

## ENTRY INTO JOINT VENTURE AGREEMENT

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*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the announcement dated 2 November 2020 (the “Announcement”).*

### 1. INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of Yinda Infocomm Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that further to the Announcement in relation to the execution of the non-binding memorandum of understanding to acquire up to 51% of the total issued shares of International Biometric Pte. Ltd. (“**InterBIO**”), the Company has, on 2 December 2020, entered into a joint venture agreement with InterBIO (the “**JVA**”). Under the JVA, the Company and InterBIO intends to establish a joint venture company (“**JVC**”) to develop and expand InterBIO’s identity management, biometric security and software solutions business on an international scale all over the world outside Indonesia and the Philippines where InterBIO currently operates on an exclusive basis.

### 2. INFORMATION ON INTERBIO

InterBIO is an identity management biometric software solutions company offering state of the art technology, robust platform with its core team in Indonesia and India, working together with partners from US, Europe and ASEAN. Its platforms are based on core technologies such as face, fingerprints, and iris biometrics, which are listed in the National Institute of Standards Technology (NIST) benchmarks.

InterBIO offers custom end-to-end identity solutions leveraging the Biometrics Identity Grid (BIG©) platform and other proven off-the-shelf components. These solutions seamlessly adapt to customer defined operational and budgetary requirements yielding high levels of performance, efficiency and flexibility.

*For more information, please visit <https://interbio.id>*

### 3. PRINCIPAL TERMS OF THE JVA

#### Roles of the Parties

Pursuant to the JVA, InterBIO will be responsible for developing, updating and licensing the software to be deployed by the JVC in the projects secured, while the Company will source for suitable business opportunities and potential customers for the expansion and growth of the JVC’s business through its network. Both parties shall be obligated to offer any business opportunities or to conduct business exclusively with each other pursuant to the JVA.

#### Capital contribution towards the JVC

The initial issued and paid-up share capital of the JVC will be S\$1,000,000 which will be utilised for working capital purposes and for capital expenditure relating to the business of the JVC. The Company and InterBIO will subscribe for shares in the JVC in the proportion of 51% and 49% respectively. The Company’s portion of the subscription will be S\$510,000 which will be satisfied fully in cash and will be funded by internal resources. The JVA is not expected to have any material impact on the net tangible assets or earnings per share of the Group for the financial year ending 31 May 2021.

### Board of the JVC

The Board of the JVC will comprise 2 directors namely a Chairman which will be appointed by the Company and a Chief Executive Officer which will be appointed by InterBIO. All decisions of the Board will be made unanimously.

### Shareholder rights

The parties will have pre-emption rights over the issue of new shares and the transfer of existing shares by shareholders of the JVC.

### Term of the JVA

The JVA shall remain in effect for 5 years from the date of the JVA (the “**Initial Term**”). Upon expiration of the Initial Term, the JVA shall be automatically renewed for successive periods of 1 year each (each a “**Renewal Term**”), unless one party gives the other party written notice of termination at least 30 days (but in any event no more than 60 days) prior to the expiration of the Initial Term or any Renewal Term.

In addition to customary termination provisions, InterBIO may terminate the JVA if the Company does not acquire at least 25% of InterBIO within 4 months from the date of the JVA.

### Interests of Directors and controlling shareholders

None of the Directors or controlling shareholders of the Company and the respective associates has any interest, direct or indirect, in the JVA, other than through their respective shareholdings (if any) in the Company.

### Service contracts with Directors

No person is proposed to be appointed as a Director of the Company in connection with the JVA. Accordingly, no service contract is proposed to be entered into in connection with the JVA.

## **4. RATIONALE FOR ENTRY INTO THE JVA**

The COVID-19 global pandemic has caused severe disruption to the global economy and business, and has had an enormous impact on the telecommunications industry and the Group’s operations, which has been affected by the lockdown measures in the various jurisdictions in which the Group operates. However, digitalisation and security efforts by businesses have also been accelerated during this time period, which the Group perceives to be a potential opportunity for the provision of biometric authentication and security solutions to allow businesses to continue to operate normally despite the various restrictions imposed to limit the spread of the coronavirus.

While the Group continues to look out for opportunities in the telecommunications industries and focus on servicing its existing customers, there is a need for the Group to diversify into additional and recurrent revenue streams for the Group, which may include, *inter alia*, licensing and maintenance fees from the security and software solutions sold to customers. While the Group will continue to pursue sustainable growth strategies to strengthen and grow its existing business, the Group’s exploration of other growth areas will facilitate the Group’s quest for sustained performance in the future and will be more prudent than relying solely on its existing business for revenue.

While the Group will maintain its focus on its core business, it will continue to tap on new business opportunities to increase and diversify revenue streams for the Group and enhance potential value for shareholders on long-term basis.

Should the acquisition by the Company of InterBIO materialise and the JVA not be terminated, the Company will seek the necessary approvals from shareholders for the Group’s entry into the business of identity management, biometric security and software solutions business.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. When in doubt, shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

#### **5. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the JVA is available for inspection at the registered office of the Company at 5008 Ang Mo Kio Avenue 5 #04-07 Techplace II Singapore 569874 during normal business hours for 3 months from the date of this announcement.

#### **6. DIRECTORS' RESPONSIBILITY STATEMENT**

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

#### **7. FURTHER ANNOUNCEMENTS**

The Company will make the appropriate announcements when there are material developments on the JVA.

By Order of the Board

Mr Tan Chee Bun Gordon  
Executive Director  
2 December 2020

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*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr. Ong Hwee Li (Tel +65 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*