board of the Halogen Foundation (Singapore), a non-profit organisation.

The list of present and past directorships of each Director over the last five (5) years up to the Latest Practicable Date, excluding that held in our Company, is set out in the section entitled "Appendix I – List of Present and Past Directorships" to this Offer Document.

None of our Independent Directors sits on the board of our principal subsidiaries that are based in jurisdictions other than Singapore.

Save for Mr. Ang and Ms. Thong, our Directors do not have prior experience as directors of public listed companies in Singapore. However, they have undertaken training and been briefed on the roles and responsibilities of a director of a public listed company in Singapore. As at the Latest Practicable Date, Mr. Soo and Mr. Liew have undertaken the prescribed mandatory training as specified under Schedule 1 of Practice Note 4D of the Catalist Rules. In accordance with Practice Note 4D of the Catalist Rules, Mr. Bo will attend the prescribed mandatory training as specified under Schedule 1 of Practice Note 4D of the Catalist Rules within one (1) year from the date of admission of our Company to Catalist.

EXECUTIVE OFFICERS

The particulars of our Executive Officers are set out below:

Name	Age	Address	Designation
Mr. Mah Kian Yen	52	c/o Block 1004 Toa Payoh North #02-17, Singapore 318995	CTO
Mr. Chen Jer Yaw	52	c/o Block 1004 Toa Payoh North #02-17, Singapore 318995	SVP of IoT
Mr. Ashokan Ramakrishnan	48	c/o Block 1004 Toa Payoh North #02-17, Singapore 318995	SVP of Smart Metering
Mr. Ho Junxuan Adrian	39	c/o Block 1004 Toa Payoh North #02-17, Singapore 318995	Group Financial Controller

Information on the business and working experience of our Executive Officers are set out below:

Mr. Mah Kian Yen is the CTO of our Group and joined our Company in 2000.

Mr. Mah is responsible for implementing technology strategies and ensuring technological resources are aligned with the Group's business needs. Mr Mah began his career with Goldtron Telecommunications Pte. Ltd. as an electrical engineer in 1995. Prior to joining our Company as CTO in 2000, Mr. Mah was a research and development engineer with Motorola Electronics Pte. Ltd. from 1995 to 2000 where he was responsible for development of consumer telecommunication products like pagers and mobile phones.

Mr. Mah graduated with a Bachelor's degree in Engineering from Nanyang Technological University in 1995 and a Master of Science in Electrical Engineering from the National University of Singapore in 1999. Mr. Mah is also a member of the Institute of Electrical and Electronics Engineers.

Mr. Chen Jer Yaw was appointed as SVP of IoT in 2018 and is responsible for sales and marketing of IoT and Smart City Solutions.

Mr. Chen began his career as a 6-Sigma Black Belt trained process engineer and mechanical product development engineer with Motorola Electronics Singapore Pte Ltd from 1993 to 1997.

He joined Philips Consumer Communications Asia Pacific Pte Ltd as a mechanical engineer from 1997 to 2001 where he was responsible for development of consumer telecommunication products like pagers and mobile phones and project management before joining our Group in 2001. In iWOW, he has successfully led a team to deliver wireless design solutions to customers such as Hewlett-Packard, Alcatel, Samsung, TCL Technology with greater than 30 million units of manufactured end-products.

Mr. Chen graduated with a Bachelor of Mechanical Engineering from the National University of Singapore in 1992.

Mr. Ashokan Ramakrishnan was appointed as SVP of Smart Metering in 2015 and is responsible for the oversight and development of our Group's Smart Metering business.

Prior to joining our Group, Mr. Ashokan was a regional account manager of DB Schenker Asia Pacific Regional Office in 2015. Mr. Ashokan began his career as a military officer with Ministry of Defence from 1996 to 2002. In 2002, he joined CWT Limited as a strategic initiative manager and was responsible for supporting the general manager in planning and executing major capability enhancement programmes. He subsequently left CWT Limited and joined TNT Express Worldwide in 2005 as a regional manager for business solutions, responsible for designing supply chain solutions and supporting account teams in implementing new businesses. He was posted to China for four (4) years where he helped establish of the Global Account Team to support TNT Express Worldwide's top customers. He eventually rose to the position of Head of Service Logistics prior to his departure in 2014, where he was responsible for overseeing the profit and loss of the spare parts and service logistics business in the Asia region.

Mr. Ashokan graduated with a Bachelor of Applied Science (Materials Engineering) from the Nanyang Technological University in 1996 and graduated with a Master of Business Administration from the National University of Singapore in 2008.

Mr. Ashokan also serves as the secretary for the Society for the Promotion of Attention Deficit Hyper Activity Disorder Research and Knowledge since 2017 and as the Chairperson of A Good Space, a co-operative incorporated under the Co-operative Societies Act, with effect from December 2021.

Mr. Ho Junxuan Adrian was appointed as the Group Financial Controller in 2021 and is responsible for all finance-related matters and tax-related matters of our Group.

Prior to joining our Group, Mr. Ho was the Chief Financial Officer of Zero Spot Laundry Service Pte Ltd, a professional laundry service provider which offers large-scale integrated laundry solutions to premium hotels and the healthcare sector in Singapore from 2018 to 2020, and was responsible for all finance and tax related matters of our Group. Mr. Ho began his career in 2007 at Ernst & Young LLP and rose to the role of audit supervisor prior to leaving Ernst & Young LLP in 2012 and joining Informatics Education Ltd, a global education provider listed on the Mainboard of the SGX-ST from 2012 to 2017 where he assumed the role of Group Senior Finance Manager with Informatics Education Ltd and was responsible for our Group's financial reporting.

Mr. Ho graduated with a Bachelor of Accountancy from Singapore Management University in 2007 and is a Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants of Singapore.

The list of present and past directorships of each Executive Officer over the last five (5) years up to the Latest Practicable Date, excluding that held in our Company, is set out in "Appendix I – List of Present and Past Directorships".

FAMILY RELATIONSHIPS, ARRANGEMENTS OR UNDERSTANDINGS

Save as disclosed in the section entitled "Directors, Executive Officers and Employees" of this Offer Document, none of our Directors and Executive Officers have any family relationships with one another or any Substantial Shareholders of our Company.

To the best of our knowledge and belief, there are no arrangements or understandings with any Substantial Shareholders, customers, suppliers or others, pursuant to which any of our Directors and Executive Officers was appointed.

REMUNERATION

The compensation (which includes benefits-in-kind, contributions to the Central Provident Fund Scheme in Singapore (“CPF”) and directors’ fees and bonuses) paid to our Directors and our Executive Officers for services rendered to us and our subsidiaries on an individual basis and in remuneration bands of S\$250,000 during FY2020 and FY2021 and the estimated compensation (including benefits-in-kind, contributions to CPF and directors’ fees and bonuses) expected to be paid for the current financial year is as follows:

Names	FY2020	FY2021	FY2022 (estimated)
Directors			
<i>Mr. Bo Jiang Chek Raymond</i>	A ⁽¹⁾	C ⁽³⁾	B ⁽²⁾
<i>Mr. Soo Kee Wee</i>	–	–	A ⁽¹⁾
<i>Mr. Ang Swee Tian</i>	–	–	A ⁽¹⁾
<i>Mr. Liew Kok Oon</i>	–	–	A ⁽¹⁾
<i>Ms. Thong Yuen Siew Jessie</i>	–	–	A ⁽¹⁾
Executive Officers			
<i>Mr. Mah Kian Yen</i>	A ⁽¹⁾	A ⁽¹⁾	A ⁽¹⁾
<i>Mr. Chen Jer Yaw</i>	A ⁽¹⁾	A ⁽¹⁾	A ⁽¹⁾
<i>Mr. Ashokan Ramakrishnan</i>	A ⁽¹⁾	A ⁽¹⁾	A ⁽¹⁾
<i>Mr. Ho Junxuan Adrian</i>	–	A ⁽¹⁾	A ⁽¹⁾

Notes:

- (1) Remuneration band “A” refers to remuneration below the equivalent of S\$250,000.
- (2) Remuneration band “B” refers to remuneration between the equivalent of S\$250,001 and S\$500,000.
- (3) Remuneration band “C” refers to remuneration between the equivalent of S\$500,001 and S\$750,000.

Save as described in the section entitled “Directors, Executive Officers and Employees – Service Agreement” of this Offer Document, as at the date of this Offer Document, we do not have in place any formal bonus or profit-sharing plan or any other profit-linked agreement or arrangement with any of our employees and bonus is expected to be paid on a discretionary basis.

Save for the iWOW Employee Share Option Scheme and the iWOW Performance Share Plan, no remuneration was paid or is to be paid in the form of share options to any of our Directors, Executive Officers or employees.

As at the Latest Practicable Date, other than the amounts set aside or accrued as required for compliance with the applicable laws of Singapore, no amounts have been set aside or accrued by our Group to provide for pension, retirement or similar benefits for any of our employees.

EMPLOYEES

The breakdown of the number of employees of our Group by business function as at 31 March 2019, 2020 and 2021 and 30 September 2021 is as follows:

Function	As at 31 March 2019	As at 31 March 2020	As at 31 March 2021	As at 30 September 2021
Management	4	4	6	6
Operations	14	16	16	19
Research & Development	3	3	4	6
Finance	3	3	3	4
Administration	–	–	1	1
Total	24	26	30	36

The number of employees within management increased from 4 as at 31 March 2020 to 6 as at 31 March 2021 following (a) the completion of the acquisition of EEM as our Group onboarded the general manager of EEM; and (b) the hiring of the Group Financial Controller.

The number of employees performing operation functions increased from 14 as at 31 March 2019 to 19 as at 30 September 2021 because of the additional resources required to support the increase in projects and expected growth in business.

The number of employees performing R&D functions increased from 3 as at 31 March 2020 to 6 as at 30 September 2021 to support the increase in projects, which require R&D capabilities and support.

The number of employees performing finance and administration functions increased from 3 as at 31 March 2020 to 5 as at 30 September 2021 because of an additional administrative headcount from the acquisition of EEM in FY2021 and the hiring of the Group Accountant in 6M2022.

As at the Latest Practicable Date, we have 38 full-time employees who are working in Singapore, save for one (1) employee who is working in Malaysia.

As at the Latest Practicable Date, none of our employees are related to our Directors and Substantial Shareholders.

Our employees are not unionised. The relationship and cooperation between the management and staff have been good and are expected to continue to remain so in the future. There has not been any incidence of work stoppages or labour disputes which affected our operations.

As at the Latest Practicable Date, we do not employ a significant number of temporary employees.

SERVICE AGREEMENT

On 30 December 2021, our Company entered into a service agreement (the “**Service Agreement**”) with our CEO and Executive Director, Mr. Bo, for a period of three (3) years with effect from the Listing Date (“**Initial Period**”), and thereafter continue from year to year (unless otherwise terminated by either party giving not less than six (6) months’ prior written notice to the other after the Initial Period).

We may also terminate the Service Agreement of our CEO and Executive Director, if he, *inter alia*, is disqualified to act as an executive director or executive officer under any applicable laws or regulations, is guilty of dishonesty, gross misconduct or wilful neglect of duty, commits any continued material breach of the terms of the Service Agreement, is guilty of conduct likely to bring himself or any member of our Group into disrepute, becomes bankrupt or is convicted of any criminal offence.

Upon termination, he shall, among others, immediately resign from all positions and offices held in our Group and deliver to our Company all documents relating to the business or affairs of our Group which may be in his possession or under his control.

He will not be entitled to any benefits upon termination of the Service Agreement. The Service Agreement cover the terms of employment, specifically salaries and bonuses.

Pursuant to the terms of the Service Agreement, Mr. Bo’s remuneration will comprise (a) a base salary; and (b) a discretionary bonus that may be awarded from time to time based on the recommendation of the Remuneration Committee and subject to the approval of our Board and/or Shareholders.

Directors’ fees do not form part of the terms of the Service Agreement as these require the approval of Shareholders in our Company’s annual general meeting.

Our CEO and Executive Director will be reimbursed for all travelling, accommodation, entertainment and other out-of-pocket expenses reasonably incurred by him in or about the discharge of his duties hereunder. He is also entitled to a monthly transport allowance and our Company shall provide him with a car and shall bear all other costs and running expenses of the car not covered by the monthly transport allowance.

The Service Agreement also contains non-solicitation provisions and restrictive covenants that apply for the duration of his appointment as an employee of our Company and for a period of 12 months from the date on which he ceases to be an employee of our Company (“**Cessation Date**”). Such non-solicitation provisions and restrictive covenants prohibit, among others, the participation in any competing business and the solicitation of any person who at any time during the period of 12 months prior to the Cessation Date was a customer, client, agent or correspondent of our Group or in the habit of dealing with our Group or any officer, manager or senior employee of our Group.

The Service Agreement also contains restrictions on the disclosure of confidential information of our Group.

Had the Service Agreement been in place with effect from 1 April 2020, there would not be any material impact on our profit before income tax for FY2021 of approximately S\$4.1 million.

Save as disclosed above, there are no existing or proposed service agreements between our Company, our subsidiaries and any of our Directors. There are no existing or proposed service agreements entered or to be entered into by our Directors with our Company or any of our subsidiaries which provide for benefits upon termination of employment.

IWOW SHARE INCENTIVE SCHEMES

On 22 December 2021, our Shareholders adopted the following share incentive schemes:

- (a) an employee share option scheme known as the iWOW Employee Share Option Scheme, the rules of which are set out in “Appendix G – Rules of the iWOW Employee Share Option Scheme” to this Offer Document;
- (b) a share scheme known as the iWOW Performance Share Plan, the rules of which are set out in “Appendix H – Rules of the iWOW Performance Share Plan” to this Offer Document,

(collectively, the “**iWOW Share Incentive Schemes**”).

The iWOW Share Incentive Schemes will provide eligible participants with an opportunity to participate in the equity of our Company, motivate them towards better performance through increased dedication and loyalty, and to align the interests of our Directors and our Group’s employees, especially key executives, with those of Shareholders. The iWOW Share Incentive Schemes, which form an integral and important component of our Group’s compensation plan are designed primarily to reward and retain our Directors and our Group’s employees whose services are vital to our Group’s well-being and success.

The iWOW Share Incentive Schemes are designed to complement each other in our Group’s efforts to reward, retain and motivate employees to achieve better performance. The purpose of adopting more than one (1) share incentive scheme is to increase our Group’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve better performance by providing our Group with a more comprehensive set of remuneration tools and further strengthen our competitiveness in attracting and retaining local and foreign talent.

Unlike the iWOW Employee Share Option Scheme whereby participants are required to pay the exercise price of the Options, the iWOW Performance Share Plan allows our Group to provide an incentive for participants to achieve certain specific performance targets by awarding fully paid Shares to participants after these targets have been met. In addition to the common objectives of fostering an ownership culture within our Group and ensuring that our Group is able to retain skilled staff, the iWOW Performance Share Plan incorporates an element of stretched targets for senior executives and Directors, which is aimed at delivering long-term shareholder value and sustaining long-term growth. As such, the assessment criteria for granting Options under the iWOW Employee Share Option Scheme are more general (such as based on length of service and general performance of our Group) and do not relate to specific performance targets imposed by our Group. On the other hand, the assessment criteria for granting of Awards under the iWOW Performance Share Plan will be based on specific performance targets, time-based service conditions or a combination of both.

The iWOW Share Incentive Schemes comply with the relevant rules as set out in Chapter 8 of the Catalist Rules. As at the Latest Practicable Date, no Awards or Options have been granted under the iWOW Performance Share Plan and the iWOW Employee Share Option Scheme, respectively. Capitalised terms as used throughout this section, unless otherwise defined, shall bear the meanings as defined in “Appendix G – Rules of the iWOW Employee Share Option Scheme” and “Appendix H – Rules of the iWOW Performance Share Plan” to this Offer Document.

Objectives of the iWOW Share Incentive Schemes

The objectives of the iWOW Share Incentive Schemes are as follows:

- (a) foster an ownership culture within our Group which aligns the interests of our Group's employees with the interests of Shareholders;
- (b) motivate participants to achieve key financial and operational goals of our Company and/or their respective business units;
- (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with our Company's ambition to become a world-class company; and
- (d) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders.

Participants of the iWOW Share Incentive Schemes

Full-time employees of our Company, our subsidiaries and Executive Directors who have attained the age of 21 years and hold such rank as may be designated by our Remuneration Committee, from time to time, shall be eligible to participate in the iWOW Share Incentive Schemes, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors.

Controlling Shareholders of our Company who meet the criteria above are also eligible to participate in the iWOW Share Incentive Schemes provided that (a) their participation; (b) the actual or maximum number of Shares and terms of any Options and/or Awards to be granted to them are approved by independent Shareholders at a general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation; and (ii) the actual or maximum number of Shares and terms of any Option or Awards to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent Shareholders for the participation in the iWOW Share Incentive Schemes of a Controlling Shareholder who is, at the relevant time, already a participant.

The selection of a participant and the number of Shares which are the subject of each Option to be granted in accordance with the iWOW Employee Share Option Scheme or of each Award to be granted to a participant in accordance with the iWOW Performance Share Plan shall be determined in the absolute discretion of our Remuneration Committee, which shall take into account such criteria as it considers fit, including (but not limited to) his rank, role, seniority, length of service, performance during the performance period, potential for future development, his future contribution to the success and development of our Group and, if applicable, the extent of effort and difficulty with which the performance target(s) may be achieved within the performance period.

Rationale for Participation of Executive Directors and Group's employees in the iWOW Share Incentive Schemes

The extension of the iWOW Share Incentive Schemes to our Executive Directors and Group's employees allows us to have a fair and equitable system to reward our Executive Directors and Group's employees who have made and who continue to make significant contributions to the long-term growth of our Group.

We believe that the grant of Options and/or Awards to our Executive Directors and Group's employees will enable us to attract, retain and provide incentives to our Executive Directors and Group's employees to produce higher standards of performance, encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services and motivate them generally to contribute towards the long-term growth of our Group.

Rationale for Participation of Controlling Shareholders in the iWOW Share Incentive Schemes

An employee who is Controlling Shareholder shall be eligible to participate in the iWOW Share Incentive Scheme if (a) his/her participation in the iWOW Employee Share Option Scheme and/or iWOW Performance Share Plan; and (b) the actual number of Options and/or Awards to be granted shall have been approved by independent Shareholders in separate resolutions for each such person. Such Controlling Shareholder shall abstain from voting on the resolution in relation to his participation in the iWOW Employee Share Option Scheme and/or iWOW Performance Share Plan (as the case may be), the actual number and terms of the Options and/or Awards to be granted and the grant of Options and/or Awards to him/her.

One of the main objectives of the iWOW Share Incentive Schemes is to motivate participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group. The objectives of the iWOW Share Incentive Schemes apply equally to our employees who are our Controlling Shareholders. Accordingly, we are of the view that all deserving and eligible participants should be motivated. We recognise that their participation in the iWOW Share Incentive Schemes will serve not only as recognition of their valuable contributions to our Group but also give them a stake in the future performance of our Group which will motivate them to continue to achieve and maintain a high level of performance which is vital to the success of our Group.

SUMMARY OF THE IWOW SHARE INCENTIVE SCHEMES

The rules of the iWOW Employee Share Option Scheme and the rules of the iWOW Performance Share Plan may be inspected by Shareholders at the registered office of our Company in Singapore for a period of six (6) months from the date of registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority.

Summary of the iWOW Employee Share Option Scheme

A summary of the iWOW Employee Share Option Scheme is set out as follows:

Administration of the iWOW Employee Share Option Scheme

The iWOW Employee Share Option Scheme shall be administered by our Remuneration Committee with such powers and duties conferred to it by our Board. A member of our Remuneration Committee who is also a participant of the iWOW Employee Share Option Scheme must not be involved in its deliberation in respect of the Option granted or to be granted to him.

Size of the iWOW Employee Share Option Scheme

In order to reduce the dilutive impact of the iWOW Employee Share Option Scheme, the aggregate number of Shares which may be issued or transferred pursuant to the exercise of Options granted under the iWOW Employee Share Option Scheme on any date, when aggregated with:

- (a) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Options already granted under the iWOW Employee Share Option Scheme;
- (b) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Awards already granted under the iWOW Performance Share Plan; and

- (c) the total number of Shares over which options and awards are granted under any other share option schemes or share schemes of our Company,

shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by our Company as treasury Shares and subsidiary holdings from time to time, if any) on the day preceding that date.

Maximum Entitlements

The aggregate number of Shares which may be issued or transferred pursuant to the exercise of the Options granted under the iWOW Employee Share Option Scheme on any date, when aggregated with:

- (a) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Options already granted under the iWOW Employee Share Option Scheme;
- (b) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Awards already granted under the iWOW Performance Share Plan; and
- (c) the total number of Shares subject to any other share option or share schemes of our Company,

shall not exceed 15.0% of the total number of all issued Shares (excluding Shares held by our Company as treasury Shares and subsidiary holdings from time to time) on the day preceding that date.

The aggregate number of Shares which may be issued or transferred pursuant to the exercise of the Options granted under the iWOW Employee Share Option Scheme to participants who are Controlling Shareholders shall not exceed 25.0% of the total number of Shares available under the iWOW Employee Share Option Scheme.

The aggregate number of Shares which may be issued or transferred pursuant to the exercise of Options granted under the iWOW Employee Share Option Scheme to each participant who is a Controlling Shareholder shall not exceed 10.0% of the total number of Shares available under the iWOW Employee Share Option Scheme.

However, it does not necessarily mean that our Remuneration Committee will definitely issue the Option Shares up to the prescribed limit. Our Remuneration Committee shall exercise its discretion in deciding the number of Option Shares to be granted to each participant which will depend on the performance and value of the participant to our Group.

The number of Shares comprised in Options to be offered to a participant shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account such criteria as it considers fit, including (but not limited to) his rank, job performance, years of service, potential for future development and his contribution to the success and development of our Group.

Grant of Options

There are no fixed periods for the grant of Options. As such, offers of Options may be made at any time and, from time to time, at the discretion of our Remuneration Committee.

However, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offers of Options may only be made on or after the second Market Day from the date on which such announcement is released.

Acceptance of Options

The grant of Options shall be accepted within 30 days from the Date of Grant of that Option. Offers of Options made to grantees, if not accepted in the manner as provided in the iWOW Employee Share Option Scheme, shall, upon the expiry of the 30-day period, automatically lapse and become null, void and of no effect. Upon acceptance of the offer, the grantee must pay our Company a consideration of S\$1.00.

Options Exercise Period and Exercise Price

The Exercise Price for each Share in respect of which an Option is exercisable shall be determined by our Remuneration Committee, in its absolute discretion, on the date of grant, at:

- (a) a price equal to the Market Price (as defined in the Rules of the iWOW Employee Share Option Scheme); or
- (b) a price which is set at a distance to the Market Price, provided that:
 - (i) the maximum discount shall not exceed 20.0% of the Market Price (or such other percentage or amount as may be determined by our Remuneration Committee and permitted by the SGX-ST); and
 - (ii) our Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the iWOW Employee Share Option Scheme at a discount not exceeding the maximum discount as aforesaid.

Subject as provided in the iWOW Employee Share Option Scheme and any other conditions as may be introduced by our Remuneration Committee from time to time, a Market Price Option or an Incentive Option (as defined in the Rules of the iWOW Employee Share Option Scheme), as the case may be, shall be exercisable, in whole or in part, as follows:

- (a) in the case of Market Price Option, during the period commencing after the first anniversary; and
- (b) in the case of an Incentive Option, during the period commencing after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such shorter period if so determined by our Remuneration Committee).

Exercise of Options

Subject to applicable law and the rules of the Catalist Rules, our Company shall have the flexibility to deliver Shares to participants upon exercise of their Options by way of either an allotment and issue of new Shares and/or a transfer of existing Shares, including any Shares held by our Company in treasury.

In determining whether to issue new Shares to participants upon the exercise of their Options, our Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing Market Price of our Shares and the cost to our Company of issuing new Shares or delivering existing Shares.

Termination of Options

Special provisions in the rules of the iWOW Employee Share Option Scheme dealing with the lapse or earlier exercise of Options apply in circumstances which include the termination of the Participant's employment, the bankruptcy of the Participant and the winding-up of our Company.

Rights of Shares arising

Shares arising from the exercise of an Option shall be subject to the provisions of the Companies Law and the Constitution of our Company and rank in full for all entitlements, including dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares, the Record Date (as defined in the iWOW Employee Share Option Scheme) for which is on or after the later of (a) the relevant date upon which such exercise occurred; and (b) the date of issue of our Shares, and shall in all respects rank *pari passu* with other existing Shares then in issue.

Duration of the iWOW Employee Share Option Scheme

The iWOW Employee Share Option Scheme shall continue to be in force at the discretion of our Remuneration Committee, subject to a maximum period of ten (10) years commencing on the date which the iWOW Employee Share Option Scheme is adopted by our Company in a general meeting, provided always that the iWOW Employee Share Option Scheme may continue beyond the above-stipulated period with the approval of our Shareholders in a general meeting and of any relevant authorities which may then be required.

The iWOW Employee Share Option Scheme may be terminated at any time by our Remuneration Committee and by resolution of our Company in general meeting, subject to all relevant approvals which may be required being obtained. The termination of the iWOW Employee Share Option Scheme shall not affect Options which have been granted in accordance with the iWOW Employee Share Option Scheme.

Abstention from voting

Shareholders who are eligible to participate in the iWOW Employee Share Option Scheme are to abstain from voting on any Shareholders' resolution relating to the iWOW Employee Share Option Scheme, including any Shareholders' resolution relating to the implementation of the iWOW Employee Share Option Scheme, or the making of offers and grants of Options under the iWOW Employee Share Option Scheme at a discount not exceeding the maximum discount, or the participation by, and options granted to, Controlling Shareholders, and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy forms on how the vote is to be cast.

Adjustments and alterations to the iWOW Employee Share Option Scheme

The following describes the adjustment events under, and provisions relating to alterations of, the iWOW Employee Share Option Scheme.

Adjustment Events

If a variation in the issued ordinary share capital of our Company (whether by way of bonus issue, rights issue, reduction of capital, subdivision, consolidation, distribution or otherwise) shall take place or if our Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie) then our Remuneration Committee may, in its sole discretion, determine whether, then:

- (a) the exercise price of the Options, the class and/or number of Shares comprised in an Option to the extent unexercised; and/or
- (b) the class and/or number of Shares in respect of which Options may be granted under the iWOW Employee Share Option Scheme,

shall be adjusted to give such Participant the same proportion of the equity capital of our Company as that to which he was previously entitled, in such manner as our Remuneration Committee may, in its discretion, determine to be appropriate, provided that no adjustment shall be made if as a result, a participant receives a benefit that a Shareholder does not receive.

Unless our Remuneration Committee considers an adjustment to be appropriate, (a) the issue of securities as consideration for an acquisition or a private placement of securities; (b) the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by our Shareholders (including any renewal of such mandate) is in force; (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the iWOW Employee Share Option Scheme; or (d) any issue of Shares arising from the exercise of any warrants or the conversion of any loan stock or any securities convertible into Shares by our Company, shall not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a bonus issue) must be confirmed in writing by our Company's auditors (acting only as experts and not as arbitrators) to be, in their opinion, fair and reasonable.

Modifications to the iWOW Employee Share Option Scheme

The iWOW Employee Share Option Scheme may be modified and/or altered from time to time by a resolution of our Remuneration Committee, subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Options granted prior to such modification or alteration except with the written consent of such number of participants under the iWOW Employee Share Option Scheme who, if their Options were exercised in full, would thereby become entitled to not less than three-quarters of the number of all Shares which would fall to be allotted or transferred upon exercise in full of all outstanding Options under the iWOW Employee Share Option Scheme.

Any modification or alteration which would be to the advantage of participants under the iWOW Employee Share Option Scheme shall be subject to the prior approval of our Shareholders in general meeting.

Grant of Incentive Options with a Discounted Price

The ability to offer Incentive Options to Participants of the iWOW Employee Share Option Scheme with exercise prices set at a discount to the prevailing Market Prices of our Shares will operate as a means to recognise the performance of participants as well as to motivate them to continue to excel, while encouraging them to focus more on improving the profitability and return of our Group above a certain level which will benefit all Shareholders when these are eventually reflected through share price appreciation. The iWOW Employee Share Option Scheme will also serve to recruit new employees whose contributions are important to the long-term growth and profitability of our Group. Discounted options would be perceived in a more positive light by the participants, inspiring them to work hard and produce results in order to be offered Incentive Options, as only Group Employees who have made outstanding contributions to the success and development of our Group would be granted Incentive Options.

The flexibility to grant Incentive Options is also intended to cater to situations where stock market performance has overrun the general market conditions. In such events, our Remuneration Committee will have absolute discretion to:

- (a) grant Incentive Options set at a discount to the Market Price of a Share (subject to a maximum limit of 20.0%); and
- (b) determine the participants to whom, and the Incentive Options to which, such reduction in exercise prices will apply.

In determining whether to give a discount and the quantum of such discount, our Remuneration Committee shall be at liberty to take into consideration factors including the performance of our Company, our Group, the performance of the participant concerned, the contribution of the participant to the success and development of our Group and the prevailing market conditions. Our Remuneration Committee (in its absolute discretion) will determine on a case-by-case basis whether a discount will be given, and if so, the quantum of the discount, taking into account the objective that is desired to be achieved by our Company and the prevailing market conditions. As the actual discount given will depend on the relevant circumstances, the extent of the discount may vary from one case to another, and from time to time, subject to a maximum discount of 20.0% of the Market Price of a Share. The discretion to grant Incentive Options will, however, be used judiciously.

It is envisaged that our Company may consider granting the Incentive Options under circumstances including (but not limited to) the following:

- (a) firstly, where it is considered more effective to reward and retain talented individuals by way of an Incentive Option rather than a Market Price Option. This is to reward the outstanding employees who have contributed significantly to our Group's performance and the discounted price option serves as additional incentive to such participants. Options granted by our Company on the basis of Market Price may not be attractive and realistic in the event of an overly buoyant market and inflated share prices. Hence, during such period, the ability to offer such Options at a discount would allow our Company to grant Options on a more realistic and economically feasible basis. Furthermore, Options granted at a discount will give an opportunity to participants to realise some tangible benefits even if external events cause our Share price to remain largely static;
- (b) secondly, where it is more meaningful and attractive to acknowledge a participant's achievements through a discounted price option rather than paying him a cash bonus. For example, Options granted at a discount may be used to compensate participants and to motivate them during economic downturns when wages (including cash bonuses and annual wage supplements) are frozen or cut, or they could be used to supplement cash rewards in

lieu of larger cash bonuses or annual wage supplements. Accordingly, it is possible that merit-based cash bonuses or rewards may be combined with grants of Market Price Options or Incentive Options, as part of eligible employees' compensation packages. The iWOW Employee Share Option Scheme will provide participants with an incentive to focus more on improving the profitability of our Group thereby enhancing shareholder value when these are eventually reflected through the price appreciation of our Shares after the vesting period; and

- (c) thirdly, where due to speculative forces and having regard to the historical performance of our Share price, the Market Price of our Shares at the time of the grant of the Options may not be reflective of financial performance indicators such as return on equity and/or earnings growth.

Such flexibility in determining the quantum of discount would enable our Remuneration committee to tailor the incentives in the grant of Incentive Options to be commensurate with the performance and contribution of each individual participant. By individually recognising the degree of performance and contribution of each participant, the granting of Incentive Options at a commensurate discount would enable our Remuneration Committee to provide incentives for better performance, greater dedication and loyalty of the participants.

Our Company may also grant Market Price Options without any discount to the Market Price of our Shares. Additionally, our Company may, if it deems fit, impose conditions on the exercise of the Options (whether such Options are granted at the Market Price or at a discount to the Market Price), such as restricting the number of Shares for which the Option may be exercised during the initial years following its vesting.

Disclosure in Annual Reports

Details of, among others, the Options granted during the financial year under review, the aggregate Options granted since commencement of the iWOW Employee Share Option Scheme, the aggregate Options exercised since commencement of the iWOW Employee Share Option Scheme and the aggregate Options outstanding as at the end of the financial year under review, will be disclosed in our annual reports.

Financial effects of the iWOW Employee Share Option Scheme

Any Options granted under the iWOW Employee Share Option Scheme would have a fair value. In the event that such Options are granted at prices below the fair value of the Options, there will be a cost to our Company. The amounts of such costs may be more significant in the case of Incentive Options, where such Options are granted with Exercise Prices set at a discount to the prevailing Market Price of our Shares. The cost to our Company of granting Options under the iWOW Employee Share Option Scheme would be as follows:

- (a) the exercise of an Incentive Option at the discounted exercise price would translate into a reduction of the proceeds from the exercise of such Option, as compared to the proceeds that our Company would have received from such exercise had the exercise been made at the prevailing Market Price of our Shares. Such reduction of the proceeds from the exercise of such Option would represent the monetary cost to our Company of granting Options with a discounted exercise price;
- (b) as the monetary cost of granting Incentive Options with a discounted exercise price is borne by our Company, the earnings of our Company would effectively be reduced by an amount corresponding to the reduced interest earnings that our Company would have received from the difference in proceeds from the exercise price with no discount versus the discounted exercise price. Such reduction would, accordingly, result in the dilution of our EPS; and

- (c) the effect of the issue of new Shares upon the exercise of Options is that our Company's NTA per Share will increase if the exercise price is above the NTA per Share, and decrease if the exercise price is below the NTA per Share.

The costs as discussed above would only materialise upon the exercise of the relevant Options. Share options have value because the option to buy a company's share for a fixed price during an extended future time period is a valuable right, even if there are restrictions attached to such an option. As our Company is required to account for share-based awards granted to our Group's employees, the cost of granting Options will affect our financial results as this cost to our Company would be required to be charged to our Company's income statement commencing from the time Options are granted. Subject as aforesaid, as and when Options are exercised, the cash inflow will add to the NTA of our Company and our share capital base will grow. Where Options are granted with exercise prices that are set at a discount to the Market Prices for our Shares prevailing at the time of the grant of such Options, the amount of the cash inflow to our Company on the exercise of such Options would be diminished by the quantum of the discount given, as compared with the cash inflow that would have been received by our Company had the Options been granted at the Market Price of our Shares prevailing at the time of the grant.

The grant of Options will have an impact on our Company's reported profit under the accounting rules in the Singapore Financial Reporting Standards (International) 2 – Share-based Payment (“**SFRS(I) 2**”). It requires the recognition of an expense in respect of Options granted. The expenses will be based on the fair value of the Options at the Date of Grant (as determined by an option-pricing model) and will be recognised over the vesting period.

Summary of the iWOW Performance Share Plan

A summary of the rules of the iWOW Performance Share Plan is set out as follows:

Administration of the iWOW Performance Share Plan

The iWOW Performance Share Plan shall be administered by our Remuneration Committee in its absolute discretion with such powers and duties conferred to it by our Board, provided that no member of the Remuneration Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.

Size of the iWOW Performance Share Plan

In order to reduce the dilutive impact of the iWOW Performance Share Plan, the aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the iWOW Performance Share Plan on any date, when aggregated with:

- (a) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Awards already granted under the iWOW Performance Share Plan;
- (b) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Options already granted under the iWOW Employee Share Option Scheme; and
- (c) the total number of Shares over which options and awards are granted under any other share option schemes or share schemes of our Company,

shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by our Company as treasury Shares and subsidiary holdings from time to time, if any) on the day preceding that date.

Maximum Entitlements

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the iWOW Performance Share Plan on any date, when aggregated with:

- (a) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Awards already granted under the iWOW Performance Share Plan;
- (b) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Options already granted under the iWOW Employee Share Option Scheme; and
- (c) the total number of Shares subject to any other share option or share schemes of our Company,

shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by our Company as treasury Shares and subsidiary holdings from time to time, if any) on the date preceding the grant of the relevant new Award.

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the iWOW Performance Share Plan to participants who are Controlling Shareholders shall not exceed 25.0% of the total number of Shares available under the iWOW Performance Share Plan.

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the iWOW Performance Share Plan to each participant who is a Controlling Shareholder shall not exceed 10.0% of the total number of Shares available under the iWOW Performance Share Plan.

However, it does not necessarily mean that our Remuneration Committee will definitely issue the Award Shares up to the prescribed limit. Our Remuneration Committee shall exercise its discretion in deciding the number of Award Shares to be granted to each participant, which will depend on the performance and value of the participant to our Group.

Awards

Awards represent the right of a participant to receive fully paid Shares free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

An Award shall be personal to the participant and, prior to the allotment and/or transfer to the participant of the Shares to which the released Award relates, shall not be transferred (other than to a participant's personal representative on the death of that participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of our Remuneration Committee.

The number of Award Shares to be granted to a participant in accordance with the iWOW Performance Share Plan shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account criteria as it considers fit, including (but not limited to) his rank, job performance during the performance period, potential for future development and his future contribution to the success and development of our Group and the extent of effort and difficulty with which the performance condition(s) may be achieved within the performance period, which is to be determined by our Remuneration Committee.

Details of Awards

Our Remuneration Committee shall decide, in relation to each Award to be granted to a participant:

- (a) the participant;
- (b) the date on which the Award is to be granted;
- (c) the performance period;
- (d) the number of Shares which are the subject of the Award (subject to the rules of the iWOW Performance Share Plan);
- (e) the performance condition(s) and the performance period during which such performance target(s) are to be satisfied, if any;
- (f) the extent to which Award Shares shall be released on each prescribed performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period;
- (g) the vesting date; and
- (h) any other condition which our Remuneration Committee may determine in relation to that Award.

Timing of Awards

Awards may be granted at any time during the period when the iWOW Performance Share Plan is in force. An Award letter confirming the Award and specifying, among others, the number of Award Shares, the prescribed performance condition(s), the performance period during which the prescribed performance condition(s) are to be attained or fulfilled and the schedule setting out the extent to which Award Shares will be released on satisfaction of the prescribed performance condition(s), will be sent to each participant as soon as reasonably practicable after the making of an Award.

Vesting of Awards

Subject to the applicable laws, our Company will deliver Shares to participants upon vesting of their Awards by way of either an allotment and issue of new Shares and/or a transfer of existing Shares, including any Shares held by our Company as treasury Shares.

In determining whether to issue new Shares to participants upon vesting of their Awards, our Company will take into account factors such as, but not limited to, whether the performance conditions has been satisfied and, if so, the extent to which it has been satisfied, whether any other condition applicable to such Award has been satisfied and the number of Shares (if any) comprised in any Award to be released to the relevant participant.

The financial effects of the above methods are discussed below.

Our Remuneration Committee shall have full discretion to determine whether any performance condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, our Remuneration Committee shall have the right to make reference to the audited results of our Company or our Group (as the case may be), to take into account such factors as our Remuneration Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend any performance condition if our Remuneration Committee decides that a changed performance target would be a fairer measure of performance.

Termination of Awards

Special provisions in the rules of the iWOW Performance Share Plan dealing with the lapse or earlier vesting of Awards apply in circumstances which include the termination of the participant's employment, the bankruptcy of the participant and the winding-up of our Company.

Rights of Shares arising

New Shares allotted and issued and existing Shares procured by our Company for transfer pursuant to the release of an Award shall be eligible for all entitlements, including dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the later of (a) the relevant vesting date; and (b) the date of allotment and issue of our Shares, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

Duration of the iWOW Performance Share Plan

The iWOW Performance Share Plan shall continue in force at the discretion of our Remuneration Committee, subject to a maximum period of ten (10) years commencing on the date on which the iWOW Performance Share Plan is adopted by our Company in general meeting, provided always that the iWOW Performance Share Plan may continue beyond the above stipulated period with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The iWOW Performance Share Plan may be terminated at any time by our Remuneration Committee and by resolution of our Company in general meeting, subject to all relevant approvals which may be required being obtained. The termination of the iWOW Performance Share Plan shall not affect Awards which have been granted in accordance with the iWOW Performance Share Plan.

Notwithstanding the expiry or termination of the iWOW Performance Share Plan, any Awards made to participants prior to such expiry or termination will continue to remain valid.

Abstention from voting

Shareholders who are eligible to participate in the iWOW Performance Share Plan are to abstain from voting on any Shareholders' resolution relating to the iWOW Performance Share Plan, including any Shareholders' resolution relating to the implementation of the iWOW Performance Share Plan, or the participation by, and Awards granted to Controlling Shareholders, and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

Adjustments and alterations to the iWOW Performance Share Plan

The following describes the adjustment events under, and provisions relating to alterations of, the iWOW Performance Share Plan.

Adjustment Events

If a variation in the issued ordinary share capital of our Company (whether by way of a bonus issue, rights issue, reduction of capital, subdivision, consolidation, distribution or otherwise) shall take place or if our Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then our Remuneration Committee may, at its sole discretion, determine whether, then:

- (a) the class and/or number of Award Shares which are the subject of an Award to the extent not yet vested; and/or
- (b) the class and/or number of Award Shares in respect of which future Awards may be granted under the iWOW Performance Share Plan,

shall be adjusted to give such participant the same proportion of the equity capital of our Company as that to which he was previously entitled, in such manner as our Remuneration Committee may, in its discretion, determine to be appropriate, provided that no adjustment shall be made if, as a result, the participant receives a benefit that a Shareholder does not receive.

Unless our Remuneration Committee considers an adjustment to be appropriate, (a) the issue of securities as consideration for an acquisition or a private placement of securities; (b) the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force; (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the iWOW Performance Share Plan; or (d) any issue of Shares arising from the exercise of options or warrants or the conversion of any loan stock or any securities convertible into Shares by our Company, shall not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a bonus issue) must be confirmed in writing by our Company's auditors (acting only as experts and not as arbitrators) to be, in their opinion, fair and reasonable.

Modifications to the iWOW Performance Share Plan

The iWOW Performance Share Plan may be modified and/or altered, from time to time, by a resolution of our Remuneration Committee, subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the consent in writing of such number of participants who, if their Awards were released to them upon the performance conditions for their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be vested upon release of all outstanding Awards upon the performance condition(s) of all outstanding Awards being satisfied in full under the iWOW Performance Share Plan.

Any modification or alteration which would be to the advantage of Participants under the iWOW Performance Share Plan shall be subject to the prior approval of our Shareholders in general meeting.

Disclosure in Annual Reports

Details of, among others, the number of Shares comprised in Awards and the number of Shares comprised in Awards which have vested will be disclosed in our annual reports.

Financial Effects of the iWOW Performance Share Plan

The iWOW Performance Share Plan is considered a share-based payment that falls under SFRS(I) 2 where Participants will receive Shares and the Award would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the income statement over the period between the grant date and the vesting date of an Award. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the grant date and the number of Shares vested at the vesting date, with a corresponding credit to the reserve account. Before the end of the vesting period, at each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the income statement is made.

The amount charged to the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the Market Price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the grant date, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met. However, if the performance target is not a market condition and the Awards vest as a result of meeting such performance target, the fair value per Share of the Awards granted at the grant date is used to compute the amount to be charged to the income statement at each accounting date, based on an assessment by our Group's financial controller at such accounting date of whether the non-market conditions would have been met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no cumulative charge to the income statement if the Awards do not ultimately vest.

The following sets out the financial effects of the iWOW Performance Share Plan:

(a) Share capital

The iWOW Performance Share Plan will result in an increase in our Company's issued share capital when new Shares are issued to Participants. The number of new Shares issued will depend on, among others, the size of the Awards granted under the iWOW Performance Share Plan. In any case, the iWOW Performance Share Plan provides that the number of Shares to be issued or transferred under the iWOW Performance Share Plan, when aggregated with the aggregate number of Shares which options are granted under any other share option schemes of our Company, will be subject to the maximum limit of 15.0% of our Company's total number of issued Shares (excluding Shares held by our Company as treasury Shares and subsidiary holdings from time to time, if any). If instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the iWOW Performance Share Plan will have no impact on our Company's issued share capital.

(b) NTA

As described in paragraph (c) below on EPS, the iWOW Performance Share Plan is likely to result in a charge to our Company's income statement over the period from the grant date to the vesting date of the Awards. The amount of the charge will be computed in accordance with SFRS(I) 2. When new Shares are issued under the iWOW Performance Share Plan, there would be no effect on the NTA due to the offsetting effect of expenses recognised and the increase in share capital. However, if instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the NTA would be impacted by the cost of the Shares purchased. It should be noted that the delivery of Shares to Participants under the iWOW Performance Share Plan will generally be contingent upon the eligible Participants meeting prescribed performance targets and conditions.

(c) EPS

The iWOW Performance Share Plan is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with SFRS(I) 2.

It should again be noted that the delivery of Shares to participants of the iWOW Performance Share Plan will generally be contingent upon the participants meeting the prescribed performance targets and conditions.

(d) Dilutive Impact

The issuance of new Shares under the iWOW Performance Share Plan will have a dilutive impact on our consolidated EPS.

CORPORATE GOVERNANCE

Our Constitution provides that our Board of Directors will consist of not less than two (2) Directors. None of our Directors are appointed for any fixed terms, but one-third of our Directors are required to retire at every annual general meeting of our Company. Hence, the maximum term for each Director is three (3) years. Directors who retire are eligible to stand for re-election.

Our Directors recognise the importance of corporate governance and the maintenance of high standards of accountability to Shareholders of our Company. Accordingly, our Board has established three (3) committees: (a) the Audit and Risk Management Committee; (b) the Nominating Committee; and (c) the Remuneration Committee.

Audit and Risk Management Committee

Our Audit and Risk Management Committee comprises our Independent Directors, Mr. Ang, Mr. Liew, and Ms. Thong. The Chairman of our Audit and Risk Management Committee is Mr. Ang.

Our Audit and Risk Management Committee is responsible for:

- (a) assisting our Board of Directors in discharging its statutory responsibilities on financing and accounting matters;
- (b) reviewing significant financial reporting issues and judgements to ensure the integrity of the financial statements and any formal announcements relating to financial performance;
- (c) reviewing the relevance and consistency of accounting standards to ensure the integrity of the financial statements of our Group;
- (d) reviewing the periodic financial statements and results announcements before submission to our Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, significant financial reporting issues and judgements, compliance with financial reporting standards, the Catalist Rules, statutory/regulatory requirements, concerns and issues including any matters which the external auditors may wish to discuss in the absence of the management;
- (e) reviewing the assurance from our Board and our Group Financial Controller on the financial records and financial statements of our Group;
- (f) reviewing the financial risk areas, with a view to providing an independent oversight of our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, if the findings are material, to be immediately announced via SGXNET;
- (g) reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors;
- (h) reviewing the external auditor's audit plan and audit report, and the external auditor's evaluation of the system of internal accounting controls, including financial, operational, compliance and information technology controls;
- (i) reviewing the key financial risk areas, the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by our Board of Directors;

- (j) reviewing the statements to be included in the annual report concerning the adequacy and effectiveness of our risk management and internal controls systems, including financial, operational, compliance controls, and information technology controls;
- (k) reviewing any interested person transactions and monitoring the procedures established to regulate interested person transactions, including ensuring compliance with our Company's internal control system and the relevant provisions of the Catalist Rules, as well as all conflicts of interests to ensure that proper measures to mitigate such conflicts of interests have been put in place (see the section entitled "Interested Person Transactions – Guidelines and Review Procedures for On-Going and Future Interested Person Transactions" of this Offer Document);
- (l) reviewing transactions falling within the scope of Chapter 10 of the Catalist Rules, if any;
- (m) making recommendations to our Directors on establishing an adequate, effective and independent internal audit function (which can be in-house or outsourced to a reputable accounting/auditing firm or corporation), and ensure that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies;
- (n) reviewing the scope and results of the internal audit procedures, and at least annually, the adequacy and effectiveness of our internal audit function;
- (o) approving the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced;
- (p) ensuring that the internal audit function of our Group has unfettered access to all our Group's documents, records, properties and personnel, including our Audit and Risk Management Committee, and has appropriate standing within our Group;
- (q) meeting with the external auditors, and the internal auditors, and in each case without the presence of management, at least annually and review the cooperation given by the management to the internal and external auditors;
- (r) reviewing and discussing with the internal and external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations which has or is likely to have a material impact on our Group's operating results or financial position, and the management's response, and at appropriate times, report the matter to our Board and to the Sponsor;
- (s) appraising and reporting to our Board of Directors on the audits undertaken by the external auditors and internal auditors and the adequacy of disclosure of information;
- (t) making recommendations to our Board of Directors on the proposals to Shareholders on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;
- (u) periodically review the intellectual property protection policies with our Group's intellectual property protection committee to ensure that the policies and/or procedures are complied with, and adequate and effective for our Group's operations;

- (v) periodically review, with the internal auditors and external auditors (if required), the sufficiency of the measures taken by our Group to mitigate the concentration and credit risks associated with the consortium arrangements entered into by our Group, including with SIIX Singapore;
- (w) periodically review the appointment of employees that have been appointed onto the board of directors of our Group's subsidiaries and procuring the immediate removal of such employees as directors upon cessation of their employment;
- (x) ensuring that our Group publicly discloses, and clearly communicates, to employees the existence of a whistle-blowing policy and the procedures for raising such concerns;
- (y) reviewing and establishing procedures for receipt, retention and treatment of complaints received by our Group, among others, criminal offences involving our Group or our employees, questionable accounting, auditing, business, safety or other matters that impact negatively on our Group, and ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;
- (z) reviewing and approving all hedging policies and instruments (if any) to be implemented by our Group, and conduct periodic reviews of the hedging policies together with the transactions and hedging activities undertaken by our Group;
- (aa) undertake such other reviews and projects as may be requested by our Board of Directors, and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit and Risk Management Committee; and
- (bb) undertake generally such other functions and duties as may be required by law or the Catalist Rules, and by amendments made thereto from time to time.

Apart from the duties listed above, our Audit and Risk Management Committee will ensure that arrangements are in place for employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. Our Audit and Risk Management Committee will commission and review the findings of internal investigations into such matters or matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on our Group's operating results and financial position. Our Audit and Risk Management Committee will also ensure that the appropriate follow-up actions are taken.

Internal controls

In addition to the duties listed above, our Audit and Risk Management Committee shall also commission an annual internal controls audit until such time that it is satisfied that the internal controls of our Group are sufficiently robust and effective in mitigating any key internal control weaknesses our Group may have. Prior to decommissioning such annual internal controls audit, our Board shall report to the Sponsor and the SGX-ST the basis for deciding to decommission the annual internal controls audit, as well as the measures taken to rectify our key weaknesses in and/or strengthen the internal controls of our Group. Thereafter, our Audit and Risk Management Committee shall commission such audits as and when it deems fit for the purposes of satisfying itself that the internal controls of our Group have remained robust and effective. Upon the completion of an internal control audit, our Board shall make the appropriate disclosures via SGXNET of any weaknesses in our Group's internal controls which may be material or of a price-sensitive nature, as well as any follow-up actions to be taken by our Board.

Prior to the Placement, our Company had engaged an internal auditor to perform the review and test of controls of our Group's processes. Our Audit and Risk Management Committee has held discussions with Mr. Ho, our Group Financial Controller, the internal auditor, as well as our Independent Auditors and Reporting Accountants, in relation to our Group's internal controls. Our Board has noted that no material internal control weakness had been raised by our Independent Auditors and Reporting Accountants, Mazars LLP, in the course of their audit of our Group's financial statements for FY2019, FY2020 and FY2021. Our Board also noted that the internal auditor has confirmed that they are satisfied that the management of our Group has addressed all material internal control weaknesses identified in the internal control review report.

In addition, the internal auditor has also made recommendations which are to be implemented in the future when the Company implements its expansion plans to (a) increase its customer base and business volume by expanding into the B2C customer segment in terms of the maintenance of B2C customer accounts and deposit tracking; and (b) increase the number of entities within our Group by way of both local and overseas merger and acquisition activities. Our Company intends to adopt and implement the recommendations when there is sufficient visibility and progress on its expansion plans. If the recommended internal control system is implemented prematurely without sufficient operational visibility, our Group runs the risk of investing in an ineffective system. Our Company's implementation of the aforesaid recommendations will be overseen by the Sponsor and our Audit and Risk Management Committee post-Placement.

Intellectual Property Protection

In addition, our Group recognises that as an IoT solutions provider, intellectual property protection is important to our Group's business. As part of our Group's intellectual property protection framework, our Group has put in place the following measures:

- (a) as part of our Group's hiring process, every employee employed by our Group is subject to confidentiality obligations as part of their employment contracts to protect our Company's confidential information (including the intellectual property and know-how of our Group);
- (b) our Group has put in place safeguards to protect the source codes of its proprietary software such as limiting access and modification of such source codes to a limited pool of authenticated users and routinely backing up and storing such source codes on our Group's on-site servers;
- (c) where new products are being researched and developed, our Group's intellectual property protection committee will review the need for and, if required, apply for the relevant intellectual property protection in the relevant jurisdictions to protect our intellectual property;
- (d) we will apply for, monitor and maintain our trademark registrations in order to protect our logos and brands in respect of new products and/or existing products of our Group in the relevant jurisdictions which we operate in or intend to operate in the future; and
- (e) we work closely with law firms and the Intellectual Property Office of Singapore to maintain the intangible assets of our Group in the jurisdictions which we operate in.

The intellectual property protection committee comprises our CEO, CTO and such other employees identified by the CEO and/or CTO from time to time to join the intellectual property protection committee.

The intellectual property protection committee is established by our Company with the aim to encourage invention disclosure and ensure prompt and expeditious identification and registration of intellectual property rights in respect of our Group's innovations and designs to safeguard our Group's intellectual property rights.

The intellectual property protection committee is responsible for:

- (a) providing information and guidance to our Board in respect of the implementation of the intellectual property protection framework;
- (b) periodically reviewing the intellectual property protection policies with our Audit and Risk Management Committee to ensure that the policies and/or procedures are complied with, and adequate and effective for our Group's operations;
- (c) identifying innovations and/or intellectual property that may be protected to safeguard our Group's interests;
- (d) reviewing disclosures of any new invention by employees of our Group;
- (e) reviewing of new products and/or designs before its commercial launch to recommend to the management the patents or trademarks to apply or register for;
- (f) assisting our Group in preparing and filing patent, trademark and design application or registration; and
- (g) liaising with law firms and the Intellectual Property Office of Singapore in respect of the application, registration and maintenance of our Group's intellectual properties.

Having considered the foregoing measures in the context of our Group's operations, our Board, with the concurrence of our Audit and Risk Management Committee, is of the view that the intellectual property protection measures which have been implemented and/or are to be implemented are adequate and effective to protect our Group's key products and to minimise the possibility of copying by our competitors through any unauthorised disclosure or access of our Group's intellectual property.

Based on (i) the internal controls established and maintained by our Group; (ii) the work performed by the internal auditor and our Independent Auditors and Reporting Accountants; and (iii) reviews performed by our management, having considered the suggestions by the internal auditor relating to, *inter alia*, potential risks arising from our expansion plans, our Board, with the concurrence of our Audit and Risk Management Committee, is of the opinion that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems of our Group are adequate and effective to address the financial, operational, compliance and information technology control risks which are relevant and material to our operations (including in respect of our expansion plans).

Our Board notes that the system of internal controls and risk management systems provides reasonable, but not absolute, assurance that our Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, our Board also notes that no system of internal controls and risk management systems can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.

Audit and Risk Management Committee's view on the suitability of our Group Financial Controller and the financing and accounting function of the Group

Our Audit and Risk Management Committee having (a) conducted an interview with Mr. Ho; (b) considered the qualifications and past working experience of Mr. Ho (as described in the section entitled "Directors, Executive Officers and Employees – Executive Officers" of this Offer Document); (c) observed his abilities, familiarity and diligence in relation to the financial matters and information of our Group; and (d) noted the absence of negative feedback from our Independent Auditors and Reporting Accountants and internal auditor, is of the view that Mr. Ho is suitable for the position of Group Financial Controller.

After making all reasonable enquiries, and to the best of the knowledge and belief of our Audit and Risk Management Committee, nothing has come to the attention of the members of our Audit and Risk Management Committee to cause them to believe that Mr. Ho does not have the competence, character and integrity expected of a Group Financial Controller (or its equivalent rank) of a listed issuer.

In addition, our Audit and Risk Management Committee notes that our Group had hired Mr. Ho and a Group Accountant in order to strengthen the finance and accounting function of our Group in preparation for the Listing. Given Mr. Ho's qualifications and his past experience with a company listed on the Main Board of the SGX-ST and that our Independent Auditors and Reporting Accountants have expressed that they do not have any concerns on the competence of the Group's finance and accounting function under the leadership of Mr. Ho, our Audit and Risk Management Committee is satisfied that the finance and accounting function of our Group is adequate and has the necessary competence to be expected of a company listed on the SGX-ST. Having regard to the above, the Sponsor and Issue Manager concurs with the views of our Independent Auditors and Reporting Accountants and our Audit and Risk Management Committee.

Audit and Risk Management Committee's view on the concentration and credit risks of our Group associated with the consortium arrangement with SIIX Singapore

Our Audit and Risk Management Committee having taken into consideration the following:

- (a) the mitigation measures adopted by our Group in respect of credit risks associated with the consortium arrangement;
- (b) our Group's plans to diversify its customer base by expanding its product and service offerings;
- (c) the mutually beneficial relationship between our Group and SIIX Singapore;
- (d) the long standing business relationship of more than ten (10) years between our Group and SIIX Singapore;
- (e) the history of prompt payments by SIIX Singapore to our Group;
- (f) the strong financial standing of SIIX Singapore as a subsidiary of SIIX Corp, which is listed on the Tokyo Stock Exchange;
- (g) that SIIX Singapore is the designated billing entity by virtue of their status as the lead consortium partner which is in turn attributable to their strong financial standing; and
- (h) under the terms of the contract, the contract and any purchase orders under the contract shall continue and shall not be terminated even if a member of the consortium withdraws from the consortium, goes into liquidation, is wound up or cease to exist in accordance with the laws of the country of incorporation and the remaining members of the consortium will be obliged to carry out and complete the contract and any purchase orders,

and is of the view that the concentration and credit risks faced by our Group which are associated with the consortium arrangement with SII Singapore are sufficiently mitigated.

Nominating Committee

Our Nominating Committee comprises Mr. Ang, Mr. Liew, and Ms. Thong. The Chairman of our Nominating Committee is Ms. Thong. Our Nominating Committee is responsible for:

- (a) developing and maintaining a formal and transparent process for the selection, appointment and re-appointment of Directors (including alternate Directors, if applicable);
- (b) making recommendations to our Board of Directors on relevant matters relating to (i) the review of board succession plans for directors, in particular, our Chairman and our CEO, (ii) the reviewing of training and professional development programmes for our Board, and (iii) the appointment and re-appointment of our Directors (including alternate Directors, if applicable);
- (c) ensuring that our Directors submit themselves for re-nomination and re-election at least once every three (3) years;
- (d) reviewing and determining annually, and as and when circumstances require, if a Director is independent, in accordance with the Code of Corporate Governance and any other salient factors;
- (e) reviewing the composition of our Board of Directors annually to ensure that our Board of Directors and our Board committees comprise Directors who as a group provide an appropriate balance and diversity of skills, expertise, gender and knowledge of our Company and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge;
- (f) establish guidelines on what a reasonable and maximum number of directorships and principal commitments for each Director (or type of Director) shall be;
- (g) where a Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as Director, taking into consideration the Director's number of listed company board representation and other principal commitments; and
- (h) reviewing and approving any new employment of persons related to the Directors and/or Substantial Shareholders and proposed terms of their employment.

In addition, our Nominating Committee will make recommendations to our Board of Directors on the development of a process for evaluation and performance of our Board, our board committees and Directors. In this regard, our Nominating Committee will decide how our Board of Directors' performance is to be evaluated and propose objective performance criteria which address how our Board of Directors has enhanced long-term shareholder value. Our Nominating Committee will also implement a process for assessing the effectiveness of our Board of Directors as a whole and our Board committees and for assessing the contribution of our Chairman and each individual Director to the effectiveness of our Board of Directors. Our Chairman will act on the results of the performance evaluation of our Board of Directors, and in consultation with our Nominating Committee, propose, where appropriate, new members to be appointed to our Board of Directors or seek the resignation of Directors.

Each member of our Nominating Committee is required to abstain from voting, approving or making a recommendation on any resolutions of our Nominating Committee in which he has a conflict of interest in the subject matter under consideration.

Nominating Committee's view of our Independent Directors

Our Nominating Committee, having taken into consideration the following:

- (a) the number of listed company directorships by each of our Independent Directors;
- (b) the principal commitments of our Independent Directors;
- (c) the confirmations by our Independent Directors stating that they are each able to devote sufficient time and attention to the matters of our Company;
- (d) the confirmations by our Independent Directors that each of them is not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of any Controlling Shareholder of our Company, has no relationship with our Company, its related corporations or with any directors of these corporations, its ten per cent. (10.0%) Shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of his or her independent business judgement with a view to the best interests of our Company;
- (e) our Independent Directors' working experience and expertise in different areas of specialisation; and
- (f) the composition of our Board,

is of the view that (i) each of our Independent Directors is individually and collectively able to devote sufficient time to the discharge of their duties and are suitable and possess relevant experience as Independent Directors of our Company, and (ii) our Independent Directors, as a whole, represent a strong and independent element on our Board which is able to exercise objective judgement on corporate affairs independently from the controlling shareholders.

Board's view and Nominating Committee's view of Mr. Ang

Our Board and our Nominating Committee (with Mr. Ang recusing himself) has noted the convertible loan agreement dated 8 March 2018 entered into between our Group and Mr. Ang for the provision of a loan of S\$0.5 million to our Group at an interest rate of seven per cent (7.0%) per annum and taking into consideration the following:

- (a) as part of our Company's fundraising efforts in the first quarter of 2018, Mr. Soo as a Non-Executive Director of our Company, had approached various acquaintances within his professional network including Mr. Ang, whom Mr. Soo had previously become acquainted with in their professional capacities during Mr. Ang's tenure as the President of Singapore Exchange Ltd;
- (b) the loan was entered into on an arm's length basis and on normal commercial terms;
- (c) the loan was unsecured and bore interest at a rate lower than that for unsecured loans from banks and financial institutions at the relevant period;

- (d) pursuant to the convertible loan agreement, Mr. Ang was a mere creditor of our Company and has never been involved in board and management meetings of our Group and did not take part in any decision-making processes or in the formulation of business strategies by the directors and/or management of our Group. In addition, save as aforesaid he has no relationship with our Group (business or financial), our Directors, Substantial Shareholders or Executive Officers of our Group;
- (e) neither Mr. Ang nor any of his family members is an employee of our Group nor have they been employed by our Group at any point in time;
- (f) the interest payments of S\$35,000 for FY2019 and S\$26,630 for FY2020 have been fully paid and the principal of S\$0.5 million has been fully repaid and the convertible loan discharged by our Company on 14 March 2020;
- (g) while the repayment of the principle amount of S\$0.5 million would be deemed a significant payment under the Code of Corporate Governance and Practice Guidance 2 of the Practice Guidance dated 1 July 2021, it is noted that the convertible loan agreement was a one-off transaction entered into more than three (3) years ago and the loan was repaid in FY2020, prior to the latest completed financial year;
- (h) there are no present and ongoing relationships between Mr. Ang and our Company that could interfere, or be reasonably perceived to interfere, with the exercise of his independent judgement in the best interests of our Company;
- (i) Mr. Ang's confirmation that he is independent in conduct, character and judgement, and has no relationship with our Company, our related corporations or with any directors of these corporations, our Substantial Shareholders or our officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent judgement in the best interests of our Company;
- (j) given Mr. Ang's experience of more than ten (10) years as an independent director for various companies listed on the Main Board of the SGX-ST, he would be well-versed and well-equipped with the necessary expertise and capability to discharge and exercise the independent business judgement of a Director in the best interests of our Company;
- (k) his long-standing business and working experience as disclosed in this Offer Document will enable him to be a valuable member of our Board in terms of contribution to discussions and the decision-making process of our Board, and for our Board to draw on his views and experience,

are of the view that Mr. Ang is free of any material business or financial connection with our Group, is independent in conduct, character and judgement and has no relationship with our Company and its related corporations, Substantial Shareholders or Executive Officers that could interfere or be perceived to interfere with his independent business judgement and, based on the above, are of the view that Rule 406(3)(c) of the Catalist Rules and Provision 2.1 of the Code of Corporate Governance and Practice Guidance 2 of the Practice Guidance dated 1 July 2021 have been complied with.

The Sponsor and Issue Manager concurs with the views and considerations of our Nominating Committee which have been set out above, and has also considered, amongst others, the experience, skillsets and expertise of Mr. Ang (based on his resume as well as publicly available information) and the disclosures made in the declaration by Mr. Ang in accordance with the SFR. In particular, the Sponsor and Issue Manager has:

- (i) considered Mr. Ang's experience in finance and accounting, present and past directorships of SGX-listed companies and notable positions held over his illustrious career with, amongst others, the Authority and the SGX-ST, and is of the view that his background and work experience would enable him to be a valuable addition to the board of directors of the Company; and
- (ii) conducted due diligence for the purposes of the Listing, including interviews with Mr. Ang and did not note any negative market feedback on the capability and integrity of Mr. Ang that would have an impact on his suitability to act as a director of a SGX-ST listed company.

Having regard to the above, the Sponsor and Issue Manager is of the view that Mr. Ang complies with Rule 406(3)(c) of the Catalist Rules and the Code of Corporate Governance and Practice Guidance 2 of the Practice Guidance dated 1 July 2021 and is free of any material business or financial connection with our Group and independent in conduct, character and judgement and has no relationship with our Company and its related corporations, Substantial Shareholders or Executive Officers that could interfere or be perceived to interfere with his independent business judgement pursuant to Provision 2.1 of the Code of Corporate Governance.

Board's view and Nominating Committee's view of Ms. Thong

Our Board and our Nominating Committee (with Ms. Thong recusing herself) has noted the fine which was levied by the Law Society of Singapore in 2005 against each of Ms. Thong and other directors of the law firm, for failing to supervise a solicitor practising at the law firm she was appointed as a director of ("**Law Soc Fine**") and the notice of compliance issued by the SGX-ST dated 3 September 2020 ("**NOC**") to Spackman Entertainment Group Limited ("**SEGL**"), which Ms. Thong is the Lead Independent Director of, and taking into consideration the following:

Law Soc Fine

- (a) Ms. Thong was not the subject of the complaint made to the Law Society of Singapore;
- (b) following Ms. Thong's assistance of the Commercial Affairs Department's investigation into the breach by the errant solicitor, no further action was taken and the matter was closed in 2006;
- (c) Ms. Thong was made to pay a fine of S\$1,500 which was similarly levied against the other directors of the law firm for failing to supervise the errant solicitor as a director of the law firm but was not subject to any disciplinary action in connection with the actions of the errant solicitor;
- (d) Ms. Thong remains and continues to be a member of the Law Society of Singapore and a practising lawyer;

SEGL NOC

- (e) following receipt of the NOC, Ms. Thong, as part of the Audit & Risk Management Committee of SEGL, has ensured SEGL's compliance with the directions provided in the NOC, cooperated with the SGX-ST, the sponsor of SEGL and the independent reviewer in conducting the independent review and ensured that timely updates have been provided to the shareholders of SEGL;

- (f) Ms. Thong was not the subject of the notice of compliance issued by the SGX-ST and was not subject to any penalties or disciplinary actions in connection with the abovementioned notice of compliance by SEGL;
- (g) Ms. Thong did not, and presently does not, hold any directorships nor has she been involved in management of the related entities of SEGL including those which are the subject matter of the NOC;
- (h) Ms. Thong has not been involved in the transactions which are the subject matter of the NOC in any capacity; and
- (i) Ms. Thong remains and continues to hold her directorship in SEGL as its Lead Independent Director;

In addition to the factors set out above, our Board and Nominating Committee (with Ms. Thong recusing herself) has also:

- (j) considered Ms. Thong's experience as an independent director for companies listed on the SGX-ST, and noted she would be well-versed and well-equipped with the necessary expertise and capability to discharge and exercise the independent business judgement of a Director in the best interests of our Company; and
- (k) noted her long-standing business and working experience as disclosed in this Offer Document will enable her to be a valuable member of our Board in terms of contribution to discussions and the decision-making process of our Board, and for our Board to draw on her views and experience,

are of the view that Ms. Thong has the requisite competence, character and integrity to fulfil her responsibilities as an Independent Director of our Company.

Nevertheless, as the independent review is still ongoing, our Nominating Committee (with Ms. Thong recusing herself) will continue to monitor the status of the independent review of SEGL in relation to Ms. Thong's involvement as SEGL's lead independent director and will review her suitability as our Independent Director if and when there are material developments in relation to the matter.

The Sponsor and Issue Manager concurs with the views and considerations of our Nominating Committee which have been set out above, and has also considered, amongst others, the experience, skillsets and expertise of Ms. Thong (based on her resume as well as publicly available information) and the disclosures made in the declaration by Ms. Thong in accordance with the SFR. In particular, the Sponsor and Issue Manager has:

- (i) considered Ms. Thong's experience in the legal profession of more than 30 years and position as a present executive director of JHT Law Corporation and is of the view that her legal background and work experience would enable her to be a valuable addition to our Board of Directors; and
- (ii) conducted due diligence for the purposes of the Listing (including interviews with Ms. Thong) and did not note any negative market feedback on the capability and integrity of Ms. Thong that would have an impact on her suitability to act as a director of a SGX-ST listed company.

Having regard to the above, the Sponsor and Issue Manager is of the view that Ms. Thong complies with Rule 406(3)(b) of the Catalist Rules and has the requisite competence, character and integrity to fulfil her responsibilities as an independent director of our Group.

Remuneration Committee

Our Remuneration Committee comprises Mr. Ang, Mr. Liew, and Ms. Thong. The Chairman of our Remuneration Committee is Mr. Liew.

Our Remuneration Committee is responsible for:

- (a) reviewing and recommending to our Board of Directors, in consultation with the Chairman of our Board of Directors, for endorsement, a comprehensive remuneration policy framework and guidelines for remuneration of our Directors and other persons having authority and responsibility for planning, directing and controlling the activities of our Company (“**Key Management Personnel**”);
- (b) reviewing and recommending to our Board of Directors, for endorsement, the specific remuneration packages for each of our Directors and Key Management Personnel;
- (c) review and approve the design of all share option plans, performance share plans and/or other equity based plans;
- (d) in the case of service contracts, reviewing our Company’s obligations arising in the event of termination of our Executive Directors’ or Key Management Personnel’s contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with a view to being fair and avoiding the reward of poor performance;
- (e) approving performance targets for assessing the performance of each of the Key Management Personnel and recommend such targets as well as employee specific remuneration packages for each of such Key Management Personnel, for endorsement by our Board of Directors;
- (f) reviewing and approving any new employment of related employees and the proposed terms of their employment;
- (g) ensuring the remuneration policies and systems of our Group, as approved by our Board, support our Group’s objectives and strategies, and are consistently being administered and being adhered to within our Group; and
- (h) if necessary, seeking expert advice within and/or outside our Group on remuneration matters, ensuring that existing relationships, if any, between our Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

Our Remuneration Committee also periodically considers and reviews remuneration packages in order to maintain their attractiveness, to retain and motivate our Directors to provide good stewardship of our Company and key executives to successfully manage our Company, and to align the level and structure of remuneration with the long term-interests and risk policies of our Company.

If a member of our Remuneration Committee has an interest in a matter being reviewed or considered by our Remuneration Committee, he will abstain from voting on the matter.

Arrangements or Understanding

None of our Directors or Executive Officers has any arrangement or understanding with any of our Substantial Shareholders, customers or suppliers or other person pursuant to which such Director or Executive Officer was appointed as a Director or as an Executive Officer.

Board Practices

Our Directors are to be appointed by our Shareholders at a general meeting and an election of Directors is held annually. One third (or the number nearest to one third) of our Directors are required to retire from office at least once every three (3) years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Further details on the appointment and retirement of Directors can be found in "Appendix D – Summary of our Constitution" to this Offer Document.

EXCHANGE CONTROLS

Singapore

There are no exchange controls in Singapore.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of the CDP, and all dealings in and transactions of our Shares through Catalist will be effected in accordance with the terms and conditions for the operation of Securities Accounts with the CDP, as amended, modified or supplemented from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and Depository Agents in the Depository Register maintained by the CDP, rather than CDP itself, will be treated, under our Constitution and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding our Shares in Securities Accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on Catalist, although they will be prima facie evidence of title and may be transferred in accordance with our Constitution. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing our Shares from the book entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2.00 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of S\$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S\$0.20 per S\$100.00 or part thereof of the last transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on Catalist must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10.00 is payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such charges as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer of stamp duty is currently payable for our Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.04% of the transaction value subject to a maximum of S\$600.00 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST at the prevailing rate of 7% (or such other rate prevailing from time to time).

Dealing in our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on Catalist generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with a CDP Depository Agent. The CDP Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

GENERAL INFORMATION

INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

1. Save as disclosed below, none of our Directors, Executive Officers or Controlling Shareholders is or was involved in any of the following events:
 - (a) during the last ten (10) years, an application or a petition under any bankruptcy laws of any jurisdiction 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 two (2) years from the date he ceased to be a partner;
 - (b) during the last ten (10) years, an application or a petition under any law of any jurisdiction 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 two (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;
 - (c) any unsatisfied judgements against him;
 - (d) a conviction 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;
 - (e) a conviction 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;
 - (f) during the last ten (10) years, judgement entered against him in any civil proceeding 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 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;
 - (g) a conviction in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
 - (h) disqualification 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;
 - (i) has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

- (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of affairs of:
- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (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;
 - (iii) any business trust which has been investigated for breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (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 the period when he was so concerned with the entity or business trust; and
- (k) has ever been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

NOC issued against SEGL

Ms. Thong is the lead independent director of SEGL. On 3 September 2020, the SGX-ST issued a NOC to SEGL in relation to a series of transactions entered into by SEGL with certain existing shareholders of the Company's associated company, Spackman Media Group Limited ("**SMGL**") and the subsequent divestment of SMGL, which raised concerns on whether the aforementioned transactions were entered into on normal commercial terms and was in the interest of SEGL. Accordingly, the SGX-ST directed, *inter alia*, that the audit and risk management committee of SEGL (i) perform a holistic review on the acquisition of shares in respect of SMGL, including but not limited to, background checks on the vendors and an assessment on whether the series of transactions were entered into on normal commercial terms and were not prejudicial to the interests of the Company and its minority shareholders; and (ii) provide the Singapore Exchange Regulation Pte. Ltd. with details of past due diligence performed in respect of the series of transactions and the vendors.

As at the Latest Practicable Date, an independent review has been commissioned and said independent review is still ongoing.

For the avoidance of doubt, Ms. Thong was not the subject of the NOC and was not subject to any penalties or disciplinary actions in connection with the NOC by SEGL. In addition, she did not, and presently does not, hold any directorship nor has she been involved in the management of the related entities of SEGL including those which are the subject matter of the NOC and she has not been involved in the transactions which are the subject matter of the NOC in any capacity.

Law Soc Fine

A complaint was filed with the Law Society of Singapore on 6 December 2004 informing the Law Society of Singapore that a solicitor of the law firm which Ms. Thong was a director of had drawn S\$33,190 from his client's account in breach of the Legal Profession (Solicitors' Accounts Rules). The matter was referred to the Commercial Affairs Department by the Law Society of Singapore for further investigation. The Commercial Affairs Department conducted a brief investigation on all directors of the law firm, including an interview with Ms. Thong. The investigations were closed in 2006 with no further action taken. A fine of S\$1,500 was levied by the Law Society of Singapore in 2005 against each of Ms. Thong and other directors of the law firm, for failing to supervise a solicitor practising at the law firm she was appointed as a director of. Following payment of the fine, no further action was taken against Ms. Thong.

For the avoidance of doubt, Ms. Thong was not the subject of the complaint made to the Law Society of Singapore and Ms. Thong remains and continues to be a member of the Law Society of Singapore and a practising lawyer.

2. There is no shareholding qualification for Directors under our Constitution.
3. No option to subscribe for shares in, or debentures of, our Company or any of our subsidiaries has been granted to, or was exercised by, any Director or Executive Officer within the last two (2) years preceding the date of this Offer Document.
4. Save as disclosed in the section entitled "Interested Person Transactions" of this Offer Document, no Director is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two (2) years preceding the date of this Offer Document, been acquired or disposed of by or leased to us or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to us or any of our subsidiaries.
5. No sum or benefit has been paid or is agreed to be paid to any Director or expert, or to any firm in which such Director or expert is a partner or any corporation in which such Director or expert holds shares or debentures, in cash or shares or otherwise, by any person to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by such firm or corporation in connection with the promotion or formation of our Company.

SHARE CAPITAL

6. As at the Latest Practicable Date, there is only one (1) class of shares in the capital of our Company, being ordinary shares in the share capital of our Company. There is no founder, management or deferred share. Our existing Shares do not carry voting rights which are different from the Placement Shares. The rights and privileges attached to our Shares are stated in our Constitution.
7. Save as in the section entitled "Share Capital" of this Offer Document, there are no changes in the share capital or the number and classes of shares of our Company or our subsidiaries within the three (3) years preceding the Latest Practicable Date.
8. Save as disclosed in the section entitled "Share Capital" of this Offer Document, no shares in, or debentures of, our Company or any of our subsidiaries have been issued, or are proposed to be issued, as fully or partly paid-up for cash, or for a consideration other than cash, during the last three (3) years preceding the Latest Practicable Date.

9. Save for the Option Shares which may be granted under the iWOW Employee Share Option Scheme, as at the Latest Practicable Date, no person has been, or is entitled to be, given an option to subscribe for any securities or securities-based derivatives contracts of our Company or any of our subsidiaries.

CONSTITUTION

10. Our Company is registered in Singapore with ACRA with a registration number 199905973K.
11. A summary of our Constitution relating to, among others, Directors' powers to vote on contracts in which they are interested, Directors' remuneration, Directors' borrowing powers, Directors' retirement, Directors' share qualification, rights pertaining to shares, convening of general meetings and alteration of capital are set out in "Appendix D – Summary of our Constitution" to this Offer Document. Our Constitution is available for inspection at our registered office in accordance with paragraph 27 in the section entitled "General Information – Documents Available for Inspection" of this Offer Document.

MATERIAL CONTRACTS

12. The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by us within the two (2) years preceding the date of lodgement of this Offer Document and are or may be material:
 - (a) the guarantee entered into on 9 July 2021 by Mr. Bo, Mr. Soo and iWOW Connections in favour of DBS Bank Ltd. in respect of a S\$1.0 million bridging loan entered into by the Company. Please refer to the section entitled "Interested Person Transactions – Present and On-Going Interested Person Transactions" of this Offer Document for further details;
 - (b) the guarantee entered into on 9 July 2020 by Mr. Bo, Mr. Soo and iWOW Connections in favour of DBS Bank Ltd. in respect of an uncommitted credit facility of up to a maximum of S\$5.5 million entered into by the Company. Please refer to the section entitled "Interested Person Transactions – Present and On-Going Interested Person Transactions" of this Offer Document for further details.

LITIGATION

13. Our Group is not, and has not been, engaged in any legal or arbitration proceedings in the last 12 months before the date of the lodgement of this Offer Document, as plaintiff or defendant in respect of any claims or amounts which are material in the context of the Placement and our Directors have no knowledge of any proceedings pending or threatened against our Company or any member of our Group or any facts likely to give rise to any litigation, claims or proceedings which might materially affect the financial position or profitability of our Group.

MISCELLANEOUS

14. There has been no previous issue of Shares by our Company or offer for sale of our Shares to the public within the two (2) years preceding the date of this Offer Document.
15. There has not been any public take-over offer, by a third party in respect of our Shares or by our Company in respect of shares of another corporation or units of a business trust, which has occurred between 1 April 2020 and the Latest Practicable Date.

16. Save as disclosed in the section entitled “Plan of Distribution – Management, Underwriting and Placement Arrangements” of this Offer Document, no commission, discount or brokerage has been paid or other special terms granted within the two (2) years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing for and/or purchasing or agreeing to subscribe for and/or purchase or procuring or agreeing to procure subscription for and/or purchase of any shares in or debentures of our Company or any of our subsidiaries.
17. No expert is employed on a contingent basis by our Company or any of our subsidiaries, has a material interest, whether direct or indirect, in the shares of our Company or our subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.
18. Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Banker. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.
19. Save as disclosed in this Offer Document, the financial condition and operations of our Group are not likely to be affected by any of the following:
 - (a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group’s liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure;
 - (c) unusual or infrequent events or transactions or any significant economic changes that may materially affect the amount of reported income from operations; and
 - (d) known trends or uncertainties that have had or that we reasonably expect to have a material favourable or unfavourable impact on revenues or operating income.
20. Save as disclosed in the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Financial Position and Results of Operations” and “General Information on our Group” of this Offer Document, our Directors are not aware of any event which has occurred between 30 September 2021 and the Latest Practicable Date, which may have a material effect on the financial position and results of operations of our Group or the financial information provided in this Offer Document.
21. We currently have no intention of changing the auditors of the companies in our Group after the listing of our Company on Catalist. The names, addresses and professional qualifications (including any membership in a professional body) of the auditors of our Company for FY2019, FY2020 and FY2021 are set out below:

Name and Address of Auditors	Membership in Professional Body	Partner-in-Charge/ Professional Qualification
Mazars LLP 135 Cecil Street #10-01 Singapore 069536	Institute of Singapore Chartered Accountants	Ooi Chee Keong (Member of the Institute of Singapore Chartered Accountants)

22. Save as disclosed in the sections entitled “Risk Factors” and “General Information on our Group” of this Offer Document, our business and/or profitability is not materially dependent on any patent, licence, industrial, commercial or financial contract (including a contract with a customer or supplier) or new manufacturing process.

CONSENTS

23. The Independent Auditors and Reporting Accountants have given and have not withdrawn their written consent to the issue of this Offer Document with the inclusion herein of, and all references to, (i) its name, (ii) the “Independent Auditors’ Report on the Audited Consolidated Financial Statements for the Financial Years Ended 2019, 2020 and 2021”, the “Independent Auditors’ Report on the Unaudited Interim Condensed Consolidated Financial Statements for the Financial Period From 1 April 2021 to 30 September 2021” and the “Independent Auditors’ Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 31 March 2021 and The Six Month period ended 30 September 2021” as set out in Appendices A, B and C to this Offer Document which were prepared as at the date of this Offer Document for the purpose of incorporation in this Offer Document and (iii) the statements attributed to it in the sections entitled “Share Capital”, “Shareholders – Changes in Issued Share Capital”, “Management’s Discussion and Analysis of Financial Position and Results of Operations – Review of Financial Position – Current assets”, “Management’s Discussion and Analysis of Financial Position and Results of Operations – Review of Financial Position – Non-current assets”, “Management’s Discussion and Analysis of Financial Position and Results of Operations – Review of Financial Position – Current liabilities”, “Corporate Governance – Audit and Risk Management Committee – Internal controls” and “Corporate Governance – Audit and Risk Management Committee – Audit and Risk Management Committee’s view on the suitability of our Group Financial Controller and the financing and accounting function of the Group”, which were prepared for the purpose of incorporation in this Offer Document, in the form and context in which they are included and/or appear in this Offer Document and to act in such capacity in relation to this Offer Document.
24. The Sponsor and Issue Manager has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of and all references to (a) its name and (ii) the statements attributed to it in the sections entitled “Management’s Discussion and Analysis of Financial Position and Results of Operations – Capitalisation and Indebtedness – Banking, Trade and Credit Facilities”, “Management’s Discussion and Analysis of Financial Position and Results of Operations – Working Capital”, “Corporate Governance – Audit and Risk Management Committee – Audit and Risk Management Committee’s view on the suitability of our Group Financial Controller and the financing and accounting function of the Group”, “Corporate Governance – Board’s view and Nominating Committee’s view of Mr. Ang” and “Corporate Governance – Board’s view and Nominating Committee’s view of Ms. Thong” of this Offer Document which were prepared for the purpose of incorporation in this Offer Document, in the form and context in which they appear in this Offer Document and to act in such capacity in relation to this Offer Document.
25. The Underwriter and Placement Agent, the Solicitors to the Placement and Legal Adviser to our Company as to Singapore Law, the Share Registrar, the Receiving Banker and the Principal Banker have each given and have not withdrawn their written consents to the issue of this Offer Document with the inclusion herein of their names and references thereto in the form and context in which they respectively appear in this Offer Document and to act in such respective capacities in relation to this Offer Document.

26. Each of the Solicitors to the Placement and Legal Adviser to our Company as to Singapore Law, the Share Registrar, the Receiving Banker and the Principal Banker do not make, or purport to make, any statement in this Offer Document or any statement upon which a statement in this Offer Document is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any person which is based on, or arises out of, the statements, information or opinions in this Offer Document.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

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

DOCUMENTS AVAILABLE FOR INSPECTION

28. The following documents or copies thereof may be inspected at our registered office at 1004 Toa Payoh North, #02-17, Singapore 318995 during normal business hours for a period of six (6) months from the date of registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority:
- (a) the Constitution of our Company;
 - (b) the Audited Consolidated Financial Statements as set out in Appendix A to this Offer Document;
 - (c) the Unaudited Interim Condensed Consolidated Financial Statements as set out in Appendix B to this Offer Document;
 - (d) the Unaudited Pro Forma Consolidated Financial Information as set out in Appendix C to this Offer Document;
 - (e) the respective audited financial statements of our Company and each of our subsidiaries for FY2019, 2020 and 2021;
 - (f) the rules of the iWOW Employee Share Option Scheme;
 - (g) the rules of the iWOW Performance Share Plan;
 - (h) the material contracts referred to in this Offer Document;
 - (i) the letters of consent referred to in this Offer Document; and
 - (j) the Service Agreement referred to in the section entitled "Directors, Executive Officers and Employees – Service Agreement" in this Offer Document.

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**INDEPENDENT AUDITORS' REPORT ON THE AUDITED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
31 MARCH 2019, 2020 AND 2021**

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

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**INDEPENDENT AUDITORS' REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

6 April 2022

The Board of Directors
iWOW Technology Limited
1004 Toa Payoh North
#02-17
Singapore 318995

Dear Sirs,

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of iWOW Technology Limited (the "Company") and its subsidiaries (the "Group"). The consolidated financial statements comprise the consolidated statement of financial position as at 31 March 2019, 2020 and 2021 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year ended 31 March 2019, 2020 and 2021, including a summary of significant accounting policies and other explanatory information, as set out on pages A4 to A72.

In our opinion, the accompanying consolidated financial statements of the Group are properly drawn up in accordance with the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group as at 31 March 2019, 2020 and 2021 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended 31 March 2019, 2020 and 2021.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accounts and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the consolidated 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 for our opinion.

**INDEPENDENT AUDITORS' REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

Report on the Audit of the Consolidated Financial Statements (Continued)

Responsibilities of Management and Directors for the Consolidated 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 consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITORS' REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

Report on the Audit of the Consolidated Financial Statements (Continued)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Restriction on Distribution and Use

This report has been prepared for inclusion in the Offer Document of the Company in connection with the Initial Public Offering of the shares of the Company on the Catalist Board of Singapore Exchange Securities Trading Limited and for no other purposes.

Mazars LLP

Public Accountants and
Chartered Accountants

Singapore

Ooi Chee Keong

Partner-in-charge

A member of the Institute of Singapore Chartered Accountants

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

	<u>Note</u>	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Revenue	5	26,421,715	4,375,790	2,070,263
Other operating income	6	540,923	117,539	113,455
Changes in inventories & raw materials used		(18,653,892)	(1,928,493)	(696,760)
Employee benefits expense	7	(2,400,254)	(1,110,358)	(724,033)
Amortisation and depreciation expense		(1,147,679)	(914,397)	(711,371)
Other operating expenses		(387,673)	(254,615)	(381,850)
Finance costs	8	<u>(301,969)</u>	<u>(263,561)</u>	<u>(259,809)</u>
Profit/(Loss) before income tax	9	4,071,171	21,905	(590,105)
Income tax expense	10	<u>(356,565)</u>	<u>-</u>	<u>(5,001)</u>
Profit/(Loss) for the year, representing total comprehensive income/(loss)		<u>3,714,606</u>	<u>21,905</u>	<u>(595,106)</u>
Earnings/(Loss) per share attributable to owners of the Company				
Basic earnings/(loss) per share (cents)	11	6.86	0.04	(1.20)
Diluted earnings/(loss) per share (cents)	11	<u>6.77</u>	<u>0.04</u>	<u>(1.20)</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019, 2020 AND 2021**

	<u>Note</u>	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
ASSETS				
Non-current assets				
Property, plant and equipment	12	1,005,942	900,430	627,071
Intangible assets	13	<u>1,738,607</u>	<u>1,478,274</u>	<u>1,452,603</u>
Total non-current assets		<u>2,744,549</u>	<u>2,378,704</u>	<u>2,079,674</u>
Current assets				
Inventories	14	1,022,271	289,353	28,329
Trade receivables	15	3,599,413	751,710	778,142
Other receivables	16	3,608,157	361,166	224,265
Cash and cash equivalents	17	<u>4,656,101</u>	<u>29,251</u>	<u>522,282</u>
Total current assets		<u>12,885,942</u>	<u>1,431,480</u>	<u>1,553,018</u>
Total assets		<u>15,630,491</u>	<u>3,810,184</u>	<u>3,632,692</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	18	20,902,899	19,202,899	19,202,899
Capital reserve	19	285,217	264,785	324,960
Foreign currency translation reserve	19	(79,196)	(79,196)	(79,196)
Accumulated losses		<u>(15,197,001)</u>	<u>(18,911,607)</u>	<u>(19,040,549)</u>
Total equity		<u>5,911,919</u>	<u>476,881</u>	<u>408,114</u>
Non-current liabilities				
Borrowings	20	862,734	-	-
Lease liabilities	21	<u>98,674</u>	<u>111,665</u>	<u>-</u>
Total non-current liabilities		<u>961,408</u>	<u>111,665</u>	<u>-</u>
Current liabilities				
Borrowings	20	618,204	1,229,634	1,329,770
Lease liabilities	21	150,972	84,214	-
Trade payables	22	4,588,738	673,974	604,587
Other payables	23	1,310,635	595,110	348,175
Contract liabilities	24	1,719,106	633,705	937,045
Provision for taxation		<u>369,509</u>	<u>5,001</u>	<u>5,001</u>
Total current liabilities		<u>8,757,164</u>	<u>3,221,638</u>	<u>3,224,578</u>
Total liabilities		<u>9,718,572</u>	<u>3,333,303</u>	<u>3,224,578</u>
Total equity and liabilities		<u>15,630,491</u>	<u>3,810,184</u>	<u>3,632,692</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

	<u>Share capital</u> S\$	<u>Capital reserve</u> S\$	<u>Foreign currency translation reserve</u> S\$	<u>Accumulated losses</u> S\$	<u>Total</u> S\$
Balance at 1 April 2018	19,202,899	324,960	(79,196)	(18,445,443)	1,003,220
Loss for the year, representing total comprehensive loss	-	-	-	(595,106)	(595,106)
Balance at 31 March 2019	19,202,899	324,960	(79,196)	(19,040,549)	408,114
Profit for the year, representing total comprehensive income	-	-	-	21,905	21,905
Redemption of convertible bond	-	(107,037)	-	107,037	-
Settlement of convertible loan (Note 20)	-	46,862	-	-	46,862
Balance at 31 March 2020	19,202,899	264,785	(79,196)	(18,911,607)	476,881
Profit for the year, representing total comprehensive income	-	-	-	3,714,606	3,714,606
Issuance of ordinary shares (Note 18)	1,700,000	-	-	-	1,700,000
Remeasurement of convertible loan	-	20,432	-	-	20,432
Balance at 31 March 2021	<u>20,902,899</u>	<u>285,217</u>	<u>(79,196)</u>	<u>(15,197,001)</u>	<u>5,911,919</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

	<u>Note</u>	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
OPERATING ACTIVITIES				
Profit/(Loss) before income tax		4,071,171	21,905	(590,105)
Adjustments for:				
Trade receivables written off		-	-	3,010
Depreciation of plant and equipment	12	579,212	450,068	342,026
Amortisation of intangible assets	13	568,467	464,329	369,345
Allowance for/(Reversal of) inventory obsolescence	14	9,550	(1,791)	8,615
Trade payables written off	6	(33,657)	(27,428)	(69,156)
Interest expense	8	169,842	263,561	259,809
Operating cash flows before working capital changes		5,364,585	1,170,644	323,544
Inventories		(376,388)	(259,233)	343,836
Trade and other receivables		(5,964,694)	(110,469)	826,699
Trade and other payables		5,609,169	40,410	(358,173)
Cash generated from operations		4,632,672	841,352	1,135,906
Income tax refund		-	-	2,916
Interest paid		(101,829)	(105,000)	(105,000)
Cash flows generated from operating activities		4,530,843	736,352	1,033,822
INVESTING ACTIVITIES				
Acquisition of subsidiary	2	13,289	-	-
Addition of property, plant and equipment	12	(513,519)	(446,487)	(158,238)
Addition of intangible assets	13	-	(490,000)	(738,917)
Cash flows used in investing activities		(500,230)	(936,487)	(897,155)
FINANCING ACTIVITIES				
Repayment of borrowings		(297,000)	(500,000)	-
Proceed from borrowings		1,000,000	297,000	-
Repayment of lease liabilities	21	(106,763)	(89,896)	-
Cash flows generated from/(used in) financing activities		596,237	(292,896)	-
Net increase/(decrease) in cash and cash equivalents		4,626,850	(493,031)	136,667
Cash and cash equivalents at beginning of year		29,251	522,282	385,615
Cash and cash equivalents at end of year		4,656,101	29,251	522,282

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

Reconciliation of liabilities arising from financing activities

	1 April 2020	Financing cash flows	Non-cash movements		31 March 2021
			Acquisition	Interest expenses	
	S\$	S\$	S\$	S\$	S\$
Liabilities					
Borrowings	1,229,634	91,228	-	160,076	1,480,938
Lease liabilities	195,879	(90,763)	134,764	9,766	249,646

	1 April 2019	Financing cash flows	Non-cash movements		31 March 2020
			Acquisition	Interest expenses	
	S\$	S\$	S\$	S\$	S\$
Liabilities					
Borrowings	1,329,770	(354,863)	-	254,727	1,229,634
Lease liabilities	28,467	(89,896)	248,474	8,834	195,879

	1 April 2018	Financing cash flows	Non-cash movements		31 March 2019
			Acquisition	Interest expenses	
	S\$	S\$	S\$	S\$	S\$
Liabilities					
Borrowings	1,500,000	(430,039)	-	259,809	1,329,770

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

1 General

iWOW Technology Pte Ltd (the "Company") (Registration No. 199905973K) is incorporated in Singapore with its principal place of business and registered office at 1004 Toa Payoh North, #02-17, Singapore 318995.

The Company was converted into a public limited company and changed its name to iWOW Technology Limited.

The principal activity of the Company is that of investment holding company and research and development as well as manufacture of wireless communication equipment.

The principal activities of the respective subsidiaries are disclosed in Note 2 to the financial statements.

The Company is a subsidiary of Booming Wealth Group Corp, a company incorporated in British Virgin Island, which is also the Company's ultimate holding company.

The consolidated financial statements of the Group for the financial year ended 31 March 2019, 2020 and 2021, was authorised for issue by the Board of Directors on 6 April 2022.

2 Acquisition of subsidiary

2.1 Acquisition of Electrique Energie & Metering Pte Ltd ("Electrique")

On 28 December 2020, the Company acquired 100% of the share capital of Electrique for a cash consideration of S\$180,000 and issuance of 2,630,042 ordinary shares valued at S\$0.46 which was determined based on the fair value of purchase consideration as of the date of acquisition. The fair value of the shares was determined by an external valuer based on the income approach derived from the future cashflows of the Company.

Fair value of assets acquired and liabilities assumed at the date of acquisition:

	<u>Total</u> S\$
Plant and equipment	36,440
Cash and cash equivalents	193,289
Trade receivables	119,226
Other receivables	9,942
Inventories	366,080
Trade payables	(116,336)
Other payables	(16,782)
Lease liabilities	(32,726)
Income tax payable	(7,933)
	<hr/>
Net assets acquired	551,200
Add: Goodwill arising from acquisition	828,800
	<hr/>
Total consideration	1,380,000
	<hr/>
Cash paid during the year	180,000
Consideration by issuance of ordinary shares	1,200,000
	<hr/>
Total consideration	1,380,000
	<hr/>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

2 Acquisition of subsidiary (Continued)

2.1 Acquisition of Electrique Energie & Metering Pte Ltd (“Electrique”) (Continued)

	<u>Total</u> <u>S\$</u>
<u>Reconciliation to Statement of Cash Flow</u>	
Cash paid during the year	(180,000)
Add: Cash and cash equivalents from acquired entity	<u>193,289</u>
Net inflow of cash	<u>13,289</u>

Goodwill of S\$828,800 arising from the acquisition is attributable to combination on the operations of the Group with Electrique. It also includes the value of a customer list, which has not been recognised separately as it does not meet the criteria for recognition as an intangible asset under SFRS(I) 1-38 Intangible assets. None of the goodwill is expected to be deductible for tax purposes. From the date of acquisition, Electrique has contributed S\$219,814 and S\$84,535 to the revenue and loss of the Group respectively. If the combination has taken place at the beginning of the financial year, the Group’s revenue and profits, net of tax would have been approximately S\$678,572 and S\$34,283 respectively.

The fair value of trade receivables is amounting to S\$119,226. The gross contractual amount of trade and other receivables is S\$119,226. There were no uncollectible balance subsequent to the date of acquisition.

As of 31 December 2020, out of the consideration of S\$1,380,000, S\$180,000 has been paid in cash and the remaining S\$1,200,000 was issued by 2,630,042 ordinary shares valued at S\$0.46 at the date of acquisition.

2.2 Details of subsidiaries

The principal activities of the subsidiaries are disclosed as below:

<u>Name of subsidiaries</u> <u>(Country of incorporation/</u> <u>operation)</u>	<u>Principal activities</u>	<u>Effective equity interest held</u> <u>by the Company</u>		
		<u>2021</u> <u>%</u>	<u>2020</u> <u>%</u>	<u>2019</u> <u>%</u>
<u>Held directly by the Company</u>				
iWOW Connections Pte. Ltd. (⁽¹⁾ (Singapore))	Research and development on telecommunication software, IoT services and Smart City Solutions as well as manufacturing of wireless communications devices and equipment	100	100	100
iWOW Communications Pte. Ltd. (⁽¹⁾ (Singapore))	Dormant	100	100	100
Electrique Energie & Metering Pte. Ltd. (⁽¹⁾ (Singapore))	Smart Metering Services	100	-	-
<u>Held via iWOW Communications Pte Ltd</u>				
iWOW Communications Chengdu Pte. Ltd. (⁽²⁾ (China))	Dormant	100	100	100

(¹) Audited by Mazars LLP, Singapore for consolidation purposes.

(²) Reviewed by Mazars LLP, Singapore for consolidation purposes.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies

3.1 Basis of preparation

The consolidated financial statements of the Group have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) including related Interpretations of SFRS(I)s (“SFRS(I)s INT”) and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are presented in Singapore dollar (“S\$”) which is also the functional currency of the Company.

Singapore Financial Reporting Standards (International)

In December 2017, the Accounting Standards Council (the “ASC”) issued the Singapore Financial Reporting Standards (International) (“SFRS(I)”) as the new accounting framework to be mandatorily applied by qualifying entities, which include Singapore-incorporated companies which is in the process of issuing its debt or equity instruments for trading in a public market in Singapore, in the preparation and presentation of their general purpose financial statements for annual reporting periods beginning on or after 1 April 2018.

This first volume of SFRS(I) contains the equivalent of consolidated text of IFRS as issued by the International Accounting Standards Board (“IASB”) at 31 December 2017 that are applicable for annual reporting periods beginning on 1 April 2018. Simultaneous to its compliance with SFRS(I), the Group can hence elect to include an explicit and unreserved statement of compliance with SFRS(I) in its first and subsequent SFRS(I) financial statements.

For the purpose of preparing and presenting the consolidated financial statements for the financial year ended 31 March 2019, 2020 and 2021, the Group has adopted the new or revised SFRS(I) that are relevant to its operations and effective for each financial year respectively. Changes to the Group’s accounting policies have been made as required in accordance with the relevant transitional provisions in the respective new or revised SFRS(I). Except as described below, the adoption of the new or revised SFRS(I) including related SFRS(I) INT did not result in any substantial changes to the Group’s accounting policies and has no material effect on the amounts reported for the respective financial years.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

3 Summary of significant accounting policies (Continued)

3.1 Basis of preparation (Continued)

SFRS(I) 9 Financial Instruments

SFRS(I) 9 sets out the requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

The Group has adopted SFRS(I) 9 retrospectively, with no restatement to the comparative figures. Any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period that includes the date of initial application is recognised in the opening retained earnings. There is no material impact arising from the adoption for the applicable financial years.

Classification of financial assets

Based on facts and circumstances existing as of initial application date, the Group has classified its financial assets into financial assets subsequently measured at (i) fair value through profit or loss; (ii) amortised cost; or (iii) fair value through other comprehensive income, depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, or as otherwise designated as such upon initial recognition, if allowed.

There is no change in the classification of financial assets at the date of initial application.

Impairment of financial assets

The new impairment model under SFRS(I) 9 requires the recognition of impairment allowances arising from ECL from financial assets such as financial assets measured at amortised cost, financial assets measured at FVTOCI and contract assets arising from the Group's contracts with its customers under SFRS(I) 15.

An entity will recognise (at a minimum of) 12 months of expected credit losses in profit or loss for financial assets measured at amortised cost or fair value through other comprehensive income, unless in the circumstance when there is a significant increase in credit risk after initial recognition which requires the entity to recognise lifetime expected credit losses on the affected assets.

The Group used a practical expedient in the form of an allowance matrix on its trade receivables to recognise lifetime ECL and recognised 12-month expected credit losses for the other applicable financial assets. Refer to Note 26 for the details about the calculation of the loss allowance.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.1 Basis of preparation (Continued)

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 established a comprehensive framework which specifies how and when revenue should be recognised as well as to provide users of financial statements useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. SFRS(I) 15 also specifies the accounting for incremental costs of obtaining a contract and costs incurred to fulfil a contract.

The Group has adopted the five-step model which requires (i) its identification of the contract; (ii) its identification of the performance obligations in the contract; (iii) the determination of transaction price; (iv) allocation of the transaction price; and (v) recognition of revenue when (i.e. at a point in time) or as (i.e. over time) each performance obligation is satisfied.

The Group recognises revenue to depict the transfer of promised services to its customers in an amount that reflects the consideration which the Group expects to be entitled in exchange for those services.

Comparative information relating to the financial year ended 31 March 2019 has been reported under SFRS(I) 15 subsequent to the Group's application of the following practical expedients:

- Non-restatement of completed contracts which began and ended within the same financial year, or which were completed as of 1 April 2018;
- Non-disclosure of the amount of transaction price allocated to the remaining performance obligations nor an explanation of when the timing of expected recognition of the amount as revenue.

The Group has adopted SFRS(I) 15 which is effective for its annual periods beginning on or after 1 April 2018 on a retrospective basis, and concluded that there is no material impact on the financial statements of the Group in the period of the initial adoption.

SFRS(I) 16 Leases

SFRS(I) 16 introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring a lessee to adopt a single model for lessee accounting. Lessees are required, with the exception of short-term leases and leases of low value assets, to recognise at initial recognition, lease liability and right-of-use asset for a contract which is or contains a lease.

The details of the accounting policies under SFRS(I) 16 and SFRS(I) 1-17 are disclosed in Note 3.17.

The Group applied SFRS(I) 16 using the modified retrospective approach and recognised the cumulative effect of initial application on 1 April 2019, being the date of initial application of SFRS(I) 16. Accordingly, the comparative information presented were not restated and is presented as previously reported under SFRS(I) 1-17 and its related interpretations.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

3 Summary of significant accounting policies (Continued)

3.1 Basis of preparation (Continued)

SFRS(I) 16 Leases (Continued)

Practical expedients applied

The Group applied the following practical expedients when applying SFRS(I) 16 for the first time.

- Not to reassess whether a contract is, or contains, a lease at 1 April 2019 and instead relied on the assessment previously made using SFRS(I) 1-17 *Leases* and SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*;
- Not to recognise right-of-use assets and lease liabilities of leases for which the lease term ends within 12 months as of 1 April 2019.

Leases classified as operating leases under SFRS(I) 1-17

The Group previously classified its lease of office premise and staffs' accommodation as operating leases under SFRS(I) 1-17. Under SFRS(I) 16, the Group recognised for each lease,

- (a) a lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 April 2019; and
- (b) a right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid lease payments relating to that lease recognised in the consolidated statement of financial position immediately before 1 April 2019.

In the determination of lease liabilities, the Group applied the practical expedient to not 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.

Following the recognition of the right-of-use assets, the Group tested the right-of-use assets on 1 April 2019 for impairment and concluded that the right-of-use assets show no indication of impairment.

Leases classified as finance leases under SFRS(I) 1-17

The Group previously classified certain leases as finance leases under SFRS(I) 1-17. The carrying amount of the lease asset and lease liability recognised under SFRS(I) 1-17 immediately before 1 April 2019 is recognised as the carrying amount of the right-of-use asset and the lease liability under SFRS(I) 16.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

3 Summary of significant accounting policies (Continued)

3.1 Basis of preparation (Continued)

SFRS(I) 16 Leases (Continued)

The effects of adopting SFRS(I) 16 at 1 April 2019 is summarised as follows:

	31 March 2018 SFRS(I) 1-17 S\$	Remeasurement S\$	1 April 2019 SFRS(I) 16 S\$
Property, plant and equipment	1,614,388	28,467	1,642,855
Lease liabilities	-	28,467	28,467

The effects to deferred tax is immaterial. Therefore, the Group did not recognise make any adjustment to deferred tax at 1 January 2019.

The Group uses incremental borrowing rates at 1 April 2019 to discount the remaining lease payments at 1 April 2019 when measuring the lease liabilities. The weighted average incremental borrowing rate applied by the Group at 1 April 2019 is 5.25%.

The lease liabilities at 1 April 2019 can be reconciled to the operating lease commitment as at 31 March 2019 as follows:

	At 1 April 2019 S\$
Operating lease commitments at 31 March 2019 under SFRS(I) 1-17 as disclosed in the Group's consolidated financial statements	29,571
<u>Less:</u>	
Recognition exemption for leases with 12 months or less lease term at transition	(1,104)
Discounted using the incremental borrowing rate at 1 April 2019	28,467
Lease liabilities at 1 April 2019	28,467

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

3 Summary of significant accounting policies (Continued)

3.1 Basis of preparation (Continued)

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

At the date of authorisation of these statements, the following SFRS(I)s and SFRS(I)s INT that are relevant to the Group were issued but not yet effective:

SFRS(I)s	Title	Effective date (annual periods beginning on or after)
SFRS(I) 16	Amendment to SFRS(I) 16: <i>Covid-19- Related Rent Concessions</i>	1 June 2020
SFRS(I) 16	Amendment to SFRS(I) 16: <i>Covid-19- Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
SFRS(I) 3	Amendments to SFRS(I) 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
SFRS(I) 1-16	Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
SFRS(I) 1-37	Amendments to SFRS(I) 1-37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non- current</i>	1 January 2023
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
SFRS(I) 1- 8	Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Various	Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: <i>Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Various	Annual Improvements to SFRS(I)s 2018-2020	1 January 2022

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

The Group does 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 consolidated financial statements of the Group in the period of their initial adoption.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.2 Basis of consolidation

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

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

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

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.

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 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.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.3 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.

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 other operating 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.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.3 Business combinations (Continued)

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

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

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

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

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

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("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 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.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.4 Revenue recognition

The Group is principally in the business of research and experimental development on information technology, and manufacture of wireless communication equipment. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the good or service and that is allocated to that performance obligation. The good or service is transferred when or as the customer obtains control of the good or service. Revenue is shown net of estimated customer returns, rebates and other similar allowances.

Sale of products and installation services

Revenue from the sale of products and installation services are recognised at a point in time when control of the products is transferred to the end customers (i.e. when the equipment are delivered in accordance with the applicable incoterms or/and terms and conditions and significant risks and rewards of ownership of the tools have been transferred to the customer) and when the installation services has been completed. A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of tools.

System solution and consultancy services

Revenue from the system solution and consultancy services is recognised at a point in time when the services have been rendered to the customers. A corresponding receivable is recognised for consideration that is unconditional when only the passage of time is required before payment is due.

Silver generation solutions

Revenue from the silver generation solutions is recognised at a point in time when the services have been rendered to the customers. A corresponding receivable is recognised for consideration that is unconditional when only the passage of time is required before payment is due.

Provision of electronic monitoring services

Revenue from the provision of electronic monitoring services is recognised over time, using the output method to measure progress towards complete satisfaction of the service, as the customer simultaneously receives and consumes the benefits provided by the Group. In the application of the output method, the Group has used usage-based method. Accordingly, in view of the nature of the leasing of device, management considers that this output method is most appropriate in measuring the progress towards complete satisfaction of these performance obligations under SFRS(I) 15.

Metering subscription fee

Metering subscription fee comprises one performance obligation because the promise to provide these services are interrelated and not capable of being distinct and separately identifiable. Revenue is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Company. Advance consideration is deferred and presented in the statement of financial position as contract liabilities.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.5 Borrowing costs

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

3.6 Retirement benefit costs

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund (“CPF”) scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

3.7 Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

3.8 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 balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, 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.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.8 Income tax (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities.

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.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

3.9 Dividends

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

3.10 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the dates of the transactions. 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 other comprehensive income.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.10 Foreign currency transactions and translation (Continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Profit or loss 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.

3.11 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs 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. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Office furniture and fixtures	-	5 years
Lab equipment	-	5 years
Computers	-	3 years
Machinery and equipment	-	4 years
Office equipment	-	4 - 5 years
Software	-	5 years
Motor vehicles	-	5 years
Renovation	-	3 years
Right-of-use assets	-	2 - 3 years

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 21.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.11 Property, plant and equipment (Continued)

The estimated useful lives and depreciation method are reviewed at each financial year end to ensure that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

3.12 Intangible assets

Internally generated intangible assets

Expenditure from the research phase of an internal project to create an intangible asset is expensed in profit or loss when it is incurred. Where the research phase cannot be distinguished from the development phase of an internal project, the Group treats the expenditure on that project as if it were incurred in the research phase only.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised, if, any only if, all the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

The amortisation charge is recognised in profit or loss and is assessed for impairment when there is an indication that the intangible asset may be impaired. The estimated amortisation period and amortisation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal, with any gain or loss arising from the derecognition of an intangible asset, being the difference between the net disposal proceeds and the carrying amount of the asset, recognised in profit or loss.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.12 Intangible assets (Continued)

Platform development and module development

Internally generated development expenditure are stated at cost less accumulated amortisation and impairment loss. Amortisation is charged to the profit or loss on the straight-line basis over the estimated useful life of 5 years.

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 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.

3.13 Impairment of tangible and intangible assets excluding goodwill

The Group reviews the carrying amounts of its tangible and intangible 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, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.14 Financial instruments

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

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.

Financial assets

Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. 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 in Note 3.4.

Financial assets are classified as subsequently measured at amortised cost. The classification at initial recognition 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.

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.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

3 Summary of significant accounting policies (Continued)

3.14 Financial instruments (Continued)

Financial assets (Continued)

Dividend income

Dividends from equity instruments are recognised in profit or loss only when the Group's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Interest income

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

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost and debt instruments measured at FVTOCI. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a 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.

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

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.

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 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 26.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.14 Financial instruments (Continued)

Financial assets (Continued)

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 receivable.

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.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable and any dividends are discretionary, or is redeemable but only at the Company's option. Dividends on preference share capital classified as equity are recognised as distributions within equity in the period in which they are declared.

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the accumulated profits of the Company if the shares are purchased out of earnings of the Company, or proportionately against the share capital and accumulated profits accounts if the shares are purchased both out of capital and accumulated profits of the Company.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.14 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Preference share capital (Continued)

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

Convertible loan

Convertible loan are treated as compound instruments, consisting of a liability component and an equity component. The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement.

The liability component of bonds is recognised initially at the fair value of a similar non-convertible liability. The carrying amount of the equity component is then determined by deducting the fair value of the liability component from the fair value of the compound financial instrument as a whole.

Any directly attributable transaction costs are allocated to the liability and equity portion in proportion to their initial carrying amounts.

Subsequent to the initial measurement, the liability component of the bonds is measured at amortised cost using the effective interest method until its extinguishment upon conversion, redemption or at the maturity date. The equity component remains as equity, net of income tax effects, but may be transferred within equity.

Financial liabilities

Initial recognition and measurement

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

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

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

Other financial liabilities

Trade and other payables

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

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.14 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Other financial liabilities (Continued)

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 (see Note 3.5 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Financial guarantee contracts

One of the subsidiary in the Group has issued corporate guarantees to banks for banking facilities granted by them. These guarantees qualify as financial guarantees because the subsidiary is required to reimburse the banks if the Company breach any repayment terms.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with SFRS(I) 15.

Derecognition of financial liabilities

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

3.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

3.16 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.17 Leases

The Group applied SFRS(I) 16 using the modified retrospective approach and therefore the comparative information has not been restated. Accordingly, the comparative information was prepared and disclosures made in accordance with the requirements of SFRS(I) 1-17 and SFRS(I) INT 4.

The Group as a lessee from 1 April 2019

These accounting policies are applied on and after the initial application date of SFRS(I) 16 (i.e. 1 April 2019).

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 operating expense on a straight-line basis over the term of the lease.

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

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

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

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

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

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.17 Leases (Continued)

The Group as a lessee (Continued)

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

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

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

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

The Group as a lessee before 1 April 2019

At the lease commencement date, the Group assess and classify each lease as either a finance lease or operating lease.

Operating Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.18 Provisions

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

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

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

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

3.19 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

3 Summary of significant accounting policies (Continued)

3.20 Government grants

Government grants are recognised when 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.

Non-monetary government grant is recognised at nominal amount.

Jobs Support Scheme ("JSS")

The JSS provides wage support to employers to help them retain their local employees during this period of economic uncertainty. Employers who have made CPF contributions for their local employees will qualify for the payouts under the scheme.

3.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

4 Significant accounting estimates and judgements

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.

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

Capitalisation of development costs

The Group follows the guidance of SFRS(I) 1-38 *Intangible Assets* in determining the amount and nature of development expenditure to be capitalised as development costs. This determination requires significant judgement. The Group assesses, among other factors, if the product or process is technically feasible and if the Group has sufficient technical, financial and other resources to use or market the product or process. In addition, the Group also applies its judgement to assess the probability of expected future economic benefits that are attributable to the use of this capitalised development expenditure that will flow to the Group. The carrying amount of capitalised development expenditure as at 31 March 2021 was S\$909,807 (2020: S\$1,478,274; 2019: S\$1,452,603) which is disclosed in Note 13(a).

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

4 Significant accounting estimates and judgements (Continued)

4.1 Critical judgements made in applying the Group's accounting policies (Continued)

Revenue recognition

As described in Note 3.4, the Group provides provision of electronic monitoring services when the utilisation volume within an agreed period exceeds specific thresholds. In calculating the revenue, the Group uses the output method based on past experiences with the distributors and cumulative revenue is recognised to the extent that it is highly probable a significant reversal will not occur when the uncertainty associated with the variable consideration is subsequently resolved. In determining the method to be used for the contract, the Group considered factors, including the number of contracts with similar characteristics and the number of possible outcomes. The Group considered all information that is reasonably available to the Group and identified a reasonable number of possible consideration amounts. In the application of its judgement relating to the probability of a significant utilisation in the amount of revenue recognised when the uncertainty associated with the usage consideration is subsequently resolved, the Group considered its historical experience with the customer, adjusted for its assessment of relevant factors such as the volatility of the market in which the customer operates and recent performance of the customer.

Impairment of financial assets

The Group follows the guidance of SFRS(I) 9 in assessing its financial assets for impairment. This assessment requires significant judgement. 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 a financial asset 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.

The Group also assesses whether there are reasonable expectations of recovering a financial asset in its entirety or a portion thereof, failing which the Group will write off the financial asset to reduce the gross carrying amount of the financial asset. In its assessment, the Group considers various factors, including the debtor's historical payment trends, the latter's financial ability and the existence of collateral.

4.2 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 year are discussed below:

Impairment of goodwill

The Group tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the value-in-use of the CGU to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. No impairment loss was recognised during the financial year. The carrying amount of goodwill as at 31 March 2021 was S\$828,800 (2020: S\$Nil; 2019: S\$Nil) (Note 13(b)).

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

4 Significant accounting estimates and judgements (Continued)

4.2 Key sources of estimation uncertainty (Continued)

Impairment of property, plant and equipment

Property, plant and equipment are assessed at the end of each financial year to ascertain whether there is an indication of impairment, if such indications are found, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Such impairment loss is recognised in profit or loss.

Management judgement is required in the area of asset impairment, particularly in assessing (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the market value or the net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in estimating the market value of preparing the cash flow projections including whether these cash flow projections are discounted using an appropriate rate. In determining the value-in-use, the Group has considered the expected and estimated impact of COVID-19 on the key inputs and assumptions. Changing the assumptions selected by management to determine the level of impairment, could materially affect the net present value used in the impairment test and as a result may potentially affect the Group's results. The carrying amount of the Group's property, plant and equipment as at 31 March 2021 was S\$1,005,942 (2020: S\$900,430; 2019: S\$627,071). (Note 12)

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Management estimates the useful lives of these property, plant and equipment to be within 1 to 5 years. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Group's property, plant and equipment as at 31 March 2021 was S\$1,005,942 (2020: S\$900,430; 2019: S\$627,071). (Note 12)

Amortisation of development costs

Development costs that are expected to generate probable future economic benefits are capitalised as intangible assets. All other research and development expenditure is recognised in income as incurred. Internally generated development expenditure are stated at cost less accumulated amortisation and impairment loss. Amortisation is charged to the profit or loss on the straight-line basis over the estimated useful life of 5 years. The carrying amount of the Group's research and development as at 31 March 2021 was S\$909,807 (2020: S\$1,478,274; 2019: S\$1,452,603). (Note 13(a))

Provision for income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's current tax payable as at 31 March 2021 was S\$369,509 (2020: S\$5,001; 2019: S\$5,001).

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021

4 Significant accounting estimates and judgements (Continued)

4.2 Key sources of estimation uncertainty (Continued)

Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's and Company's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 March 2021 was S\$1,022,271 (2020: S\$289,353; 2019: S\$28,329) (Note 14).

Measurement of ECL of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, adjusted for forward looking factors, including their best estimate of the impact of COVID-19, specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses and estimates, for example, the gross domestic production growth rates of Singapore and the growth rates of the major industries in which its customers operate. The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 31 March 2021 was S\$Nil (2020: S\$Nil; 2019: S\$Nil).

Fair value of convertible loans

Convertible loans are measured at fair value at the initial recognition. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. In respect of the liability component of convertible loans, the market rate of interest is determined with reference to similar liabilities that do not have a conversion option. The carrying amount of the Group's convertible loans as at 31 March 2021 was \$480,938 (2020: S\$932,634; 2019: S\$1,329,770).

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

5 Revenue

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Revenue from contract with customers			
- Sale of products and installation services	22,439,521	125,250	347,303
- System solution and consultancy services	21,770	74,993	32,037
- Silver generation solutions	1,296,601	2,013,381	-
- Provision of electronic monitoring services	2,355,396	1,934,019	1,497,467
- Metering subscription fee	299,162	213,644	182,474
- Others	9,265	14,503	10,982
	<u>26,421,715</u>	<u>4,375,790</u>	<u>2,070,263</u>

The disaggregation of revenue from contracts with customers is as follows:

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
<u>Geographical markets</u>			
Singapore	26,409,219	4,300,590	1,960,316
Others	12,496	75,200	109,947
	<u>26,421,715</u>	<u>4,375,790</u>	<u>2,070,263</u>
<u>Timing of revenue recognition</u>			
Goods transferred at point in time	24,215,190	2,603,224	802,135
Services transferred overtime	2,206,525	1,772,566	1,268,128
	<u>26,421,715</u>	<u>4,375,790</u>	<u>2,070,263</u>

Transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations and expected to be realised in the following financial years are as follows:

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Within one year	889,257	1,580,230	41,115
After one year and within five years	147,753	999,074	13,386
	<u>1,037,010</u>	<u>2,579,304</u>	<u>54,501</u>

The Group has applied the practical expedient permitted under SFRS(I) 15 whereby the aggregated transactions price allocated to unsatisfied contracts which are part of contracts, that have an original expected duration of one year or less, is not disclosed.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6 Other operating income

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Interest income	2	7	11
Government grants	338,022	5,507	7,070
Reimbursement income	20,250	70,200	37,218
Trade payables written-off	33,657	27,428	69,156
Others	148,992	14,397	-
	<u>540,923</u>	<u>117,539</u>	<u>113,455</u>

Included in government grants is an amount of S\$301,871 (2020: S\$Nil; 2019: S\$Nil) which was recognised during the financial year under the JSS. The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

During the financial year, the Group received rent concessions for the leases from its respective landlords as assistance to tide over the impact of COVID-19. The Group applied the practical expedient for eligible rent concessions.

7 Employee benefits expense (including directors' remuneration)

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Salaries and bonuses	1,865,061	723,083	368,164
Employers' contribution to defined contribution plan	210,882	173,253	157,163
Other related staff costs	324,311	214,022	198,706
	<u>2,400,254</u>	<u>1,110,358</u>	<u>724,033</u>

8 Finance costs

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Trade finance charges	5,095	-	-
Factoring charges	127,032	-	-
Interest on borrowings – trade finance	4,515	-	-
Interest on borrowings – bank borrowings	155,561	254,727	259,809
Interest on lease liabilities	9,766	8,834	-
	<u>301,969</u>	<u>263,561</u>	<u>259,809</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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9 Profit/(Loss) before income tax

The following charges/(credits) were included in the determination of profit/(loss) before income tax:

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Depreciation of property, plant and equipment	579,212	450,068	342,026
Amortisation of intangible assets	568,467	464,329	369,345
Audit fees paid to auditors:			
- Auditors of the Company	37,300	37,853	45,183
Directors' remuneration other than fees:			
- Directors of the Company			
- Short-term benefits	672,806	150,256	143,636
- Employers' contribution to defined contribution plan	13,553	12,678	12,240
- Directors of the subsidiaries			
- Short-term benefits	138,455	142,618	136,536
- Employers' contribution to defined contribution plan	17,463	12,678	12,240
Allowance for/(Reversal of) inventories obsolescence	9,550	(1,791)	8,615
Trade receivables written off	-	-	3,010
Foreign exchange losses	47,925	27,553	33,715

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10 Income tax expense

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
<i>Current income tax</i>			
- Current	356,565	-	5,401
	<u>356,565</u>	<u>-</u>	<u>5,401</u>
<i>Deferred income tax</i>			
- Over-provision in prior financial years	-	-	(400)
	<u>-</u>	<u>-</u>	<u>(400)</u>
Total income tax expense	<u>356,565</u>	<u>-</u>	<u>5,001</u>

The reconciliation of the tax expense and the product of accounting loss multiplied by the applicable statutory rate is as follows:

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Profit/(Loss) before income tax	<u>4,071,171</u>	<u>21,905</u>	<u>(590,105)</u>
Income tax at statutory rate of 17% (2020: 17%; 2019: 17%)	692,099	3,724	(100,318)
Tax effect of:			
- Non-deductible expenses	324,965	194,410	-
- Non-taxable income	(232,411)	-	(116,499)
- Utilisation of prior year unrecognised deferred tax assets	(408,584)	(198,134)	-
- Over-provision in prior financial years	-	-	(400)
- Tax exemption	(17,425)	-	-
- Deferred tax assets not recognised	-	-	222,218
- Others	(2,079)	-	-
Total income tax expense	<u>356,565</u>	<u>-</u>	<u>5,001</u>

The Singapore Government's Budget 2021 announced that companies will receive a corporate income tax rebate of 0% (Year of Assessment 2020: 25%; Year of Assessment 2019: 20%) net of all other tax set-off, subject to a cap of S\$Nil per Year of Assessment 2021 (Year of Assessment; 2020: S\$15,000; Year of Assessment 2019: S\$10,000).

At the end of the reporting period, the aggregate amount of temporary differences associated with the undistributed earnings of the subsidiaries for which deferred tax assets have not been recognized is approximately S\$14,922,242 (2020: S\$17,325,674; 2019: S\$18,491,168). No liability has been recognized 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.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

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11 Earnings/(Loss) per share

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Basic	<u>6.86</u>	<u>0.04</u>	<u>(1.20)</u>
Diluted	<u>6.77</u>	<u>0.04*</u>	<u>(1.20)*</u>

The calculation of the basic earnings/(loss) per share attributable to the ordinary equity holders of the Company is based on the following data:

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Profit/(loss) for the financial year attributable to ordinary equity holders of the Company (S\$)	<u>3,714,606</u>	<u>21,905</u>	<u>(595,106)</u>

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Number of ordinary shares in issue at beginning of the financial year	49,779,625	49,779,625	49,779,625
Issue of shares for purchase consideration of acquisition on Electricque	2,630,042	-	-
Issue of shares under convertible loan	<u>1,753,361</u>	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares in issue during the financial year	<u>54,163,028</u>	<u>49,779,625</u>	<u>49,779,625</u>

Diluted earnings per share is based on:

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Profit/(loss) for the financial year attributable to ordinary equity holders of the Company	3,714,606	21,905	(595,106)
Reduction in finance costs arising from full conversion of convertible bonds	<u>70,500</u>	<u>-*</u>	<u>-*</u>
Adjusted profit/(loss) attributable to ordinary equity holders of the Company	<u>3,785,106</u>	<u>21,905</u>	<u>(595,106)</u>

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive share options and full conversion of convertible bonds into ordinary shares, with the potential ordinary shares weighted for the period outstanding.

* The convertible bonds are not included in the calculation of diluted earnings per share for 2020 and 2019 because they are antidilutive.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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11 Earnings/(Loss) per share (Continued)

The effects of the exercise of conversion of the convertible bonds on the weighted average number of ordinary shares in issue are as follows:

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Weighted average number of:			
Ordinary shares used in the calculation of basic earnings per share	54,163,028	49,779,625	49,779,625
Potential ordinary shares issuable under:			
- Convertible loan	<u>1,753,361</u>	<u>-*</u>	<u>-*</u>
Weighted average number of ordinary shares in issue and potential ordinary shares assuming full conversion	<u>55,916,389</u>	<u>49,779,625</u>	<u>49,779,625</u>

* There were no potential dilutive ordinary shares arise from the convertible loan. The diluted earning/(loss) per share for financial years ended 31 March 2020 and 2019 was the same as the basic earning/(loss) per share.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

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12 Property, plant and equipment

	Office furniture and fixtures S\$	Lab equipment S\$	Computers S\$	Machinery and equipment S\$	Office equipment S\$	Software S\$	Motor vehicles S\$	Renovation S\$	Right-of-use assets S\$	Total S\$
Cost										
At 1 April 2018	62,466	146,196	33,130	1,187,643	4,586	6,129	-	16,000	-	1,456,150
Additions	-	-	14,920	143,318	-	-	-	-	-	158,238
At 31 March 2019	62,466	146,196	48,050	1,330,961	4,586	6,129	-	16,000	-	1,614,388
Recognition of right-of- use assets on initial adoption of SFRS(I) 16	-	-	-	-	-	-	-	-	28,467	28,467
Additions	20,984	-	8,900	416,400	202	-	-	-	248,474	694,960
At 31 March 2020	83,450	146,196	56,950	1,747,361	4,788	6,129	-	16,000	276,941	2,337,815
Additions	19,715	-	13,678	470,851	9,276	-	-	-	134,764	648,284
Acquired on acquisition of subsidiary	-	-	-	-	24,042	-	73,940	9,500	106,213	213,695
At 31 March 2021	103,165	146,196	70,628	2,218,212	38,106	6,129	73,940	25,500	517,918	3,199,794

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

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12 Property, plant and equipment (Continued)

	Office furniture and fixtures	Lab equipment	Computers	Machinery and equipment	Office equipment	Software	Motor vehicles	Renovation	Right-of-use assets	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Accumulated depreciation										
At 1 April 2018	56,397	133,559	25,556	405,168	2,542	6,069	-	16,000	-	645,291
Charge for the year	4,144	12,637	8,780	314,576	1,863	26	-	-	-	342,026
At 31 March 2019	60,541	146,196	34,336	719,744	4,405	6,095	-	16,000	-	987,317
Charge for the year	5,400	-	7,420	364,866	204	26	-	-	82,162	450,068
At 31 March 2020	65,941	146,196	41,756	1,074,600	4,609	6,121	-	16,000	82,162	1,437,385
Charge for the year	8,996	-	9,456	450,441	653	8	1,298	-	108,360	579,212
Acquired on acquisition of subsidiary	-	-	-	-	24,042	-	69,184	9,500	74,529	177,255
At 31 March 2021	74,937	146,196	51,212	1,525,041	29,304	6,129	70,482	25,500	265,051	2,193,852
Net carrying value										
At 31 March 2021	28,228	-	19,416	693,171	8,802	-	3,458	-	252,867	1,005,942
At 31 March 2020	17,509	-	15,194	672,761	179	8	-	-	194,779	900,430
At 31 March 2019	1,925	-	13,714	611,217	181	34	-	-	-	627,071

Property, plant and equipment of the Group includes right-of-use assets of S\$252,867 (2020: S\$194,779) respectively which are presented together with property, plant and equipment. Details of the right-of-use assets are disclosed in Note 21(a).

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S\$648,284 (2020: S\$694,960; 2019: S\$158,238) of which S\$134,765 (2020: S\$248,473, 2019: S\$Nil) were acquired by means of leases. Cash payments of S\$513,519 (2020: S\$446,487; 2019: S\$158,238) were made to purchase property, plant and equipment.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

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13 Intangible assets

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Cost:			
At beginning of financial year	2,795,602	2,305,602	1,566,685
Additions	-	490,000	738,917
Goodwill arising on acquisition of subsidiary (Note 2)	828,800	-	-
At end of financial year	<u>3,624,402</u>	<u>2,795,602</u>	<u>2,305,602</u>
Amortisation:			
At beginning of financial year	1,317,328	852,999	483,654
Amortisation for the financial year	568,467	464,329	369,345
At end of financial year	<u>1,885,795</u>	<u>1,317,328</u>	<u>852,999</u>
Carrying amount:			
At 31 March	<u>1,738,607</u>	<u>1,478,274</u>	<u>1,452,603</u>
(a) Development costs			
	<u>Platform development S\$</u>	<u>Module development S\$</u>	<u>Total S\$</u>
Cost			
At 1 April 2018	730,755	835,930	1,566,685
Additions	-	738,917	738,917
At 31 March 2019	730,755	1,574,847	2,305,602
Additions	-	490,000	490,000
At 31 March 2020 and 31 March 2021	<u>730,755</u>	<u>2,064,847</u>	<u>2,795,602</u>
Accumulated amortisation			
At 1 April 2018	91,177	392,477	483,654
Charge for the year	182,689	186,656	369,345
At 31 March 2019	273,866	579,133	852,999
Charge for the year	182,689	281,640	464,329
At 31 March 2020	456,555	860,773	1,317,328
Charge for the year	210,402	358,065	568,467
At 31 March 2021	<u>666,957</u>	<u>1,218,838</u>	<u>1,885,795</u>
Net carrying value			
31 March 2021	<u>63,798</u>	<u>846,009</u>	<u>909,807</u>
31 March 2020	<u>274,200</u>	<u>1,204,074</u>	<u>1,478,274</u>
31 March 2019	<u>456,889</u>	<u>995,714</u>	<u>1,452,603</u>

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13 Intangible assets (Continued)

(a) Development costs (Continued)

During the financial year ended 31 March 2021, 2020 and 2019, the intangible assets comprised platform development and module development. Both of which are internally generated.

(b) Goodwill

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Cost:			
At beginning of financial year	-	-	-
Arising on acquisition of subsidiary (Note 2)	<u>828,800</u>	<u>-</u>	<u>-</u>
At end of financial year	<u><u>828,800</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Goodwill acquired is allocated to the CGU that are expected to benefit from the CGU.

The carrying amount of goodwill had been allocated by reportable operating segments as follows:

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Electrique	<u>828,800</u>	<u>-</u>	<u>-</u>

The Group tests CGU for impairment annually, or more frequently when there is an indication for impairment.

The recoverable amounts of the CGU are determined from value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by Board of Directors covering a five-year period. The key assumptions for these value-in-use calculations are those regarding the discount rates, growth rates and expected changes to gross margins during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in gross margins are based on past practices and expectations of future changes in the market.

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13 Intangible assets (Continued)

(b) Goodwill (Continued)

Key assumptions on which management has based its cash flow projections for the respective periods of the CGU is as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Gross margin ⁽ⁱ⁾	28%	-	-
Growth rates ⁽ⁱⁱ⁾	0.5%	-	-
Discount rates ⁽ⁱⁱⁱ⁾	14%	-	-
Terminal value growth rates ^(iv)	2%	-	-

Key assumptions used in the value-in-use calculations

- (i) *Budgeted gross margins* – Budgeted gross margins are determined based on past performance and its expectations of market developments.
- (ii) *Growth rates* – The forecasted growth rates are based on published industry research relevant to the CGUs, taking into account of the forecasted growth rates relevant to the environment where the CGUs operate in.
- (iii) *Discount rates* – The discount rates used are based on the weighted average cost of the CGU's capital (the "WACC"), adjusted for the specific circumstances of the CGU and based on management's experience, and re-grossed back to arrive at the pre-tax rates.
- (iv) *Terminal value growth rates* – The terminal growth rates are determined based on management's estimate of the long-term industry growth rates.

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 March 2021.

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14 Inventories

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Raw materials	49,107	29,334	27,540
Finished goods	973,164	260,019	789
	<u>1,022,271</u>	<u>289,353</u>	<u>28,329</u>

Inventories are stated at net realisable value after providing the allowance for inventories obsolescence as follows:

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
At beginning of the year	6,825	8,615	-
Allowance for obsolescence	9,550	-	8,615
Reversal of allowance	-	(1,791)	-
At end of the year	<u>16,375</u>	<u>6,824</u>	<u>8,615</u>

Inventories recognised as an expense in changes in inventories & raw materials used amounted to S\$18,653,892 (2020: S\$1,928,493; 2019: S\$696,760).

15 Trade receivables

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Trade receivables	3,049,207	625,929	681,953
Accrued revenue	550,206	125,781	96,189
	<u>3,599,413</u>	<u>751,710</u>	<u>778,142</u>

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2020: 30 to 90 days; 2019: 30 to 90 days) credit terms.

The accrued revenue relates to the revenue recognised to date for satisfied performance obligations but has not been invoiced to the customer as at the financial year end and is transferred to trade receivables at the point when it is invoiced to the customers.

Trade receivables are denominated in the followings currencies as at the reporting date:

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Singapore dollar	3,033,824	751,710	763,024
Chinese yuan	565,589	-	-
United States dollar	-	-	15,118
	<u>3,599,413</u>	<u>751,710</u>	<u>778,142</u>

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16 Other receivables

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Amounts due from a director	29,577	29,577	11,337
Deposits	69,991	46,345	36,191
Advance payment to supplier in relation to the supplied goods	3,438,602	236,038	125,852
Prepayments	24,223	9,206	10,885
GST receivable	45,706	-	-
Others	58	40,000	40,000
	<u>3,608,157</u>	<u>361,166</u>	<u>224,265</u>

Amounts due from a director are unsecured, interest-free, and are repayable on demand. The amounts due from a director mainly arose from the over repayment of loan extended to the Company by a director. Subsequent to the financial year ended 2021, the balance has since been repaid by the Director.

Other receivables are denominated in Singapore dollars.

17 Cash and cash equivalents

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Cash at bank	4,634,433	28,302	521,759
Fixed deposits placed with banks	20,546	-	-
Cash on hand	1,122	949	523
	<u>4,656,101</u>	<u>29,251</u>	<u>522,282</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Fixed deposits of the Group bear interest rates ranging from 0.05% to 2.1% per annum with average maturity period ranging from one to twelve months at the end of the financial year.

Cash and cash equivalents are denominated in the followings currencies as at the reporting date:

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Singapore dollar	4,477,146	18,783	505,929
Chinese yuan	14,611	-	-
United States dollar	164,344	10,468	16,353
	<u>4,656,101</u>	<u>29,251</u>	<u>522,282</u>

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18 Share capital

	<u>2021</u>		<u>2020</u>		<u>2019</u>	
	<u>Number of ordinary shares</u>	<u>S\$</u>	<u>Number of ordinary shares</u>	<u>S\$</u>	<u>Number of ordinary shares</u>	<u>S\$</u>
Issued and fully paid						
At beginning of the year	49,779,625	18,552,899	49,779,625	18,552,899	49,779,625	18,552,899
Issuance of ordinary shares	<u>4,383,403</u>	<u>1,700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At end of the year	<u>54,163,028</u>	<u>20,252,899</u>	<u>49,779,625</u>	<u>18,552,899</u>	<u>49,779,625</u>	<u>18,552,899</u>
	<u>Number of preference shares</u>	<u>S\$</u>	<u>Number of preference shares</u>	<u>S\$</u>	<u>Number of preference shares</u>	<u>S\$</u>
Issued and fully paid						
At beginning and end of the year	<u>191,176</u>	<u>650,000</u>	<u>191,176</u>	<u>650,000</u>	<u>191,176</u>	<u>650,000</u>
Total	<u>54,354,204</u>	<u>20,902,899</u>	<u>49,970,801</u>	<u>19,202,899</u>	<u>49,970,801</u>	<u>19,202,899</u>

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 restrictions. The ordinary shares have no par value.

The holder of the preference shares is entitled to vote at meetings of the Company only on resolutions for varying the rights attached to the preference shares or for the winding up of the Company. All shares rank equally with regard to the Company's residual assets.

On 28 December 2020, the Company has acquired 100% of the share capital of Electricque by cash consideration of S\$180,000 and issuance of 2,630,042 ordinary shares of the Company to the Director of Electricque amounting to S\$1,200,000. In addition, one of the convertible loan holder of S\$500,000 had fully converted the loan to 1,753,361 ordinary shares of the Company.

19 Reserves

(a) Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group, as well as from the translation of foreign currency loans which form part of the Group's net investments in foreign operations.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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19 Reserves (Continued)

(b) Capital reserve

The capital reserve comprises the equity component of convertible loan. Convertible loan are treated as compound instruments, consisting of a liability component and an equity component. The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement.

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Convertible loan	<u>285,217</u>	<u>264,785</u>	<u>324,960</u>

When the convertible loan is expired without further extension, the related balance previously recognised in the capital reserve is transferred to accumulated profits. Two convertible loan holders have extended its loan, the related balance previously recognized in capital reserve will be remeasured and transfer upon maturity of convertible loan.

20 Borrowings

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Bank loans	1,000,000	-	-
Convertible loan	480,938	932,634	1,329,770
Loan from a director	-	297,000	-
	<u>1,480,938</u>	<u>1,229,634</u>	<u>1,329,770</u>

Borrowings are repayable over a period of 1 month to 5 years as follows:

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Within one year	618,204	1,229,634	1,329,770
After one year but within five years	862,734	-	-
	<u>1,480,938</u>	<u>1,229,634</u>	<u>1,329,770</u>

The effective interest rates per annum are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Bank loans	3.5%	-	-
Convertible loan	7%	7%	7%
Loan from a director	-	1%	-

The banking facilities are secured by the following:

- (a) All sums in the current account with DBS bank from FY2021 onwards;
- (b) corporate guarantee by a subsidiary, iWOW Connections Pte. Ltd.; and
- (c) personal guarantee from certain directors of the Group.

The bank loans are matured and repayable by 2 July 2025.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED 31 MARCH 2019, 2020 AND 2021

20 Borrowings (Continued)

Convertible loan

The Group's convertible loan comprised of Convertible Loan A, Convertible Loan B and Convertible Loan C as follow:

1. Convertible Loan A relates to convertible loan that was issued to Mr. Soo Kee Wee. On 14 February 2018, the Company issued a convertible loan with principal amount of S\$500,000. The convertible loan bears a fixed interest rate of 7% per annum with a maturity date of 24 months. The convertible loan of S\$500,000 will be automatically extended on a monthly basis from 15 June 2021 onwards. On 31 July 2021, the convertible loan amounting to S\$500,000 had fully converted the loan to ordinary shares of the Company.
2. Convertible Loan B relates to convertible loan that was issued to Mr. Albert Chiu. On 14 February 2018, the Company issued a convertible loan with principal amount of S\$500,000. The convertible loan bears a fixed interest rate of 7% per annum with a maturity date of 24 months. The convertible loan will be automatically extended from 14 February 2020 onwards. On 28 December 2020, the convertible loan amounting to S\$500,000 had fully converted the loan to ordinary shares of the Company.
3. Convertible Loan C relates to convertible loan that was issued to Mr. Ang Swee Tien. On 8 March 2018, the Company issued convertible loan with principal amount of S\$500,000. The convertible loan bears a fixed interest rate of 7% per annum with a maturity date of 24 months. During the financial year ended 31 March 2020, the Company has fully repaid S\$500,000 to the convertible loan holder.

The convertible loans are convertible at the option of the holder into ordinary shares in the capital of the Company based on a predefined valuation. The Company shall on the maturity date, at the option of the holders, redeem the convertible loan from the holders by repaying the outstanding loan principal in full and all interest that remain outstanding or make full redemption of convertible loan through conversion shares.

The interest charged for the financial year ended 31 March 2021 is calculated by applying an effective interest rate of 7% per annum to the liability component from the issuance date of the convertible loan since they were issued.

	S\$
At 1 April 2018	1,174,961
Accreted interest	<u>154,809</u>
At 31 March 2019	1,329,770
Repayment of convertible loan	(500,000)
Accreted interest	<u>102,864</u>
At 31 March 2020	932,634
Conversion of convertible loan into ordinary shares	(500,000)
Accreted interest	<u>48,304</u>
At 31 March 2021	<u>480,938</u>

Borrowings are denominated in Singapore dollars.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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21 The Group as a lessee

The Group leases building for 2 to 3 years and rentals are fixed for an average of 2 to 3 years.

Extension options

The Group has several lease contracts with extension options exercisable by the Group up to 180 days before the end of the non-cancellable contract period. These extension options are exercisable by the Group and not by the lessors. The extension options are used by the Group to provide operation flexibility in terms of managing the assets used in the Group's operation. As at 31 March 2021, the Group is not reasonably certain that they will exercise these extension options.

Recognition exemptions

The Group has certain office equipment with low value. For such leases, the Group has elected not to recognise right-of-use assets and lease liabilities.

(a) Right-of-use-assets

The carrying amount of right-of-use assets by class of underlying asset classified within property, plant and equipment are as follows:

	Office Building S\$	Total S\$
At 1 April 2019	28,467	28,467
Additions	248,474	248,474
Depreciation	<u>(82,162)</u>	<u>(82,162)</u>
At 31 March 2020	194,779	194,779
Additions	134,764	134,764
Acquired on acquisition of subsidiary	106,213	106,213
Depreciation	<u>(182,889)</u>	<u>(182,889)</u>
At 31 March 2021	<u>252,867</u>	<u>252,867</u>

(b) Lease liabilities

	2021 S\$	2020 S\$
Non-current	98,674	111,665
Current	<u>150,972</u>	<u>84,214</u>
	<u>249,646</u>	<u>195,879</u>

The maturity analysis of lease liabilities is disclosed in Note 26.

The lease liabilities are denominated in Singapore dollars.

The total cash outflows for leases during the financial year ended 31 March 2021 is S\$90,763 (2020: S\$89,896).

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

21 The Group as a lessee (Continued)

(c) Amounts recognised in profit or loss

	<u>2021</u> S\$	<u>2020</u> S\$
Expense relating to low-value assets	-	72
Interest expense on lease liabilities	9,766	8,834
	<u>9,766</u>	<u>8,834</u>

(d) Operating lease commitments

Lessee

In the financial year ended 31 March 2019, the Group and the Company lease office space under operating leases. The lease for office space is for three years, management does not have extend the option after that date.

At the end of financial year ended 31 March 2019, the Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	<u>2019</u> S\$
Payable:	
Within 1 year	29,571
After 1 year but within 5 years	-
	<u>29,571</u>

22 Trade payables

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Trade payables	4,588,738	673,974	604,587
	<u>4,588,738</u>	<u>673,974</u>	<u>604,587</u>

Trade payables are non-interest bearing and the average credit period on purchases of supplies and services range from 31 to 60 (2020 and 2019: 31 to 60) days according to the terms agreed with suppliers.

Trade payables are denominated in the following currencies as at the reporting date:

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Euro	54,047	52,330	52,097
Singapore dollar	872,498	306,722	177,218
United States dollar	215,952	314,922	375,272
Chinese yuan	3,446,241	-	-
	<u>4,588,738</u>	<u>673,974</u>	<u>604,587</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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23 Other payables

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
GST payables	-	61,163	53,273
Provision for reinstatement costs	36,850	19,500	16,000
Accruals	<u>1,273,785</u>	<u>514,447</u>	<u>278,902</u>
	<u>1,310,635</u>	<u>595,110</u>	<u>348,175</u>

Accruals mainly consist of director's performance bonus and accrued operating expenses.

Other payables are denominated in Singapore dollars.

24 Contract liabilities

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Contract liabilities			
Advance consideration	<u>1,719,106</u>	<u>633,705</u>	<u>937,045</u>

Contract liabilities relate to advances received for provision of silver generation solution services, metering subscription fee and smart tracking products. Revenue for silver generation solution services and smart tracking products are recognised at point in time although the customer pays for the services at the contract inception date. Metering subscription fee is recognised over time although the customer pays for the services at the contract inception date. A contract liability is recognised for the advances received from the customers and is derecognised as and when the performance obligation is satisfied.

Contract liabilities for the financial year ended 31 March 2021 increased due to more advance consideration received in relation to the TraceTogether Tokens and Alarm Alert System Installations. but the performance obligation is yet to be satisfied as of year end. The Company do not foresee any issue in fulfilling the performance obligations. Majority of the contract liabilities are expected to be recognised as revenue within financial year ending 31 March 2022.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED 31 MARCH 2019, 2020 AND 2021

25 Significant related party transactions

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
- (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

During the financial year, other than those disclosed elsewhere in the financial statements, the Group had no significant transactions with related parties.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

Key management personnel remuneration:

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Salaries and bonuses	772,250	253,850	241,800
Employers' contribution to defined contribution plan	31,016	25,356	24,480
Others	39,011	39,024	38,372
	<u>842,277</u>	<u>318,230</u>	<u>304,652</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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26 Financial instruments and financial risks

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Financial assets			
Trade receivables	3,599,413	751,710	778,142
Other receivables (excluding prepayment and GST receivable)	99,626	115,922	87,528
Cash and cash equivalents	<u>4,656,101</u>	<u>29,251</u>	<u>522,282</u>
Financial assets at amortised cost	<u>8,355,140</u>	<u>896,883</u>	<u>1,387,952</u>
Financial liabilities			
Borrowings	1,480,938	1,229,634	1,329,770
Lease liabilities	249,646	195,879	-
Trade payables	4,588,738	673,974	604,587
Other payables (excluding GST payables and provision for reinstatement costs)	<u>1,273,785</u>	<u>514,447</u>	<u>278,902</u>
Financial liabilities at amortised cost	<u>7,593,107</u>	<u>2,613,934</u>	<u>2,213,259</u>

The Group's activities expose it to credit risk, market risks (including foreign currency risk) and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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26 Financial instruments and financial risks (Continued)

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group's credit risk arises mainly from cash and cash equivalents and trade and other receivables.

Cash and cash equivalents are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from cash and cash equivalents to be material, if any.

To assess and manage its credit risks, the Group categorises the aforementioned financial assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 30 days, but not later than when the financial asset is more than 90 days past due as per SFRS(I) 9's presumption.

The Group has not rebutted the presumption included in SFRS(I) 9 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risk ^{Note 1}	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition ^{Note 2} or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired ^{Note 3}	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount ^{Note 4}	Written off

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty 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 counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED 31 MARCH 2019, 2020 AND 2021

26 Financial instruments and financial risks (Continued)

Credit risk (Continued)

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are >30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation:
or
- the disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

As at the end of the financial year, there was significant concentration of credit risk. Trade receivables from 2 (2020: 3, 2019: 4) customers accounted for approximately 79% (2020: 79%, 2019: 80%) of total trade receivables of the Group. The remaining balance is spread over many diversified customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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26 Financial instruments and financial risks (Continued)

Credit risk (Continued)

Trade receivables (Note 15)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed by internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Company assesses, for example, the gross domestic production growth rates of Singapore and the growth rates of the major industries which its customers operate in.

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances.

The loss allowance for trade receivables are determined as follows:

	<u>Current</u>	<u>Past due</u>				<u>Total</u>
		<u>1 to 30 days</u>	<u>31 to 60 days</u>	<u>61 to 90 days</u>	<u>More than 90 days</u>	
31 March 2021						
Expected credit loss rates	0%	0%	0%	0%	0%	
Trade receivables (gross) (S\$)	2,827,652	294,257	346,162	58,388	72,954	3,599,413
Loss allowance (S\$)	-	-	-	-	-	-
31 March 2020						
Expected credit loss rates	0%	0%	0%	0%	0%	
Trade receivables (gross) (S\$)	577,663	54,947	21,563	10,515	87,022	751,710
Loss allowance (S\$)	-	-	-	-	-	-
31 March 2019						
Expected credit loss rates	0%	0%	0%	0%	0%	
Trade receivables (gross) (S\$)	368,687	159,308	131,506	19,328	99,313	778,142
Loss allowance (S\$)	-	-	-	-	-	-

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED 31 MARCH 2019, 2020 AND 2021

26 Financial instruments and financial risks (Continued)

Credit risk (Continued)

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of trade receivables are as follows:

Group	Note (i)	Total
Internal credit risk rating	S\$	S\$
Loss allowance		
At 1 April 2018, 31 March 2019, 31 March 2020 and 31 March 2021	-	-
Gross carrying amount		
At 31 March 2019	778,142	778,142
At 31 March 2020	751,710	751,710
At 31 March 2021	3,599,413	3,599,413
Net carrying amount		
At 31 March 2019	778,142	778,142
At 31 March 2020	751,710	751,710
At 31 March 2021	3,599,413	3,599,413

Note (i) For trade receivables, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where then loss allowance is equal to lifetime ECL.

Other receivables (Note 16)

As of 31 March 2021, the Company recorded other receivables (excluding prepayment and GST receivables) of S\$99,626 (2020: S\$115,922; 2019: S\$87,528) made up of some amounts due from directors, deposits paid and sundry debtors. The Group assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of these third parties, the Group considered amongst other factors, the financial position of the third parties as of the respective reporting dates, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the third parties operate in, including their best estimate of the impact of COVID-19. Using 12-month ECL, the Company determined that the ECL is insignificant.

Market risk

Foreign currency risk

The Group is exposed to foreign currency risk on certain income, expenses, monetary assets, mainly cash and cash equivalents, and liabilities that are denominated in currencies other than the functional currency of the respective entities in the Group. As at the reporting date, the currency giving rise to this risk is primarily the United States dollar ("USD") and Chinese yuan ("CNY").

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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26 Financial instruments and financial risks (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

The carrying amounts of the Group's and foreign currency denominated monetary assets and monetary liabilities as at the end of the financial year are as follows:

	USD		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
	S\$	S\$	S\$
Monetary assets			
Trade receivables	-	-	15,118
Cash and cash equivalents	164,344	10,468	16,353
	<u>164,344</u>	<u>10,468</u>	<u>31,471</u>
Monetary liabilities			
Trade payables	215,952	314,922	375,272
	<u>215,952</u>	<u>314,922</u>	<u>375,272</u>
	CNY		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
	S\$	S\$	S\$
Monetary assets			
Trade receivables	565,589	-	-
Cash and cash equivalents	14,611	-	-
	<u>580,200</u>	<u>-</u>	<u>-</u>
Monetary liabilities			
Trade payables	3,446,241	-	-
	<u>3,446,241</u>	<u>-</u>	<u>-</u>

Foreign currency sensitivity analysis

The following table details the sensitivity to a 10% increase or decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% is the sensitivity rate representing management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the relevant foreign currency strengthens by 10% against the functional currency of each Group entity, profit before tax will increase or (decrease) by:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
	S\$	S\$	S\$
USD	5,161	30,445	34,380
CNY	<u>286,604</u>	<u>-</u>	<u>-</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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26 Financial instruments and financial risks (Continued)

Liquidity risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle.

The Group has access to credit facilities as follows:

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
<i>Unutilised credit facilities</i>			
Trade facilities	<u>1,250,000</u>	<u>-</u>	<u>-</u>

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

	<u>Effective interest rate</u>	<u>Less than 1 year</u> S\$	<u>2 to 5 years</u> S\$	<u>Total</u> S\$
2021				
Undiscounted financial assets				
Trade receivables	-	3,599,413	-	3,599,413
Other receivables	-	99,626	-	99,626
Cash and cash equivalents	-	4,656,101	-	4,656,101
		<u>8,355,140</u>	<u>-</u>	<u>8,355,140</u>
Undiscounted financial liabilities				
Borrowings	7%	650,544	1,175,000	1,825,544
Lease liabilities	5.25%	182,091	215,133	397,224
Trade payables	-	4,588,738	-	4,588,738
Other payables (excluding GST payables and provision for reinstatement costs)	-	1,273,785	-	1,273,785
		<u>6,695,158</u>	<u>1,390,133</u>	<u>8,085,291</u>
Total net undiscounted financial assets		<u>1,659,982</u>	<u>(1,390,133)</u>	<u>269,849</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2019, 2020 AND 2021

26 Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

	<u>Effective interest rate</u>	<u>Less than 1 year S\$</u>	<u>2 to 5 years S\$</u>	<u>Total S\$</u>
2020				
Undiscounted financial assets				
Trade receivables	-	751,710	-	751,710
Other receivables (excluding prepayment)	-	115,922	-	115,922
Cash and cash equivalents	-	29,251	-	29,251
		<u>896,883</u>	<u>-</u>	<u>896,883</u>
Undiscounted financial liabilities				
Borrowings	1% - 7%	1,502,361	-	1,502,361
Lease liabilities	5.25%	92,088	115,109	207,197
Trade payables	-	673,974	-	673,974
Other payables (excluding GST payables and provision for reinstatement costs)	-	514,447	-	514,447
		<u>2,782,870</u>	<u>115,109</u>	<u>2,897,979</u>
Total net undiscounted financial liabilities		<u>(1,885,987)</u>	<u>(115,109)</u>	<u>(2,001,096)</u>
2019				
Undiscounted financial assets				
Trade receivables	-	778,142	-	778,142
Other receivables (excluding prepayment)	-	87,528	-	87,528
Cash and cash equivalents	-	522,282	-	522,282
		<u>1,387,952</u>	<u>-</u>	<u>1,387,952</u>
Undiscounted financial liabilities				
Borrowings	7%	1,597,243	-	1,597,243
Trade payables	-	604,587	-	604,587
Other payables (excluding GST payables and provision for reinstatement costs)	-	278,902	-	278,902
		<u>2,480,732</u>	<u>-</u>	<u>2,480,732</u>
Total net undiscounted financial liabilities		<u>(1,092,780)</u>	<u>-</u>	<u>(1,092,780)</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED 31 MARCH 2019, 2020 AND 2021

27 Fair values of financial assets and financial liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values due to the relative short-term maturity of these financial instruments.

The Group does not hold financial assets nor derivative asset or liability carried at fair value or at valuation. Accordingly, the disclosure requirement of the fair value hierarchy (levels 1, 2 and 3) under FRS 107 *Financial Instruments: Disclosures* does not apply. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair value of the convertible loans is calculated using market interest rate for an equivalent non-convertible bond at the date of issue.

28 Capital management policies and objectives

The Group manages its capital to ensure that the Group is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value through the optimisation of the debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of debts, which includes the borrowings, lease liabilities, contract liabilities, trade payables and other payables as disclosed in Note 20 to 24, and equity attributable to owners of the Company, comprising issued capital and reserves as disclosed in Note 18 and 19.

The Group is not subject to any externally imposed capital requirements. There have been no changes in the Company's overall strategy in 2019, 2020 and 2021.

Management monitors capital based on a gearing ratio and the gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as the sum of borrowings, lease liabilities, trade payables and other payables and contract liabilities less cash and cash equivalents.

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Net debt	4,692,962	3,299,051	2,697,295
Total equity	5,911,919	476,881	408,114
Gearing ratio	<u>79%</u>	<u>692%</u>	<u>661%</u>

Contract liabilities relate to advances received from customers. If contract liabilities were excluded from the calculation of the net debt, the gearing ratio would be as follows:

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Net debt	2,973,856	2,665,346	1,760,250
Total equity	5,911,919	476,881	408,114
Gearing ratio	<u>50%</u>	<u>559%</u>	<u>431%</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED 31 MARCH 2019, 2020 AND 2021

29 Segment information

Reporting format

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. For each of the strategic business units, the management reviews internal management reports on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

The management also considers the business from both the business and geographical segment perspective.

Income taxes are managed on a Group basis.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before income tax expense not including non-recurring gains or losses and foreign exchange gains or losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties, which approximate market prices. These inter-segment transactions are eliminated on consolidation.

Business segments

For management purposes, the Group is organised into business units based on their products and services, and has four reportable segments as follows:

- I. Internet of things("IoT") as-a-Service("IaS")
- II. Smart City Solutions("SCS")
- III. Others

IaS

The Group provides customised end-to-end wireless IoT solutions for its customers, overseeing the design work, product manufacture, installation, implementation and after sales support. The Group bundles these solutions into a subscription service for its customers, charging them either monthly or annual subscription fees, and providing them with the convenience of not having to worry about maintenance and after sales support, since these are included in the subscription service.

The Group's IaS offerings includes the Alarm Alert System ("AAS") which is a medical emergency alarm button for the elderly, Electronic Monitoring Solutions ("EMS") which provides geographical tracking and curfew management services, Smart Metering ("SM") which provides energy and water consumption information from utility meters remotely, and Trace Tokens ("TT") comprising hardware and software solutions to facilitate contact tracing during the COVID-19 pandemic.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED 31 MARCH 2019, 2020 AND 2021

29 Segment information (Continued)

Business segments (Continued)

Smart City Solutions

With sustainability being a focus for many people and organisations now, the Group's SCS aims to leverage on technology to provide urban living solutions for businesses and governments.

The Group helps customers optimise energy and water usage through the installation of smart meters and environmental sensors that utilise the Group's LoRaWAN network infrastructure, while the provision of the TTs have enabled the Singapore Government to speed up contact tracing efforts during the current COVID-19 pandemic.

The same products such as the Group's smart meters and environmental sensors, and TTs, are similarly offered under the Group's IaS business segment, with the key difference being that products and offerings under the Group's SCS are sold to customers that prefer one-off fees and aim to manage the maintenance and after sales support of the products through separate arrangements.

Geographical segments

In the Group's geographical segmentation, revenue is segmented based on the locations of the customers in relation to the contractual transactions with the legal entities within the Group. Assets are segmented based on the location where they are situated in relation to the location of the legal entities within the Group.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

29 Segment information (Continued)

Business segments

2021	<u>laS</u>	<u>SCS</u>	<u>Others</u>	<u>Unallocated</u>	<u>Total</u>
	S\$	S\$	S\$	S\$	S\$
Revenue:					
External sales	2,814,115	23,442,090	165,510	-	26,421,715
Inter-segment sales	-	-	-	-	-
	2,814,115	23,442,090	165,510	-	26,421,715
Results:					
Other income	101,524	436,019	3,380	-	540,923
Changes in inventories & raw materials used	(299,313)	(18,194,613)	(159,966)	-	(18,653,892)
Employee benefits expense	(994,381)	(1,385,788)	(20,085)	-	(2,400,254)
Amortisation & depreciation expense	(703,812)	(437,526)	(6,341)	-	(1,147,679)
Inventory obsolescence	(439)	(9,096)	(15)	-	(9,550)
Other operating expenses	(209,389)	(166,691)	(2,044)	-	(378,124)
Finance costs	-	(983)	(300,985)	-	(301,968)
Segment profit/(loss)	708,305	3,683,412	(320,546)	-	4,071,171
Assets:					
Segment assets	3,748,654	7,186,041	39,695	4,656,101	15,630,491
Segment liabilities	(1,215,380)	(6,374,085)	(29,015)	(2,100,092)	(9,718,572)

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

29 Segment information (Continued)

Business segments (Continued)

	<u>laS</u> S\$	<u>SCS</u> S\$	<u>Others</u> S\$	<u>Unallocated</u> S\$	<u>Total</u> S\$
2020					
Revenue:					
External sales	1,997,149	2,221,578	157,063	-	4,375,790
Inter-segment sales	-	-	-	-	-
	1,997,149	2,221,578	157,063	-	4,375,790
Results:					
Other income	1,769	115,715	55	-	117,539
Changes in inventories & raw materials used	(285,250)	(1,543,816)	(99,427)	-	(1,928,493)
Employee benefits expense	(537,942)	(564,240)	(8,176)	-	(1,110,358)
Amortisation & depreciation expense	(584,672)	(329,794)	(4,779)	-	(919,245)
Inventory obsolescence	537	1,236	18	-	1,791
Other operating expenses	(129,236)	(120,987)	(1,335)	-	(251,558)
Finance costs	-	-	(263,561)	-	(263,561)
Segment profit/(loss)	462,355	(220,308)	(220,142)	-	21,905
Assets:					
Segment assets	2,715,329	1,057,611	7,993	29,251	3,810,184
Segment liabilities	(463,443)	(1,427,856)	(11,491)	(1,430,513)	(3,333,303)
	laS S\$	SCS S\$	Others S\$	Unallocated S\$	Total S\$
2019					
Revenue:					
External sales	1,619,258	308,777	142,228	-	2,070,263
Inter-segment sales	-	-	-	-	-
	1,619,258	308,777	142,228	-	2,070,263
Results:					
Other income	2,369	111,007	79	-	113,455
Changes in inventories & raw materials used	(399,537)	(211,590)	(85,633)	-	(696,760)
Employee benefits expense	(405,883)	(313,605)	(4,545)	-	(724,033)
Amortisation & depreciation expense	(521,817)	(186,846)	(2,708)	-	(711,371)
Inventory obsolescence	(2,585)	(5,945)	(86)	-	(8,616)
Trade receivables written off	(3,010)	-	-	-	(3,010)
Other operating expenses	(152,300)	(210,865)	(7,059)	-	(370,224)
Finance costs	-	-	(259,809)	-	(259,809)
Segment profit/(loss)	136,495	(509,067)	(217,533)	-	(590,105)
Assets:					
Segment assets	2,292,792	811,150	6,468	522,282	3,632,692
Segment liabilities	(513,016)	(1,364,683)	(12,108)	(1,334,771)	(3,224,578)

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

29 Segment information (Continued)

Reconciliation of revenue as disclosed in Note 5 to the business segments

	<u>laS</u> S\$	<u>SCS</u> S\$	<u>Others</u> S\$	<u>Total</u> S\$
<u>2021</u>				
Revenue from contract with customers				
- Sale of products and installation services	-	22,397,119	42,402	22,439,521
- System solution and consultancy services	-	21,770	-	21,770
- Silver generation solutions	300,271	996,330	-	1,296,601
- Provision of electronic monitoring services	2,234,596	-	120,800	2,355,396
- Metering subscription fee	279,248	19,914	-	299,162
- Others	-	6,957	2,308	9,265
Total	2,814,115	23,442,090	165,510	26,421,715
<u>2020</u>				
Revenue from contract with customers				
- Sale of products and installation services	-	125,250	-	125,250
- System solution and consultancy services	-	74,993	-	74,993
- Silver generation solutions	26,318	1,987,063	-	2,013,381
- Provision of electronic monitoring services	1,791,459	-	142,560	1,934,019
- Metering subscription fee	179,372	34,272	-	213,644
- Others	-	-	14,503	14,503
Total	1,997,149	2,221,578	157,063	4,375,790
<u>2019</u>				
Revenue from contract with customers				
- Sale of products and installation services	-	213,690	133,613	347,303
- System solution and consultancy services	-	32,037	-	32,037
- Silver generation solutions	-	-	-	-
- Provision of electronic monitoring services	1,490,267	-	7,200	1,497,467
- Metering subscription fee	128,991	53,483	-	182,474
- Others	-	9,567	1,415	10,982
Total	1,619,258	308,777	142,228	2,070,263

Geographical segments

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	<u>2021</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Revenue			
Singapore	26,409,219	4,300,590	1,960,316
Others	12,496	75,200	109,947
	<u>26,421,715</u>	<u>4,375,790</u>	<u>2,070,263</u>
Non-current asset			
Singapore	<u>2,744,549</u>	<u>2,378,704</u>	<u>2,079,674</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2019, 2020 AND 2021**

30 Development of COVID-19 outbreak and its corresponding impact on the Group

COVID-19 outbreak has brought about an unprecedented challenge for many entities, with increased uncertainty in the global economy. As the situation is still evolving, the full effect of the outbreak is still uncertain and the Group is therefore unable to provide a quantitative estimate of the potential impact of this outbreak on the Group. The Group continues to monitor and evaluate any possible impact on the Group's business and will consider implementation of various measures to mitigate the effects arising from the COVID-19 situation. Based on management's latest assessment, there is no indicator that the going concern assumption used by the Group in preparing the financial statement is inappropriate.

31 Subsequent event

On 27 December 2021, iWOW Technology Limited declared an interim dividend of S\$3.2 million in respect of FY2021 to its shareholders.

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**INDEPENDENT AUDITORS' REPORT ON THE UNAUDITED INTERIM
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE
FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

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**INDEPENDENT AUDITORS' REVIEW REPORT ON THE
UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OF IWOW TECHNOLOGY LIMITED FOR THE FINANCIAL PERIOD
FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

6 April 2022

The Board of Directors
iWOW Technology Limited
1004 Toa Payoh North
#02-17
Singapore 318995

Dear Sirs,

Report on the review of interim condensed consolidated financial statements

Introduction

We have reviewed the accompanying unaudited interim condensed consolidated financial statements of iWOW Technology Limited (the "Company") and its subsidiaries (the "Group"), which comprise the unaudited interim condensed consolidated statement of financial position of the Group as at 30 September 2021, and the related unaudited interim condensed consolidated statements of comprehensive income, changes in equity and cash flows of the Group for the financial period from 1 April 2021 to 30 September 2021, and selected explanatory notes, as set out on pages B3 to B28. Management is responsible for the preparation and fair presentation of the unaudited interim condensed consolidated financial statements in accordance with the Singapore Financial Reporting Standards (International) 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on the unaudited interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unaudited interim condensed consolidated financial statements is not prepared, in all material respects, in accordance with Singapore Financial Reporting Standards (International), 1-34 *Interim Financial Reporting*.

**INDEPENDENT AUDITORS' REVIEW REPORT ON THE
UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OF IWOW TECHNOLOGY LIMITED FOR THE FINANCIAL PERIOD
FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

Report on the review of interim condensed consolidated financial statements (Continued)

Restriction of Distribution and Use

This report has been prepared solely for inclusion in the Offer Document for the Initial Public Offering of iWOW Technology Limited on Catalist Board of the Singapore Stock Exchange ("SGX-ST") and for no other purpose.

MAZARS LLP

Public Accountants and
Chartered Accountants

Singapore

Ooi Chee Keong

Partner-in-charge

A member of the Institute of Singapore Chartered Accountants

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

	Note	1 April 2021 to 30 September 2021 (Unaudited) S\$	1 April 2020 to 30 September 2020 (Unaudited) S\$
Revenue	5	17,516,280	2,256,899
Other operating income	6	45,649	241,282
Changes in inventories & raw materials used		(12,788,349)	(634,439)
Employee benefits expense	7	(1,216,450)	(814,117)
Amortisation and depreciation expense		(500,954)	(453,929)
Other operating expenses		(983,646)	(102,199)
Finance costs		<u>(149,519)</u>	<u>(107,122)</u>
Profit before income tax	8	1,923,011	386,375
Income tax expense	9	<u>(365,000)</u>	<u>-</u>
Profit for the period		1,558,011	386,375
Other comprehensive income:			
Components of other comprehensive income that will be reclassified to profit or loss, net of taxation			
Reclassification of cumulative exchange differences relating to liquidation of a subsidiary included in profit or loss		<u>79,196</u>	<u>-</u>
Total other comprehensive income/(loss) that will be reclassified to profit or loss, net of taxation		79,196	-
Total other comprehensive income/(loss), net of taxation		<u>79,196</u>	<u>-</u>
Total comprehensive income for the period		<u><u>1,637,207</u></u>	<u><u>386,375</u></u>
Earnings per share attributable to owners of the Company			
Basic earnings per share (cents)	10	2.78	7.76
Diluted earnings per share (cents)	10	<u>2.78</u>	<u>7.50</u>

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

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021**

	Note	30 September 2021 (Unaudited) S\$	31 March 2021 (Audited) S\$
ASSETS			
Non-current assets			
Property, plant and equipment	11	1,092,212	1,005,942
Intangible assets	12	1,499,962	1,738,607
Total non-current assets		<u>2,592,174</u>	<u>2,744,549</u>
Current assets			
Inventories	13	1,487,529	1,022,271
Trade receivables	14	8,022,642	3,599,413
Other receivables	15	3,233,096	3,608,157
Cash and cash equivalents	16	3,323,578	4,656,101
Total current assets		<u>16,066,845</u>	<u>12,885,942</u>
Total assets		<u>18,659,019</u>	<u>15,630,491</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	17	21,402,899	20,902,899
Capital reserve	18	285,217	285,217
Foreign currency translation reserve	18	-	(79,196)
Accumulated losses		(13,638,990)	(15,197,001)
Total equity		<u>8,049,126</u>	<u>5,911,919</u>
Non-current liabilities			
Borrowings	19	742,851	862,734
Lease liabilities	20	87,776	98,674
Total non-current liabilities		<u>830,627</u>	<u>961,408</u>
Current liabilities			
Borrowings	19	237,764	618,204
Lease liabilities	20	135,650	150,972
Trade payables	21	4,945,327	4,588,738
Other payables	22	1,414,888	1,310,635
Contract liabilities	23	2,494,444	1,719,106
Provision for taxation		551,193	369,509
Total current liabilities		<u>9,779,266</u>	<u>8,757,164</u>
Total liabilities		<u>10,609,893</u>	<u>9,718,572</u>
Total liabilities and equity		<u>18,659,019</u>	<u>15,630,491</u>

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

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

	<u>Share capital</u> S\$	<u>Capital reserve</u> S\$	<u>Foreign currency translation reserve</u> S\$	<u>Accumulated losses</u> S\$	<u>Total</u> S\$
(Audited)					
Balance at 1 April 2020	19,202,899	264,785	(79,196)	(18,911,607)	476,881
Profit for the year, representing total comprehensive income	-	-	-	3,714,606	3,714,606
Issuance of ordinary shares (Note 17)	1,700,000	-	-	-	1,700,000
Remeasurement of convertible loan	-	20,432	-	-	20,432
Balance at 31 March 2021	20,902,899	285,217	(79,196)	(15,197,001)	5,911,919
(Unaudited)					
Balance at 1 April 2021	20,902,899	285,217	(79,196)	(15,197,001)	5,911,919
Issuance of ordinary shares (Note 17)	500,000	-	-	-	500,000
Reclassification of cumulative exchange differences relating to liquidation of a subsidiary included in profit or loss	-	-	79,196	-	79,196
Profit for the year	-	-	-	1,558,011	1,558,011
Total comprehensive income	-	-	79,196	1,558,011	1,637,207
Balance at 30 September 2021	21,402,899	285,217	-	(13,638,990)	8,049,126

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

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

	Note	1 April 2021 to 30 September 2021 (Unaudited) S\$	1 April 2020 to 30 September 2020 (Unaudited) S\$
Operating activities			
Profit before income tax from continuing operations		1,923,011	386,375
Adjustments for:			
Depreciation of plant and equipment		262,309	282,656
Amortisation of intangible assets		238,645	171,273
Loss on deconsolidation of subsidiary		79,196	-
Gain on disposal of property, plant and equipment		(4,542)	-
Reversal of inventory obsolescence		8,909	-
Interest expense		64,542	106,730
Operating cash flows before working capital changes		2,572,070	947,034
Inventories		(474,167)	141,073
Trade and other receivables		(4,048,168)	15,830
Trade and other payables		460,842	(633,705)
Contract liabilities		775,338	38,608
Cash (used in)/generated from operations		(714,085)	508,840
Interest paid		(37,000)	(57,000)
Income tax paid		(183,316)	-
Cash flows (used in)/generated from operating activities		(934,401)	451,840
INVESTING ACTIVITIES			
Addition of property, plant and equipment		(284,044)	(392,031)
Proceeds on disposal of property, plant and equipment		8,000	-
Cash flows used in investing activities		(276,044)	(392,031)
FINANCING ACTIVITIES			
Drawdown of borrowings		-	1,000,000
Repayment of borrowings		(19,385)	(297,000)
Repayment of lease liabilities		(102,693)	(44,952)
Cash flows used in financing activities		(122,078)	658,048
Net (decrease)/increase in cash and cash equivalents		(1,332,523)	717,857
Cash and cash equivalents at beginning of year		4,656,101	29,251
Cash and cash equivalents at end of year		3,323,578	747,108

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

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

Reconciliation of liabilities arising from financing activities:

	1 April <u>2021</u> S\$	Financing cash <u>flows</u> S\$	Non-cash changes		30 September <u>2021</u> S\$
			Right-of-use assets <u>acquisition</u> S\$	Interest <u>expenses</u> S\$	
Borrowings	1,480,938	519,385	-	19,062	980,615
Lease liabilities	249,646	100,645	67,994	6,431	223,426

	1 April <u>2020</u> S\$	Financing cash <u>flows</u> S\$	Non-cash changes		30 September <u>2020</u> S\$
			Right-of-use assets <u>acquisition</u> S\$	Interest <u>expenses</u> S\$	
Borrowings	1,229,634	1,297,000	-	25,890	1,958,524
Lease liabilities	195,879	46,046	-	4,488	154,323

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

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021

1 General

The unaudited interim condensed consolidated financial statements have been prepared for the inclusion in the Offer Document for the Initial Public Offering of iWOW Technology Limited on Catalyst Board of the Singapore Stock Exchange (“SGX-ST”)

iWOW Technology Limited (the “Company”) (Registration No. 199905973K) is incorporated in Singapore with its principal place of business and registered office at 1004 Toa Payoh North, #02-17, Singapore 318995.

The Company is a subsidiary of Booming Wealth Group Corp, a company incorporated in British Virgin Island, which is also the Company’s ultimate holding company.

2 Summary of significant accounting policies

Basis of preparation

The unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with the provisions of the Singapore Financial Reporting Standards (International) Singapore Financial Reporting Standards (International) 1-34 *Interim Financial Reporting* (“SFRS(I) 1-34”).

The unaudited interim condensed consolidated financial statements do not include the information and full disclosures normally included in a complete set of financial statements and should be read in conjunction with the audited consolidated financial statements for the financial years ended 31 March 2019, 2020 and 2021.

The unaudited interim condensed consolidated financial statements of the Group are presented in Singapore dollar (the “SGD” or “S\$”) which is also the functional currency of the Company.

The unaudited interim condensed consolidated financial statements have been prepared on the historical cost convention except as disclosed in the accounting policies in the audited consolidated financial statements for the financial years ended 31 March 2019, 2020 and 2021, and are prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”).

The accounting policies and methods of computation used in the unaudited interim condensed consolidated financial statements are consistent with those applied in the audited consolidated financial statements for the financial years ended 31 March 2019, 2020 and 2021. These accounting policies are set out in Note 3 to the audited consolidated financial statements for the financial years ended 31 March 2019, 2020 and 2021.

In the current financial period, the Group has adopted all the new and revised Singapore Financial Reporting Standards (International) (“SFRS(I)”) including related Interpretations of SFRS(I) (“SFRS(I) INT”) that are relevant to its operations and effective for financial periods beginning on or after 1 April 2020. The adoption of these new or revised SFRS(I) and SFRS(I) INT did not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior period’s unaudited interim condensed consolidated financial statements and is not expected to have material effect on future periods.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021

2 Summary of significant accounting policies (Continued)

Basis of preparation (Continued)

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

At the date of authorisation of these statements, the following SFRS(I)s and SFRS(I)s INT that are relevant to the Group were issued but not yet effective:

		Effective date (annual periods beginning on or after)
SFRS(I) 16	Amendment to SFRS(I) 16: <i>Covid-19- Related Rent Concessions</i>	1 June 2020
SFRS(I) 3	Amendments to SFRS(I) 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
SFRS(I) 1-16	Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
SFRS(I) 1-37	Amendments to SFRS(I) 1-37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
Various	Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: <i>Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Various	Annual Improvements to SFRS(I)s 2018-2020	1 January 2022

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

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

3 Restructuring

There has been no changes to the restructuring as disclosed in the Note 2 to the audited consolidated financial statements for the financial years ended 31 March 2019, 2020 and 2021.

4 Significant accounting estimates and judgements

The critical accounting judgements and key sources of estimation uncertainty made by management remains unchanged from the audited consolidated financial statements for the financial years ended 31 March 2019, 2020 and 2021.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021

5 Revenue

	1 April 2021 to <u>30 September 2021</u> (Unaudited) S\$	1 April 2020 to <u>30 September 2020</u> (Unaudited) S\$
Revenue from contract with customers		
- Sale of products and installation services	15,703,583	266,037
- System solution and consultancy services	180,000	189,330
- Silver generation solutions	180,840	782,246
- Provision of electronic monitoring services	1,200,338	914,672
- Metering subscription fee	249,798	97,814
- Others	1,721	6,800
	<u>17,516,280</u>	<u>2,256,899</u>

The disaggregation of revenue from contracts with customers is as follows:

	1 April 2021 to <u>30 September 2021</u> (Unaudited) S\$	1 April 2020 to <u>30 September 2020</u> (Unaudited) S\$
<u>Geographical markets</u>		
Singapore	17,437,280	2,256,899
Others	79,000	-
	<u>17,516,280</u>	<u>2,256,899</u>
<u>Timing of revenue recognition</u>		
Goods transferred at point in time	16,066,144	1,244,413
Services transferred overtime	1,450,136	1,012,486
	<u>17,516,280</u>	<u>2,256,899</u>

Transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations and expected to be realised in the following financial years are as follows:

	1 April 2021 to <u>30 September 2021</u> (Unaudited) S\$	1 April 2020 to <u>30 September 2020</u> (Unaudited) S\$
Within one year	2,481,017	119,312
After one year and within five years	13,247	15,564
	<u>2,494,264</u>	<u>134,876</u>

The Group has applied the practical expedient permitted under SFRS(I) 15 for the aggregated transactions price allocated to unsatisfied contracts which are part of contracts, that have an original expected duration of one year or less, is not disclosed.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

6 Other operating income

	1 April 2021 to 30 September 2021 (Unaudited) S\$	1 April 2020 to 30 September 2020 (Unaudited) S\$
Government grants	35,067	214,653
Others	10,582	26,629
	<u>45,649</u>	<u>241,282</u>

Included in government grants is an amount of S\$6,191 (2020: S\$204,224) which was recognised during the financial period under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

During the financial period, the Group received rent concessions for the leases from its respective landlords as assistance to tide over the impact of COVID-19. The Group applied the practical expedient for eligible rent concessions.

7 Employee benefits expense (including directors' remuneration)

	1 April 2021 to 30 September 2021 (Unaudited) S\$	1 April 2020 to 30 September 2020 (Unaudited) S\$
Salaries and bonuses	1,050,734	713,517
Employers' contribution to defined contribution plan	129,772	89,083
Other related staff costs	35,944	11,517
	<u>1,216,450</u>	<u>814,117</u>

8 Profit before income tax

The following charges/(credit) were included in the determination of profit before income tax:

	1 April 2021 to 30 September 2021 (Unaudited) S\$	1 April 2020 to 30 September 2020 (Unaudited) S\$
Depreciation of property, plant and equipment	262,309	282,656
Amortisation of intangible assets	238,645	171,273
Directors' remuneration other than fees:		
- Short-term benefits	193,609	142,446
- Post-employment benefits – CPF contribution	22,814	12,240
Foreign exchange (gain)/loss	(7,507)	(6,342)
Initial Public Offering expense	551,009	-
	<u>551,009</u>	<u>-</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

9 Income tax expense

	1 April 2021 to 30 September 2021 (Unaudited) S\$	1 April 2020 to 30 September 2020 (Unaudited) S\$
Current tax	365,000	-

The income tax varied from the amount of taxation determined by applying the Singapore statutory income tax rate of 17% to profit before income tax as a result of the following differences:

	1 April 2021 to 30 September 2021 (Unaudited) S\$	1 April 2020 to 30 September 2020 (Unaudited) S\$
Profit before income tax	1,923,011	386,375
Income tax expenses calculated at statutory rate	326,912	65,684
Effect of tax concessions and tax exemptions	(17,425)	(17,425)
Effect of non-deductible expenses	178,834	77,168
Utilisation of prior year unrecognised tax losses	(123,321)	(125,427)
	365,000	-

10 Earnings per share

The calculation of the basic loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	1 April 2021 to 30 September 2021 (Unaudited) S\$	1 April 2020 to 30 September 2020 (Unaudited) S\$
Profit for the financial period	1,558,011	386,375
Weighted average number of ordinary shares outstanding for basic earnings per share	56,107,565	49,779,625
Weighted average number of ordinary shares outstanding for diluted earnings per share	56,107,565	51,532,986
Basic earnings per share (cents)	2.78	7.76
Diluted earnings per share (cents)	2.78	7.50

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021

11 Property, plant and equipment

	Office furniture and fixtures S\$	Lab equipment S\$	Computers S\$	Machinery and equipment S\$	Office equipment S\$	Software S\$	Motor vehicles S\$	Renovation S\$	Right-of-use assets S\$	Total S\$
Cost										
At 1 April 2020	83,450	146,196	56,950	1,747,361	4,788	6,129	-	16,000	276,941	2,337,815
Additions	19,715	-	13,678	470,851	9,276	-	-	-	134,764	648,284
Acquired on acquisition of subsidiary	-	-	-	-	24,042	-	73,940	9,500	106,213	213,695
At 31 March 2021	103,165	146,196	70,628	2,218,212	38,106	6,129	73,940	25,500	517,918	3,199,794
Additions	59,769	-	17,235	189,773	1,846	-	-	15,420	67,994	352,037
Disposal	-	-	-	-	-	-	(73,940)	-	-	(73,940)
At 30 September 2021	162,934	146,196	87,863	2,407,985	39,952	6,129	-	40,920	585,912	3,477,891
Accumulated depreciation										
At 1 April 2020	65,941	146,196	41,756	1,074,600	4,609	6,121	-	16,000	82,162	1,437,385
Charge for the year	8,996	-	9,456	450,441	653	8	1,298	-	108,360	579,212
Acquired on acquisition of subsidiary	-	-	-	-	24,042	-	69,184	9,500	74,529	177,255
At 31 March 2021	74,937	146,196	51,212	1,525,041	29,304	6,129	70,482	25,500	265,051	2,193,852
Charge for the year	16,972	-	7,651	140,241	1,432	-	-	-	96,013	262,309
Disposal	-	-	-	-	-	-	(70,482)	-	-	(70,482)
At 30 September 2021	91,909	146,196	58,863	1,665,282	30,736	6,129	-	25,500	361,064	2,385,679
Net carrying value										
At 30 September 2021	71,025	-	29,000	742,703	9,216	-	-	15,420	224,848	1,092,212
At 31 March 2021	28,228	-	19,416	693,171	8,802	-	3,458	-	252,867	1,005,942

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of S\$352,037 (31 March 2021: S\$648,283) of which S\$67,993 (31 March 2021: S\$134,764) were acquired by means of leases. Cash payments of S\$284,044 (31 March 2021: S\$513,519) were made to purchase property, plant and equipment.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021

12 Intangible assets

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
Cost:		
At 1 April	3,624,402	2,795,602
Goodwill arising on acquisition of subsidiary	-	828,800
	<u>3,624,402</u>	<u>3,624,402</u>
At 31 March	<u>3,624,402</u>	<u>3,624,402</u>
Amortisation:		
At 1 April	1,885,795	1,317,328
Amortisation for the financial year	238,645	568,467
	<u>2,124,440</u>	<u>1,885,795</u>
At 31 March	<u>2,124,440</u>	<u>1,885,795</u>
Carrying amount:		
At 31 March	<u>1,499,962</u>	<u>1,738,607</u>

(a) Development costs

	<u>Platform development</u> S\$	<u>Module development</u> S\$	<u>Total</u> S\$
Cost			
At 1 April 2020, 31 March 2021 and 30 September 2021	<u>730,755</u>	<u>2,064,847</u>	<u>2,795,602</u>
Accumulated amortisation			
At 1 April 2020	456,555	860,773	1,317,328
Charge for the year	210,402	358,065	568,467
	<u>666,957</u>	<u>1,218,838</u>	<u>1,885,795</u>
At 31 March 2021	666,957	1,218,838	1,885,795
Charge for the year	18,042	220,603	238,645
	<u>684,999</u>	<u>1,439,441</u>	<u>2,124,440</u>
At 30 September 2021	<u>684,999</u>	<u>1,439,441</u>	<u>2,124,440</u>
Net carrying value			
30 September 2021	<u>45,756</u>	<u>625,406</u>	<u>671,162</u>
31 March 2021	<u>63,798</u>	<u>846,009</u>	<u>909,807</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

12 Intangible assets (Continued)

(a) Development costs (Continued)

During the financial periods ended 30 September 2021 and 31 March 2021, the intangible assets comprised platform development and module development. Both of which are internally generated.

(b) Goodwill

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
At cost		
At beginning of financial period	828,800	-
Arising on acquisition of subsidiary	<u>-</u>	<u>828,800</u>
At end of financial period	<u>828,800</u>	<u>828,800</u>

Goodwill acquired is allocated to the cash-generating units ("CGU") that are expected to benefit from the CGU.

The carrying amount of goodwill had been allocated by reportable operating segments as follows:

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
IOT-as a service	<u>828,800</u>	<u>828,800</u>

The Group tests CGU for impairment annually, or more frequently when there is an indication for impairment.

The recoverable amounts of the CGU are determined from value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by Board of Directors covering a five-year period. The key assumptions for these value-in-use calculations are those regarding the discount rates, growth rates and expected changes to gross margins during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in gross margins are based on past practices and expectations of future changes in the market.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021

12 Intangible assets (Continued)

(b) Goodwill (Continued)

Key assumptions on which management has based its cash flow projections for the respective periods of the significant CGU are as follows:

	<u>30 September 2021</u> (Unaudited)	<u>31 March 2021</u> (Audited)
Gross margin ⁽ⁱ⁾	28%	28%
Growth rates ⁽ⁱⁱ⁾	0.5%	0.5%
Discount rates ⁽ⁱⁱⁱ⁾	14%	14%
Terminal value growth rates ^(iv)	2%	2%

Key assumptions used in the value-in-use calculations

- (i) *Budgeted gross margins* – Budgeted gross margins are determined based on past performance and its expectations of market developments.
- (ii) *Growth rates* – The forecasted growth rates are based on published industry research relevant to the CGUs, taking into account of the forecasted growth rates relevant to the environment where the CGUs operate in.
- (iii) *Discount rates* – The discount rates used are based on the weighted average cost of the CGU's capital (the "WACC"), adjusted for the specific circumstances of the CGU and based on management's experience, and re-grossed back to arrive at the pre-tax rates.
- (iv) *Terminal value growth rates* – The terminal growth rates are determined based on management's estimate of the long-term industry growth rates.

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 period ended 30 September 2021.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

13 Inventories

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
Raw materials	37,481	49,107
Finished goods	1,450,048	973,164
	<u>1,487,529</u>	<u>1,022,271</u>

Inventories are stated at net realisable value after providing the allowance for inventories obsolescence as follows:

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
At beginning of the year	16,375	6,825
Allowance for obsolescence	8,908	9,550
	<u>25,283</u>	<u>16,375</u>

Inventories recognised as an expense in cost of goods sold amounted to S\$12,788,349 (31 March 2021: S\$18,653,892).

14 Trade receivables

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
Trade receivables	6,225,898	3,049,207
Accrued revenue	1,796,744	550,206
	<u>8,022,642</u>	<u>3,599,413</u>

Trade receivables are non-interest bearing and generally ranges between 30 to 90 days (31 March 2021: 30 to 90 days) credit terms. Trade receivables are denominated in Singapore Dollars.

The accrued revenue relates to the revenue recognised to date for satisfied performance obligations but has not been invoiced to the customer as at the financial year end and is transferred to trade receivables at the point when it is invoiced to the customers.

Trade receivables are denominated in the followings currencies as at the reporting date:

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
Singapore dollar	7,597,949	3,033,824
Chinese yuan	424,693	565,589
	<u>8,022,642</u>	<u>3,599,413</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

15 Other receivables

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
Amount due from directors	-	29,577
Deposits	81,831	69,991
Advance payment to supplier in relation to the supplied goods	3,075,240	3,438,602
Prepayments	29,901	24,223
GST receivable	46,116	45,706
Others	8	58
	<u>3,233,096</u>	<u>3,608,157</u>

Amounts due from directors are unsecured, interest-free, and are repayable on demand.

Other receivables are denominated in Singapore dollars.

16 Cash and cash equivalents

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
Cash at banks	3,301,743	4,634,433
Cash on hand	1,052	20,546
Fixed deposits placed with banks	20,783	1,122
	<u>3,323,578</u>	<u>4,656,101</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Fixed deposits of the Group bear interest rates ranging from 0.05% to 2.1% (31 March 2021: 0.05% to 2.1%) per annum with average maturity period ranging from one to twelve months (31 March 2021: one to twelve months) at the end of the financial year.

Cash and cash equivalents are denominated in the followings currencies as at the reporting date:

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
Singapore dollar	1,168,759	4,477,146
Chinese yuan	2,136,742	14,611
United States dollar	18,077	164,344
	<u>3,323,578</u>	<u>4,656,101</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

19 Borrowings

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
Bank loans	980,615	1,000,000
Convertible loan	-	480,938
	<u>980,615</u>	<u>1,480,938</u>

Borrowings are repayable over a period of 1 month to 5 years, as follows:

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
Within one year	237,764	618,204
After one year but within five years	742,851	862,734
	<u>980,615</u>	<u>1,480,938</u>

The effective interest rates per annum are as follows:

	<u>30 September 2021</u> (Unaudited)	<u>31 March 2021</u> (Audited)
Bank loans	3.5%	3.5%
Convertible loan	<u>7.0%</u>	<u>7.0%</u>

The banking facilities are secured by the following:

- (a) All sums in the current account with DBS bank from FY2021 onwards;
- (b) corporate guarantee by a subsidiary; and
- (c) personal guarantee from certain directors of the Group.

The bank loans are matured and repayable by 2 July 2025.

Convertible loan

On 14 February 2018, the Company issued a convertible loan to 2 individual shareholders with principal amount of S\$1.0 million. The convertible loan bears a fixed interest rate of 7% per annum with a maturity date of 24 months.

On 8 March 2018, the Company issued convertible loan to another individual shareholder with principal amount of S\$0.5 million. The convertible loan bears a fixed interest rate of 7% per annum with a maturity date of 24 months.

On 31 March 2020, the Company fully repaid another convertible loan holder of S\$0.5 million.

On 28 December 2020, one of the convertible loan holder of S\$0.5 million had fully converted the loan to ordinary shares of the Company.

One of the convertible loan holder of S\$0.5 million will be automatically extended on a monthly basis from 15 June 2021 onwards.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021

19 Borrowings (Continued)

The convertible loans are convertible at the option of the holder into ordinary shares in the capital of the Company based on a predefined valuation. The Company shall on the maturity date, at the option of the holders, redeem the convertible loan from the holders by repaying the outstanding loan principal in full and all interest that remain outstanding or make full redemption of convertible loan through conversion shares.

The interest charged for the financial year ended 31 June 2021 is calculated by applying an effective interest rate of 7% per annum to the liability component from the issuance date of the convertible loan since they were issued.

	S\$
At 1 April 2020 (Audited)	932,634
Conversion of convertible loan into ordinary shares	(500,000)
Accreted interest	48,304
	<hr/>
At 31 March 2021 (Audited)	480,938
Accreted interest	19,062
Conversion of convertible loan into ordinary shares	(500,000)
	<hr/>
At 30 September 2021 (Unaudited)	<hr/> <hr/> -

Borrowings are denominated in Singapore dollars.

20 The Group as a lessee

The Group leases building for 1 to 3 years and rentals are fixed for an average of 1 to 3 years.

Extension options

The Group has several lease contracts with extension options exercisable by the Group up to 180 days before the end of the non-cancellable contract period. These extension options are exercisable by the Group and not by the lessors. The extension options are used by the Group to provide operation flexibility in terms of managing the assets used in the Group's operation. As at 31 March 2021, the Group is not reasonably certain that they will exercise these extension options.

(a) Right-of-use-assets

The carrying amount of right-of-use assets by class of underlying asset classified within property, plant and equipment are as follows:

	<u>Office Building</u> S\$
At 1 April 2020 (Audited)	194,779
Additions	134,764
Acquisition of subsidiary	106,213
Depreciation	(182,889)
	<hr/>
At 31 March 2021 (Audited)	252,867
Additions	67,994
Depreciation	(96,013)
	<hr/>
At 30 September 2021 (Unaudited)	<hr/> <hr/> 224,848

The total cash outflows for leases during the financial period from 1 April 2021 to 30 September 2021 is S\$78,445 (1 April 2020 to 31 March 2021: S\$68,244).

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

20 The Group as a lessee (Continued)

(b) Lease liabilities

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
Non-current	87,776	98,674
Current	<u>135,650</u>	<u>150,972</u>
	<u>223,426</u>	<u>249,646</u>

(c) Amounts recognised in profit or loss

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
Interest expense on lease liabilities	<u>6,431</u>	<u>9,766</u>

21 Trade payables

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
Trade payables - third parties	<u>4,945,327</u>	<u>4,588,738</u>

The average credit period on purchases of goods generally ranges between 30 to 60 days (31 March 2021: 30 to 60 days). No interest is charged on the trade payables.

Trade payables are denominated in the following currencies as at the reporting date:

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
Euro	93,363	54,047
Singapore dollar	1,664,999	872,498
United States dollar	1,367,046	215,952
Chinese yuan	<u>1,819,919</u>	<u>3,446,241</u>
	<u>4,945,327</u>	<u>4,588,738</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021****22 Other payables**

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
Provision for reinstatement costs	36,850	36,850
Accrued operating expenses	1,378,038	1,273,785
	<u>1,414,888</u>	<u>1,310,635</u>

Other payables are denominated in Singapore Dollars.

23 Contract liabilities

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
Contract liabilities		
Advance consideration	2,494,444	1,719,106

Contract liabilities relate to advances received for provision of sale of remote monitoring device, metering subscription fee and smart tracking products. Revenue for sale of remote monitoring device and smart tracking products are recognised at point in time although the customer pays for the services at the contract inception date. Metering subscription fee is recognised over time although the customer pays for the services at the contract inception date. A contract liability is recognised for the advances received from the customers and is derecognised as and when the performance obligation is satisfied.

Contract liabilities for the financial year ended 30 September 2021 increased due to more advance consideration received but the performance obligation not yet satisfied as of year end.

24 Significant related party transactions

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
- (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021

24 Significant related party transactions (Continued)

- (b) An entity is related to the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Associates are related parties and include those that are associates of the holding and/or related companies. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial year, other than those disclosed elsewhere in the financial statements, the Group had no significant transactions with related parties.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

Key management personnel remuneration:

	<u>30 September 2021</u> (Unaudited) S\$	<u>30 September 2020</u> (Unaudited) S\$
Salaries and bonuses	193,609	142,446
Employers' contribution to defined contribution plan	22,814	12,240
	<u>216,423</u>	<u>154,686</u>

25 Financial instruments and financial risks

There has been no change in the financial risk management of the Group and the Group's overall capital risk management remains unchanged and has been disclosed in the audited combined financial statements for the financial years ended 31 March 2019, 2020 and 2021.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021

26 Fair values of financial assets and financial liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values due to the relative short-term maturity of these financial instruments. The non-current borrowings are carried at amortised cost and bear a fixed interest rate.

Fair value information is not disclosed as there is a lack of market information of comparable instruments with similar characteristics and risk profile.

27 Capital management policies and objectives

The Group manages its capital to ensure that the Group is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value through the optimisation of the debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of debts, which includes the borrowings, lease liabilities, contract liabilities, trade payables and other payables as disclosed in Note 19 to 23, and equity attributable to owners of the Company, comprising issued capital and reserves as disclosed in Note 17 and 18.

The Group is not subject to any externally imposed capital requirements. There have been no changes in the Company's overall strategy as compared to the audited combined financial statements for the financial years ended 31 March 2019, 2020 and 2021.

Management monitors capital based on a gearing ratio and the gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as the sum of borrowings, lease liabilities, trade payables, other payables and contract liabilities less cash and cash equivalents.

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
Net debt	6,735,122	4,692,962
Total equity	8,049,126	5,911,919
Gearing ratio	<u>84%</u>	<u>79%</u>

Contract liabilities relate to advances received from customers. If contract liabilities were excluded from the calculation of the net debt, the gearing ratio would be as follows:

	<u>30 September 2021</u> (Unaudited) S\$	<u>31 March 2021</u> (Audited) S\$
Net debt	4,240,678	2,973,856
Total equity	8,049,126	5,911,919
Gearing ratio	<u>53%</u>	<u>50%</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021

28 Segment information

Reporting format

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. For each of the strategic business units, the management reviews internal management reports on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

The management also considers the business from both the business and geographical segment perspective.

Income taxes are managed on a Group basis.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before income tax expense not including non-recurring gains or losses and foreign exchange gains or losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties, which approximate market prices. These inter-segment transactions are eliminated on consolidation.

Business segments

For management purposes, the Group is organised into business units based on their products and services, and has four reportable segments as follows:

- | | | |
|-----|-----|--|
| I. | IaS | Trading income of IOT-as a Service |
| II. | SCS | Trading income of Smart City Solutions |

Geographical segments

In the Group's geographical segmentation, revenue is segmented based on the locations of the customers in relation to the contractual transactions with the legal entities within the Group. Assets are segmented based on the location where they are situated in relation to the location of the legal entities within the Group.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

28 Segment information (Continued)

Business segments

<u>1 April 2021 to 30 September 2021</u>	<u>laS</u> <u>S\$</u>	<u>SCS</u> <u>S\$</u>	<u>Others</u> <u>S\$</u>	<u>Total</u> <u>S\$</u>
Revenue:				
External sales	1,820,519	15,090,681	605,080	17,516,280
Results:				
Other income	13,695	31,498	456	45,649
Changes in inventories & raw materials used	(404,462)	(12,098,310)	(285,577)	(12,788,349)
Employee benefits expense	(512,622)	(693,774)	(10,054)	(1,216,450)
Inventory obsolescence	(1,177)	(7,691)	(41)	(8,909)
Amortization & depreciation expense	(283,287)	(216,113)	(1,554)	(500,954)
Other operating expenses	(167,006)	(167,446)	(640,285)	(974,737)
Finance costs	-	-	(149,519)	(149,519)
Segment profit/(loss)	465,660	1,938,845	(481,494)	1,923,011
Assets:				
Segment assets	3,760,830	11,555,150	3,343,039	18,659,019
Segment liabilities	(420,522)	(8,428,179)	(1,761,192)	(10,609,893)

<u>1 April 2020 to 30 September 2020</u>	<u>laS</u> <u>S\$</u>	<u>SCS</u> <u>S\$</u>	<u>Others</u> <u>S\$</u>	<u>Total</u> <u>S\$</u>
Revenue:				
External sales	1,297,756	898,743	60,400	2,256,899
Results:				
Other income	66,299	172,774	2,209	241,282
Changes in inventories & raw materials used	(135,582)	(454,310)	(44,547)	(634,439)
Employee benefits expense	(372,616)	(435,194)	(6,307)	(814,117)
Amortization & depreciation expense	(124,812)	(324,957)	(4,160)	(453,929)
Inventory obsolescence	-	-	-	-
Allowance for expected credit loss on receivables	-	-	-	-
Other operating expenses	(50,866)	(50,820)	(513)	(102,199)
Finance costs	-	-	(107,122)	(107,122)
Segment profit/(loss)	680,179	(193,764)	(100,040)	386,375
Assets:				
Segment assets	2,588,302	969,007	751,931	4,309,240
Segment liabilities	(618,408)	(687,139)	(2,033,543)	(3,339,090)

Geographical segments

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	<u>1 April 2021</u> <u>to</u> <u>30 September 2021</u> <u>(Unaudited)</u> <u>S\$</u>	<u>1 April 2020</u> <u>to</u> <u>30 September 2020</u> <u>(Unaudited)</u> <u>S\$</u>
Revenue		
Singapore	17,516,280	2,256,899
	17,516,280	2,256,899
Non-current asset		
Singapore	2,592,174	2,316,806

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021**

29 Development of COVID-19 outbreak and its corresponding impact on the Group

COVID-19 outbreak has brought about an unprecedented challenge for many entities, with increased uncertainty in the global economy. As the situation is still evolving, the full effect of the outbreak is still uncertain and the Group is therefore unable to provide a quantitative estimate of the potential impact of this outbreak on the Group. The Group continues to monitor and evaluate any possible impact on the Group's business and will consider implementation of various measures to mitigate the effects arising from the COVID-19 situation. Based on management's latest assessment, there is no indicator that the going concern assumption used by the Group in preparing the financial statement is inappropriate.

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**INDEPENDENT AUDITORS' REPORT ON THE COMPILATION OF
UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 AND
THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2021**

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL
INFORMATION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 AND
THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021**

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INDEPENDENT AUDITORS' ASSURANCE REPORT AND THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF IWOW TECHNOLOGY LIMITED FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 AND THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

6 April 2022

The Board of Directors
iWOW Technology Limited
1004 Toa Payoh North
#02-17
Singapore 318995

Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information

We have completed our assurance engagement to report on the compilation of unaudited pro forma consolidated financial information of iWOW Technology Limited (the "Company") and its subsidiaries (the "Group"). The unaudited pro forma consolidated financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 March 2021 and 30 September 2021, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flow for the financial year ended 31 March 2021 and the six-month period ended 30 September 2021, and related notes as set out in pages C5 to C17 of the Circular issued. The applicable criteria on the basis of which management has compiled the pro forma consolidated financial information are described in Note 3.

The unaudited pro forma consolidated financial information has been compiled by management to illustrate the impact of the significant events set out in Note 2 on:

- (i) the Group's unaudited pro forma consolidated financial position as at 31 March 2021 and 30 September 2021 as if the significant events had taken place on 31 March 2021 and 30 September 2021 respectively; and
- (ii) the Group's unaudited pro forma consolidated financial performance and unaudited pro forma consolidated statement of cash flow for the financial year ended 31 March 2021 and six-month period ended 30 September 2021 as if the significant events had taken place on 1 April 2020.

As part of this process, information about the Group's consolidated financial position as at 31 March 2021 and 30 September 2021, consolidated financial performance and consolidated cash flows for the financial year ended 31 March 2021 and the six-month period ended 30 September 2021 have been extracted by management of the Group from the Group's financial statements for the financial year ended 31 March 2021 and the six-month period ended 30 September 2021, on which an audit report and a review report have been published respectively.

INDEPENDENT AUDITORS' ASSURANCE REPORT AND THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF IWOW TECHNOLOGY LIMITED FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 AND THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

Management's Responsibility for the Unaudited Pro Forma Consolidated Financial Information

Management is responsible for compiling the unaudited pro forma consolidated financial information of the Group on the basis of the applicable criteria as described in Note 3.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply Singapore Standard on Quality Control (SSQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

Our responsibility is to express an opinion about whether the unaudited pro forma consolidated financial information of the Group has been compiled, in all material respects, by management on the basis as described in Note 3.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Consolidated Financial Information Included in a Prospectus* ("SSAE 3420") issued by the Institute of Singapore Chartered Accountants. This standard requires that the auditor plan and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the unaudited pro forma consolidated financial information of the Group on the basis of the applicable criteria as described in Note 3.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma consolidated financial information of the Group, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma consolidated financial information of the Group.

The purpose of the unaudited pro forma consolidated financial information of the Group included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at the respective dates would have been as presented.

INDEPENDENT AUDITORS' ASSURANCE REPORT AND THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF IWOW TECHNOLOGY LIMITED FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 AND THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

Auditor's Responsibilities (Continued)

A reasonable assurance engagement to report on whether the unaudited pro forma consolidated financial information of the Group has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by management in the compilation of the unaudited pro forma consolidated financial information of the Group provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- (i) The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- (ii) The unaudited pro forma consolidated financial information of the Group reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgement, having regard to the auditors' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma consolidated financial information of the Group has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma consolidated financial information of the Group.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) The unaudited pro forma consolidated financial information of the Group has been compiled:
 - (i) in a manner consistent with the accounting policies adopted by the Group in its latest audited financial statements, which are in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)");
 - (ii) on the basis of the applicable criteria stated in Note 3 of the unaudited pro forma consolidated financial information of the Group; and
- (b) each material adjustment made to the information used in the preparation of the unaudited pro forma consolidated financial information of the Group is appropriate for the purpose of preparing such unaudited pro forma consolidated financial information.

**INDEPENDENT AUDITORS' ASSURANCE REPORT AND THE COMPILATION OF UNAUDITED PRO
FORMA CONSOLIDATED FINANCIAL INFORMATION OF IWOW TECHNOLOGY LIMITED FOR THE
FINANCIAL YEAR ENDED 31 MARCH 2021 AND THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER
2021**

Restriction of Use and Distribution

This report has been prepared solely for inclusion in the offer Document of the Company in connection with the Initial Public Offering of the shares of the Company on the Catalist of Singapore Exchange Securities Trading Limited and for no other purpose.

MAZARS LLP

Public Accountants and
Chartered Accountants

Singapore

Ooi Chee Keong

Partner-in-charge

A member of the Institute of Singapore Chartered Accountants

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021 AND SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

	1 April 2021 to 30 September 2021 S\$	1 April 2020 to 31 March 2021 S\$
Revenue	17,516,280	26,421,715
Other operating income	45,649	540,923
Changes in inventories & raw materials used	(12,788,349)	(18,653,892)
Employee benefits expense	(1,216,450)	(2,400,254)
Amortisation and depreciation expense	(500,954)	(1,147,679)
Other operating expenses	(983,646)	(387,673)
Finance costs	(149,519)	(321,031)
Profit before income tax	1,923,011	4,052,109
Income tax expense	(365,000)	(356,565)
Profit for the year, representing total comprehensive income	1,558,011	3,695,544
Other comprehensive income:		
Components of other comprehensive income that will be reclassified to profit or loss, net of taxation		
Reclassification of cumulative exchange differences relating to liquidation of a subsidiary included in profit or loss	79,196	-
Total other comprehensive income/(loss) that will be reclassified to profit or loss, net of taxation	79,196	-
Total other comprehensive income/(loss), net of taxation	79,196	-
Total comprehensive income for the period	1,637,207	3,695,544
Earnings per share attributable to owners of the Company		
Basic earnings per share (cents)	2.78	6.82
Diluted earnings per share (cents)	2.78	6.61

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021 AND 30 SEPTEMBER 2021**

	<u>30 September 2021</u> S\$	<u>31 March 2021</u> S\$
ASSETS		
Non-current assets		
Property, plant and equipment	1,092,212	1,005,942
Intangible assets	1,499,962	1,738,607
Total non-current assets	<u>2,592,174</u>	<u>2,744,549</u>
Current assets		
Inventories	1,487,529	1,022,271
Trade receivables	8,022,642	3,599,413
Other receivables	3,233,096	3,608,157
Cash and cash equivalents	123,578	1,456,101
Total current assets	<u>12,866,845</u>	<u>9,685,942</u>
Total assets	<u>15,459,019</u>	<u>12,430,491</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	21,402,899	21,402,899
Capital reserve	285,217	285,217
Foreign currency translation reserve	-	(79,196)
Accumulated losses	(16,838,990)	(18,416,063)
Total equity	<u>4,849,126</u>	<u>3,192,857</u>
Non-current liabilities		
Borrowings	742,851	862,734
Lease liabilities	87,776	98,674
Total non-current liabilities	<u>830,627</u>	<u>961,408</u>
Current liabilities		
Borrowings	237,764	137,266
Lease liabilities	135,650	150,972
Trade payables	4,945,327	4,588,738
Other payables	1,414,888	1,310,635
Contract liabilities	2,494,444	1,719,106
Provision for taxation	551,193	369,509
Total current liabilities	<u>9,779,266</u>	<u>8,276,226</u>
Total liabilities	<u>10,609,893</u>	<u>9,237,634</u>
Total liabilities and equity	<u>15,459,019</u>	<u>12,430,491</u>

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

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021 AND
SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021**

	1 April 2021 to 30 September 2021 S\$	1 April 2020 to 31 March 2021 S\$
Operating activities		
Profit before income tax from continuing operations	1,923,011	4,052,109
Adjustments for:		
Depreciation of plant and equipment	262,309	579,212
Amortisation of intangible assets	238,645	568,467
Loss on winding up of subsidiary	79,196	-
Gain on disposal of property, plant and equipment	(4,542)	-
Allowances for inventory obsolescence	8,909	9,550
Trade payables written off	-	(33,657)
Interest expense	64,542	188,904
Operating cash flows before working capital changes	2,572,070	5,364,585
Inventories	(474,167)	(376,388)
Trade and other receivables	(4,048,168)	(5,964,694)
Trade and other payables	460,842	4,523,768
Contract liabilities	775,338	1,085,401
Cash (used in)/ generated from operations	(714,085)	4,632,672
Interest paid	(37,000)	(101,829)
Income tax paid	(183,316)	-
Cash flows (used in)/ generated from operating activities	(934,401)	4,530,843
INVESTING ACTIVITIES		
Acquisition of subsidiary	-	13,289
Addition of property, plant and equipment	(284,044)	(513,519)
Proceeds on disposal of property, plant and equipment	8,000	-
Cash flows used in investing activities	(276,044)	(500,230)
FINANCING ACTIVITIES		
Dividend paid	-	(3,200,000)
Proceeds from borrowings	-	1,000,000
Repayment of borrowings	(19,385)	(297,000)
Repayment of lease liabilities	(102,693)	(106,763)
Cash flows used in financing activities	(122,078)	(2,603,763)
Net (decrease)/increase in cash and cash equivalents	(1,332,523)	1,426,850
Cash and cash equivalents at beginning of year	1,456,101	29,251
Cash and cash equivalents at end of year	123,578	1,456,101

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

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021 AND
SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

Reconciliation of liabilities arising from financing activities:

	1 April 2021 S\$	Financing cash flows S\$	Non-cash movements		30 September 2021 S\$
			Right-of- use assets acquisition S\$	Interest expenses S\$	
Liabilities					
Borrowings	1,480,938	519,385	-	19,062	980,615
Lease liabilities	249,646	100,645	67,994	6,431	223,426

	1 April 2020 S\$	Financing cash flows S\$	Non-cash movements			31 March 2021 S\$
			Acquisition S\$	Interest expenses S\$	Capitalisation of borrowing S\$	
Liabilities						
Borrowings	1,229,634	91,228	-	179,138	(500,000)	1,000,000
Lease liabilities	195,879	(90,763)	134,764	9,766	-	249,646

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

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION YEAR ENDED 31 MARCH 2021 AND SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

1 GENERAL INFORMATION

iWOW Technology Pte Ltd (the "Company") (Registration No. 199905973K) is incorporated in Singapore with its principal place of business and registered office at 1004 Toa Payoh North, #02-17, Singapore 318995.

The Company was converted into a public limited company and changed its name to iWOW Technology Limited.

The Company is a subsidiary of Booming Wealth Group Corp, a company incorporated in British Virgin Island, which is also the Company's ultimate holding company.

2 SIGNIFICANT EVENTS

Save for the following significant events relating to the Group (the "Significant Events") discussed below, the directors, as at the date of this report, are not aware of other significant acquisitions, disposal of assets and subsidiaries or significant changes made to the capital structure of the Group as at 31 March 2021.

(a) Declaration of dividends

On 27 December 2021, iWOW Technology Limited declared an interim dividend of S\$3.2 million in respect of FY2021 to its shareholders.

(b) Conversion of convertible loan to ordinary shares

On 14 August 2021, 1,753,361 ordinary shares of the Company were issued to Mr. Soo Kee Wee ("Mr. Soo") pursuant to the capitalisation of the outstanding loan owed by our Company to Mr. Soo pursuant to a convertible loan agreement entered dated 14 February 2018 (as amended by supplemental agreements dated 14 February 2020, 6 March 2020, 14 September 2020, 15 December 2020, 14 March 2021 and 14 June 2021) between Mr. Soo and the Company.

(c) Conversion of preference shares to ordinary shares

On 3 August 2021, 191,176 ordinary shares of the Company were issued to Daetum Sdn Bhd pursuant to the conversion of 191,176 Preference Shares held by Daetum Sdn Bhd. There are no implication to the share capital as both Ordinary Shares and Preference Shares are categorised as Share Capital. Thus, no impact to the pro forma consolidated financial information.

3 BASIS OF PREPARATION OF THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

3.1 The unaudited pro forma consolidated financial information refers to the consolidated financial information of the Group which is presented in Singapore dollars ("SGD" or "S\$") which is also the functional currency of the Company. The unaudited pro forma consolidated financial information has been prepared for illustrative purposes only. It has been prepared based on certain assumptions and after making certain adjustments to show what

(a) the unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Group for the financial year ended 31 March 2021 and the six-month period ended 30 September 2021 would have been if the significant events as described in Note 2 had been in place since 1 April 2020; and

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
YEAR ENDED 31 MARCH 2021 AND SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021**

3 BASIS OF PREPARATION OF THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP (CONTINUED)

- (b) the unaudited pro forma consolidated statement of financial position of the Group as at 31 March 2021 and 30 September 2021 would have been if the significant events as described in Note 2 had been in place on 31 March 2021 and 30 September 2021 respectively.
- 3.2 However, the unaudited pro forma consolidated financial information of the Group may not give a true picture of the Group's actual financial position, financial performance and cash flows because of its nature and is not necessarily indicative of the results of the operations and cash flows or the related effects on the financial position that would have been attained had the Group.
- 3.3 The unaudited pro forma consolidated financial information of the Group has been compiled based on the following:
 - (a) the audited consolidated financial statements of the Group for the financial years ended 31 March 2019, 2020 and 2021 which were prepared in accordance with SFRS(I) and audited by Mazars LLP, Public Accountants and Chartered Accountants Singapore, in accordance with Singapore Standards of Auditing;
 - (b) the unaudited interim combined financial statements of the Group for the six-month period ended 30 September 2021, which were prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").
- 3.4 The independent auditors' reports of the aforementioned audited financial statements were not subject to any qualification.

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
YEAR ENDED 31 MARCH 2021 AND SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

4. STATEMENT OF PRO FORMA ADJUSTMENTS

4.1 Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 March 2021

	<u>Financial year ended 31 March 2021 of the Group</u>		
	Audited Consolidated Statements of Profit or Loss and Other Comprehensive Income S\$	Unaudited Pro Forma Adjustments Event Note 2(b) S\$	Unaudited Pro Forma Consolidated Statements of Profit or Loss and Other Comprehensive Income S\$
Revenue	26,421,715	-	26,421,715
Other operating income	540,923	-	540,923
Changes in inventories & raw materials used	(18,653,892)	-	(18,653,892)
Employee benefits expense	(2,400,254)	-	(2,400,254)
Amortisation and depreciation expense	(1,147,679)	-	(1,147,679)
Other operating expenses	(387,673)	-	(387,673)
Finance costs	(301,969)	(19,062)	(321,031)
Profit before income tax	4,071,171	(19,062)	4,052,109
Income tax expense	(356,565)	-	(356,565)
Profit for the year, representing total comprehensive income	3,714,606	(19,062)	3,695,544

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
YEAR ENDED 31 MARCH 2021 AND SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

4. STATEMENT OF PRO FORMA ADJUSTMENTS

4.2 Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Group for the six-month ended 30 September 2021

	Financial year ended 30 September 2021 of the Group		
	Unaudited Consolidated Statements of Profit or Loss and Other Comprehensive Income S\$	Unaudited Pro Forma Adjustments Event Note 2(a, b) S\$	Unaudited Pro Forma Consolidated Statements of Profit or Loss and Other Comprehensive Income S\$
Revenue	17,516,280	-	17,516,280
Other operating income	45,649	-	45,649
Changes in inventories & raw materials used	(12,788,349)	-	(12,788,349)
Employee benefits expense	(1,216,450)	-	(1,216,450)
Amortisation and depreciation expense	(500,954)	-	(500,954)
Other operating expenses	(983,646)	-	(983,646)
Finance costs	(149,519)	-	(149,519)
Profit before income tax	1,923,011	-	1,923,011
Income tax expense	(365,000)	-	(365,000)
Profit for the year	1,558,011	-	1,558,011
Other comprehensive income:			
Components of other comprehensive income that will be reclassified to profit or loss, net of taxation			
Reclassification of cumulative exchange differences relating to liquidation of a subsidiary included in profit or loss	79,196	-	79,196
Total other comprehensive income/(loss) that will be reclassified to profit or loss, net of taxation	79,196	-	79,196
Total other comprehensive income/(loss), net of taxation	79,196	-	79,196
Total comprehensive income for the period	1,637,207	-	1,637,207

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
YEAR ENDED 31 MARCH 2021 AND SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

4 STATEMENT OF PRO FORMA ADJUSTMENTS

4.3 Unaudited pro forma consolidated statement of financial position of the Group as at 31 March 2021

	Audited Consolidated Statement of Financial Position <u>31.3.2021</u> S\$	Unaudited Pro Forma Adjustments Event <u>Note 2(a)</u> S\$	Unaudited Pro Forma Adjustments Event <u>Note 2(b)</u> S\$	Unaudited Pro Forma Consolidated Statements of Financial Position <u>31.3.2021</u> S\$
ASSETS				
Non-current assets				
Property, plant and equipment	1,005,942	-	-	1,005,942
Intangible assets	1,738,607	-	-	1,738,607
	<u>2,744,549</u>	<u>-</u>	<u>-</u>	<u>2,744,549</u>
Current assets				
Inventories	1,022,271	-	-	1,022,271
Trade receivables	3,599,413	-	-	3,599,413
Other receivables	3,608,157	-	-	3,608,157
Cash and cash equivalents	4,656,101	(3,200,000)	-	1,456,101
	<u>12,885,942</u>	<u>(3,200,000)</u>	<u>-</u>	<u>9,685,942</u>
Total assets	<u>15,630,491</u>	<u>(3,200,000)</u>	<u>-</u>	<u>12,430,491</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	20,902,899	-	500,000	21,402,899
Capital reserve	285,217	-	-	285,217
Foreign currency translation reserve	(79,196)	-	-	(79,196)
Accumulated losses	(15,197,001)	(3,200,000)	(19,062)	(18,416,063)
	<u>5,911,919</u>	<u>(3,200,000)</u>	<u>480,938</u>	<u>3,192,857</u>
Non-current liabilities				
Borrowings	862,734	-	-	862,734
Lease liabilities	98,674	-	-	98,674
	<u>961,408</u>	<u>-</u>	<u>-</u>	<u>961,408</u>
Current liabilities				
Borrowings	618,204	-	(480,938)	137,266
Lease liabilities	150,972	-	-	150,972
Trade payables	4,588,738	-	-	4,588,738
Other payables	1,310,635	-	-	1,310,635
Contract liabilities	1,719,106	-	-	1,719,106
Provision for taxation	369,509	-	-	369,509
	<u>8,757,164</u>	<u>-</u>	<u>(480,938)</u>	<u>8,276,226</u>
Total equity and liabilities	<u>15,630,491</u>	<u>(3,200,000)</u>	<u>-</u>	<u>12,430,491</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
YEAR ENDED 31 MARCH 2021 AND SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

4 STATEMENT OF PRO FORMA ADJUSTMENTS

4.4 Unaudited pro forma consolidated statement of financial position of the Group as at 30 September 2021

	Unaudited Consolidated Statement of Financial Position <u>30.9.2021</u> S\$	Unaudited Pro Forma Adjustments Event <u>Note 2(a)</u> S\$	Unaudited Pro Forma Adjustments Event <u>Note 2(b)</u> S\$	Unaudited Consolidated Statement of Financial Position <u>30.9.2021</u> S\$
ASSETS				
Non-current assets				
Property, plant and equipment	1,092,212	-	-	1,092,212
Intangible assets	1,499,962	-	-	1,499,962
	<u>2,592,174</u>	<u>-</u>	<u>-</u>	<u>2,592,174</u>
Current assets				
Inventories	1,487,529	-	-	1,487,529
Trade receivables	8,022,642	-	-	8,022,642
Other receivables	3,233,096	-	-	3,233,096
Cash and cash equivalents	3,323,578	(3,200,000)	-	123,578
	<u>16,066,845</u>	<u>(3,200,000)</u>	<u>-</u>	<u>12,866,845</u>
Total assets	<u>18,659,019</u>	<u>(3,200,000)</u>	<u>-</u>	<u>15,459,019</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	21,402,899	-	-	21,402,899
Capital reserve	285,217	-	-	285,217
Foreign currency translation reserve	-	-	-	-
Accumulated losses	(13,638,990)	(3,200,000)	-	(16,838,990)
	<u>8,049,126</u>	<u>(3,200,000)</u>	<u>-</u>	<u>4,849,126</u>
Non-current liabilities				
Borrowings	742,851	-	-	742,851
Lease liabilities	87,776	-	-	87,776
	<u>830,627</u>	<u>-</u>	<u>-</u>	<u>830,627</u>
Current liabilities				
Borrowings	237,764	-	-	237,764
Lease liabilities	135,650	-	-	135,650
Trade payables	4,945,327	-	-	4,945,327
Other payables	1,414,888	-	-	1,414,888
Contract liabilities	2,494,444	-	-	2,494,444
Provision for taxation	551,193	-	-	551,193
	<u>9,779,266</u>	<u>-</u>	<u>-</u>	<u>9,779,266</u>
Total equity and liabilities	<u>18,659,019</u>	<u>(3,200,000)</u>	<u>-</u>	<u>15,459,019</u>

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
YEAR ENDED 31 MARCH 2021 AND SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

4 STATEMENT OF PRO FORMA ADJUSTMENTS

4.5 Unaudited pro forma consolidated statement of cash flows of the Group for the year ended 31 March 2021

	Audited Consolidated Statement of Cash Flows S\$	Unaudited Pro Forma Adjustments Event Note 2(a, b) S\$	Unaudited Pro Forma Statement of Cash Flows S\$
OPERATING ACTIVITIES			
Profit before income tax	4,071,171	(19,062)	4,052,109
Adjustments for:		-	
Trade receivables written off	-	-	-
Depreciation of plant and equipment	579,212	-	579,212
Amortisation of intangible assets	568,467	-	568,467
Allowance for/(Reversal of) inventory obsolescence	9,550	-	9,550
Trade payables written off	(33,657)	-	(33,657)
Interest expense on lease liabilities	9,766	-	9,766
Interest expense	160,076	19,062	179,138
Operating cash flows before working capital changes	5,364,585	-	5,364,585
Inventories	(376,388)	-	(376,388)
Trade and other receivables	(5,964,694)	-	(5,964,694)
Trade and other payables	5,609,169	-	5,609,169
Cash generated from operations	4,632,672	-	4,632,672
Interest paid	(101,829)	-	(101,829)
Cash flows generated from operating activities	4,530,843	-	4,530,843
INVESTING ACTIVITIES			
Acquisition of subsidiary	13,289	-	13,289
Addition of property, plant and equipment	(513,519)	-	(513,519)
Addition of intangible assets	-	-	-
Cash flows used in investing activities	(500,230)	-	(500,230)
FINANCING ACTIVITIES			
Dividend paid	-	(3,200,000)	(3,200,000)
Repayment of borrowings	(297,000)	-	(297,000)
Proceed from borrowings	1,000,000	-	1,000,000
Repayment of lease liabilities	(106,763)	-	(106,763)
Cash flows generated from/(used in) financing activities	596,237	(3,200,000)	(2,603,763)
Net increase/(decrease) in cash and cash equivalents	4,626,850	(3,200,000)	1,426,850
Cash and cash equivalents at beginning of year	29,251	-	29,251
Cash and cash equivalents at end of year	4,656,101	(3,200,000)	1,456,101

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
YEAR ENDED 31 MARCH 2021 AND SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

4 STATEMENT OF PRO FORMA ADJUSTMENTS

4.6 Unaudited pro forma consolidated statement of cash flows of the Group for the six-month ended 30 September 2021

	Unaudited Consolidated Statement of Cash Flows S\$	Unaudited Pro Forma Adjustments Event Note 2(a,b) S\$	Unaudited Pro Forma Statement of Cash Flows S\$
OPERATING ACTIVITIES			
Profit before income tax	1,923,011	-	1,923,011
Adjustments for:			
Depreciation of plant and equipment	262,309	-	262,309
Amortisation of intangible assets	238,645	-	238,645
Loss on deconsolidation of subsidiary	79,196	-	79,196
Gain on disposal of property, plant and equipment	(4,542)	-	(4,542)
Allowances for inventory obsolescence	8,909	-	8,909
Interest expense	64,542	-	64,542
Operating cash flows before working capital changes	2,572,070	-	2,572,070
Inventories	(474,167)	-	(474,167)
Trade and other receivables	(4,048,168)	-	(4,048,168)
Trade and other payables	460,842	-	460,842
Contract liabilities	775,338	-	775,338
Cash used in operations	(714,085)	-	(714,085)
Interest paid	(37,000)	-	(37,000)
Income tax paid	(183,316)	-	(183,316)
Cash flows used in operating activities	(934,401)	-	(934,401)
INVESTING ACTIVITIES			
Addition of property, plant and equipment	(284,044)	-	(284,044)
Proceeds on disposal of property, plant and equipment	8,000	-	8,000
Cash flows used in investing activities	(276,044)	-	(276,044)
FINANCING ACTIVITIES			
Repayment of borrowings	(19,385)	-	(19,385)
Repayment of lease liabilities	(102,693)	-	(102,693)
Cash flows generated from/(used in) financing activities	(122,078)	-	(122,078)
Net decrease in cash and cash equivalents	(1,332,523)	-	(1,332,523)
Cash and cash equivalents at beginning of year	1,456,101	-	1,456,101
Cash and cash equivalents at end of year	123,578	-	123,578

IWOW TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

**NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
YEAR ENDED 31 MARCH 2021 AND SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021**

4. STATEMENT OF PRO FORMA ADJUSTMENTS (Continued)

4.7 Our unaudited pro forma consolidated financial information as at 31 March 2021 and 30 September 2021 included in the unaudited pro forma Report has been prepared on an illustrative basis to show the impact of the Significant Events.

The unaudited pro forma consolidated financial information of the Group, because of its nature, is not necessarily indicative of the results of the operations, cash flows and financial position that would have been attained had the Significant Events actually occurred earlier. Save as disclosed in Note 2, the management, for the purpose of preparing this set of unaudited pro forma consolidated financial information of the Group, has not considered the effects of other events.

5. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group	
	6 months ended 30.09.2021	Year ended 31.3.2021
	S\$	S\$
Profit for the financial period/year (attributable to the owner of the Company)	1,558,011	3,695,544
Number of shares	56,107,565	54,163,028
Basic earning per share (Cents)	2.78	6.82

Diluted earnings per share is based on:

	Group	
	6 months ended 30.09.2021	Year ended 31.3.2021
	S\$	S\$
Profit for the financial period/year (attributable to the owner of the Company)	1,558,011	3,695,544
Number of shares	56,107,565	55,916,389
Diluted earning per share (Cents)	2.78	6.61

SUMMARY OF OUR CONSTITUTION

The discussion below provides information about certain provisions of our Constitution and the laws of Singapore. This description is only a summary and is qualified by reference to Singapore law and our Constitution. Where portions of our Constitution are reproduced below, defined terms bear the meanings ascribed to them in our Constitution.

The following summarises certain provisions of our Constitution relating to:

- (a) the power of a Director to vote on a proposal, arrangement or contract in which he is interested:

Regulation 105(2)

Every Director and any relevant officer of the Company (to whom Section 156 of the Act applies) shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests in transactions or proposed transactions with the Company or of any office or property held by him which might create duties or interests in conflict with his duties or interests as a Director or such officer (as the case may be). Notwithstanding such disclosure, a Director shall not vote in regard to any transaction or arrangement or any other proposal whatsoever in which he has directly or indirectly a personal material interest. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

- (b) the remuneration of our Directors:

Regulation 102

- (1) *The fees of the Directors shall be determined from time to time by an Ordinary Resolution of the Company and such fees shall (unless such resolution otherwise provides) not be increased except pursuant to an Ordinary Resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the meeting. Such fees shall (unless such resolution otherwise provides) be divided among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for the proportion of fee related to the period during which he has held office.*
- (2) *Any Director who holds any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside the scope of his ordinary duties as a Director, may, subject to the Act, be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this regulation. Such extra remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by a lump sum or by way of salary.*
- (3) *The fees (including any remuneration under regulation 102(2) above) in the case of a non-executive Director shall comprise: (i) fees which shall be a fixed sum and/or (ii) such fixed number of shares in the capital of the Company, and shall not at any time be by commission on, or percentage of, the profits or turnover. Salaries payable to Executive Directors may not include a commission on, or percentage of turnover.*

There are no specific provisions in this Constitution relating to a Director's power to vote on remuneration (including pension or other benefits) for himself or herself or for any other Director, and whether the quorum at a meeting of the board of directors to vote on Directors' remuneration may include the Director whose remuneration is the subject of the vote.

- (c) the borrowing powers exercisable by our Directors:

Regulation 121

Subject to the Statutes and the provisions of this Constitution, the Directors may at their discretion exercise all powers of the Company to borrow or otherwise raise money, to mortgage, charge or hypothecate all or any of the property or business of the Company including any uncalled or called but unpaid capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

There are no specific provisions in this Constitution relating to how such borrowing powers may be varied.

- (d) the retirement or non-retirement of a Director under an age limit requirement:

There are no specific provisions in our Constitution relating to the retirement or nonretirement of a Director under an age limit requirement.

- (e) the shareholding qualification of a Director:

Regulation 101

A Director need not be a Member and shall not be required to hold any shares of the Company by way of qualification. A Director who is not a Member shall nevertheless be entitled to receive notice of, attend and speak at all general meetings of the Company.

- (f) any change in capital:

Regulation 8

Subject to the Statutes and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in general meeting but subject thereto and to regulation 8, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit. Any such shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit. Preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors Provided always that:

- (a) *(subject to any direction to the contrary that may be given by the Company in general meeting) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of regulation 68(1) with such adaptations as are necessary shall apply; and*
- (b) *Any other issue of shares, the aggregate of which would exceed the limits referred to in regulation 68(2), shall be subject to the approval of the Company in general meeting.*

- (g) any change in the respective rights of the various classes of shares including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law:

Regulation 11

If at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall with such adaptations as are necessary apply. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply,

Provided always that:

- (a) *the necessary quorum shall be two (2) persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll, but where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from the holders of three fourths of the issued shares of the class concerned within two (2) months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting; and*
- (b) *where all the issued shares of the class are held by one (1) person, the necessary quorum shall be one (1) person and such holder of shares of the class present in person or by proxy or by attorney may demand a poll.*
- (h) any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement then operates:

Regulation 166

The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six (6) years from the date they are first payable may be forfeited and if so forfeited shall revert to the Company. However, the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividends or moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six (6) years has elapsed from the date such dividend or other moneys are first payable. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends or moneys, howsoever and whatsoever.

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DESCRIPTION OF OUR SHARES

The following statements are brief summaries of the more important rights and privileges of Shareholders conferred by the laws of Singapore and our Constitution. These statements summarise the material provisions of our Constitution, but are qualified in its entirety by reference to our Constitution and the laws of Singapore.

The statements below provide, among other things, a description of Shareholders' voting rights, restrictions on the transferability of shareholdings and Shareholders' rights to share in any surplus in the event of liquidation, and provides information about our share capital.

ORDINARY SHARES AND PREFERENCE SHARES

Our Constitution provides that we may issue shares of a different class with preferential, deferred, qualified or other special rights, privileges or conditions as our Board of Directors may determine and may issue preference shares which are, or at our option are, subject to redemption, subject to certain limitations. As at the Latest Practicable Date, the total issued and paid-up share capital of our Company was S\$21,402,899.19 comprising 336,645,390 Shares, all of which are fully paid up and there are no preference shares in issue. As at the date of this Offer Document, our issued and paid-up ordinary share capital is S\$21,402,899.19 comprising 224,430,260 Shares. All of our ordinary shares are in registered form. We may, subject to the provisions of the Companies Act and the Catalist Rules purchase our own Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our own ordinary shares.

NEW ORDINARY SHARES

New Shares may only be issued with prior approval from a general meeting of our Shareholders.

Our Shareholders may by ordinary resolution give our Directors authority to allot and issue shares and/or convertible securities in our Company. The maximum number of Shares to be issued upon conversion is determinable at the time of the issue of such convertible securities (whether by way of rights, bonus or otherwise), and shares and/or convertible securities may be issued at any time and from time to time thereafter to such persons and on such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided always that the aggregate number of Shares (including Shares to be issued pursuant to such convertible securities) must not exceed 100.0% of the issued share capital of our Company, of which the aggregate number of Shares (including Shares to be issued pursuant to such convertible securities) other than on a pro rata basis to existing Shareholders shall not exceed 50.0% of the issued share capital of our Company (the percentage of issued share capital being based on the issued share capital at the time of passing of the resolution after adjusting for new Shares arising from the conversion of any convertible securities or employee share options in issue at the time such authority is given and for any subsequent consolidation or subdivision of Shares). Unless revoked or varied by our Shareholders at a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of our Company or the expiration of the period within which the next annual general meeting of our Company is required by law to be held, whichever is the earlier.

SHAREHOLDERS

Only persons who are registered in our register of Shareholders and, in cases in which the person so registered is CDP, the persons named as the depositors (as defined in the Companies Act) in the depository register maintained by CDP for our ordinary shares, are recognised as shareholders.

For the purpose of determining the number of votes which a Shareholder who is an account-holder directly with CDP or a depository agent, or his proxy, may cast at any general meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Shareholder, be the number of shares entered against his name in the register maintained with CDP 48 hours before the time of the relevant general meetings as certified by CDP to us.

We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any ordinary share or other rights for any ordinary share other than the absolute right thereto of the registered holder of the ordinary share or of the person whose name is entered in the depository register for that ordinary share.

We may close the register of Shareholders for any time or times if we provide the SGX-ST with at least ten (10) clear Market Days' notice. However, the register may not be closed for more than 30 days in aggregate in any calendar year. We would typically close the register to determine Shareholders' entitlement to receive dividends and other distributions.

TRANSFER OF ORDINARY SHARES

Our Board of Directors may decline to register any transfer of ordinary shares which are not fully paid shares or ordinary shares on which we have a lien. Our Board of Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. Ordinary shares may be transferred by a duly signed instrument of transfer in any form approved by the Directors and the SGX-ST. There is no restriction on the transfer of fully paid shares except where required by law, as the Catalist Rules or our Constitution. A Shareholder may transfer any ordinary shares held through the SGX-ST book entry settlement system by way of a book-entry transfer without the need for any instrument of transfer.

We will replace lost or destroyed certificates for Shares if we are properly notified and if the applicant pays a fee which will not exceed S\$2.00 and furnishes any evidence and indemnity that our Board of Directors may require.

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be a Shareholder. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the depository register maintained by CDP 48 hours before the general meeting.

VOTING RIGHTS

Except as otherwise provided in our Constitution, two (2) or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution:

- on a show of hands, every Shareholder present in person or by proxy shall have one (1) vote (provided that in the case of a Shareholder who is represented by two (2) proxies, only one (1) of the two (2) proxies as determined by that Shareholder or, failing such determination, by the chairman of the meeting (or by a person authorised by the chairman) shall be entitled to vote on a show of hands); and

- on a poll, every Shareholder present in person or by proxy shall have one (1) vote for each Share which he holds or represents.

A poll may be demanded in certain circumstances, including:

- by the chairman of the meeting;
- by any two (2) Shareholders present in person or by proxy and entitled to vote; or
- by any Shareholder present in person or by proxy and representing not less than five per cent (5.0%) of the total voting rights of all Shareholders having the right to attend and vote at the meeting.

However, no poll may be demanded on the election of the chairman of the meeting or on a question of adjournment of the meeting. In the case of a tied vote, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

GENERAL MEETINGS OF SHAREHOLDERS

We are required to hold an annual general meeting every year. Our Board of Directors may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than ten per cent (10.0%) of the total voting rights of all Shareholders request in writing that such a meeting be held. In addition, two (2) or more Shareholders holding not less than ten per cent (10.0%) of our issued share capital may call a meeting. Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, such as the voluntary winding up of the company, amendments to our Constitution, a change of the Company's corporate name and a reduction in our share capital.

We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. For so long as our Shares are listed on the Catalist, at least 14 days' notice of any general meeting shall be given in writing to the SGX-ST and by advertisement in the daily press. The notice must be given to every Shareholder holding shares conferring the right to attend and vote at the meeting and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business. All general meetings shall be held in Singapore.

LIMITATIONS ON RIGHTS TO HOLD OR VOTE SHARES

Singapore law and our Constitution do not impose any limitations on the right of non-resident or foreign Shareholders to hold or exercise voting rights attached to our Shares.

DIVIDENDS

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board of Directors. Our Board of Directors may also declare an interim dividend without the approval of our Shareholders.

We must pay all dividends out of our profits. All dividends we pay are pro rata in amount to our Shareholders in proportion to the amount paid-up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provide otherwise.

Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address appearing in our register of members or (as the case may be) the depository register. However, our payment to CDP of any dividend payable to a Shareholder whose name is entered in the depository register shall, to the extent of the payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

BONUS AND RIGHTS ISSUE

Our Board of Directors may, with the approval from our Shareholders at a general meeting, capitalise any sums standing to the credit of any of our Group's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account and distribute the same as bonus Shares credited as paid-up to the Shareholders in proportion to their shareholdings.

Our Board of Directors may also issue bonus Shares to participants of any share incentive or option scheme or plan implemented by our Company and approved by our Shareholders in such manner and on such terms as our Board of Directors shall think fit.

Our Board of Directors may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any securities exchange upon which our Shares are listed.

TAKEOVERS

The Companies Act, the Securities and Futures Act and the Singapore Take-over Code regulate the acquisition of ordinary shares of public companies and contain certain provisions that may delay, deter or prevent a future takeover or change in control of the Company. Any person acquiring an interest resulting in him, either on his own or together with parties acting in concert with him, holding 30.0% or more of our voting shares, or, such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of our voting shares and acquires (either on his own or together with parties acting in concert with him) more than 1.0% of our voting Shares any six-month period, must extend a takeover offer for the remaining voting shares in accordance with the provisions of the Singapore Take-over Code.

"Parties acting in concert" comprise individuals or companies who, pursuant to an arrangement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control that company. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other. They are as follows:

- a company and its related companies, the associated companies of any of the company and its related companies and companies whose associated companies include any of these companies;
- any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the entities set out immediately above for the purchase of voting rights;
- a company and its directors (together with their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);
- a company and its pension funds and employee share schemes;
- a person and any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

- a financial or other professional adviser and its clients in respect of shares held by (i) the adviser and persons controlling, controlled by or under the same control as the adviser and (ii) all the funds managed by the adviser on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent. (10.0%) or more of the client's equity share capital;
- directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;
- partners;
- an individual and his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions and companies controlled by the individual, his close relatives, his related trusts or any person who is accustomed to act in accordance with his instructions; and
- any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the persons set out immediately above for the purchase of voting rights.

A mandatory offer for consideration other than cash must, subject to certain exceptions, be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror within the six (6) months preceding the acquisition of shares that triggered the mandatory offer obligation.

Under the Singapore Take-over Code, where effective control of a public company incorporated in Singapore is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. An offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the takeover offer must be given sufficient information, advice and time to consider and decide on the offer.

LIQUIDATION OR OTHER RETURN OF CAPITAL

If the Company liquidates or in the event of any other return of capital, holders of the Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares then existing.

INDEMNITY

As permitted by Singapore law, our Constitution provides that, subject to the Companies Act, we will indemnify our Board of Directors and officers against any liability incurred in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to have been done as an officer, director or employee and in which judgement is given in his favour or if the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in which he is acquitted or in connection with any application for relief which is granted to him by the court.

We may not indemnify directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to the Company.

SUBSTANTIAL SHAREHOLDINGS

Under the Securities and Futures Act, a person has a substantial shareholding in our Company if he has an interest (or interests) in one (1) or more voting shares (excluding treasury shares) in our Company and the total votes attached to that share or those shares, is not less than 5.0% of the aggregate of the total votes attached to all voting shares (excluding treasury shares) in our Company.

The Securities and Futures Act requires our Substantial Shareholders, or if they cease to be our Substantial Shareholders, to give notice to us of particulars of the voting shares in our Company in which they have or had an interest (or interests) and the nature and extent of that interest or those interests, and of any change in the percentage level of their interest.

In addition, the deadline for a Substantial Shareholder to make disclosure to our Company under the Securities and Futures Act is two (2) business days after he becomes aware:

- that he is or (if he had ceased to be one) had been a Substantial Shareholder;
- of any change in the percentage level in his interest; or
- that he had ceased to be a Substantial Shareholder,

there being a conclusive presumption of a person being “aware” of a fact or occurrence at the time at which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware.

Following the above, we will in turn announce or otherwise disseminate the information stated in the notice to the SGX-ST as soon as practicable and in any case, no later than the end of the Singapore business day following the day on which we received the notice.

“**Percentage level**”, in relation to a Substantial Shareholder in our Company, means the percentage figure ascertained by expressing the total votes attached to all the voting shares in our Company in which the Substantial Shareholder has an interest (or interests) immediately before or (as the case may be) immediately after the relevant time as a percentage of the total votes attached to all the voting shares (excluding treasury shares) in our Company, and, if it is not a whole number, rounding that figure down to the next whole number.

While the definition of an “**interest**” in our voting shares for the purposes of substantial shareholder disclosure requirements under the Securities and Futures Act is similar to that under the Companies Act, the Securities and Futures Act provides that a person who has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, a voting share is regarded as having an interest in such share, even if such authority is, or is capable of being made, subject to restraint or restriction in respect of particular voting shares.

MINORITY RIGHTS

The rights of minority shareholders of Singapore incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any Shareholder of the Company, as they think fit to remedy any of the following situations:

- our affairs are being conducted or the powers of our Board of Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one (1) or more of our Shareholders; or

- we take an action, or threaten to take an action, or the Shareholders pass a resolution, or threaten to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one (1) or more of our Shareholders, including the applicant.

Singapore courts have wide discretion as to the relief they may grant and that relief is in no way limited to the relief listed in the Companies Act. Without prejudice to the foregoing, Singapore courts may among other things:

- direct or prohibit any act or cancel or vary any transaction or resolution;
- regulate the conduct of our affairs in the future;
- authorise civil proceedings to be brought in our name, or on our behalf, by a person or persons and on such terms as the court may direct;
- provide for the purchase of a minority Shareholder's shares by our other Shareholders or by the Company and, in the case of a purchase of shares by us, a corresponding reduction of our share capital; or
- provide that the Company be wound up.

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DESCRIPTION OF SINGAPORE LAW RELATING TO TAXATION

The statements made herein regarding taxation are general in nature and are based on certain aspects of the tax laws of Singapore and administrative guidelines issued by the relevant authorities in force as of the date of this Offer Document and are subject to any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. The statements below are not to be regarded as advice on the tax position of any holder of our Shares or of any person acquiring, holding, selling or otherwise dealing with our Shares or on any tax implications arising from the acquisition, ownership, sale or other dealings in respect of our Shares. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of our Shares and do not purport to deal with the tax consequences applicable to all categories of investors some of which (such as dealers in securities) may be subject to special rules. Prospective Shareholders are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of our Shares. The statements below are based on the assumption that our Company is a tax resident in Singapore for Singapore income tax purposes. It is emphasised that neither our Company, our Directors nor any other persons involved in this Offer Document accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of our Shares.

Individual income tax

An individual is a tax resident in Singapore in a year of assessment if, in the preceding year, he was physically present in Singapore or he exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

Individual taxpayers who are Singapore tax residents are generally subject to Singapore income tax on income accruing in or derived from Singapore. All foreign-sourced income received in Singapore on or after 1 January 2004 derived by a Singapore tax resident individual (except for foreign-sourced income received through a partnership in Singapore if the Singapore Comptroller of Income Tax is satisfied that the tax exemption would be beneficial to the Singapore tax resident individual) is exempt from Singapore income tax.

Non-resident individuals, subject to certain exceptions, are subject to Singapore income tax on income accruing in or derived from Singapore. Non-resident individuals are not subject to tax on foreign-sourced income received in Singapore.

A Singapore tax resident individual is taxed at progressive rates ranging from 0% to 20.0%. Income derived by a non-resident individual is, subject to certain exceptions, normally taxed at the rate of 20.0% except for Singapore employment income which is taxed at a flat rate of 15.0% or at resident rates, whichever yields a higher tax.

Corporate income tax

A company is regarded as resident in Singapore for Singapore tax purposes if the control and management of its business is exercised in Singapore.

Dividend Distributions

Singapore adopted the one-tier corporate tax system from 1 January 2003. Under the one-tier corporate tax system, the tax paid by a Singapore resident company on its corporate profits is a final tax. Dividends payable by the Singapore resident company to its shareholders are exempt from Singapore income tax in the hands of the shareholders.

There is no withholding tax on the dividend payments to both resident and non-resident shareholders.

RULES OF THE IWOW EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

The Scheme shall be called the “**iWOW Employee Share Option Scheme**”.

2. DEFINITIONS

2.1. In the Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Act”	:	The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time
“Adoption Date”	:	The date on which the Scheme is adopted by the Company in general meeting
“Aggregate Subscription Cost”	:	The total amount payable for Shares which may be acquired on the exercise of an Option
“Auditors”	:	The auditors of the Company for the time being
“Board”	:	The board of directors of the Company for the time being
“Catalist Rules”	:	Section B of the Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Committee”	:	The Remuneration Committee of the Company, duly authorised and appointed by the Board to administer the Scheme
“Company”	:	iWOW Technology Limited
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“Controlling Shareholder”	:	Shall have the meaning assigned to it in the Catalist Rules, and “Controlling Shareholders” shall be construed accordingly
“Constitution”	:	The constitution of the Company, as amended from time to time
“Date of Grant”	:	In relation to an Option, the date on which an Option is granted pursuant to Rule 5

“Exercise Period”	:	The period for the exercise of an Option, being a period commencing: (a) after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant in the case of a Market Price Option; and (b) after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant in the case of an Incentive Option
“Exercise Price”	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 6, as adjusted in accordance with Rule 12
“Grantee”	:	The person to whom an offer of an Option is made
“Group”	:	The Company and its subsidiaries
“Group Employee”	:	Any employee of the Group (including any Group Executive Director who meets the relevant criteria and who shall be regarded as a Group Employee for the purposes of the Scheme) selected by the Committee to participate in the Scheme in accordance with Rule 4
“Group Executive Director”	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
“Incentive Option”	:	An Option granted with the Exercise Price set at a discount to the Market Price
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Price”	:	A price equal to the average of the last dealt prices for the Shares on the SGX-ST over the five (5) consecutive Trading Days immediately preceding the Date of Grant of that Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices
“Market Price Option”	:	An Option granted with the Exercise Price set at the Market Price

“Option”	:	The right to subscribe for Shares granted or to be granted to a Participant pursuant to the Scheme and for the time being subsisting
“Participant”	:	The holder of an Option (including, where applicable, the executor or personal representative of such holder)
“Record Date”	:	the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.
“Scheme” or “ESOS”	:	The iWOW Employee Share Option Scheme, as the same may be modified or altered from time to time
“Securities Account”	:	The securities account maintained by a Depositor with CDP
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended, supplemented or modified from time to time
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders for the time being of the Shares
“Shares”	:	Ordinary shares in the capital of the Company
“S\$”	:	Singapore dollar
“Trading Day”	:	A day on which the Shares are traded on the SGX-ST

2.2. The terms **“associated company”** and **“subsidiary”** shall have the same meanings ascribed to them respectively in the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 and the Act, as the case may be.

2.3. The terms **“Depositor”** and **“Depository Agent”** shall have the meaning ascribed to them respectively in Section 81SF of the SFA.

2.4. Words importing the singular number shall, where applicable, include the plural number and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

2.5. Any reference to a time of a day in the Scheme is a reference to Singapore time.

2.6. Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Scheme and used in the Scheme shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

3. OBJECTIVES OF THE SCHEME

- 3.1. The Scheme is a share incentive scheme. The Scheme is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees who have contributed to the growth of the Group.
- 3.2. The Scheme has been proposed in order to:
- (a) foster an ownership culture within the Group which aligns the interests of Group Employees with the interests of Shareholders;
 - (b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business units;
 - (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Company's ambition to become a world-class company; and
 - (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

- 4.1. Subject to Rule 4.2, the only persons who shall be eligible to participate in the Scheme, at the absolute discretion of the Committee:
- (a) Group Employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time and who have, as of the Date of Grant, been in full time employment of the Group for a period of at least 12 months (or in the case of any Group Executive Director, such shorter period as the Committee may determine); and
 - (b) Controlling Shareholders who satisfy the criteria set out in paragraph (a) above.
- 4.2. Controlling Shareholders who satisfy the criteria set out in Rule 4.1 above shall be eligible to participate in the Scheme provided that:
- (a) their participation; and
 - (b) the actual or maximum number of Shares and terms of any Options to be granted to them,
- have been approved by independent shareholders at a general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation; and (ii) the actual or maximum number of Shares and terms of any Options to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent shareholders for the participation in the Scheme of a Controlling Shareholders who is, at the relevant time, already a Participant.
- 4.3. Subject to the Act and any requirements of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.

- 4.4. The number of Shares comprised in Options to be offered to a Participant in accordance with the Scheme shall be determined at the absolute discretion of the Committee, which shall take into account such criteria as it considers fit, including (but not limited to) his rank, job performance, years of service, potential for future development and his contribution to the success and development of the Group.

5. GRANT AND ACCEPTANCE OF OPTIONS

- 5.1. Save as provided in Rule 11, the Committee may grant Options to Group Employees and/or Controlling Shareholders (who are eligible to participate under Rule 4.1), in each case, as the Committee may select, in its absolute discretion, at any time and from time to time during the period when the Scheme is in force, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offer of Options may only be made on or after the second Market Day from the date on which such announcement is released.
- 5.2. The Letter of Offer to grant the Option shall be in, or substantially in, the form set out in Schedule A-1, subject to such modification as the Committee may from time to time determine. An Option may be granted subject to such conditions as may be determined by the Committee, in its absolute discretion, on the Date of Grant of that Option.
- 5.3. An Option shall be personal to the Participant to whom it is granted and shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Option without the prior approval of the Committee, that Option shall immediately lapse.
- 5.4. The grant of an Option under this Rule 5 shall be accepted by the Grantee within 30 days from the Date of Grant of that Option and, in any event, not later than 5.00 p.m. on the thirtieth day from such Date of Grant by completing, signing and returning the Acceptance Form in or substantially in the form set out in Schedule B-1, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration.
- 5.5. If a grant of an Option is not accepted in the manner as provided in Rule 5.4, such offer shall, upon the expiry of the 30-day period, automatically lapse and become null, void and of no effect.
- 5.6. In the event that the grant of an Option results in a contravention of any applicable law, subsidiary legislation or other regulation, such grant shall be null, void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.

6. EXERCISE PRICE

- 6.1. Subject to any adjustment pursuant to Rule 12, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee, in its absolute discretion, on the Date of Grant, at:
- (a) in respect of Market Price Options, a price equal to the Market Price; or
 - (b) in respect of Incentive Options, a price which is set at a discount to the Market Price, provided that:

- (i) the maximum discount shall not exceed 20.0% of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST); and
- (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Scheme at a discount not exceeding the maximum discount as aforesaid.

7. RIGHTS TO EXERCISE OPTIONS

7.1. Subject as provided in Rule 8 and Rule 9 and any other conditions as may be introduced by the Committee from time to time, a Market Price Option or an Incentive Option, as the case may be, shall be exercisable, in whole or in part, as follows:

- (a) in the case of a Market Price Option, during the period commencing after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee); and
- (b) in the case of an Incentive Option, during the period commencing after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee).

In the event of an Option being exercised in part only, the balance of the Option not thereby exercised shall continue to be exercisable in accordance with the Scheme until such time as it shall lapse in accordance with the Scheme.

8. EVENTS PRIOR TO EXERCISE OF OPTION

8.1. An Option shall, to the extent unexercised, immediately lapse without any claim whatsoever against the Company:

- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
- (b) subject to Rule 8.2, upon the Participant ceasing to be in the employment of the Group, for any reason whatsoever;
- (c) in the event of an order being made or resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purposes of Rule 8.1(b), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice is withdrawn prior to its effective date.

8.2. In any of the following events, namely:

- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Option;
- (b) where the Participant ceases at any time to be in the employment of the Group, as the case may be, by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);

- (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be,
 - (vi) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
 - (vii) any other event approved by the Committee; or
- (c) the death of a Participant; or
- (d) any other event approved by the Committee,

he (or, if a Participant dies, a duly appointed legal personal representative of the Participant) may, exercise any unexercised Option within the relevant Option Period and such unexercised Option shall continue to be exercisable by the Participant in the manner provided in the Scheme (unless otherwise decided by the Committee, in its absolute discretion), and upon the expiry of such period, the Option shall immediately lapse and become null and void.

9. TAKE-OVER AND WINDING UP OF THE COMPANY

9.1. Notwithstanding Rule 8 but subject to Rule 9.5, in the event of a take-over being made for the Shares, a Participant shall be entitled to exercise any Option held by him and as yet unexercised, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion, in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Committee, the SGX-ST and/or such other relevant regulatory authority, such expiry date is extended to a later date (in either case, being a date falling not later than the expiry of the Exercise Period relating thereto); or
- (b) the date of expiry of the Exercise Period relating thereto, whereupon the Option then remaining unexercised shall lapse.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of any relevant regulatory provision or legislation and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participant until the expiry of such specified date or the expiry of the Exercise Period relating thereto, whichever is earlier. Any Option not so exercised shall lapse provided that the offeror's rights of acquisition or obligations to acquire the Shares shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option shall, notwithstanding Rule 8, remain exercisable until the expiry of the Exercise Period relating thereto.

- 9.2. If: (a) under any applicable laws, the court sanctions and/or the Shareholders approve a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, or (b) there is a change of Control of the Company (other than pursuant to a take-over), each Participant shall be entitled (subject to Rule 9.5), to exercise any Option then held by him, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion, during the period: (i) in the case of scenario (a) above, commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later, or (ii) in the case of scenario (b) above, commencing on the date upon which the change of Control becomes effective and ending on the expiry of 60 days thereafter (but in either case, not after the expiry of the Exercise Period relating thereto), whereupon the Option shall lapse and become null and void.
- 9.3. If an order of court is made for the winding-up of the Company on the basis of its insolvency or otherwise, all Options, to the extent unexercised, shall lapse and become null and void.
- 9.4. In the event that a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date or soon after it dispatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provision of this Rule 9.4) and thereupon, each Participant (or his legal personal representative) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the Aggregate Subscription Cost for the Shares in respect of which notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Participant credited as fully paid.
- 9.5. If in connection with the making of a general offer referred to in Rule 9.1 or the scheme referred to in Rule 9.2 or the winding-up referred to in Rule 9.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, as yet not exercised, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 9.
- 9.6. To the extent that an Option is not exercised within any period referred to in this Rule 9, it shall lapse and become null and void.

10. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

- 10.1. Subject to Rule 7.1, an Option may be exercised, in whole or in part, by a Participant giving notice in writing to the Company in, or substantially in, the form set out in Schedule C-1, subject to such modification as the Committee may from time to time determine. Such notice must be accompanied by payment in cash for the full amount of the Aggregate Subscription Cost in respect of the Shares for which that Option is exercised and any other documentation the Committee may require. An Option shall be deemed to be exercised upon receipt by the Company of the said notice, duly completed, and the full amount of the Aggregate Subscription Cost as aforesaid. All payments made shall be made by cheque, cashiers' order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company.

10.2. Subject to the Catalist Rules and prevailing legislation, the Company shall have the flexibility to deliver Shares to Participants upon the exercise of their Options by way of:

- (a) allotment and issue of new Shares; and/or
- (b) transfer of existing Shares, including (subject to applicable laws) any Shares acquired by the Company pursuant to a share purchase mandate and/or held by the Company as treasury shares; and/or
- (c) pay the Equivalent Value in Cash (after deduction of any applicable taxes) to the Participant in lieu of issuing or delivering all or some of the Shares to be issued or delivered to the Participant.

The “Equivalent Value in Cash” to be paid to a participant in lieu of Shares to be issued or delivered upon exercise of an Option shall be calculated in accordance with the following formula:

$$A = B \times C$$

Where:

“A” is the Equivalent Value in Cash to be paid to the Participant in lieu of all or some of the Shares to be issued or delivered upon the exercise of an Option;

“B” is the amount equivalent to the volume weighted average price of a Share, as determined by reference to the daily official list or other publication published by the SGX-ST for the last five (5) Market Days on which there were transactions done for the Shares on the SGX-ST immediately preceding the date on which an Option is deemed to be exercised in accordance with the Rules of the Scheme; and

“C” is such number of Shares to be issued or delivered to the Participant upon the exercise of an Option in accordance with the Rules of the Scheme.

In determining whether to issue new Shares, deliver existing Shares or to pay the Equivalent Value in Cash to Participants upon the exercise of their Options, the Company will take into account factors such as (but not limited to):

- (i) the prevailing Market Price of the Shares;
- (ii) the prevailing Market Price of the Shares relative to the financial performance of the Company;
- (iii) the cash position of the Company;
- (iv) the projected cash needs of the Company;
- (v) the dilution impact (if any);
- (vi) the cost to the Company of either issuing new Shares or purchasing existing Shares; and
- (vii) the liquidity of the Shares based on the average daily trading volume of the Shares, and in particular whether the repurchase by the Company of existing Shares to deliver to Participants upon exercise of their Options would materially impact the Market Price of the Shares.

- 10.3. Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to compliance with the terms of the Scheme and the Constitution of the Company, the Company shall in respect of a delivery of Shares pursuant to Rules 10.2(a) and/or 10.2(b), within ten (10) Market Days after the exercise of an Option, allot and issue and/or transfer or procure the transfer (as the case may be) of the relevant Shares in respect of which such Option has been exercised by the Participant and within five (5) Market Days from the date of such allotment or transfer (as the case may be), despatch to CDP the relevant share certificate(s) or, as the case may be, share transfer form(s) by ordinary post or such other mode as the Committee may deem fit.
- 10.4. Where new Shares are allotted and issued upon the exercise of an Option, the Company shall, as soon as practicable after such allotment and issue, apply to the SGX for permission to deal in and for quotation of such Shares.
- 10.5. Shares which are allotted (as an issue of new Shares) or transferred (as a transfer of Shares then held by the Company as treasury shares) to a Participant on the exercise of an Option by that Participant shall be issued in the name of, or transferred to, CDP to the credit of the Securities Account of that Participant or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.
- 10.6. Shares arising from the exercise of Options shall:
- (a) be subject to all the provisions of the Act and the Constitution of the Company; and
 - (b) rank in full for all entitlements, including dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the later of (i) the relevant date upon which such exercise occurred; and (ii) the date of issue of the Shares, and shall in all respects rank *pari passu* with other existing Shares then in issue.
- 10.7. Every Option shall be subject to the condition that no Shares shall be issued or transferred pursuant to the exercise of an Option if such issue or transfer would be contrary to any rules or regulations of the SGX-ST or any law or enactment for the time being in force in Singapore or any other relevant jurisdiction.
- 10.8. The Company shall in respect of a delivery of Shares pursuant to Rules 10.2(c), within ten (10) market days after the date of the exercise of the Option, procure the payment of the Equivalent Value in Cash to that Participant.

11. LIMITATION ON THE SIZE OF THE SCHEME

- 11.1. The aggregate number of Shares which may be issued or transferred pursuant to the exercise of Options granted under the Scheme on any date, when aggregated with:
- (a) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury shares) delivered and/or to be delivered pursuant to Options already granted under the iWOW Employee Share Option Scheme;
 - (b) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury shares) delivered and/or to be delivered pursuant to awards already granted under the iWOW Performance Share Plan; and

- (c) the total number of Shares subject over which options and awards are granted under any other share option or share schemes of the Company,

shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by the Company as treasury shares and subsidiary holdings from time to time, if any) on the date.

- 11.2. The aggregate number of Shares which may be issued or transferred pursuant to the exercise of Options granted under the Scheme to Participants who are Controlling Shareholders shall not exceed 25.0% of the total number of Shares available under the Scheme preceding the grant of the relevant new Option.
- 11.3. The aggregate number of Shares which may be issued or transferred pursuant to the exercise of Options granted under the Scheme to each Participant who is a Controlling Shareholder shall not exceed ten per cent (10.0%) of the total number of Shares available under the Scheme.
- 11.4. Shares which are the subject of Options which have lapsed for any reason whatsoever may be the subject of further Options granted by the Committee under the Scheme.

12. ADJUSTMENT EVENTS

- 12.1. If a variation in the issued ordinary share capital of the Company (whether by way of a bonus issue, rights issue, reduction of capital, subdivision, consolidation, distribution or otherwise) shall take place, or if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then the Committee may, in its sole discretion, determine whether:
 - (a) the Exercise Price of the Options, the class and/or number of Shares comprised in an Option to the extent unexercised; and/or
 - (b) the class and/or number of Shares in respect of which Options may be granted under the Scheme,

shall be adjusted in such manner as the Committee may, at its discretion, determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.

- 12.2. Unless the Committee considers an adjustment to be appropriate, (a) the issue of securities as consideration for an acquisition or a private placement of securities; (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force; (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the Scheme; or (d) any issue of Shares arising from the exercise of options or any warrants or the conversion of any loan stock or any securities convertible into Shares by the Company, shall not normally be regarded as a circumstance requiring adjustment.
- 12.3. Notwithstanding the provisions of Rule 12.1, any adjustment (except in relation to a bonus issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

12.4. Upon any adjustment required to be made pursuant to this Rule 12, the Company shall notify the Participant (or his duly appointed personal representatives, where applicable) in writing and deliver to him (or his duly appointed personal representatives, where applicable) a statement setting forth the Exercise Price thereafter in effect and the class and/or number of Shares thereafter to be issued or transferred on the exercise of the adjusted Option. Any adjustment shall take effect upon such written notification being given or on such date as may be specified in such written notification.

13. ADMINISTRATION OF THE SCHEME

13.1. The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Options to be granted to him or held by him.

13.2. The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme, to give effect to the provisions of the Scheme and/or to enhance the benefit of the Options to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Scheme and any dispute and uncertainty as to the interpretation of the Scheme, any rule, regulation or procedure thereunder or any rights under the Scheme shall be determined by the Committee.

13.3. Neither the Scheme nor the grant of Options under the Scheme shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with: (a) the lapsing or early expiry of any Options pursuant to any provision of the Scheme; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Scheme; and/or (c) any decision or determination of the Committee made pursuant to any provision of the Scheme.

13.4. Any decision or determination of the Committee made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation or procedure hereunder or as to any rights under the Scheme). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

13.5. The Committee shall ensure that the rules of the Scheme are in compliance with the Act and the applicable laws and regulations in Singapore, including but not limited to, the Catalist Rules.

14. NOTICES

14.1. Any notice required to be given by a Participant to the Company shall be sent or made to the principal place of business of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to the Participant in writing.

14.2. Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and a Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to the Participant by hand or sent to the Participant at his home address,

electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number provided by the Participant to the Company.

- 14.3. Any notice or other communication from a Participant to the Company shall be irrevocable and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by the Participant, when left at the address specified in Rule 14.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

15. MODIFICATIONS TO THE SCHEME

- 15.1. Any or all of the provisions of the Scheme may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:

- (a) no modification or alteration shall adversely affect the rights attached to any Option granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be issued or transferred upon exercise in full of all outstanding Options;
- (b) any modification or alteration which would be to the advantage of Participants under the Scheme, such as the repricing of the Exercise Price of the Options and the replacement of existing Options, shall be subject to the prior approval of the Shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

For the purposes of Rule 15.1(a) and (b), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Option or which would be to the advantage of Participants (as the case may be) shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 15.1 shall affect the right of the Committee under any provision of the Scheme to amend or adjust any Option.

- 15.2. Notwithstanding anything to the contrary contained in Rule 15.1, the Committee may at any time by a resolution (and without any other formality, save for the prior approval of the SGX-ST) amend or alter the Scheme in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Scheme to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 15.3. Written notice of any modification or alteration made in accordance with this Rule 15 shall be given to all Participants.

16. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Scheme, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

17. DURATION OF THE SCHEME

- 17.1. The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Scheme may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 17.2. The Scheme may be terminated at any time by the Committee or, at the discretion of the Committee, by ordinary resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- 17.3. The expiry or termination of the Scheme shall not affect Options which have been granted prior to such expiry or termination, whether such Options have been exercised (whether fully or partially) or not.

18. TAXES

All taxes (including income tax) arising from the grant or exercise of any Option granted to any Participant under the Scheme shall be borne by that Participant.

19. COSTS AND EXPENSES

- 19.1. Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP or, as the case may be, share transfer form(s), the Participant's Securities Account, or the Participant's securities sub-account with a Depository Agent.
- 19.2. Save for the taxes referred to in Rule 18 and such other costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the exercise of any Option shall be borne by the Company.

20. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee, the Company and the Company's directors and employees shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing the Shares or procuring the transfer of or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 10.4.

21. DISCLOSURES IN ANNUAL REPORTS

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Scheme continues in operation:

- (a) the names of the members of the Committee administering the Scheme;

- (b) the information required in the table below for the following Participants of the Scheme:
- (i) Participants who are directors of the Company;
 - (ii) Participants who are Controlling Shareholders; and
 - (iii) Participants (other than those in paragraphs (i) and (ii) above) who receive five per cent (5.0%) or more of the total number of Shares comprised in Options available under the iWOW Employee Share Option Scheme;

Name of Participant	Aggregate Options granted during the financial year under review (including terms)	Aggregate Options granted since commencement of Scheme to the end of the financial year under review	Aggregate Options exercised since commencement of Scheme to the end of the financial year under review	Aggregate Options outstanding as at the end of the financial year under review
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- (c) the names of and number and terms of Options granted to each director and employee of the Company or the Group who receives five per cent (5.0%) or more of the total number of Options available to all directors and employees of the Company and the Group under the Scheme during the financial year under review;
- (d) the aggregate number of Options granted to the directors and employees of the Company and the Group for the financial year under review, and since the commencement of the Scheme to the end of the financial year under review; and
- (e) the number and proportion of Options granted at a discount during the financial year under review:
 - (i) at a discount of ten per cent (10.0%) or less of the Market Price in respect of the relevant Option; and
 - (ii) at a discount of more than ten per cent (10.0%) of the Market Price in respect of the relevant Option; and
- (f) any other information required to be so disclosed pursuant to the Catalist Rules and all other applicable laws and requirements,

provided that if any of the above requirements is not applicable, an appropriate negative statement shall be included therein.

22. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

23. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Scheme must abstain from voting on any Shareholders' resolution relating to the Scheme, including any Shareholders' resolution relating to the implementation of the Scheme, or the making of offers and grants of options under the Scheme at a discount not exceeding the maximum discount, or the participation

by, and options granted to, Controlling Shareholders and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

24. GOVERNING LAW

The Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Options in accordance with the Scheme, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

25. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001

No person other than the Company or a Participant shall have any right to enforce any provision of the Scheme or any Option by the virtue of the Contracts (Rights of Third Parties) Act 2001 of Singapore.

iWOW EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial No: _____

Date: _____

To: **[Name]**
[Designation]

[Address]

Private and Confidential

Dear Sir/Madam,

1. We have the pleasure of informing you that, pursuant to the iWOW Employee Share Option Scheme (the “**Employee Share Option Scheme**”), you have been nominated to participate in the Employee Share Option Scheme by the Committee (the “**Committee**”) appointed by the Board of Directors of iWOW Technology Limited (the “**Company**”) to administer the Employee Share Option Scheme. Terms as defined in the Employee Share Option Scheme shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an option (the “**Option**”), to subscribe for and be allotted _____ Shares at the price of S\$_____ for each **Share**. This represents a discount of _____% to the Market Price.
3. The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee.
4. The Option shall be subject to the terms of the Employee Share Option Scheme, a copy of which is available for inspection at the business address of the Company.
5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on _____, failing which this offer will lapse.

Yours faithfully,

**For and on behalf of
iWOW Technology Limited**

Name:

Designation:

iWOW EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial No: _____

Date: _____

To: The Committee,
iWOW Employee Share Option Scheme

Closing Date for Acceptance of Offer: _____

Number of Shares Offered: _____

Exercise Price for each Share: S\$_____

I have read your Letter of Offer dated _____ (“**Letter of Offer**”) and agree to be bound by the terms of the Letter of Offer and the Employee Share Option Scheme referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.

I hereby accept the Option to subscribe for _____ Shares at S\$_____ for each Share. I enclose cash for S\$1.00 in payment for the purchase of the Option/I authorise my employer to deduct the sum of S\$1.00 from my salary in payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to subscribe for such shares.

I agree to keep all information pertaining to the grant of the Option to me confidential.

I further acknowledge that you have not made any representation to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

***NRIC/Passport No** : _____

Signature : _____

Date : _____

Note:

* Delete accordingly

iWOW EMPLOYEE SHARE OPTION SCHEME*FORM OF EXERCISE OF OPTION*

Total number of ordinary shares (the "**Shares**") offered at S\$_____ for each Share (the "**Exercise Price**") under the iWOW Employee Share Option Scheme on _____ (Date of grant) :

Number of Shares previously allotted thereunder :

Outstanding balance of Shares to be allotted :

Number of Shares now to be subscribed :

To: The Committee,
iWOW Employee Share Option Scheme

1. Pursuant to your Letter of Offer dated _____ ("**Letter of Offer**") and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares in iWOW Technology Limited (the "**Company**") at S\$_____ for each Share.
2. I enclose a *cheque/cashier's order/banker's draft/postal order no. _____ for S\$_____ by way of subscription for the total number of the said Shares.
3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the iWOW Employee Share Option Scheme and the Constitution of the Company.
4. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.
5. I request the Company to allot and issue, procure the transfer of the Shares (including, where desired, Shares held by the Company as treasury shares) in the name of The Central Depository (Pte) Limited ("**CDP**") or, pay the Equivalent Value in Cash (as defined in rules of the iWOW Employee Share Option Scheme), as the case may be, and (where required) to deliver to CDP the certificate(s) for the Shares for credit to my *Securities Account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP and any stamp duty payable in respect thereof.

Please print in block letters

Name in full : _____
Designation : _____
Address : _____
Nationality : _____
***NRIC/Passport No** : _____
***Direct Securities Account No.** : _____
OR
***Sub-Account No.** : _____
Name of Depository Agent : _____
OR
***CPF Investment** : _____
Account No. : _____
Name of Agent Bank : _____
Signature : _____
Date : _____

Note:

* Delete accordingly

RULES OF THE IWOW PERFORMANCE SHARE PLAN

1. NAME OF THE PLAN

The Plan shall be called the “**iWOW Performance Share Plan**”.

2. DEFINITIONS

2.1. In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Act”	:	The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time
“Adoption Date”	:	The date on which the Plan is adopted by the Company in general meeting
“Auditors”	:	The auditors of the Company for the time being
“Awards”	:	A contingent award of Shares granted under Rule 5
“Award Date”	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5
“Award Letter”	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee
“Board”	:	The board of directors of the Company for the time being
“Catalist Rules”	:	Section B of the Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Committee”	:	The Remuneration Committee of the Company, duly authorised and appointed by the Board to administer the Plan
“Company”	:	iWOW Technology Limited
“Constitution”	:	The constitution of the Company, as amended from time to time
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company

“Controlling Shareholder”	:	Shall have the meaning assigned to it in the Catalist Rules, and “Controlling Shareholders” shall be construed accordingly
“Group”	:	The Company and its subsidiaries
“Group Employee”	:	Any employee of the Group (including any Group Executive Director who meets the relevant criteria and who shall be regarded as a Group Employee for the purposes of the Plan) selected by the Committee to participate in the Plan in accordance with Rule 4
“Group Executive Director”	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Participant”	:	The holder of an Award (including, where applicable, the executor or personal representative of such holder)
“Performance Condition”	:	In relation to an Award, the condition specified on the Award Date in relation to that Award
“Performance Period”	:	The period as may be determined by the Committee at its discretion, during which the Performance Condition(s) is (are) to be satisfied
“Plan” or “PSP”	:	The iWOW Performance Share Plan, as the same may be modified or altered from time to time
“Record Date”	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares
“Release”	:	In relation to an Award, the release of all or some of the Shares to which that Award relates in accordance with the Plan and, to the extent that any Shares which are the subject of the Award are not released pursuant to the Plan, the Award in relation to those Shares shall lapse accordingly and “Released” shall be construed accordingly
“Release Schedule”	:	In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period

“Released Award”	:	An Award which has been Released in full or in part in accordance with Rule 7
“Retention Period”	:	Such retention period as may be determined by the Committee and notified to the Participant at the grant of the relevant Award to that Participant.
“Securities Account”	:	The securities account maintained by a Depositor with CDP
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended, supplemented or modified from time to time
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“S\$”	:	Singapore dollar
“Shareholders”	:	The registered holders for the time being of the Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Vesting”	:	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly
“Vesting Date”	:	In relation to Shares which are the subject of a Released Award, the date as determined by the Committee and notified to the relevant Participant on which those Shares are to be Vested pursuant to Rule 7

- 2.2. The terms **“associated company”** and **“subsidiary”** shall have the same meanings ascribed to them respectively in the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 and the Act, as the case may be.
- 2.3. The term **“Depositor”** and **“Depository Agent”** shall have the meaning ascribed to them respectively in Section 81SF of the SFA.
- 2.4. Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.
- 2.5. Any reference to a time of a day in the Plan is a reference to Singapore time.
- 2.6. Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

3. OBJECTIVES OF THE PLAN

- 3.1. The Plan is a share incentive scheme. The Plan is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees and directors of the Group who have contributed to the growth of the Group.
- 3.2. The Plan has been proposed in order to:
- (a) foster an ownership culture within the Group which aligns the interests of Group Employees with the interests of Shareholders;
 - (b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business units;
 - (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Company's ambition to become a world-class company; and
 - (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

- 4.1. Subject to Rule 4.2, the only persons who shall be eligible to participate in the Plan, at the absolute discretion of the Committee:
- (a) Group Employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time and who have, as of the Award Date, been in full time employment of the Group for a period of at least 12 months (or in the case of any Group Executive Director, such shorter period as the Committee may determine); and
 - (b) Controlling Shareholders who satisfy the criteria set out in paragraph (a) above.
- 4.2. Controlling Shareholders who satisfy the criteria set out in Rule 4.1 above shall be eligible to participate in the Plan provided that:
- (a) their participation; and
 - (b) the actual or maximum number of Shares and terms of any Awards to be granted to them,
- have been approved by independent Shareholders at a general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation; and (ii) the actual or maximum number of Shares and terms of any Awards to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent Shareholders for the participation in the Plan of a Controlling Shareholders who is, at the relevant time, already a Participant.
- 4.3. Subject to the Act and any requirements of the SGX-ST, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Committee.

5. GRANT OF AWARDS

- 5.1. Subject to Rule 4, the Committee may grant Awards to eligible Group Employees and/or Controlling Shareholders (who are eligible to participate under Rule 4.1), and in each case, as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.
- 5.2. The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall, subject to Rule 4.2 and Rule 8, be determined at the absolute discretion of the Committee, which shall take into account criteria as it considers fit, including (but not limited to) his rank, job performance during the Performance Period, years of service, potential for future development, his future contribution to the success and development of the Group and the extent of effort and difficulty with which the Performance Condition may be achieved within the Performance Period.
- 5.3. In relation to an Award to a Participant, the Committee shall determine:
 - (a) the Participant;
 - (b) the Award Date;
 - (c) the Performance Period;
 - (d) the number of Shares which are the subject of the Award (subject to Rule 4.2 and Rule 8);
 - (e) the Performance Condition(s);
 - (f) the Release Schedule
 - (g) the Vesting Date; and
 - (h) any other condition which the Committee may determine in relation to that Award.
- 5.4. As soon as reasonably practicable after making an Award the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:
 - (i) the Award Date;
 - (ii) the number of Shares which are the subject of the Award;
 - (iii) the Performance Condition(s);
 - (iv) the Performance Period;
 - (v) the Release Schedule;
 - (vi) the Vesting Date; and
 - (vii) any other condition which the Committee may determine in relation to that Award.
- 5.5. Participants are not required to pay for the grant of Awards.

- 5.6. The Committee may amend or waive the Performance Period, the Performance Condition(s) and/or the Release Schedule in respect of any Award and shall notify the Participants of such change or waiver:
- (a) in the event of a take-over offer being made for the Shares or if under any applicable laws, a court sanctions, a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company;
 - (b) in the event that the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie); or
 - (c) if anything happens which causes the Committee to conclude that:
 - (i) a changed Performance Condition and/or Release Schedule would be a fairer measure of the performance of a Participant, and would be no less difficult to satisfy; or
 - (ii) the Performance Condition(s) should be waived, for any other reason.
- 5.7. An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.
- 5.8. Every Award shall be subject to the condition that no Shares shall be issued or transferred pursuant to an Award if such issue or transfer would be contrary to any rules or regulations of the SGX-ST or any law or enactment for the time being in force in Singapore or any other relevant jurisdiction.

6. EVENTS PRIOR TO THE VESTING DATE

- 6.1. An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:
- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
 - (b) subject to Rule 6.2(b), upon the Participant ceasing to be in the employment of the Group, for any reason whatsoever; or
 - (c) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purposes of Rule 6.1(b), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice is withdrawn prior to its effective date.

6.2. In any of the following events:

- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
- (b) where the Participant ceases at any time to be in the employment of the Group, as the case may be, by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be;
 - (vi) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
 - (vii) any other event approved by the Committee;
- (c) the death of the Participant; or
- (d) any other event approved by the Committee,

the Committee may, in its absolute discretion, determine whether an Award then held by such Participant, to the extent not yet Released, shall lapse or that all or any part of such Award shall be preserved. If the Committee determines that an Award shall lapse, then such Award shall lapse without any claim whatsoever against the Company. If the Committee determines that all or any part of an Award shall be preserved, the Committee shall decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition(s) has (have) been satisfied.

6.3. Without prejudice to the provisions of Rule 5.6, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional; or
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by Shareholders and/or sanctioned by the court under any applicable laws,

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period(s) which has (have) elapsed and the extent to which the Performance Condition(s) has (have) been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment and issue or transfer to each Participant of the number of Shares so determined in accordance with Rule 7.

- 6.4. If before the Vesting Date, a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company (other than as provided in Rule 6.1(c) or for amalgamation or reconstruction), the Company shall on the same date or soon after it despatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provisions of this Rule 6.4) and thereupon, the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period(s) which has (have) elapsed and the extent to which the Performance Condition(s) has (have) been satisfied. Where Awards are Released, the Company shall as soon as possible and, in any event, no later than the Market Day immediately prior to the date of the proposed general meeting referred to above, allot and issue, or transfer, the relevant Shares to the Participant credited as fully paid, provided that all Awards which are not Released prior to the commencement of the voluntary winding-up of the Company shall, upon the commencement of such winding-up, lapse and be null and void.
- 6.5. If an order of court is made for the winding-up of the Company, an Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company.

7. REVIEW OF PERFORMANCE CONDITION(S), VESTING OF AWARDS AND RELEASE OF AWARDS

7.1. Review of Performance Condition(s)

7.1.1. As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Condition(s) specified in respect of each Award and determine at its discretion:

- (a) whether the Performance Conditions has been satisfied and, if so, the extent to which it has been satisfied;
- (b) whether any other condition applicable to such Award has been satisfied; and
- (c) the number of Shares (if any) comprised in such Award to be Released to the relevant Participant,

and (subject to Rules 6 and 7.1.2) provided that the relevant Participant has continued to be an eligible person under Rule 4.1 from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

- 7.1.2. If the Committee determines in its sole discretion that the Performance Condition has not been satisfied or (subject to Rule 6) if the relevant Participant has not continued to be a Group Employee from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.4 shall be of no effect.
- 7.1.3. The Committee shall have the full discretion to determine whether any Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make reference to the audited results of the Company or the Group (as the case may be), to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further (but without prejudice to the provisions of Rule 5.6) the right to amend any Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.
- 7.1.4. Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Market Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1.1 and, on the Vesting Date, the Committee will procure the allotment and issue or transfer to each Participant of the number of Shares so determined.
- 7.1.5. Where new Shares are allotted and issued upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment and issue, apply to the SGX-ST for permission to deal in and for quotation of such Shares.

7.2. **Release of Award**

Shares which are allotted (as an issue of new Shares) or transferred (as a transfer of Shares then held by the Company as treasury shares) on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the Securities Account of that Participant or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.

7.3. **Ranking of Shares**

New Shares allotted and issued, and existing Shares procured by the Company for transfer, pursuant to the Release of an Award shall:

- (a) be subject to all the provisions of the Constitution of the Company; and
- (b) rank in full for all entitlements, including dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the later of (i) the relevant Vesting Date; and (ii) the date of issue of the Shares, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

7.4. **Cash Awards**

The Committee may determine to make a Release of an Award, wholly or partly, in the form of cash rather than Shares which would otherwise have been Released to the Participant on the relevant Vesting Date, in which even the Company shall pay to the Participant as soon as practicable after such Vesting Date, in lieu of all or part of such Shares, the aggregate Market Value of such Shares on such Vesting Date.

7.5. **Moratorium**

Shares which are allotted and issued or transferred to a Participant pursuant to the Release of an Award shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

8. **LIMITATION ON THE SIZE OF THE PLAN**

8.1. The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan on any date, when aggregated with:

- (a) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury shares) delivered and/or to be delivered pursuant to Awards already granted under the iWOW Performance Share Plan;
- (b) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury shares) delivered and/or to be delivered pursuant to Options already granted under the iWOW Employee Share Option Scheme; and
- (c) the total number of Shares over which options and awards are granted under any other share option schemes or share schemes of the Company,

shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by the Company as treasury shares and subsidiary holdings from time to time, if any) on the date preceding the grant of the relevant new Award.

8.2. The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan to Participants who are Controlling Shareholders shall not exceed 25.0% of the total number of Shares available under the Plan.

8.3. The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan to each Participant who is a Controlling Shareholder shall not exceed 10.0% of the total number of Shares available under the Plan.

8.4. Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

9. **ADJUSTMENT EVENTS**

9.1. If a variation in the issued ordinary share capital of the Company (whether by way of a bonus issue, rights issue, reduction of capital, subdivision, consolidation, distribution or otherwise) shall take place, or (without prejudice to the provisions of Rule 5.6) if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie) then the Committee may, in its sole discretion, determine whether:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted to give such participant the same proportion of the equity capital of the Company as that to which he was previously entitled, in such manner as the Committee may, at its discretion, determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.

- 9.2. Unless the Committee considers an adjustment to be appropriate, (a) the issue of securities as consideration for an acquisition or a private placement of securities; (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force; (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the Plan; or (d) any issue of Shares arising from the exercise of any options or warrants or the conversion of any loan stock or any securities convertible into Shares issued by the Company, shall not normally be regarded as a circumstance requiring adjustment.
- 9.3. Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a bonus issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- 9.4. Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives, where applicable) in writing and deliver to him (or his duly appointed personal representatives, where applicable) a statement setting forth the class and/or number of Shares which are the subject of the adjusted Award. Any adjustment shall take effect upon such written notification being given or on such date as may be specified in such written notification.

10. ADMINISTRATION OF THE PLAN

- 10.1. The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.
- 10.2. The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan or any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.
- 10.3. Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with: (a) the lapsing of any Awards pursuant to any provision of the Plan; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 10.4. Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

- 10.5. The Committee shall ensure that the rules of the Plan are in compliance with the Act and the applicable laws and regulations in Singapore, including but not limited to, the Catalyst Rules.

11. NOTICES

- 11.1. Any notice required to be given by a Participant to the Company shall be sent or made to the principal place of business of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to the Participant in writing.
- 11.2. Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and a Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to the Participant by hand or sent to the Participant at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number provided by the Participant to the Company.
- 11.3. Any notice or other communication from a Participant to the Company shall be irrevocable and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by the Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

12. MODIFICATIONS TO THE PLAN

- 12.1. Any or all of the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:
- (a) no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Condition(s) relating to their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;
 - (b) any modification or alteration which would be to the advantage of Participants under the Plan shall be subject to the prior approval of the Shareholders in general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a) and (b), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award or which would be to the advantage of the Participants (as the case may be) shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any provision of the Plan to amend or adjust any Award.

- 12.2. Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by a resolution (and without any other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 12.3. Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

14. DURATION OF THE PLAN

- 14.1. The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 14.2. The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, or by ordinary resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.
- 14.3. The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

15. TAXES

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

16. COSTS AND EXPENSES OF THE PLAN

- 16.1. Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) or, as the case may be, share transfer form(s) with CDP, the Participant's Securities Account, or the Participant's securities sub-account with a Depository Agent.
- 16.2. Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee, the Company and the Company's directors and employees shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 7.1.5.

18. DISCLOSURES IN ANNUAL REPORTS

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

- (a) the names of the members of the Committee administering the Plan;
- (b) the information required in the table below for the following Participants of the Plan:
 - (i) Participants who are directors of the Company;
 - (ii) Participants who are Controlling Shareholders; and
 - (iii) Participants (other than those in paragraphs (i) and (ii) above) who have received Shares pursuant to the Release of Awards granted under the Plan which, in aggregate, represent five per cent (5.0%) or more of the aggregate of the total number of Shares available under the iWOW Performance Share Plan;

Name of Participant	Aggregate number of Shares comprised in Awards granted during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since commencement of the Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have been allotted and/or transferred pursuant to the Vesting of Awards since commencement of the Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review

- (c) the names of and number and terms of Shares comprised in Awards granted to each director and employee of the Company or the Group who receives five per cent (5.0%) or more of the total number of Awards available to all directors and employees of the Company and the Group under the Plan during the financial year under review;
- (d) the aggregate number of Shares comprised in Awards granted to the directors and employees of the Company and the Group for the financial year under review, and since the commencement of the Plan to the end of the financial year under review; and
- (e) any other information required to be so disclosed pursuant to the Catalist Rules and all other applicable laws and requirements,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included therein.

19. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

20. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Plan must abstain from voting on any Shareholders' resolution relating to the Plan, including any Shareholders' resolution relating to the implementation of the Plan, or the participation by and Awards granted to, Controlling Shareholders, and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

21. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by virtue of the Contracts (Rights of Third Parties) Act 2001 of Singapore.

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LIST OF PRESENT AND PAST DIRECTORSHIPS

Directors

Name	Present directorships	Past directorships
Mr. Bo	<u>Group Companies</u> iWOW Connection Pte Ltd iWOW Communications Pte Ltd Electrique Energie & Metering Pte. Ltd.	<u>Group Companies</u> –
	<u>Other Companies</u> Techvest Investment Pte. Ltd.	<u>Other Companies</u> –
Mr. Soo	<u>Group Companies</u> Electrique Energie & Metering Pte. Ltd. <u>Other Companies</u> Awak Technologies Pte Ltd Booming Wealth Group Corp ⁽¹⁾ Barcel Investment Pte Ltd I Shinora Pte. Ltd. NX-Puxun Pte. Ltd. Pristine Capital Pte. Ltd. WL Properties Pte Ltd	<u>Group Companies</u> – <u>Other Companies</u> Baw Properties Pte. Ltd. Constellation Agency Pte. Ltd. KW Properties Pte. Ltd. Oishi Bowl Asia Pte. Ltd. PC9 Pte. Ltd. The Mindful Tree Pte. Ltd. VKMC Recipe Pte. Ltd.
Mr. Ang	<u>Group Companies</u> – <u>Other Companies</u> Zheneng Jinjiang Environment Holding Company Limited (formerly known as China JinJiang Environment Holding Company Limited) Cosco Shipping International (Singapore) Co., Ltd. ICE Clear Singapore Pte. Ltd. ICE Futures Singapore Pte. Ltd. ICE Singapore Holdings Pte. Ltd.	<u>Group Companies</u> – <u>Other Companies</u> Amare-Greenland Hospitality Investments (AGHI) Pte. Ltd. China Aviation Oil (Singapore) Corporation Ltd TP Utilities Pte. Ltd. Tuas Power Generation Pte. Ltd. Tuas Power Ltd

Name	Present directorships	Past directorships
Mr. Liew	<u>Group Companies</u>	<u>Group Companies</u>
	–	–
	<u>Other Companies</u>	<u>Other Companies</u>
	K3E	Nouryon Surface Chemistry Pte. Ltd.
Ms. Thong	<u>Group Companies</u>	<u>Group Companies</u>
	–	–
	<u>Other Companies</u>	<u>Other Companies</u>
	Arrow Consulting Pte. Ltd. Halogen Foundation (Singapore) Indo Kaya Energi Pte. Ltd. JHT Law Corporation Oasis Commodities Pte. Ltd. Spackman Entertainment Group Limited Tsing Investments Pte. Ltd.	Hualaoda Pte. Ltd. Inception Materials Pte. Ltd. Meg Star Global Services Private Limited Sino Energy Consultants Pte. Ltd.

Note:

(1) The principal activity of Booming Wealth Group Corp is investment holding.

Executive Officers

Name	Present directorships	Past directorships
Mr. Mah	<u>Group Companies</u>	<u>Group Companies</u>
	iWOW Connection Pte Ltd iWOW Communications Pte Ltd	–
	<u>Other Companies</u>	<u>Other Companies</u>
	–	–
Mr. Chen	<u>Group Companies</u>	<u>Group Companies</u>
	–	–
	<u>Other Companies</u>	<u>Other Companies</u>
	–	–

Name	Present directorships	Past directorships
Mr. Ashokan	<u>Group Companies</u>	<u>Group Companies</u>
	–	–
	<u>Other Companies</u>	<u>Other Companies</u>
	–	The Mindful Tree Pte. Ltd.
Mr. Ho	<u>Group Companies</u>	<u>Group Companies</u>
	–	–
	<u>Other Companies</u>	<u>Other Companies</u>
	Jhostone Sdn Bhd	–

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TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

You are invited to apply and subscribe for and/or purchase the Placement Shares at the Placement Price for each Placement Share subject to the following terms and conditions set out below and in the relevant printed application forms to be used for the purpose of this Placement and which forms part of the Offer Document (the “**Application Forms**”):

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 PLACEMENT SHARES OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF PLACEMENT SHARES WILL BE REJECTED.**
2. Your application for the Placement Shares may only be made by way of the Application Form or such other form of application as the Sponsor and Issue Manager and the Underwriter and Placement Agent may deem appropriate.
3. **YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE PLACEMENT SHARES.**
4. **You (not being an approved nominee company) are allowed to submit only one (1) application in your own name for the Placement Shares. Any separate application by you for the Placement Shares shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary.**

If you, not being an approved nominee company, have submitted an application for Placement Shares in your own name, you should not submit any other application for Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent.

Joint and multiple applications for the Placement Shares may be rejected at the discretion of our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent. If you submit or procure submissions of multiple share applications for Placement Shares, you may be deemed to have committed an offence under the Penal Code 1871 and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications may be rejected at the discretion of our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent.

By completing and delivering the Application Form, you declare that you do not possess more than one (1) individual direct Securities Account with CDP.

5. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole-proprietorships, partnerships, or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Forms) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the name of the deceased at the time of the application.

6. We will not recognise the existence of a trust. Any application by a trustee or trustees must therefore be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name (s) of an approved nominee company or companies after complying with paragraph 7 below.
7. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.
8. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if you apply by way of an Application Form). If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form, your application is liable to be rejected. Subject to paragraph 9 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality and permanent residence status provided in your Application Form differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one (1) individual direct Securities Account with CDP, your application shall be rejected.
9. **If your address as stated in the Application Form is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from CDP will be sent to your address last registered with CDP.**
10. **Our Company, in consultation with the Sponsor and Issue Manager, the Underwriter and Placement Agent, reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance.**

Each of our Company, the Sponsor and Issue Manager, and the Underwriter and Placement Agent further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms and the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

Without prejudice to the rights of our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent, as agents of our Company, have been authorised to accept, for and on behalf of our Company such other forms of application as the Sponsor and Issue Manager and the Underwriter and Placement Agent deems appropriate.

11. Our Company, in consultation with the Sponsor and Issue Manager, the Underwriter and Placement Agent, reserves the right to reject or to accept, in whole or in part, or to scale down any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company with regards thereto will be entertained. In deciding the basis of allotment, which shall be at the discretion of our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent, due consideration will be given to the desirability of allotting the Placement Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.

12. Share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, and subject to the submission of valid applications and payment for the Placement Shares, a statement of account stating that your Securities Account has been credited with the number of Placement Shares allotted and/or allocated to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company. You irrevocably authorise CDP to complete and sign on your behalf, as transferee or renounee, any instrument of transfer and/or other documents required for the issue and/or transfer of the Placement Shares allotted and/or allocated to you.
13. In the event a supplementary or replacement offer document ("**Relevant Document**") is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Placement shall be kept open for at least 14 days after the lodgement of such Relevant Document.
14. Where prior to the lodgement of the Relevant Document, applications have been made under this Offer Document to subscribe for and/or purchase the Placement shares and:
 - (a) where the Placement Shares have not been allotted and issued to the applicants, we shall either:
 - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to withdraw your application and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document;
 - (ii) within seven (7) days of the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to withdraw your application; or
 - (iii) treat your application as withdrawn and cancelled, in which case your application shall be deemed to have been withdrawn and cancelled and within seven (7) days from the date of lodgement of the Relevant Document, return all monies paid in respect of any application, without interest or any share of revenue or benefit arising therefrom and at your own risk and you shall not have any right or claim against our Company, the Sponsor and Issue Manager and/or the Underwriter and Placement Agent; or
 - (b) where the Placement Shares have already been allotted and issued but trading has not commenced, we shall either:
 - (i) within two (2) days (excluding Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to return to our Company the Placement Shares which you do not wish to retain title in and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document;
 - (ii) within seven (7) days from the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to return the Placement Shares which you do not wish to retain title in; or

- (iii) treat the issue and/or transfer of the Placement Shares as void in which case the issue and/or transfer of the Placement Shares shall be deemed void, and within seven (7) days from the date of lodgement of the Relevant Document, return all monies paid on account of your application for the Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at your own risk, and you shall not have any right or claim against our Company, the Sponsor and Issue Manager and/or the Underwriter and Placement Agent.

Any applicant who wishes to exercise his option under paragraph 14(a)(i) or (ii) above to return the Placement Shares allotted and issued to him shall, within 14 days from the date of lodgement of the Relevant Document, notify us of this, whereupon we shall, subject to compliance with the Companies Act and the Constitution of our Company, within seven (7) days from the receipt of such notification and documents, purchase the applicant's Placement Shares at the Placement Price and pay to him all monies paid by him for the Placement Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk, and those Placement Shares shall be cancelled upon repurchase by our Company.

Any applicant who wishes to exercise his option under paragraph 14(b)(i) or (ii) above to return the Placement Shares allotted and issued to him shall, within 14 days from the date of lodgement of the Relevant Document, notify us of this and return all documents, if any, purporting to be evidence of title of those Placement Shares, whereupon we shall, subject to compliance with the Companies Act and the Constitution of our Company, within seven (7) days from the receipt of such notification and documents, purchase the applicant's Placement Shares at the Placement Price and pay to him all monies paid by him for the Placement Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk, and those Placement Shares shall be cancelled upon repurchase by our Company.

Additional terms and instructions applicable upon the lodgement of the Relevant Document, including instructions on how you can exercise the option to withdraw your application or return the Placement Shares allotted and/or allocated to you, may be found in such Relevant Document.

15. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Placement Shares allotted and/or allocated to you pursuant to your application, to us, the Sponsor and Issue Manager, the Underwriter and Placement Agent and any other parties so authorised by the foregoing persons.
16. Any reference to "you" or the "applicant" in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Placement Shares through the Underwriter and Placement Agent by way of an Application Form or such other forms of application as the Sponsor and Issue Manager and the Underwriter and Placement Agent deem appropriate.
17. By completing and delivering an Application Form in accordance with the provisions of this Offer Document, you:
 - (a) irrevocably offer, agree and undertake to subscribe for and/or purchase the number of Placement Shares specified in your application (or such smaller number for which the application is accepted) at the Placement Price for each Placement Share and agree that you will accept such Placement Shares as may be allotted and/or allocated to you, in each case on the terms of, and subject to the conditions set out in this Offer Document and the Constitution of our Company;

- (b) agree that the aggregate Placement Price for the Placement Shares applied for is due and payable to our Company upon application;
 - (c) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company in determining whether to accept your application and/or whether to allot and/or allocate any Placement Shares to you;
 - (d) (i) consent to the collection, use, processing and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent residency status, CDP Securities Account number, share application amount, the outcome of your application (including the number of Placement Shares allotted to you pursuant to your application) and other personal data (“**Personal Data**”) to the Share Registrar, Securities Clearing and Computer Services (Pte) Ltd (“**SCCS**”), the SGX-ST, CDP, our Company, the Sponsor and Issue Manager, and the Underwriter and Placement Agent and/or other authorised operators (collectively, the “**Relevant Persons**”) for the purpose of facilitating your application for the Placement Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”) and warrant that such Personal Data is true, accurate and correct, (ii) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Persons, you have obtained the prior consent of such beneficial owner(s) for the collection, use, processing and disclosure by the Relevant Persons of the Personal Data of such beneficial owner(s) for the Purposes, (iii) agree that the Relevant Persons may do anything or disclose any Personal Data or matters without notice to you if the Relevant Persons consider them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body, and (iv) agree that you will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant Parties shall be entitled to enforce this indemnity (collectively, the “**Personal Data Privacy Terms**”). If any Personal Data is transferred to a country or territory outside of Singapore, the Relevant Persons will ensure that the recipient of the Personal Data provides a standard of protection that is comparable to the protection which Personal Data enjoys under the laws of Singapore, and where these countries or territories do not have personal data protection laws which are comparable to that of Singapore, the Relevant Persons will enter into legally enforceable agreements with the recipients to ensure that they protect the Personal Data to the same standard as required under the laws of Singapore; and
 - (e) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent will infringe any such laws as a result of the acceptance of your application.
18. Our acceptance of applications will be conditional upon, *inter alia*, our Company being satisfied that:
- (a) permission has been granted by the SGX-ST to deal in and for quotation for all our existing Shares, the New Shares, the Option Shares and the Award Shares on Catalist;
 - (b) the Management and Sponsorship Agreement and the Underwriting and Placement Agreement referred to in the section entitled “Plan of Distribution – Management, Underwriting and Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine; and

- (c) the SGX-ST, acting as agent on behalf of the Authority, has not served a stop order (“**Stop Order**”) which directs that no or no further shares to which this Offer Document relates be allocated and issued and/or transferred.
19. In the event that a Stop Order in respect of the Placement Shares is served by the Authority, the SGX-ST, acting as agent on behalf of the Authority or other competent authority, and
- (a) in the case where the Placement Shares have not been allotted and issued, all applications shall be deemed to have been withdrawn and cancelled and our Company shall refund all monies paid on account of your application of the Placement Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk) to you within 14 days of the date of the Stop Order; or
- (b) in the case where the Placement Shares have been allotted and issued but trading has not commenced and the issue and/or transfer of the Placement Shares is required by the SFA to be deemed to be void, our Company shall, subject to compliance with the Companies Act and our Constitution, within 14 days from the date of the Stop Order, purchase your Placement Shares at the Placement Price and pay to you all monies you have paid on account of your application for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk).

This shall not apply where only an interim Stop Order has been served.

20. In the event that an interim Stop Order in respect of the Placement Shares is served by the SGX-ST, acting as agent on behalf of the Authority, or other competent authority, no Placement Shares shall be allotted and issued to you during the time when the interim Stop Order is in force.
21. The SGX-ST, acting as agent on behalf of the Authority or other competent authority, is not able to serve a Stop Order in respect of the Placement Shares if the Placement Shares have been allotted and issued, listed on a securities exchange and trading in the Placement Shares has commenced. In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same through a SGXNET announcement to be posted on the internet at the SGX-ST website, <http://www.sgx.com> and through a paid advertisement in a local English newspaper.
22. We will not hold any application in reserve.
23. We will not allot and/or allocate Shares on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.
24. Additional terms and conditions for applications by way of Application Forms are set out on pages J-7 to J-9 of this Offer Document.
25. All payments in respect of any application for the Placement Shares and any refund shall be made in S\$.
26. No person in any jurisdiction outside Singapore receiving this Offer Document or its accompanying documents (including the Application Form) may treat the same as an offer or invitation to subscribe for and/or purchase any Placement Shares unless such offer or invitation could lawfully be made without compliance with any regulatory requirements in those jurisdictions.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORM

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out in the section entitled "Terms and Conditions and Procedures for Application and Acceptance" of this Offer Document, as well as the Constitution of our Company.

1. Your application for the Placement Shares must be made using the Application Form for Placement Shares accompanying and forming part of this Offer Document.

We draw your attention to the detailed instructions contained in the Application Form and this Offer Document for the completion of the Application Form which must be carefully followed. **Our Company, in consultation with the Sponsor and Issue Manager, the Underwriter and Placement Agent reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Form and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittance.**

2. Your Application Form must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Form except those under the heading "FOR OFFICIAL USE ONLY" must be completed and the words "NOT APPLICABLE" or "N.A." should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full names as it appears in your identity cards (if you have such an identification document) or in your passports and, in the case of a corporation, in your full name as registered with a competent authority. If you are a non-individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Constitution or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Constitution or equivalent constitutive documents must be lodged with our Company's Share Registrar and Share Transfer Office. Our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent reserve the right to require you to produce documentary proof of identification for verification purposes.
5.
 - (a) You must complete Sections A and B and sign page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporations.

If you are an approved nominee company, you are required to declare whether the beneficial owner of the Placement Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation.

7. **The completed and signed Application Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate postage (if despatching by ordinary post) and thereafter the sealed envelope must be DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk to IWOW TECHNOLOGY LIMITED C/O B.A.C.S. PRIVATE LIMITED, 77 ROBINSON ROAD, #06-03 ROBINSON 77, SINGAPORE 068896, to arrive by 12.00 noon on 12 April 2022 or such other time as our Company may, in consultation with the Sponsor and Issue Manager, and the Underwriter and Placement Agent, in its absolute discretion, decide. Local Urgent Mail or Registered Post must NOT be used.** Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of Placement Shares applied for, in the form of a BANKER'S DRAFT or CASHIER'S ORDER drawn on a bank in Singapore, made out in favour of "iWOW Share Issue Account" crossed "A/C PAYEE ONLY", and with your name and address written clearly on the reverse side. **Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted.** We will reject remittances bearing "NOT TRANSFERABLE" or "NON TRANSFERABLE" crossings. No acknowledgement or receipt will be issued by our Company or the Sponsor and Issue Manager for applications and application monies received.
8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours of balloting of applications at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and application monies have been received in the designated share issue account. In the event that the Placement does not proceed for any reason, the full amount of the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within five (5) Market Days of the termination of the Placement. In the event that the Placement is cancelled by us following the issuance of a Stop Order by the SGX-ST, acting as agent on behalf of the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days from the date of the Stop Order.
9. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
10. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of our Company, our Directors, the Sponsor and Issue Manager, the Underwriter and Placement Agent and/or any other party involved in the Placement, and if, in any such event, our Company, the Sponsor and Issue Manager, the Underwriter and Placement Agent and/or the relevant Participating Bank do not receive your Application Form, you shall have no claim whatsoever against our Company, the Sponsor and Issue Manager, the Underwriter and Placement Agent, the relevant Participating Bank and/or any other party involved in the Placement for the Placement Shares applied for or for any compensation, loss or damage.

11. By completing and delivering the Application Form, you agree that:
- (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at 12.00 noon on 12 April 2022 or such other time or date as our Company may, in consultation with the Sponsor and Issue Manager, the Underwriter and Placement Agent decide and by completing and delivering the Application Form:
 - (i) your application is irrevocable; and
 - (ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
 - (b) neither our Company, the Sponsor and Issue Manager, the Underwriter and Placement Agent nor any other party involved in the Placement shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;
 - (c) all applications, acceptances and contracts resulting therefrom under the Placement shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (d) in respect of the Placement Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
 - (e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
 - (f) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Sponsor and Issue Manager, the Underwriter and Placement Agent or any other person involved in the Placement shall have any liability for any information not so contained;
 - (g) you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent residency status, CDP Securities Account number, and share application amount to our Share Registrar, CDP, SCCS, SGX-ST, our Company, the Sponsor and Issue Manager, the Underwriter and Placement Agent or other authorised operators; and
 - (h) you irrevocably agree and undertake to subscribe for and/or purchase the number of Placement Shares applied for as stated in the Application Form or any smaller number of such Placement Shares that may be allotted and/or allocated to you in respect of your application. In the event that our Company decide to allot and/or allocate a smaller number of Placement Shares or not to allot and/or allocate any Placement Shares to you, you agree to accept such decision as final.
12. By completing and delivering the Application Form, you declare that you do not possess more than one (1) individual direct Securities Account with CDP.

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iWOW

IWOW TECHNOLOGY LIMITED

(Company Registration No.: 199905973K)

(Incorporated in the Republic of Singapore on 1 October 1999)