

YINDA INFOCOMM LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201506891C)
(the “Company”)

- (I) **PROPOSED ACQUISITION OF 51.0% SHAREHOLDING IN THE TOTAL ORDINARY SHARE CAPITAL OF INTERNATIONAL BIOMETRICS PTE. LTD. AND PROPOSED DIVERSIFICATION INTO THE NEW BUSINESS OF DEVELOPMENT AND PROVISION OF IDENTITY MANAGEMENT BIOMETRIC TECHNOLOGY SOLUTIONS; AND**
 - (II) **PROPOSED INVESTMENT IN TECH5 SA THROUGH A LOAN CONVERTIBLE INTO SHARES AND ENTRY INTO A PREFERENTIAL LICENSING AGREEMENT WITH TECH5 SA.**
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1. INTRODUCTION

1.1. The board of directors (the “**Board**” or the “**Directors**”) of Yinda Infocomm Limited (the “**Company**”, together with the subsidiaries, the “**Group**”) refers to the announcements dated 2 November 2020 (*Non-binding Memorandum of Understanding in relation to the Proposed Acquisition of Shares in the Capital of International Biometrics Pte. Ltd.*) and 2 December 2020 (*Entry into Joint Venture Agreement*) and wishes to announce that it has entered into:

1.1.1. in relation to the proposed acquisition of International Biometrics Pte. Ltd. (the “**Target**”, together with its subsidiary, PT International Biometrics Indonesia (“**PT IBI**”), the “**Target Group**”, and each a “**Target Group Company**”) (the “**Proposed Acquisition**”):

- (a) a sale and purchase agreement (the “**InterBio SPA**”) with the Seller Shareholders and the Sellers (both as defined in section 4.3.1) for a proposed acquisition by the Company of 51.0% shareholding in the total ordinary share capital (the “**Sale Shares**”) of the Target for an aggregate purchase consideration of approximately S\$35,000,000 (the “**Purchase Consideration**”) to be satisfied via the issue and allotment of new shares in the capital of the Company (the “**Shares**”) and cash, in the manner as set out in section 4.4 (*Salient terms of the InterBio SPA*);
- (b) a shareholders’ agreement (the “**InterBio SHA**”) amongst the shareholders of the Target to regulate the affairs of the Target and the respective rights and obligations of the shareholders of the Target, with effect from the Completion Date (as defined in section 4.4 (*Salient terms of the InterBio SPA*));

1.1.2. in relation to the proposed investment into TECH5 SA (“**TECH5**”) (the “**Proposed Investment**”):

- (a) a loan agreement with TECH5 (the “**TECH5 Loan Agreement**”) for the extension of a US\$2,500,000 term loan (the “**TECH5 Loan Amount**”) by the Company to TECH5;
- (b) an investment agreement (the “**TECH5 Investment Agreement**”) amongst the shareholders of TECH5 and the Company to set out the conversion rights of the Company in relation to the TECH5 Loan Amount; and
- (c) a preferential licensing agreement with TECH5 (the “**TECH5 Preferential Licensing Agreement**”) for the grant by TECH5 to the Company preferential licensing rights to distribute and utilise TECH5’s biometric technology solutions,

the Proposed Acquisition, the Proposed Investment and the investment in the JVC (as defined below) (the “**Proposed JV**”), collectively as the “**Proposed Transactions**”.

2. BACKGROUND TO THE PROPOSED DIVERSIFICATION AND PROPOSED TRANSACTIONS

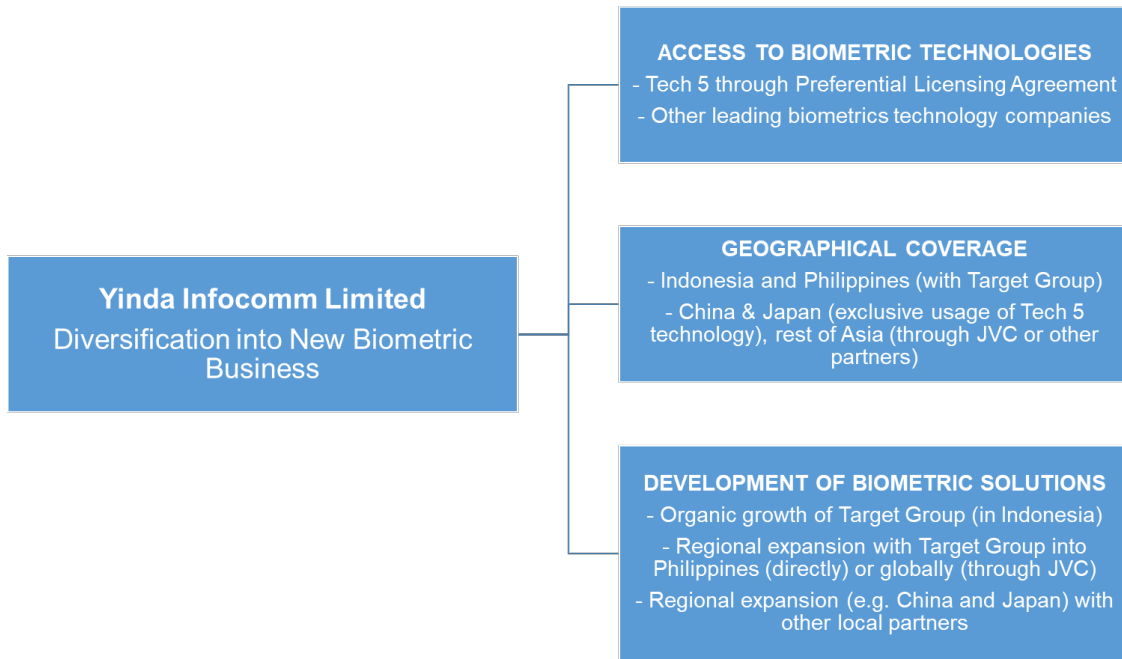
- 2.1. The Group is currently a regional integrated and innovative communications solutions and services provider with operations in Singapore and Thailand (the “**Existing Telecommunications Businesses**”). Our capabilities include inbuilding coverage, outdoor mobile network infrastructure construction, telecommunications implementation, maintenance services and network planning and optimisation. In an effort to control costs and restructure the business of the Group, the Group had exited from its operations in Malaysia and Philippines subsequent to the extraordinary general meeting held on 30 December 2020 and currently only operates in Singapore and Thailand markets. Recently, the Group’s projects in Singapore and Thailand continue to be affected and delayed due to measures implemented by the respective governments to curb COVID-19.
- 2.2. Following from the above, the Board had seen the need to identify various businesses and targets with promising growth potential to support the Existing Telecommunications Businesses. Consequently, the Company had engaged a company incorporated in Hong Kong, Precious Glory Enterprises Limited (the “**Introducer**”) to, *inter alia*, assist with the introduction of the Target Group and TECH5 for acquisition by or partnership with the Company, taking into the account the strategic needs and requirements of the Company. More details on the Introducer are set out in section 4.7 (*Information on the Introducer*) of this announcement.
- 2.3. Accordingly, on 2 November 2020, following introduction by the Introducer, the Company entered into a non-binding memorandum of understanding in relation to the Proposed Acquisition. Further, on 2 December 2020, the Company entered into a joint venture arrangement (the “**JVA**”) with the Target pursuant to which the Company and the Target intends to set up a joint venture company (the “**JVC**”).
- 2.4. Having carefully considering the aforesaid and following the conduct of due diligence by the Company, the Company will be seeking shareholders’ approval to diversify into the development and provision of identity management biometric technology solutions (the “**New Biometrics Business**”) (the “**Proposed Diversification**”). Under this Proposed Diversification goal, the Company envisions:
 - 2.4.1. pursuant to the Proposed Acquisition, to ride on PT IBI’s current base of maintaining Indonesia’s current national identity database (of more than 200 million of enrolled citizens) as well as to support PT IBI in building new inroads into the application of identity management biometric technology solutions in the burgeoning Indonesian market. These applications encompass a wide variety of medical insurance, healthcare, banking, electronic payments, transport and telecommunication related applications of identity management biometric technologies in the commercial sector. The Proposed Acquisition thus allows the Group to obtain a controlling stake in the Target Group which has a proven track record at executing and managing large-scale biometric solutions projects in Indonesia.
 - 2.4.2. pursuant to the JVA, to secure New Biometric Business’ projects regionally and tap on the expertise, experience and established capabilities of the Target Group to expediently execute such projects;
 - 2.4.3. pursuant to the TECH5 Loan Agreement and TECH5 Investment Agreement, to support the continued research and development of core identity management biometric technologies within TECH5, and gain the opportunity to participate in the equity of TECH5 which will in turn help to anchor its working relationship with TECH5. Although the TECH5 Loan Amount is non-interest bearing, the Group is granted (a) equity conversion rights; and (b) exclusive (for China and Japan) and non-exclusive (for rest of the world) distribution rights for TECH5’s technologies. Through this, the Group can acquire access to continued research and development in the latest

identity management biometric technologies and allows the Group to penetrate the China and Japan markets using TECH5's technology by developing and rolling out identity management biometric technology solutions for those countries, either on its own or through working with local partners. Over time, the Company can also develop its own internal capabilities to develop and implement New Biometric Business' projects. Following therewith, this will open up a new growth track for the Company in addition to the JVA route explained above;

2.4.4. having both the JVA and TECH5 Preferential Licensing Agreement under its wings, the Group has the ability and flexibility take on such New Biometrics Business projects on its own, through the JVA, or work with local industry partners in various geographies, depending on the specific needs and circumstances of these projects and the Group's own needs and situation; and

2.4.5. therefore, the Proposed Transactions allow the Group to have an investment stake in various parts of the supply and value chain of the identity management biometrics industry.

2.5. To allow shareholders' a more holistic and comprehensive understanding of the synergies of the Proposed Transactions, below is a summary of the business focus of the JVC, the Target Group and TECH5:



2.6. Please refer to sections 4.1 (*Information on the Target Group*) and 5.1 (*Information on TECH5*) for further information on the Target Group and TECH5, respectively.

2.7. The Proposed Diversification and the Proposed Transactions will allow the Group to expand into the promising identity management biometric technology solutions business, and represents continual efforts of the Board to seek new business opportunities in current challenging COVID-19 economic environment in order to enhance shareholders' value.

3. RATIONALE OF THE PROPOSED DIVERSIFICATION AND PROPOSED TRANSACTIONS

3.1. Notwithstanding the recent exit from the Malaysia and Philippines markets in order to save on continued operating costs and stem the impact of the losses from these markets, the Group's existing business has been negatively impacted by the COVID-19 pandemic.

- 3.2. On the other hand, the COVID-19 pandemic has accelerated the efforts by the governments, businesses and individuals to promote and adopt digitalisation strategies and enhance security efforts, and identity management biometric technology solutions are the centerpiece of these developments and trends.
- 3.3. According to a report from Markets and Markets, the identity verification market is projected to grow from US\$7.6 billion in 2020 to US\$15.8 billion in 2025, representing a 15.6% compound annual growth rate (“**CAGR**”) over the same period, with biometric technology solutions growing at a higher rate than non-biometric ones¹. In particular, the biometric system market is expected to grow from US\$36.6 billion in 2020 to US\$68.6 billion by 2025, a CAGR of 13.4% over the forecast period. The major factors driving the market include the increasing use of biometrics in consumer electronic devices for authentication and identification purposes, the growing need for surveillance and security with the heightened threat of terrorist attacks, and the surging adoption of biometric technology in automotive applications².
- 3.4. Indonesia alone has enrolled approximately 200 million citizens in its biometric national identity database, and the Ministry of Home Affairs of Indonesia has in turn granted access rights for institutions to utilise national identity biometric database through Permendagri 102 2019. This underlies the huge potential of the Proposed Acquisition to develop identity management biometric technology solutions to tap on this available infrastructure.
- 3.5. Having identified the promising potential in the biometrics solutions segment of the identity verification market, the Group feels it is a timely and strategic opportunity to enter into the Proposed Transactions. In particular, the Proposed Acquisition, Proposed JV and Proposed Investment represent strategic steps by the Group to both gain access to leading identity management biometric technologies as well as acquire capabilities to develop and implement identity management biometric technology solutions.
- 3.6. Given the market potential and positive trends in the New Biometrics Business, the Group is of the view that the Proposed Transactions, will add both immediate and future revenue streams for the Group, and also provide the Group with a more diversified and sustainable business and income base for future growth, reducing the Group’s reliance on its existing businesses for its revenue streams. Taken together, they provide the Group with a broad set of capabilities and partners, and infuse the Group with the critical and core ingredients necessary to build a credible and sustainable identity management biometric technology solutions business over the long term.
- 3.7. Following shareholders’ approval of the Proposed Diversification, business opportunities such as the Proposed Transactions will become the ordinary course of business of the Group. Accordingly, the Group will be able to pursue new business opportunities similar to the Proposed Acquisition and Proposed Investment expediently without having to seek further approval from its shareholders (unless otherwise required by the rules of the Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”)), which could have the potential to unduly delay the decision-making and acquisition process, so long as such transactions do not significantly change the Group’s risk profile. This will provide the Group with the flexibility to pursue business opportunities that may be time-sensitive in nature, and is also likely reduce expenses associated with the convening of such meetings.

4. PROPOSED ACQUISITION

4.1. Information on the Target Group

- 4.1.1. The Target is a private limited company established in 2018 in Singapore and is a holding company of PT IBI owning 99%³ of the share capital of PT IBI.

¹ <https://www.biometricupdate.com/202011/biometrics-to-lead-identity-verification-market-growth-to-15-8b-by-2025>

² Biometric System Market worth \$68.6 billion by 2025 ([marketsandmarkets.com](https://www.marketsandmarkets.com))

³ The remaining 1% is owned by an Indonesian national, Mr. Achmad Wijaya.

4.1.2. PT IBI is a leading identity management biometric software solutions company with strong execution experience and robust technology platforms. PT IBI's platforms are based on core technologies licensed from strategic technology partners, including TECH5 like face, finger and iris biometrics listed in the top tier in NIST⁴ benchmarks. PT IBI currently serves mainly ministries and government agencies and is looking to expand its coverage to medical insurance, healthcare, banking electronic payments, transport and telecommunication related applications in the commercial sector.

4.2. Financial information on the Proposed Acquisition

4.2.1. Based on the unaudited consolidated accounts of the Target Group, which is in turn based on the unaudited accounts of PT IBI, the Target Group recorded a net profit after tax of S\$1,890,000 for the financial year ended 31 December 2019 ("FY2019") and a net asset of S\$2,143,000 as at 31 December 2019.

4.2.2. Based on the management accounts for the six months ended 30 June 2020 ("HY2020") and latest management accounts for the eleven months ended 30 November 2020 ("11MFY2020"), the Target Group recorded a net profit after tax of S\$1,849,000 and S\$2,880,000 for HY2020 and 11MFY2020 respectively, and a net asset of S\$4,030,000 and S\$5,049,000 as at 30 June 2020 and 30 November 2020 respectively.

4.3. Information on the Seller Shareholders and the Sellers

4.3.1. Please refer to **Appendix A** for further information on the beneficial owners (the "Seller Shareholders") and the legal owners (the "Sellers") of the Sale Shares.

4.3.2. Prior to the Proposed Acquisition and save for the Proposed JV, none of the Seller Shareholders and the Sellers, have had any previous business, commercial, trade dealings or any other connection and are independent of the Group, the Directors and the controlling shareholders of the Company.

4.3.3. The Seller Shareholders and Sellers have confirmed that they are unrelated parties save for being shareholders of the Target and that they will not be acting in concert with each other or with any other parties to obtain or consolidate control of the Company for the purpose of the Singapore Code on Take-overs and Mergers upon issue and allotment of the Consideration Shares.

4.3.4. None of the Seller Shareholders and Sellers are persons who fall within the categories set out in Catalyst Rule 812(1). Accordingly, none of the Consideration Shares will be placed by the Company to any person who is a Director or substantial shareholder of the Company, or any other person in the categories set out in Catalyst Rule 812(1).

4.4. Salient terms of the InterBio SPA

Purchase Consideration	:	<p>The Purchase Consideration is approximately S\$35,000,000 and shall be satisfied by the Company in the following manner:</p> <p>(a) an aggregate amount of approximately S\$21,500,000 to be satisfied through the issue and allotment of 143,333,000 new Shares (the "Consideration Shares") by the Buyer on the Completion Date (as defined below) to the Seller Shareholders and/or their nominees; and</p> <p>(b) an aggregate amount of S\$13,500,000 to be satisfied in cash by the Buyer to the Seller Shareholders in the following tranches (the "Cash Consideration"):</p>
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⁴ National Institute of Standards and Technology, under the United States Commerce Department.

		<p>(i) S\$6,750,000 of the Cash Consideration on the Completion Date; and</p> <p>(ii) S\$6,750,000 of the Cash Consideration on the date falling three (3) months from the Completion Date.</p> <p>The Consideration was arrived at after arm's length negotiations between the Company and the Seller Shareholders and on a willing-buyer and willing-seller basis, taking into account, <i>inter alia</i>, the latest available valuation on the Target Group, the net asset value and the net profits of the Target Group for 11MFY2020.</p> <p>The Company has commissioned an independent valuer, Cushman & Wakefield VHS Pte. Ltd. (the "Valuer"), to ascertain the market value of the 100.0% equity interest in the capital of the Target Group as at 30 November 2020 (the "Valuation"). Based on a preliminary Valuation conducted by the Valuer, the indicative range of 100.0% equity interest in the capital of the Target Group is between US\$47.0 million to US\$56.0 million. The Valuer has adopted the income approach as the primary approach with reference made to the market approach. The finalised report for the Valuation will be issued by the Valuer and included in the circular to be issued in due course.</p> <p>The Cash Consideration will be funded from the Company's internal resources. This is in line with the use of net proceeds arising from the Company's subscription exercises carried out in October 2020, November 2020 and December 2020 and the subscription exercise as announced on 26 January 2021.</p> <p>More details on the Consideration Shares can be found in section 4.5 (<i>Proposed issue and allotment of the Consideration Shares</i>).</p>
<p>Conditions</p>	<p>:</p>	<p>Completion is conditional on the conditions as set out in the InterBio SPA (the "Conditions") being satisfied (or waived in accordance with the terms of the InterBio SPA), including, <i>inter alia</i>:</p> <p>(a) the completion of the due diligence and the rectification, or the procurement of such rectification, to the satisfaction of the Company (acting reasonably) by the Seller Shareholders, the Sellers and/or the Target Group Companies, of all issues or irregularities uncovered by the Company and/or its appointed advisors pursuant to the due diligence;</p> <p>(b) the delivery of the disclosure letters in respect of the warranties provided as at the date of the InterBio SPA and as at Completion Date from the Seller Shareholders and the Sellers to the Company, in a form which is satisfactory to the Company;</p> <p>(c) the completion of the divestment of the other existing subsidiaries of the Target, being PT Biomorf Lone Indonesia ("BLI"), Lone Soft Technologies Pvt. Ltd. ("Lone Soft") and Tip Rock;</p> <p>(d) the approval of the board of directors of each of the Sellers</p>

	<p>having been obtained for the entry into the InterBio SPA and all transactions contemplated in the InterBio SPA (and in connection therewith), and such approval not having been revoked or amended;</p> <p>(e) the delivery to the Company of all necessary written consents, approvals, waivers and/or notifications (in terms reasonably satisfactory to the Company) from and/or to (i) third parties, including without limitation, any government authority having jurisdiction over the transactions contemplated in the InterBio SPA (and in connection herewith); and (ii) the counterparties in respect of any agreements entered into by the Seller or any Target Group Company, in relation to such third parties' and/or counterparties' consent to all transactions contemplated in the InterBio SPA (and in connection therewith) and agreement not to exercise any right of termination arising by reason of any transactions contemplated in the InterBio SPA (and in connection therewith), where such consents, approvals, waivers and/or notifications are required, and such consents, approvals and/or waivers not having been amended (to terms not reasonably satisfactory to the Company), withdrawn or revoked before Completion and if consents, approvals and/or waivers are obtained subject to any conditions and where such conditions affect any party, such conditions being reasonably acceptable to the Party concerned, and if such conditions are required to be fulfilled on or before Completion, they are so fulfilled in all material respects;</p> <p>(f) the approval of the board of directors of the Company having been obtained for the entry into the InterBio SPA and all transactions contemplated in the InterBio SPA (and in connection therewith);</p> <p>(g) the approval of the shareholders of the Company, having been obtained at an extraordinary general meeting to be convened in respect of, amongst others: (i) all transactions contemplated in the InterBio SPA (and in connection herewith) on the terms set out in the InterBio SPA; and (ii) the issue and allotment of the Consideration Shares as partial satisfaction of the Purchase Consideration;</p> <p>(h) the delivery to the Company of the written waivers from each of the Sellers party to the existing shareholders' agreement in respect of (i) any pre-emption rights over the Sale Shares; and (ii) any restrictions on transfers of the Sale Shares, which may have been conferred on it, in each case, under the existing shareholders' agreement, the constitution of the Target or otherwise;</p> <p>(i) the delivery to the Company of the statutory declaration forms from certain of the Seller Shareholders;</p> <p>(j) the repayment in full of all outstanding amounts (including any trade payables) owing or owed to any Target Group Company by each of BLI, Lone Soft or Tip Rock, as the case may be;</p> <p>(k) the repayment in full of all outstanding amounts owed by the</p>
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		<p>Target to its shareholders;</p> <ul style="list-style-type: none"> (l) the entry into a service agreement between IBI and Lone Soft for the provision of services by Lone Soft to PT IBI; (m) the submission by PT IBI of the application for the registration of PT IBI's Company Regulation at the relevant Manpower Service Office in Indonesia; (n) the submission by PT IBI of applications for the trademark of I-BIG, I-BIG Flex and BioWatch software, copyright application for the Inventions of I-BIG, I-BIG Flex, and BioWatch software, and resubmission of copyright application for the invention of BioCheck software; (o) the issue and allotment of the Consideration Shares not being prohibited by any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority in Singapore or in any other jurisdiction affecting the parties; (p) the receipt of the listing and quotation notice in respect of the Consideration Shares on the Catalist board of the SGX-ST being obtained; (q) no Material Adverse Event (as defined in the InterBio SPA) having occurred on or before Completion; (r) each of the warranties given by the Seller Shareholders and Sellers remaining true and accurate in all respects as at Completion; and (s) each of the covenants, agreements, undertakings and obligations that the Seller Shareholders and the Sellers are required to perform or to comply with pursuant to the InterBio SPA at or prior to Completion having been duly performed and complied with. <p>If any Condition has not been satisfied (or waived in accordance with the terms of the InterBio SPA) by the Long Stop Date (as defined below), each party may agree or disagree to the extension of the Long Stop Date in its sole discretion. If the parties do not agree to an extension of the Long Stop Date, and any Condition has not been satisfied (or waived in accordance with the terms of the InterBio SPA) by the Long Stop Date (as defined below) on or before the Long Stop Date, then the Interbio SPA shall terminate with immediate effect (other than the Surviving Provisions (as defined in the Interbio SPA), which shall remain in full force and effect) and no party (or any of their respective representatives) shall have any liability or further obligation to any other party, except in respect of rights and liabilities which have accrued before termination of the Interbio SPA.</p>
Long Stop Date	:	Seven (7) months from the date of the Interbio SPA, or such other date as may be agreed in writing between the parties to the InterBio SPA (the " Long Stop Date ").

Completion	:	Completion of the Proposed Acquisition (the “ Completion ”) shall take place remotely (or at such other place as the Parties may mutually agree) on the date which is five (5) business days after the date on which all of the Conditions are satisfied (or waived in accordance with the terms of the InterBio SPA) (the “ Completion Date ”).
Seller undertakings	:	The Seller Shareholders and the Sellers shall procure: (a) the registration of PT IBI’s Company Regulation at the relevant Indonesian Manpower Service Office within three (3) months from the Completion Date or such other date as the parties may agree (acting reasonably); and (b) the Trademark certificate(s) in respect of BioCode and BioCheck to be issued to IBI within twenty-four (24) months from the Completion Date or such other date as the parties may agree (acting reasonably).
Moratorium	:	Each of the Seller Shareholders will be subject to moratorium restrictions on sale of the Consideration Shares in the following manner: (a) all of the Consideration Shares from the Completion Date until the date falling (6) months after the Completion Date (both dates inclusive) (the “ First Lock-up Period ”); and (b) 50.0% of the Consideration Shares held by each Seller Shareholder from the date immediately following the expiry of the First Lock-up Period until the date falling twelve (12) months commencing from the Completion Date (both dates inclusive).
Board appointment	:	Upon Completion, No Ka Oi Private Ltd shall have the right to nominate for appointment one (1) director (the “ Nominee Director ”) to the Board, provided that such Nominee Director is subject to (a) all applicable requirements for a director of a listed entity on the SGX-ST pursuant to the applicable laws and regulations; and (b) the review of the nominating committee and remuneration committee of the Buyer, which review shall be completed and conveyed in writing to the Nominee Director no later than ten (10) Business Days prior to Completion
Non-competition and non-solicitation	:	The Seller Shareholders and the Sellers (and shall use reasonable endeavours to procure that none of its affiliates or related undertakings) are subject to non-compete and non-solicit restrictions for a period of eighteen (18) months after the Completion Date. ⁵
Intellectual Property	:	All Business Intellectual Property (as defined in the InterBio SPA) and Registered Intellectual Property (as defined in the InterBio SPA) is and shall remain the exclusive property of the Target Group; and the Seller Shareholders and the Sellers, as the case may be, hereby irrevocably assign to the Target Group all rights, title and interest in and to the Business Intellectual Property that they may have.

⁵ Save with the exception of Mr. Rahul’s (who is a Seller Shareholder) involvement with TECH5.

		<p>The Seller Shareholders and the Sellers shall not (and shall procure that none of its affiliates or related undertakings shall):</p> <ul style="list-style-type: none"> (a) use the Business Intellectual Property without the prior written consent of the Target Group; (b) enter into any agreement under which they purport to grant to any third party any rights or interest in relation to the Business Intellectual Property; (c) register, or take any steps towards the registration of, any Intellectual Property (as defined in the InterBio SPA) which may conflict with the Target Group's ownership of the Business Intellectual Property; or (d) contest the Target Group's rights in respect of the Business Intellectual Property.
Seller indemnities	:	<p>The Sellers (failing which, the relevant Seller Shareholders) shall fully indemnify (and keep indemnified) and save harmless on demand the Company, each member of the Group and the Target Group (at the Company's direction) in respect of any foreseeable losses, costs, damages, charges or expenses (including reasonable legal costs), liabilities, claims, demands, actions, proceedings, or judgments howsoever arising ("Losses") sustained, suffered or incurred by the Company, each member of the Group and/or the Target Group as a result of or arising from:</p> <ul style="list-style-type: none"> (e) any breach of Anti-Corruption Laws (as defined in the InterBio SPA) by any Target Group Company (or any person (including BLI, Lone Soft and/or Tip Rock) for whose actions any Target Group Company may be liable) at any time before Completion; and (f) any non-compliance with any licensing requirement and mandatory reporting under any Applicable Law (as defined in the InterBio SPA) for the conduct of the Business (as defined in the InterBio SPA) by any Target Group Company (or any person (including BLI, Lone Soft and/or Tip Rock) for whose actions any Target Group Company may be liable); (g) any trademark and/or copyright infringement claim brought by third parties for the use of the logos and inventions of software in Indonesia before obtaining the trademark and/or copyright certificates from the relevant Government Authority by any Group Company (or any person (including BLI, Lone Soft and/or Tip Rock) for whose actions any Group Company may be liable).
Limitation on Seller liability	:	<p>Each Seller (and its relevant Seller Shareholder) is not liable in respect of any Relevant Claim (as defined in the InterBio SPA) unless the aggregate amount of all Relevant Claims for which the Sellers (and their relevant Seller Shareholders) would be liable but for this paragraph exceeds in aggregate S\$800,000, in which case the Sellers (and their relevant Seller Shareholders) shall (subject to the other provisions of the InterBio SPA) be liable for the whole amount claimed and not only the excess.</p>

		<p>The Sellers' (and relevant Seller Shareholders') maximum aggregate liability in respect of:</p> <p>(a) all Relevant Claims (other than a Relevant Claim for breach of a Fundamental Warranty (as defined in the InterBio SPA) or Seller Indemnity (as defined in the InterBio SPA)) shall in any event (i) be in the relevant Seller Proportion (as defined in the InterBio SPA) (or the relevant Seller Shareholder Proportion (as defined in the InterBio SPA), as the case may be); and (ii) not, in aggregate exceed the amount of the Cash Consideration received;</p> <p>(b) all other Relevant Claims (being a Relevant Claim for breach of a Fundamental Warranty or a Seller Indemnity), shall in any event: (i) be in the relevant Seller Proportion (or the relevant Seller Shareholder Proportion, as the case may be); and (ii) not, in aggregate, exceed the Consideration; provided that any Relevant Claim pursuant to this paragraph (b) shall be claimed against the Consideration in the following manner (1) the amount of the Cash Consideration; and (2) the transfer of the relevant number of Consideration Shares received by the Seller Shareholders to the Buyer (and/or its nominee(s)) or the cancellation of such Consideration Shares, in accordance with Applicable Law, on a pro rata basis.</p>
Governing law	:	Singapore law.

4.5. Proposed issue and allotment of the Consideration Shares

4.5.1. Principal terms of the proposed issue and allotment of the Consideration Shares

The issue price of S\$0.15 per Consideration Share represents a premium of approximately 9.7% to the volume weighted average price ("VWAP") of S\$0.1367 for each Share based on trades done on the SGX-ST on 21 January 2021, being the last full market day when the Shares of the Company were traded prior to the trading halt on 22 January 2021.

The Consideration Shares, if and when fully issued, allotted and fully paid, will be free from all claims, charges, liens and other encumbrances and shall rank *pari passu* in all respects with the Shares existing as at their date of issue except for any dividends, distributions or entitlements, the record date of which falls on or before such date of issue and allotment of the Consideration Shares.

4.5.2. Rationale for the proposed issue and allotment of the Consideration Shares

The Board is of the view that partial satisfaction of the Purchase Consideration through the issue and allotment of the Consideration Shares is in line with the Seller Shareholders' interests to continue with the development of the business for the Target Group jointly and would also allow the Company to conserve such equivalent cash reserves and provide the Company with greater financial flexibility in the future. Please refer to **Appendix B** for a breakdown of the shareholding interests of Directors and substantial shareholders of the Company both prior to and immediately after completion of the Proposed Transactions.

4.5.3. Issue size

The total number of the Consideration Shares to be issued and allotted by the Company to the Subscribers is 143,333,000, representing approximately 38.6% of the

existing share capital of the Company and 27.9% of the enlarged share capital of the Company (taking into consideration the issue and allotment of the Consideration Shares).

4.5.4. Authority to issue and allot the Consideration Shares

The Consideration Shares will not be allotted and issued pursuant to the general share issue mandate to issue Shares, as passed by the Company’s shareholders at the extraordinary general meeting held by the Company on 30 December 2020. Accordingly, the Company will be seeking specific shareholders’ approval for the proposed issue and allotment of the Consideration Shares at an extraordinary general meeting (an “**EGM**”) to be convened.

4.6. **Salient terms of the InterBio SHA**

Board seats	:	<p>The board of directors of the Target shall consist of not more than five (5) members.</p> <p>The Company shall have the right to (a) appoint and maintain in office three (3) persons, as it may from time to time nominate as a director of the Company (the “Yinda Directors”); and (b) remove any Yinda Director so appointed and, upon such Yinda Director’s removal, whether by Yinda or by such Yinda Director’s resignation, to appoint another director in his place.</p> <p>Professional Calibre Limited and No Ka Oi Private Ltd shall have the right to (a) appoint and maintain in office two (2) persons, as it may from time to time nominate as a director of the Company (the “Founder Directors”); or (b) remove any Founder Director so appointed and, upon such Founder Director’s removal, whether by Professional Calibre Limited and No Ka Oi Private Ltd or by such Founder Director’s resignation, to appoint another director in his place.</p>
Reserved matters	:	<p>Board reserved matters require the prior written consent of all of the Yinda Directors and all of the Founder Directors.</p> <p>Shareholder reserved matters require the prior written consent of the Shareholders who together, at the relevant time, hold more than eighty per cent. (80%) of the number of shares in the Target in issue at that time.</p>
Issuance of new shares	:	<p>Each of the shareholders of the Target shall exercise its voting rights for the time being in the Target and take such steps as for the time being lie within its powers to procure that the issue of any unissued shares or of any new shares from time to time created shall, before issuance, be offered for subscription in the first instance to such persons as at the date of the offer are registered as members of the Target in proportion as nearly as practicable to their respective shareholding percentages.</p>
Restrictions on transfers of shares	:	<p>Subject to customary pre-emption, tag-along and drag-along rights, there will be no transfers of shares in the Target except that (a) any corporate shareholder shall be able to transfer to any of its related corporations, affiliates or nominees; and (b) any shareholder who is an individual shall be able to transfer to his spouse, sibling, child or step-child.</p>

Restrictive Covenants	:	The shareholders ⁶ of the Target are subject to non-compete and non-solicit restrictions as a shareholder of a Target and for a period of twelve (12) months subsequent to cessation as a shareholder of the Target.
Deadlock resolution	:	If a party considers that a major deadlock or dispute has occurred in relation to any matters governed by the InterBio SHA (including the inability of the parties or the board of the Target to reach a decision on any of the reserved matters), a party may deliver to the other parties a dispute notice which shall contain: (a) a summary of the dispute; (b) alternative solutions for resolving the dispute, if any; and (c) three (3) alternative dates for a meeting of senior executives of the parties within the following thirty (30) days for the purpose of resolving the dispute. Each party shall endeavour to agree on a date for such a meeting or meetings and shall negotiate in good faith and attempt to resolve the dispute amicably.
Governing law	:	Singapore law.

4.7. Information on the Introducer

- 4.7.1. The Introducer carries on the business of investments and provision of business advisory and consultancy services. The directors and shareholders of the Introducer are Mr Tan Chin Tuan and Ms Li Jingjing. Both Mr Tan Chin Tuan and Ms Li Jingjing are not related to the Directors and controlling shareholders of the Company, and their respective associates. As at the date of this announcement, both Mr Tan Chin Tuan and Ms Li Jingjing do not hold any Shares (as defined below) in the Company.
- 4.7.2. Pursuant to the letter agreement between the Company and the Introducer dated 1 November 2020 (the “**Introducer Letter Agreement**”), the Company has appointed the Introducer to, *inter alia*, (a) introduce the Target for acquisition by or partnership with the Company, taking into account the strategic needs and requirements of the Company; and (b) facilitate discussions and due diligence process with the Target during the course of the Company’s evaluation of the Proposed Acquisition.
- 4.7.3. In consideration of the services provided by the Introducer, the Company has agreed with the Introducer that it shall pay (a) four (4) monthly retainers of S\$50,000 in cash to the Introducer upon the signing of the Introducer Letter Agreement (the “**Introducer Retainer**”), which shall be refunded in the event that the Proposed Acquisition is terminated; and (b) a service fee of 6.0% of the Purchase Consideration which shall be due and payable in cash on the Completion Date (approximately 80%) and on the date falling three (3) months from the Completion Date (approximately 20%), which is in line with the proportions for the Purchase Consideration, collectively, the “**Introducer Fee**”.
- 4.7.4. The Introducer Fee was arrived at following arm’s length negotiations between the Company and the Introducer, taking into account the contacts and network of the Introducer and the scope of services to be provided by the Introducer to facilitate the transactions contemplated in connection with the Proposed Acquisition.

5. PROPOSED INVESTMENT

5.1. Information on TECH5

⁶ Save with the exception of Mr. Rahul’s (who is a Seller Shareholder) involvement with TECH5.

- 5.1.1. TECH5 is a company incorporated in Switzerland. Mr. Rahul Ganpat Parthe (who is also a Seller Shareholder) (“**Mr. Rahul**”) and Mr. Machiel van der Harst (collectively, the “**TECH5 Shareholders**”) each hold 50.0% of the total ordinary share capital of TECH5.
- 5.1.2. TECH5 was founded by a team of seasoned industry professionals, who have been innovating in the area of multi-modal (fingerprint, face, iris, etc) biometric matching solutions for more than 20 years. The team is dedicated to continuously invest in the research and development to take advantage of artificial intelligence in all biometric modalities. It focuses on highly scalable products built on the experience gained by the implementation of large deployments targeting both government and private sectors.
- 5.1.3. The identity management biometrics technology solutions provided by TECH5 can be applied to over 40 vertical markets, from National ID, to fintech, banking e-KYC, healthcare and education. As at the date of this announcement, TECH5 has major clients comprising system integrators in Switzerland, the United Kingdom, Turkey, India, South Korea, Middle East and Indonesia.
- 5.1.4. Save for Mr. Rahul who is also a Seller Shareholder and the Target Group is a customer of TECH5 (including an exclusivity agreement in Indonesia), TECH5 does not have any business, commercial, trade dealings or any other connection and are independent of the Target Group, the directors and the controlling shareholders of the Target Group.
- 5.1.5. Prior to the Proposed Investment and save for the Proposed JV, neither TECH5 Shareholder has had any previous business, commercial, trade dealings or any other connection and are independent of the Group, the Directors and the controlling shareholders of the Company.

5.2. Salient terms of the TECH5 Loan Agreement and TECH5 Investment Agreement

Principal amount	:	US\$2,500,000. The Board holds the view that the non-interest bearing TECH5 Loan Amount is reasonable given that it grants (a) access to TECH5’s biometric technologies; (b) equity conversion rights in TECH5; and (c) exclusive (for China and Japan) and non-exclusive (for rest of the world) distribution rights for TECH5’s technologies. The TECH5 Loan Amount will be funded from the Company’s internal resources. This is in line with the use of net proceeds arising from the Company’s subscription exercises carried out in October 2020, November 2020 and December 2020 and the subscription exercise as announced on 26 January 2021.
Interest	:	No interest will be payable.
Purpose	:	The TECH5 Loan Amount will be used by TECH5 for its business of development and sale of identity management solutions.
Repayment date	:	Thirty-six (36) months from the date when the proceeds of the TECH5 Loan Amount are received by TECH5 (the “ Repayment Date ”).
Early repayment	:	Unless the TECH5 Loan Amount is not discharged by conversion, the Company is entitled to request the early repayment of the TECH5 Loan Amount:

		<p>(a) starting from the date falling eighteen (18) months from the date the TECH5 Loan Amount is disbursed in full to TECH5 in accordance with the terms of TECH5 Loan Agreement (the “Funding Date”), by giving TECH5 a six (6) months prior written notice;</p> <p>(b) if TECH5 completes an issue of shares of TECH5 (the “TECH5 Shares”) (in one (1) or more tranches) on or prior to the Repayment Date, and which results in net proceeds to TECH5 of not less than US\$7,000,000 (a “Qualified Financial Round”) prior to the lapse of the eighteen (18) months period from the Funding Date, by giving TECH5 a twenty (20) business days’ notice promptly after being notified by TECH5 that a Qualified Financial Round is being discussed and the prepayment shall be made within 5 business days after the date TECH5 receives the proceeds of the Qualified Financial Round but not earlier than 6 months after the Funding Date, provided that the Borrower shall have no obligation to prepay if the Qualified Financial Round does not complete.</p>
Conditions	:	The disbursement of the TECH5 Loan Amount is subject to the approval of the shareholders of the Company to be obtained.
Long-stop date	:	Six (6) months from the date of the TECH5 Loan Agreement.
Conversion right pursuant to the TECH5 Investment Agreement	:	<p>The Company may exercise its right to convert the total TECH5 Loan Amount in full into TECH5 Shares:</p> <p>(a) on the date of the Qualified Financial Round, if a Qualified Financial Round occurs prior to the Repayment Date (and provided that TECH5 shall provide the Company no later than forty-five (45) days prior to completing a Qualified Financial Round such due diligence information as is made available to participants in the Qualified Financial Round, subject to any applicable confidentiality requirements or obligations), by way of a written notice to TECH5 sent not later than twenty (20) business days before that Qualified Financial Round provided that if no notice is delivered during this period, the right to convert shall automatically expire; or</p> <p>(b) during the period starting from the date falling eighteen (18) months from the Funding Date and ending on the Repayment Date, subject to the Company giving TECH5 a six (6) months prior written notice (the “Conversion Notice”) and provided that TECH5 has not by the date of the Conversion Notice notified the Company that a Qualified Financial Round is to occur (in which case, for avoidance of doubt, the Company may exercise its conversion right in accordance with paragraph (a) above).</p>
Conversion shares of TECH5	:	The number of TECH5 Shares to be issued on conversion of the TECH5 Loan Amount will be determined by dividing the TECH5 Loan Amount by the Conversion Price (as defined below) and rounded down to the nearest whole number of TECH5 Shares. Following conversion in accordance with the TECH5 Investment Agreement, the rights of the Company to repayment of the

		TECH5 Loan Amount shall be extinguished and released, and in consideration and in exchange therefor, TECH5 shall allot and issue TECH5 Shares credited as paid-up in full as provided in the TECH5 Investment Agreement.
Conversion price	:	<p>The price at which TECH5 Shares will be issued upon conversion (the “Conversion Price”) of the TECH5 Loan Amount shall be:</p> <p>(a) in case of a conversion once a Qualified Financial Round has occurred, in United States Dollars and at a 12.0% discount to the valuation price per TECH5 Share based on the Qualified Financial Round valuation; or</p> <p>(b) in case of a conversion otherwise, in United States Dollars and:</p> <p>(i) if the Fair Market Value (as defined below) of the TECH5 Shares is between US\$56,800,000 and US\$75,000,000, at a 12.0% discount to the valuation price per TECH5 Share based on the Fair Market Value of the TECH5 Shares;</p> <p>(ii) if the Fair Market Value of the TECH5 Shares is below US\$56,800,000, at a 12.0% discount to the valuation price per TECH5 Share on the basis of an assumed valuation of US\$56,800,000, provided that the Investor shall not be issued TECH5 Shares representing more than 5.0% of TECH5’s share capital; or</p> <p>(iii) if the Fair Market Value of the TECH5 Shares is above US\$75,000,000, at a 12.0% discount to the valuation price per TECH5 Share assuming a valuation of US\$75,000,000, provided that the Company shall not be issued TECH5 Shares representing less than 3.8% of the TECH5’s share capital.</p> <p>“Fair Market Value” means the fair market value of the TECH5 Shares to be determined by an internationally reputed independent third party valuer (which shall be appointed by the Company in consultation with the TECH5 Shareholders).</p>
Governing law	:	The TECH5 Loan Agreement and the TECH5 Investment Agreement are governed in all respects by Swiss substantive law, under the exclusion of the provisions of the international private law.

5.3. Salient terms of the TECH5 Preferential Licensing Agreement

Term	:	Three (3) years, with automatic renewals of consecutive (1) year terms unless written notice not to renew is provided at least thirty (30) days’ prior to the renewal date.
Products and services	:	TECH5 software products in relation to biometrics-base identity management, such as biometric software developer kits, biometric matching platforms, middleware and client applications.
Geographical coverage	:	Exclusive Value Added Reseller and Distribution rights for China and Japan.

		Non-Exclusive Value Added Reseller and Distribution rights for the Rest of World.
Roles and obligations of TECH5	:	To continue to develop and improve its biometric algorithms, biometric matching platform, middleware and client applications. To provide training, technical support and maintenance to the Company.
Roles and obligations of the Company		To develop software technologies customized for particular customers that integrate with TECH5's products through TECH5's Developer Program. To sell TECH5's products that have been integrated with the Company's technologies or will sell to the Company's integrator partners that will integrate the TECH5's products with their technologies. To provide training, technical support and maintenance to the end users.

5.4. Financial information on the Proposed Investment

5.4.1. Net asset value of TECH5

Based on the unaudited financial statements of TECH5 for the financial year ended 31 December 2020, the net asset value of TECH5 was approximately CHF646,000 (approximately S\$968,000)⁷.

5.4.2. Net profits attributable to TECH5

Based on the unaudited financial statements of TECH5 for the financial year ended 31 December 2020, the net profits attributable to the TECH5, is approximately CHF550,000 (approximately S\$824,000).

6. CATALIST RULE 1006 FIGURES FOR THE PROPOSED TRANSACTIONS

- 6.1. As the Proposed JV with the Target was announced on 2 December 2020 and the JVC has yet to be incorporated as at the date of this announcement, and TECH5 is 50.0% owned by Mr. Rahul, who is also a Seller Shareholder in respect of the Proposed Acquisition, the Proposed JV, the Proposed Acquisition and the Proposed Investment will be aggregated for the purposes of computing the relevant bases pursuant to Rule 1006 of the Catalist Rules.

⁷ References to exchange rate of CHF1:S\$1.499 in this announcement are extracted from www.oanda.com as at 25 January 2021.

6.2. The relative figures for the Proposed Transactions computed on the bases set out in Catalyst Rule 1006 are as follows:

Rule 1006	Bases of Calculation	Relative Figure for Proposed JV	Relative Figure for Proposed Acquisition	Relative Figure for Proposed Investment	Relative Figure for Proposed Diversification Transactions
(a)	Net asset value of the assets to be disposed of or aggregate value of the financial assistance given, compared with the Group's net asset value.	6.83% ⁽¹⁾	N.A. ⁽⁷⁾	44.16% ⁽¹¹⁾	50.99% ⁽¹³⁾
(b)	Net profits/losses attributable to the assets acquired, compared with the Group's net profits/losses.	N.A. ⁽²⁾	(61.05)% ⁽⁸⁾	N.A. ⁽²⁾	(61.05)% ⁽⁸⁾
(c)	Aggregate value of the consideration given or aggregate value of the financial assistance given, compared with the Company's market capitalisation ⁽³⁾ based on the total number of issued shares excluding treasury shares.	1.00% ⁽⁴⁾	68.95% ⁽⁹⁾	6.50% ⁽¹²⁾	76.46% ⁽¹⁴⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	N.A. ⁽⁵⁾	38.60% ⁽¹⁰⁾	N.A. ⁽⁵⁾	38.60% ⁽¹⁰⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	N.A. ⁽⁶⁾	N.A. ⁽⁶⁾	N.A. ⁽⁶⁾	N.A. ⁽⁶⁾

Notes:

- (1) Computed based on the investment amount into the Proposed JV of S\$510,000 (the "**JV Investment Amount**") and net asset value of the Group of approximately S\$7,472,000 as at the half year period ended 30 November 2020.
- (2) Not applicable as the Proposed JV is in relation to the provision of an investment capital into the JVC and the Proposed Investment is in relation to the provision of financial assistance.
- (3) Based on the market capitalisation of the Company of S\$50,761,267, which is computed based on 371,333,333 Shares (excluding treasury shares) in issue and the weighted average price of

- S\$0.1367, as at 21 January 2021, being the last market day preceding the execution date of, *inter alia*, the InterBio SPA and TECH5 Loan Agreement.
- (4) Computed based on the JV Investment Amount of S\$510,000.
 - (5) Not applicable as no equity securities will be issued by the Company in relation to the Proposed JV and the Proposed Investment.
 - (6) Not applicable as the Proposed JV, Proposed Acquisition and Proposed Investment are not of mineral, oil or gas assets by a mineral, oil and gas company.
 - (7) Not applicable as the Proposed Acquisition is in relation to an acquisition of assets.
 - (8) Computed based on the net profits before tax attributable to the Sale Shares of S\$1,210,000 for the half year period ended 30 June 2020 and net losses of the Group of approximately S\$1,982,000, for the half year period ended 30 November 2020.
 - (9) Computed based on the aggregate value of the Purchase Consideration of S\$35,000,000.
 - (10) Computed based on 143,333,000 Consideration Shares to be issued as partial satisfaction of the Purchase Consideration and 371,333,333 Shares in the ordinary share capital of the Company (as at the date of this announcement).
 - (11) Computed based on the TECH5 Loan Amount of US\$2,500,000 (approximately S\$3,300,000)⁸ and net asset value of the Group of approximately S\$7,472,000 as at the half year period ended 30 November 2020.
 - (12) Computed based on the TECH5 Loan Amount of US\$2,500,000 (approximately S\$3,300,000).
 - (13) Computed based on the total amount of the JV Investment Amount and the TECH5 Loan Amount of approximately S\$3,810,000 and net asset value of the Group of approximately S\$7,472,000 as at the half year period ended 30 November 2020.
 - (14) Computed based on the total amount of the JV Investment Amount, aggregate value of the Purchase Consideration and the TECH5 Loan Amount of approximately S\$38,810,000 and net losses of the Group of approximately S\$1,982,000 for the half year period ended 30 November 2020.

6.3. Approvals for Proposed Transactions

Catalist Rule 1007(1) states, *inter alia*, that if any of the relative figures computed pursuant to Catalist Rule 1006 involves a negative figure, Chapter 10 may still be applicable to the transaction in accordance with the applicable circumstances.

Catalist Rule 1014 states, *inter alia*, that where any of the relative figures as computed on the bases set out in Catalist Rule 1006 exceeds, for an acquisition, 75.0% but is less than 100.0% and for provision of financial assistance, 50.0%, the transaction would be classified as a major transaction and shareholders' approval will be required to be sought.

Although none of the relative figures of each of the Proposed Transactions exceeds 75.0% individually, the collective relative figures of Catalist Rule 1006(a) and 1006(c) of the Proposed Transactions exceeds 50.0% and 75.0% respectively. In addition, the net profit attributable to the Sale Shares exceeds 5% of the consolidated net loss of the Group for the half year ended 30 November 2020. Further, as the Target Group and TECH5 operates in a new business sector, shareholders' approval will be sought at an EGM for the Proposed Acquisition and Proposed Investment.

7. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

- 7.1. The *pro forma* financial effects of the Proposed Transactions on the Company's share capital and the Group's net tangible assets ("NTA") and net tangible liabilities ("NTL") per Share and loss per Share ("LPS") as set out below are strictly for illustrative purposes and are not indicative of the actual financial position and results of the Group following the Proposed Transactions.
- 7.2. The *pro forma* financial effects have been prepared based on the latest audited financial results of the Group for the financial year ended 31 May 2020 ("FYE 31 May 2020"), and (i) the unaudited consolidated accounts of the Target Group for FY2019; and (ii) the latest management accounts of the Target Group for 11MFY2020, on the following bases and assumptions:

⁸ References to exchange rate of US\$1:S\$1.33 in this announcement are extracted from www.oanda.com as at 25 January 2021.

- 7.2.1. The computation does not take into account any fees, costs and expenses that have been and/or will be incurred in relation to the Proposed Transactions.
- 7.2.2. The Proposed Acquisition had been completed on 31 May 2020 for the purpose of illustrating the financial effects on the NTA.
- 7.2.3. The Proposed Acquisition had been completed on 1 June 2019 for the purpose of illustrating the financial effects on the LPS.
- 7.2.4. The share capital of the Company as at the date of this announcement comprising 371,333,333 Shares taking into consideration transactions mentioned in section 7.3 below.

7.3. Share capital

	Number of Shares (excluding treasury shares)
As at 31 May 2020	152,000,000
Arising from transactions between 31 May 2020 and the date of this announcement ⁽¹⁾	219,333,333
After the completion of the Proposed Acquisition ⁽²⁾	514,666,333

Notes:

- (1) Subsequent to the FYE 31 May 2020, the Company issued and allotted (i) 76,000,000 Shares pursuant to an October 2020 Subscription Exercise; (ii) 72,700,000 Shares pursuant to a November 2020 Subscription Exercise; (iii) 8,500,000 shares pursuant to a subscription exercise by a substantial shareholder in November 2020; (iv) 41,300,000 Shares pursuant to a December 2020 Subscription Exercise; and (v) 20,833,333 Shares pursuant to a Debt Conversion Exercise.
- (2) Pursuant to the issue and allotment of 143,333,000 Consideration Shares arising from the Proposed Acquisition. No Shares will be issued pursuant to the Proposed JV and Proposed Investment.

7.4. NTA / NTL per Share

7.4.1. Assuming that the Proposed Transactions were completed on 31 May 2020, the pro forma financial effects on the Group's NTA / NTL per Share would be as follows:

	Before the Proposed Transactions	After the Proposed Transactions (based on Target Group's FY2019 unaudited consolidated accounts)	After the Proposed Transactions (based on Target Group's 11MFY2020 management accounts)
NTA ⁽¹⁾ attributable to owners of the Company (S\$'000)	360	(12,047) ⁽²⁾	(10,565) ⁽³⁾
Number of issued ordinary shares in the capital of the Company	371,333,333	514,666,333	514,666,333
NTA per Share (Singapore cents)	0.10	(2.34)	(2.05)

Notes:

- (1) NTA means total assets less the sum of total liabilities and intangible assets.
- (2) Taking into account the net asset attributable to the Sale Shares amounting to S\$1,093,000 as at 31 December 2019, and Cash Consideration amounting to S\$13,500,000.
- (3) Taking into account the net asset attributable to the Sale Shares amounting to S\$2,575,000 as at 30 November 2020 and Cash Consideration amounting to S\$13,500,000.

7.5. LPS

7.5.1. Assuming that the Proposed Transactions were completed on 1 June 2019, the pro forma financial effects on the Group's LPS would be as follows:

	Before the Proposed Transactions	After the Proposed Transactions (based on Target Group's FY2019 unaudited consolidated accounts)	After the Proposed Transactions (based on Target Group's 11MFY2020 management accounts)
(Loss) after income tax (S\$'000)	(3,156)	(2,192) ⁽¹⁾	(1,687) ⁽²⁾
Number of issued ordinary shares in the capital of the Company	371,333,333	514,666,333	514,666,333

	Before the Proposed Transactions	After the Proposed Transactions (based on Target Group's FY2019 unaudited consolidated accounts)	After the Proposed Transactions (based on Target Group's 11MFY2020 management accounts)
LPS (Singapore cents)	(0.85)	(0.43)	(0.33)

Notes:

- (1) Taking into account the net profit after tax attributable to the Sale Shares amounting to S\$964,000 for FY2019.
- (2) Taking into account the net profit after tax attributable to the Sale Shares amounting to S\$1,469,000 for 11MFY2020.

8. EXTRAORDINARY GENERAL MEETING TO BE CONVENED

- 8.1. The Company will convene an EGM in due course to seek the approval from its shareholders for:
 - (a) the Proposed Diversification;
 - (b) the Proposed Acquisition;
 - (c) the proposed issue and allotment of the Consideration Shares as partial satisfaction of the Purchase Consideration; and
 - (d) the Proposed Investment.
- 8.2. A circular which meets the disclosure requirements of the Catalist Rules, together with a notice of the EGM to be convened, will be despatched to shareholders of the Company in due course.

9. APPLICATION FOR LISTING AND QUOTATION

- 9.1. The Company will be making an application to the SGX-ST through the continuing sponsor of the Company, SAC Capital Private Limited, for permission to deal in and for the listing and quotation of the Consideration Shares.
- 9.2. An appropriate announcement on the outcome of the application for the permission to deal in and for the listing and quotation of the aforesaid securities on the Catalist Board will be made in due course.

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

- 10.1. Please refer to **Appendix B** for a breakdown of the shareholding interests of Directors and substantial shareholders of the Company both prior to and immediately after completion of the Proposed Transactions.
- 10.2. Save for their respective interests arising by way of their directorships and/or shareholdings in the Company, none of the Directors, controlling shareholders or their associates have any interest, direct or indirect, in the Proposed Transactions.

11. DIRECTORS' SERVICE CONTRACTS

- 11.1. Save as disclosed under “*Board appointment*” in section 4.4 (*Salient terms of the InterBio SPA*), no person is proposed to be appointed as a Director of the Company in connection with the Proposed Transactions and accordingly, no service contracts in relation thereto will be entered into by the Company.

12. DOCUMENTS AVAILABLE FOR INSPECTION

- 12.1. Copies of the following are available for inspection during normal business hours for a period of three (3) months commencing from the date of this announcement at the registered office of the Company at 20 Collyer Quay #09-02 Singapore 049319:

- (a) in relation to the Proposed Acquisition, the Interbio SPA and the InterBio SHA; and
- (b) in relation to the Proposed Investment, the TECH5 Loan Agreement, the TECH5 Investment Agreement and the TECH5 Preferential Licensing Agreement.

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, please contact the Company at +65 6970 1971 prior to making any visits to arrange for a suitable time slot for the inspection.

13. 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 Proposed Transactions, 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.

14. FURTHER ANNOUNCEMENTS

The Company will make the appropriate announcements as and when there are material developments on the any of the Proposed Transactions.

15. CAUTIONARY STATEMENT

Shareholders should note that the Proposed Transactions remain subject to, amongst others, the fulfilment of the conditions precedent under the definitive agreements entered into. There is no certainty or assurance that the conditions precedent for the Proposed Transactions can be fulfilled or that the Proposed Transactions will be undertaken at all. Shareholders, securityholders and investors are advised to read this announcement and any past and future announcements by the Company carefully when dealing with the Shares and securities of the Company. Shareholders, securityholders, and investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their Shares or securities of the Company.

BY ORDER OF THE BOARD

Mr. Tan Chee Boon Gordon
Executive Director
26 January 2021

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this 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 (telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

APPENDIX A
INFORMATION ON THE SELLER SHAREHOLDERS AND THE SELLERS

(a) The Sellers

Name of Seller	Relevant Seller Shareholder	Number of shares held in Target	Number of Sale Shares held	Proportion of Sale Shares
Professional Calibre Limited	Rahul Ganpat Parthe (77.0%) and Pedro Flames Omarrementeria (23.0%)	5,447,672	2,778,313	54.5%
No Ka Oi Private Ltd	Pierre Olivier Marc Yves Prunier (100.0%)	3,298,591	1,682,282	33.0%
SIES Investech Inc	Low Choon Hui (30.0%) Andy Utama (30.0%) Selina Loh (40.0%)	529,774	270,184	5.3%
Brandneu Investment Ltd.	Laika Saputra Rudianto (25.0%) Jonathan Santoso (75.0%)	519,778	265,087	5.2%
Prundjaya Capital Pte. Ltd.	Pierre Olivier Marc Yves Prunier (100.0%)	199,914	101,956	2.0%

(b) The Seller Shareholders

Name of Seller	Information on Seller Shareholder
Rahul Ganpat Parthe	CTO of the Target. Co-founder and chairman of TECH5.
Pedro Flames Omarrementeria	Board director of the Target and several technology companies. Former director of Credit Suisse Singapore and London. Director General of Investment Bank ACF.
Pierre Olivier Marc Yves Prunier	Board director of the Target, former CEO and director within a large Asian conglomerate. Angel investor in several tech startups.
Low Choon Hui	Experienced investor and board director in several technology companies.
Andy Utama	Board director of SIES Investech Inc and investor in technology companies.

Selina Loh	Board director of SIES Investech Inc and Sign in.
Laika Saputra Rudianto	Private equity investor and board member of several Indonesian companies.
Jonathan Santoso	Board director of Brandneu and director of other Indonesian companies.

**APPENDIX B
SHAREHOLDING INFORMATION**

	Before Proposed Transactions ⁽¹⁾				Upon completion of Proposed Transactions ⁽²⁾			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors								
Song Xingyi ⁽³⁾	-	-	65,270,513 ⁽³⁾	17.58% ⁽³⁾	-	-	65,270,513 ⁽³⁾	12.68% ⁽³⁾
Shao Lifang	-	-	-	-	-	-	-	-
Tang Qun	-	-	-	-	-	-	-	-
Cheam Heng Haw, Howard	-	-	-	-	-	-	-	-
Tan Chee Bun Gordon	-	-	-	-	-	-	-	-
Aw Eng Hai	-	-	-	-	-	-	-	-
Chua Hoe Sing	-	-	-	-	-	-	-	-
Substantial shareholders								
Yinda Pte Ltd	65,270,513	17.58%	-	-	65,270,513	12.68%	-	-
Shanghai Yinda Science and Technology Industrial Co Ltd ⁽³⁾	-	-	65,270,513 ⁽³⁾	17.58% ⁽³⁾	-	-	65,270,513 ⁽³⁾	12.68% ⁽³⁾

	Before Proposed Transactions ⁽¹⁾				Upon completion of Proposed Transactions ⁽²⁾			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Shanghai Yinda Technology Group Co Ltd ⁽³⁾	-	-	65,270,513 ⁽³⁾	17.58% ⁽³⁾	-	-	65,270,513 ⁽³⁾	12.68% ⁽³⁾
Wang Hua ⁽³⁾	-	-	65,270,513 ⁽³⁾	17.58% ⁽³⁾	-	-	65,270,513 ⁽³⁾	12.68% ⁽³⁾
Wang Zhijun ⁽³⁾	-	-	65,270,513 ⁽³⁾	17.58% ⁽³⁾	-	-	65,270,513 ⁽³⁾	12.68% ⁽³⁾
Chee Tuck Hong	27,360,000	7.37%	-	-	27,360,000	5.32%	-	-
Hing Chow Yuen	41,804,800	11.26%	-	-	41,804,800	8.12%	-	-
Rahul Ganpat Parthe	-	-	-	-	60,149,693	11.69%	-	-
Pierre Olivier Marc Yvues Prunier	-	-	-	-	50,166,550	9.75%	-	-

Notes:

- (1) Based on the existing share capital of the Company as at the date of this announcement of 371,333,333 Shares.
- (2) Based on the enlarged share capital of the Company, taking into consideration the issue and allotment of the Consideration Shares, of 514,666,333 Shares.
- (3) Yinda Pte Ltd is wholly owned by Shanghai Yinda Science and Technology Industrial Co Ltd ("**Shanghai Yinda**"). Shanghai Yinda is in turn held by Shanghai Yinda Group Co Ltd ("**Shanghai Yinda Group**") (66.64%), Song Xingyi (31.36%), Yang Xulan (2%). Shanghai Yinda Group is in turn held by Song Xingyi (51.48%), Wang Hua (33.66%), Wang Zhijun (13.86%), Shao Lifang (1%). Song Xingyi is the spouse of Wang Zhijun and mother of Wang Hua. Shanghai Yinda, Shanghai Yinda Group, Song Xingyi and Wang Hua are deemed to have an interest in 65,270,513 shares held by Yinda Pte Ltd by virtue of Section 7 of the Companies Act of Singapore.