

TERMS OF REFERENCE (TOR)

Independent Fair Market Valuation of KE Live Application

1. Background

K-Electric Limited ("KE") has developed KE Live, comprising a mobile application and customer web portal by incurring capex and opex. The application was developed solely "to serve" its customers to provides customers with various digital services, including bill-related services, bill payment, complaint/request management, outage information and other customer self-service features.

KE intends to obtain an **independent third-party valuation of KE Live** to establish its fair market value as at an agreed valuation date as KE wants to outsource the app via a sale (to recoup incurred capex, or part of it) along with SLA (which will require the buyer to incur additional capex and annual opex while billing KE to recoup investment, opex and some returns).

KE therefore intends to engage a reputed and suitably qualified valuation firm through a competitive procurement process to undertake the assignment and provide an independent valuation report.

2. Objective

The objective of this document is to obtain an **independent and professionally supported fair market valuation of KE Live Application**, including the underlying software, IP and related intangible assets, as applicable.

The valuation should provide KE with a clear and proper assessment of the value of KE Live based on an appropriate valuation methodology and relevant available information.

3. Scope of Work

The appointed consultant shall:

- Develop an understanding of the KE Live Application, its key functionalities and business use.
- Determine the appropriate valuation approach/methodology for KE Live and explain the basis for its selection.
- Perform the valuation analysis using appropriate and supportable assumptions, inputs and market considerations.
- Identify and clearly document key assumptions, limitations and information relied upon.
- Determine the fair market value of KE Live as at the agreed valuation date.

- Provide an independent valuation conclusion supported by appropriate analysis.

The consultant shall exercise its professional judgment in determining the appropriate valuation methodology. KE does not intend to prescribe a specific valuation methodology.

4. Information to be Provided by KE

KE will provide relevant information reasonably available for the valuation, which may include:

- Overview of KE Live and its key features/modules.
- Relevant business and operational information.
- User base and usage/adoption information.
- Available technical/functional documentation.
- Historical development and related expenditure information, where relevant.
- Other financial information considered relevant to the valuation.
- Available information relating to software/IP ownership and licenses, where relevant.

The consultant may request additional information reasonably required to complete the valuation.

5. Deliverables

The consultant shall provide:

A final independent valuation report incorporating relevant factual comments from KE and clearly stating:

- Scope of valuation;
- Valuation date;
- Basis of value;
- Valuation methodology;
- Key assumptions and information relied upon;
- Valuation analysis; and
- Final fair market value conclusion.

6. Applicable Standards

The consultant shall identify and apply the appropriate accounting and/or valuation standards applicable to the assignment and clearly state the basis of value adopted in its report. The consultant shall also explain the rationale for the basis of value and methodology adopted.

7. Consultant Qualification and Experience

The consultant should demonstrate:

- Proven experience in valuation of software, technology, digital applications and/or intangible assets.
- Experience in fair market/fair value assignments.
- Relevant experience in undertaking similar valuation assignments for large organizations.
- Appropriate professional qualifications and experienced valuation personnel.
- Understanding of applicable accounting and valuation standards.

Bidders should provide details of relevant comparable assignments undertaken by the proposed engagement team/firm.

8. Independence and conflict of Interest

The consultant shall be independent and disclose any actual, potential or perceived conflict of interest that may affect its ability to undertake the assignment objectively. KE reserves the right to assess whether any disclosed relationship creates a conflict that may affect the bidder's eligibility or independence.

9. Proposal Requirements

The technical proposal should include:

- 1) Understanding of the assignment.
- 2) Proposed valuation approach and methodology.
- 3) Scope and work plan.
- 4) Proposed timeline.
- 5) Relevant experience and comparable assignments.
- 6) Proposed engagement team and qualifications.
- 7) Assumptions, dependencies and exclusions.
- 8) Independence/conflict-of-interest declaration.

A separate financial proposal should clearly state the professional fee, applicable taxes and any reimbursable expenses.

10. Timeline

The final report to be shared in 30 days period after issuance of PO.

11. Confidentiality

All information and documents provided by KE shall be treated as confidential and shall be used solely for the purpose of performing this assignment. The consultant shall ensure

appropriate confidentiality obligations are extended to its personnel, advisers and approved subcontractors.

12. Expected Outcome

The assignment is expected to result in an independent, objective and professionally supported fair market valuation of KE Live, together with a formal valuation report clearly explaining the methodology, key assumptions, analysis and resulting valuation conclusion.