

CIRCULAR DATED 16 MARCH 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR BANK MANAGER, STOCKBROKER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

This Circular is issued by Yinda Infocomm Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”). Capitalised terms appearing on the cover of this Circular shall have the same meanings as defined herein.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or transferee.

Your attention is drawn to section 2.5 (Risk Factors of the Proposed Diversification) of this Circular, which you should review carefully.

*This Circular 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 Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. 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.*

This Circular has been made available on SGXNet (www.sgx.com). A printed copy of this Circular will NOT be despatched to Shareholders.

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching or listening to the EGM proceedings through a “live” webcast comprising both video (audiovisual) and audio feeds, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy for resolutions tabled at the EGM.

Please refer to section 15 (*Action to be taken by Shareholders*) of this Circular for further information, including the steps to be taken by Shareholders to participate at the EGM.



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

CIRCULAR TO SHAREHOLDERS

in relation to:

- (1) THE PROPOSED DIVERSIFICATION INTO THE NEW BUSINESS OF DEVELOPMENT AND PROVISION OF IDENTITY MANAGEMENT BIOMETRIC TECHNOLOGY SOLUTIONS;
- (2) THE PROPOSED ACQUISITION OF 51.0% SHAREHOLDING IN THE TOTAL ORDINARY SHARE CAPITAL OF INTERNATIONAL BIOMETRICS PTE. LTD.;
- (3) THE PROPOSED ISSUE AND ALLOTMENT OF 143,333,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.15 PER NEW ORDINARY SHARE TO THE SELLER SHAREHOLDERS (AS DEFINED HEREIN) AND/OR THEIR NOMINEES AS PARTIAL SATISFACTION OF THE CONSIDERATION FOR THE PROPOSED ACQUISITION;
- (4) THE PROPOSED INVESTMENT IN TECH5 SA THROUGH A LOAN CONVERTIBLE INTO SHARES OF TECH5 SA AND ENTRY INTO A PREFERENTIAL LICENSING AGREEMENT WITH TECH5 SA;
- (5) THE PROPOSED ISSUE AND ALLOTMENT OF 16,000,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.125 PER NEW ORDINARY SHARE TO MR. HING CHOW YUEN;
- (6) THE PROPOSED ISSUE AND ALLOTMENT OF 5,600,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.125 PER NEW ORDINARY SHARE TO MR. CHEE TUCK HONG; AND
- (7) THE PROPOSED ISSUE AND ALLOTMENT OF 12,000,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.125 PER NEW ORDINARY SHARE TO MR. CHEE TAI CHIEW.

Important Dates and Times

Last date and time for lodgement of Proxy Form : 28 March 2021 at 10.30 a.m.
Date and time of Extraordinary General Meeting : 31 March 2021 at 10.30 a.m.

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DEFINITIONS

In this Circular, the following definitions apply throughout except where the context otherwise requires:

- “11MFY2020”** : Has the meaning ascribed to it in section 3.2(c) of this Circular
- “associates”** : (a) In relation to any director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (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
- “Audit Committee”** : Means the audit committee of the Company
- “Board”** : The board of Directors of the Company
- “Business Day”** : Any day on which commercial banks are open for business in Singapore, other than Saturdays, Sundays and days which have been gazetted as public holidays in Singapore and Indonesia
- “CAGR”** : Compound annual growth rate
- “Cash Consideration”** : Has the meaning ascribed to it in section 3.6 (*Salient Terms of the InterBio SPA*) of this Circular
- “Catalist”** : The Catalist board of the SGX-ST
- “Catalist Rules”** : Section B: Rules of Catalist of the SGX-ST listing manual, as amended, modified or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 16 March 2021
- “Code”** : The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
- “Companies Act”** : The Companies Act (Chapter 50) of Singapore as amended, modified or supplemented from time to time
- “Company” or “Yinda”** : Yinda Infocomm Limited (Company Registration No. 201506891C) having its registered office at 20 Collyer Quay #09-02 Singapore 049319

DEFINITIONS

“Completion”	:	Has the meaning ascribed to it in section 3.6 (<i>Salient Terms of the InterBio SPA</i>) of this Circular
“Completion Date”	:	Has the meaning ascribed to it in section 3.6 (<i>Salient Terms of the InterBio SPA</i>) of this Circular
“Conditions”	:	Has the meaning ascribed to it in section 3.6 (<i>Salient Terms of the InterBio SPA</i>) of this Circular
“Conflicted Individual”	:	Has the meaning ascribed to it in section 2.9 (<i>Conflict of Interest</i>) of this Circular
“Consideration”	:	Has the meaning ascribed to it in section 3.1 (<i>Introduction to the Proposed Acquisition</i>) of this Circular
“Consideration Shares”	:	Has the meaning ascribed to it in section 3.6 (<i>Salient Terms of the InterBio SPA</i>) of this Circular
“Constitution”	:	The Constitution of the Company, as amended, modified or supplemented from time to time
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15.0% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the company. The SGX-ST may determine that a person who satisfies this section is not a controlling shareholder; or (b) in fact exercises control over a company
“Conversion Notice”	:	Has the meaning ascribed to it in section 5.5 (<i>Salient Terms of the TECH5 Loan Agreement and TECH5 Investment Agreement</i>) of this Circular
“Conversion Price”	:	Has the meaning ascribed to it in section 5.5 (<i>Salient Terms of the TECH5 Loan Agreement and TECH5 Investment Agreement</i>) of this Circular
“CPF Agent Banks”	:	Has the meaning ascribed to it in section 15.1 (<i>Registration</i>) of this circular
“CPF Investor”	:	Has the meaning ascribed to it in section 15.1 (<i>Registration</i>) of this Circular
“Current Core Business”	:	Has the meaning ascribed to it in section 2.1 (<i>Introduction – Challenges in the Current Core Business of the Group</i>) of this Circular
“December 2020 Subscription Exercise”	:	Has the meaning ascribed to it in section 7.6 (<i>Rationale for the Proposed Subscription Shares Issue and Use of Proceeds</i>) of this Circular
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“EGM”	:	The extraordinary general meeting of the Company in relation to the Proposed Resolutions to be held via electronic means on 31 March 2021 at 10.30 a.m., notice of which is set out in pages N-1 to N-6 of this Circular

DEFINITIONS

“EGM Webcast Registration and Q&A Link”	:	Has the meaning ascribed to it in section 15.1 (<i>Registration</i>) of this Circular
“Enlarged Share Capital”	:	647,266,333 Shares, being the total issued and paid-up share capital of the Company as at the Latest Practicable Date, excluding treasury shares and subsidiary holdings and taking into consideration the issue and allotment of the Consideration Shares and the Subscription Shares
“EPS”	:	Earnings per Share
“Existing Share Capital”	:	470,333,333 Shares, being the issued and paid-up share capital of the Company as at the Latest Practicable Date, excluding treasury shares and subsidiary holdings
“First Lock-up Period”	:	Has the meaning ascribed to it in section 3.6 (<i>Salient Terms of the InterBio SPA</i>) of this Circular
“Founder Directors”	:	Has the meaning ascribed to it in section 3.7 (<i>Salient Terms of the InterBio SHA</i>) of this Circular
“Funding Date”	:	Has the meaning ascribed to it in section 5.5 (<i>Salient Terms of the TECH5 Loan Agreement and TECH5 Investment Agreement</i>) of this Circular
“FY2019”	:	Has the meaning ascribed to it in section 8.1 (<i>Assumptions</i>) of this Circular
“FY2020”	:	Has the meaning ascribed to it in section 3.2(c) of this Circular
“FYE 31 May 2020”	:	Has the meaning ascribed to it in section 8.1 (<i>Assumptions</i>) of this Circular
“Group”	:	The Company and its subsidiaries
“HY2020”	:	Has the meaning ascribed to it in section 3.2(c) of this Circular
“Independent Valuer”	:	Cushman & Wakefield VHS Pte. Ltd.
“InterBio SHA”	:	Has the meaning ascribed to it in section 3.1 (<i>Introduction to the Proposed Acquisition</i>) of this Circular
“InterBio SPA”	:	Has the meaning ascribed to it in section 3.1 (<i>Introduction to the Proposed Acquisition</i>) of this Circular
“Introducer”	:	Has the meaning ascribed to it in section 2.1 (<i>Introduction – Challenges in the Current Core Business of the Group</i>) of this Circular
“Introducer Fee”	:	Has the meaning ascribed to it in section 3.10 (<i>Information on the Introducer</i>) of this Circular
“Introducer Letter Agreement”	:	Has the meaning ascribed to it in section 3.10 (<i>Information on the Introducer</i>) of this Circular
“January 2021 Subscription Exercise”	:	Has the meaning ascribed to it in section 7.1 (<i>Introduction to the Proposed Subscription Shares Issue</i>) of this Circular

DEFINITIONS

“January 2021 Subscription Exercise Net Proceeds”	:	Has the meaning ascribed to it in section 7.6 (<i>Rationale for the Proposed Subscription Shares Issue and Use of Proceeds</i>) of this Circular
“JVA”	:	Has the meaning ascribed to it in section 2.1 (<i>Introduction – Challenges in the Current Core Business of the Group</i>) of this Circular
“JVC”	:	Has the meaning ascribed to it in section 2.1 (<i>Introduction – Challenges in the Current Core Business of the Group</i>) of this Circular
“JV Investment Amount”	:	Has the meaning ascribed to it in section 2.1 (<i>Introduction – Challenges in the Current Core Business of the Group</i>) of this Circular
“Latest Practicable Date”	:	11 March 2021, being the latest practicable date prior to the finalisation and release of this Circular
“Lone Soft”	:	Lone Soft Technologies Pvt. Ltd., a company incorporated in India and a subsidiary of the Target, which shall be divested prior to Completion
“Long Stop Date”	:	Has the meaning ascribed to it in section 3.6 (<i>Salient Terms of the InterBio SPA</i>) of this Circular
“Losses”	:	Has the meaning ascribed to it in section 3.6 (<i>Salient Terms of the InterBio SPA</i>) of this Circular
“LPS”	:	Loss per Share
“Major Transaction”	:	Has the meaning ascribed to it in section 2.4 (<i>Requirements of the Catalist Rules</i>) of this Circular
“market day”	:	A day on which the SGX-ST is open for trading in securities
“MOU”	:	Has the meaning ascribed to it in section 2.1 (<i>Introduction – Challenges in the Current Core Business of the Group</i>) of this Circular
“Mr. Gordon Tan”	:	Has the meaning ascribed to it in section 2.7 (<i>Management of the Proposed New Business</i>) of this Circular
“Mr. Mulyadi”	:	Has the meaning ascribed to it in section 2.7 (<i>Management of the Proposed New Business</i>) of this Circular
“Mr. Ngo”	:	Has the meaning ascribed to it in section 2.7 (<i>Management of the Proposed New Business</i>) of this Circular
“Mr. Prunier”	:	Has the meaning ascribed to it in section 2.7 (<i>Management of the Proposed New Business</i>) of this Circular
“Mr. Rahul”	:	Has the meaning ascribed to it in section 2.7 (<i>Management of the Proposed New Business</i>) of this Circular
“NAV”	:	Net asset value

DEFINITIONS

“Net Proceeds”	:	Has the meaning ascribed to it in section 7.6 (<i>Rationale for the Proposed Subscription Shares Issue and Use of Proceeds</i>) of this Circular
“Nominee Director”	:	Has the meaning ascribed to it in section 3.6 (<i>Salient Terms of the InterBio SPA</i>) of this Circular
“Notice of EGM”	:	The notice of the EGM which is set out in pages N-1 to N-6 of this Circular
“November 2020 Subscription Exercise”	:	Has the meaning ascribed to it in section 7.6 (<i>Rationale for the Proposed Subscription Shares Issue and Use of Proceeds</i>) of this Circular
“NTA”	:	Net tangible assets
“NTL”	:	Net tangible liabilities
“October 2020 Subscription Exercise”	:	Has the meaning ascribed to it in section 7.6 (<i>Rationale for the Proposed Subscription Shares Issue and Use of Proceeds</i>) of this Circular
“Ordinary Resolution”	:	An ordinary resolution proposed for approval in this Circular
“Ordinary Resolution 1”	:	The ordinary resolution to approve the Proposed Diversification
“Ordinary Resolution 2”	:	The ordinary resolution to approve the Proposed Acquisition
“Ordinary Resolution 3”	:	The ordinary resolution to approve the Proposed Consideration Shares Issue
“Ordinary Resolution 4”	:	The ordinary resolution to approve the Proposed Investment
“Ordinary Resolution 5”	:	The ordinary resolution to approve the Proposed Issue of Shares to Mr. Hing Chow Yuen
“Ordinary Resolution 6”	:	The ordinary resolution to approve the Proposed Issue of Shares to Mr. Chee Tuck Hong
“Ordinary Resolution 7”	:	The ordinary resolution to approve the Proposed Issue of Shares to Mr. Chee Tai Chiew
“Proposed Acquisition”	:	Has the meaning ascribed to it in section 1.1(b) of this Circular
“Proposed Consideration Shares Issue”	:	Has the meaning ascribed to it in section 1.1(c) of this Circular
“Proposed Diversification”	:	Has the meaning ascribed to it in section 1.1(a) of this Circular
“Proposed Investment”	:	Has the meaning ascribed to it in section 1.1(d) of this Circular
“Proposed Issue of Shares to Mr. Chee Tai Chiew”	:	Has the meaning ascribed to it in section 1.1(g) of this Circular
“Proposed Issue of Shares to Mr. Chee Tuck Hong”	:	Has the meaning ascribed to it in section 1.1(f) of this Circular

DEFINITIONS

- “Proposed Issue of Shares to Mr. Hing Chow Yuen”** : Has the meaning ascribed to it in section 1.1(e) of this Circular
- “Proposed JV”** : Has the meaning ascribed to it in section 2.1 (*Introduction – Challenges in the Current Core Business of the Group*) of this Circular
- “Proposed New Business”** : Has the meaning ascribed to it in section 2.1 (*Introduction – Challenges in the Current Core Business of the Group*) of this Circular
- “Proposed Resolutions”** : Refers collectively to Ordinary Resolutions 1 to 7
- “Proposed Subscription Shares Issue”** : The Proposed Issue of Shares to Mr. Hing Chow Yuen, the Proposed Issue of Shares to Mr. Chee Tuck Hong and the Proposed Issue of Shares to Mr. Chee Tai Chiew
- “Proposed Transactions”** : Has the meaning ascribed to it in section 1.1 (*Purpose of Circular*) of this Circular
- “Proxy Form”** : The proxy form in respect of the EGM as attached to this Circular
- “PT BLI”** : PT Biomorf Lone Indonesia, a company incorporated in the Republic of Indonesia and a subsidiary of the Target, which shall be divested prior to Completion
- “PT IBI”** : PT International Biometrics Indonesia, a company incorporated in the Republic of Indonesia and a subsidiary of the Target
- “Qualified Financial Round”** : Has the meaning ascribed to it in section 5.5 (*Salient Terms of the TECH5 Loan Agreement and TECH5 Investment Agreement*) of this Circular
- “Record Date”** : In relation to any dividends, rights, allotments or other distributions, the date as at the close of the business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or the CDP, as the case may be, in order to participate in such dividends, rights, allotments or distributions
- “Register of Members”** : The register of members of the Company
- “Registration Deadline”** : Has the meaning ascribed to it in section 15.1 (*Registration*) of this Circular
- “Repayment Date”** : Has the meaning ascribed to it in section 5.5 (*Salient Terms of the TECH5 Loan Agreement and TECH5 Investment Agreement*) of this Circular
- “Sale Shares”** : Has the meaning ascribed to it in section 3.1 (*Introduction to the Proposed Acquisition*) of this Circular
- “Securities Account”** : A securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent

DEFINITIONS

“Securities and Futures Act”	: The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“Seller Shareholders”	: The existing beneficial shareholders of the Target who are parties to the InterBio SPA for the sale of the Sale Shares, whose information are further set out in section 3.3 (<i>Information on the Seller Shareholders and the Sellers</i>) and Appendix I (<i>Information on the Seller Shareholders and the Sellers</i>) of this Circular
“Sellers”	: The existing legal shareholders of the Target who are parties to the InterBio SPA for the sale of the Sale Shares to the Company, whose information are further set out in section 3.3 (<i>Information on the Seller Shareholders and the Sellers</i>) and Appendix I (<i>Information on the Seller Shareholders and the Sellers</i>) of this Circular
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“SGXNet”	: A broadcast network utilised by companies listed on the SGX-ST for the purposes of sending information (including announcements) to the SGX-ST (or any other broadcast or system networks prescribed by the SGX-ST)
“Shareholders”	: Registered holders of ordinary shares in the capital of the Company, except where the registered holder is CDP, in which case the term “Shareholders” shall in relation to such Shares mean the Depositors whose Securities Accounts maintained with CDP are credited with Shares
“Share Registrar”	: The share registrar of the Company, B.A.C.S Private Limited
“Shares”	: Ordinary share(s) in the share capital of the Company
“Sponsor”	: SAC Capital Private Limited
“SRS Investors”	: Has the meaning ascribed to it in section 15.1 (<i>Registration</i>) of this Circular
“SRS Operators”	: Has the meaning ascribed to it in section 15.1 (<i>Registration</i>) of this Circular
“Subscribers”	: Has the meaning ascribed to it in section 7.1 (<i>Introduction to the Proposed Subscription Shares Issue</i>) of this Circular
“Subscription Agreements”	: Has the meaning ascribed to it in section 7.1 (<i>Introduction to the Proposed Subscription Shares Issue</i>) of this Circular
“Subscription Exercises”	: Has the meaning ascribed to it in section 7.6 (<i>Rationale for the Proposed Subscription Shares Issue and Use of Proceeds</i>) of this Circular
“Subscription Shares”	: Has the meaning ascribed to it in section 7.1 (<i>Introduction to the Proposed Subscription Shares Issue</i>) of this Circular
“Substantial Shareholder”	: Shall have the meaning ascribed to it in Section 81 of the Companies Act and Section 2(4) of the Securities and Futures Act, being a person who:

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	(a)	has an interest or interests in one (1) or more voting Shares in the Company; and
	(b)	the total votes attached to that Share, or those Shares, is not less than 5.0% of the total votes attached to all the voting Shares in the Company
“Summary Valuation Report”	:	A summary of the Valuation Report set out in Appendix II (<i>Summary Valuation Report</i>) of this Circular
“Target”	:	International Biometrics Pte. Ltd.
“Target Group”	:	The Target and its subsidiary, PT IBI, each a “Target Group Company”
“TECH5”	:	TECH5 SA
“TECH5 Investment Agreement”	:	Has the meaning ascribed to it in section 5.1 (<i>Introduction to the Proposed Investment</i>) of this Circular
“TECH5 Loan Agreement”	:	Has the meaning ascribed to it in section 5.1 (<i>Introduction to the Proposed Investment</i>) of this Circular
“TECH5 Loan Amount”	:	Has the meaning ascribed to it in section 5.1 (<i>Introduction to the Proposed Investment</i>) of this Circular
“TECH5 Preferential Licensing Agreement”	:	Has the meaning ascribed to it in section 5.1 (<i>Introduction to the Proposed Investment</i>) of this Circular
“TECH5 Shareholders”	:	Has the meaning ascribed to it in section 5.3 (<i>Information on TECH5</i>) of this Circular
“TECH5 Shares”	:	Has the meaning ascribed to it in section 5.5 (<i>Salient Terms of the TECH5 Loan Agreement and TECH5 Investment Agreement</i>) of this Circular
“Tip Rock”	:	Tip Rock, a company incorporated in the British Virgin Islands and a subsidiary of the Target, which shall be divested prior to Completion
“Valuation”	:	Has the meaning ascribed to it in section 3.5(c) (<i>Independent Valuation</i>) of this Circular
“Valuation Report”	:	Valuation report dated 11 March 2021 issued by the Independent Valuer in relation to the valuation of 100.0% equity interest in the capital of Target Group, a summary of which is set out in Appendix II (<i>Summary Valuation Report</i>) of this Circular
“VWAP”	:	Volume weighted average price
“Yinda Directors”	:	Has the meaning ascribed to it in section 3.7 (<i>Salient Terms of the InterBio SHA</i>) of this Circular
<i>Currencies, Units and Others</i>		
“%”	:	Per centum or percentage
“CHF”	:	Swiss francs, the lawful currency of Switzerland

DEFINITIONS

- “S\$” and “cents”** : Singapore dollars and cents respectively, the lawful currency of Singapore
- “US\$” and “US cents”** : United States dollars and cents respectively, the lawful currency of the United States of America

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the respective meanings ascribed to them in Section 81SF of the Securities and Futures Act and the terms **“subsidiary”** and **“related corporations”** shall have the meanings ascribed to them respectively in the Companies Act.

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 gender and vice versa. References to persons shall, where applicable, include firms, corporations and other entities. Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted up to the Latest Practicable Date. Any term defined under the Companies Act, the Securities and Futures Act, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference in this Circular to **“Rule”** or **“Chapter”** is a reference to the relevant rule or chapter in the Catalist Rules as for the time being, unless otherwise stated.

Any discrepancies in the tables included herein between the amounts in the columns of the tables and the totals thereof and relevant percentages (if any) are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Unless otherwise stated, the conversion of US\$ to S\$ and CHF to S\$ in this Circular are based on the exchange rates of US\$1:S\$1.33 and of CHF1:S\$1.499, respectively, as extracted from www.oanda.com on 25 January 2021, being the last full market day prior to the announcement dated 26 January 2021 in relation to the Proposed Acquisition and the Proposed Investment.

Morgan Lewis Stamford LLC has been appointed as the legal adviser to the Company as to Singapore law in relation to this Circular.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular, which are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. These statements reflect the Company’s current expectations, beliefs, hopes, plans, prospects, intentions or strategies regarding the future and assumptions in light of currently available information.

These forward-looking statements, including but not limited to, statements as to revenue and profitability; any expected growth; any expected industry prospects and trends; planned strategy and future expansion plans; any other matters that are not historical facts; and any other matters discussed in this Circular, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s, the Group’s, the Target’s, and the Target Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These risk factors and uncertainties are discussed in more detail in this Circular, in particular, but not limited to, discussions in section 2.5 (*Risk Factors of the Proposed Diversification*) of this Circular.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements.

Shareholders should not place undue reliance on such forward-looking statements. The Group, the Directors, the executive officers of the Company are not representing or warranting to you that the actual future results, performance or achievements of the Company, the Group, the Target and the Target Group will be as those discussed in those statements. The respective actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. Further, the Company disclaims any responsibility, and undertake no obligation to update or revise any forward-looking statements contained in this Circular to reflect any change in the Group’s expectations with respect to such statements after the Latest Practicable Date or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

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

Directors:

Mdm. Song Xingyi (Non-Executive and Non-Independent Chairman)
Ms. Shao Lifang (Executive Director)
Mr. Tan Chee Bun Gordon (Executive Director)
Mr. Cheam Heng Haw, Howard (Independent Director)
Mr. Aw Eng Hai (Independent Director)
Ms. Tang Qun (Independent Director)
Mr. Chua Hoe Sing (Independent Director)

Registered Office:

20 Collyer Quay #09-02
Singapore 049319

16 March 2021

To: **Shareholders of Yinda Infocomm Limited**

Dear Sir / Madam,

- (1) **THE PROPOSED DIVERSIFICATION INTO THE NEW BUSINESS OF DEVELOPMENT AND PROVISION OF IDENTITY MANAGEMENT BIOMETRIC TECHNOLOGY SOLUTIONS;**
- (2) **THE PROPOSED ACQUISITION OF 51.0% SHAREHOLDING IN THE TOTAL ORDINARY SHARE CAPITAL OF INTERNATIONAL BIOMETRICS PTE. LTD.;**
- (3) **THE PROPOSED ISSUE AND ALLOTMENT OF 143,333,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.15 PER NEW ORDINARY SHARE TO THE SELLER SHAREHOLDERS AND/OR THEIR NOMINEES AS PARTIAL SATISFACTION OF THE CONSIDERATION FOR THE PROPOSED ACQUISITION;**
- (4) **THE PROPOSED INVESTMENT IN TECH5 SA THROUGH A LOAN CONVERTIBLE INTO SHARES OF TECH5 SA AND ENTRY INTO A PREFERENTIAL LICENSING AGREEMENT WITH TECH5 SA;**
- (5) **THE PROPOSED ISSUE AND ALLOTMENT OF 16,000,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.125 PER NEW ORDINARY SHARE TO MR. HING CHOW YUEN;**
- (6) **THE PROPOSED ISSUE AND ALLOTMENT OF 5,600,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.125 PER NEW ORDINARY SHARE TO MR. CHEE TUCK HONG; AND**
- (7) **THE PROPOSED ISSUE AND ALLOTMENT OF 12,000,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.125 PER NEW ORDINARY SHARE TO MR. CHEE TAI CHIEW.**

1. INTRODUCTION

1.1. Purpose of Circular

The Directors are convening an EGM by way of electronic means on 31 March 2021 at 10.30 a.m. to seek Shareholders' approval for the following (collectively, the "**Proposed Transactions**"):

- (a) (Ordinary Resolution 1) the proposed diversification of the Group's business into the new business of development and provision of identity management biometric technology solutions (the "**Proposed Diversification**");

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- (b) (Ordinary Resolution 2) the proposed acquisition of 51.0% shareholding in the total ordinary share capital of International Biometrics Pte. Ltd. (the “**Proposed Acquisition**”);
- (c) (Ordinary Resolution 3) the proposed issue and allotment of 143,333,000 new Shares (the “**Consideration Shares**”) at an issue price of S\$0.15 per Share to the Seller Shareholders and/or their nominees as partial satisfaction of the Consideration for the Proposed Acquisition (the “**Proposed Consideration Shares Issue**”);
- (d) (Ordinary Resolution 4) the proposed investment in TECH5 SA through a loan convertible into shares of TECH5 SA and entry into a preferential licensing agreement with TECH5 SA (the “**Proposed Investment**”);
- (e) (Ordinary Resolution 5) the proposed issue and allotment of 16,000,000 new Shares (the at an issue price of S\$0.125 per Share to Mr. Hing Chow Yuen (the “**Proposed Issue of Shares to Mr. Hing Chow Yuen**”));
- (f) (Ordinary Resolution 6) the proposed issue and allotment of 5,600,000 new Shares (the at an issue price of S\$0.125 per Share to Mr. Chee Tuck Hong (the “**Proposed Issue of Shares to Mr. Chee Tuck Hong**”)); and
- (g) (Ordinary Resolution 7) the proposed issue and allotment of 12,000,000 new Shares (the at an issue price of S\$0.125 per Share to Mr. Chee Tai Chiew (the “**Proposed Issue of Shares to Mr. Chee Tai Chiew**”).

The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Transactions and to seek Shareholders’ approval in respect of the same at the EGM. The Notice of EGM is set out at pages N-1 to N-6 of this Circular.

1.2. Conditionality of Resolutions

Shareholders should note that:

- (a) **Ordinary Resolutions 2 and 3 are inter-conditional and conditional on Ordinary Resolution 1.** This means that if (i) Ordinary Resolution 1 is not approved, Ordinary Resolutions 2 and 3 will not be deemed to be duly passed; and (ii) if any of Ordinary Resolutions 2 and 3 are not approved, the other resolution will not be deemed to be duly passed. Ordinary Resolutions 2 and 3 are inter-conditional as the Proposed Consideration Shares Issue is for the partial satisfaction of the Consideration for the Proposed Acquisition and the Ordinary Resolutions 2 and 3 are conditional on Ordinary Resolution 1 as the Proposed Acquisition can only be completed pursuant to the Proposed Diversification into the Proposed New Business;
- (b) **Ordinary Resolution 4 is conditional on Ordinary Resolution 1.** This means that if Ordinary Resolution 1 is not approved, Ordinary Resolution 4 will not be deemed to be duly passed. Ordinary Resolution 4 is conditional on Ordinary Resolution 1 as the Proposed Investment can only be completed pursuant to the Proposed Diversification into the Proposed New Business; and
- (c) the passing of Ordinary Resolutions 5, 6 and 7 are not conditional on any of the other Ordinary Resolutions.

1.3. Disclaimers

The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular. If a Shareholder is in any doubt as to the course of action he/she should take, he/she should consult his/her bank

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manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser immediately.

2. THE PROPOSED DIVERSIFICATION

2.1. Introduction – Challenges in the Current Core Business of the Group

The Group is currently a regional integrated and innovative communications solutions and services provider with operations in Singapore and Thailand (the “**Current Core Business**”). 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 the 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.

Following from the above, the Board had seen the need to identify various businesses and targets with promising growth potential to support the Current Core Business. 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. Please refer to section 3.10 (*Information on the Introducer*) of this Circular for more details on the Introducer.

Having carefully considering the aforesaid and following the conduct of due diligence by the Company on the Target Group, the Company will be seeking Shareholders’ approval to diversify into the new business of the development and provision of identity management biometric technology solutions (the “**Proposed New Business**”).

In connection with the Proposed New Business, the Company had entered into the following:

- (i) On 1 November 2020, a non-binding memorandum of understanding (the “**MOU**”) with the Seller Shareholders of the Target setting out certain key understandings between the Seller Shareholders and the Company in respect of the Proposed Acquisition. Subsequent to the execution of the MOU, the Company commenced due diligence and commissioned a valuation on the Target and had subsequently, on 26 January 2021 entered into the InterBio SPA and InterBio SHA.
- (ii) On 2 December 2020, a joint venture agreement (the “**JVA**”) with the Target (the “**Proposed JV**”) to establish a joint venture company (the “**JVC**”) to develop and expand the Target’s identity management, biometric security and software solutions business on an international scale all over the world, outside Indonesia where the Target currently operates on an exclusive basis and Philippines which the Target intends to expand its business into. The Company will subscribe for 51.0% of the JVC for an amount of S\$510,000 (the “**JV Investment Amount**”).
- (iii) On 26 January 2021, the TECH5 Loan Agreement in respect of the Proposed Investment, where the Company will invest US\$2,500,000 through a loan convertible into shares of TECH5 and the corresponding TECH5 Investment Agreement and TECH5 Preferential Licensing Agreement.

For the avoidance of doubt, the Group will be seeking Shareholders’ approval for the Proposed Acquisition and the Proposed Investment, but not the Proposed JV.

As stated in Proposed JV announcement dated 2 December 2020, the Target may terminate the

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JVA if the Company does not acquire at least 25.0% of the Target within four (4) months from the date of the JVA. At the time of entry of the JVA, there was uncertainty whether the Proposed Acquisition would eventually materialise as the professionals engaged by the Company were in the process of carrying out due diligence on the Target.

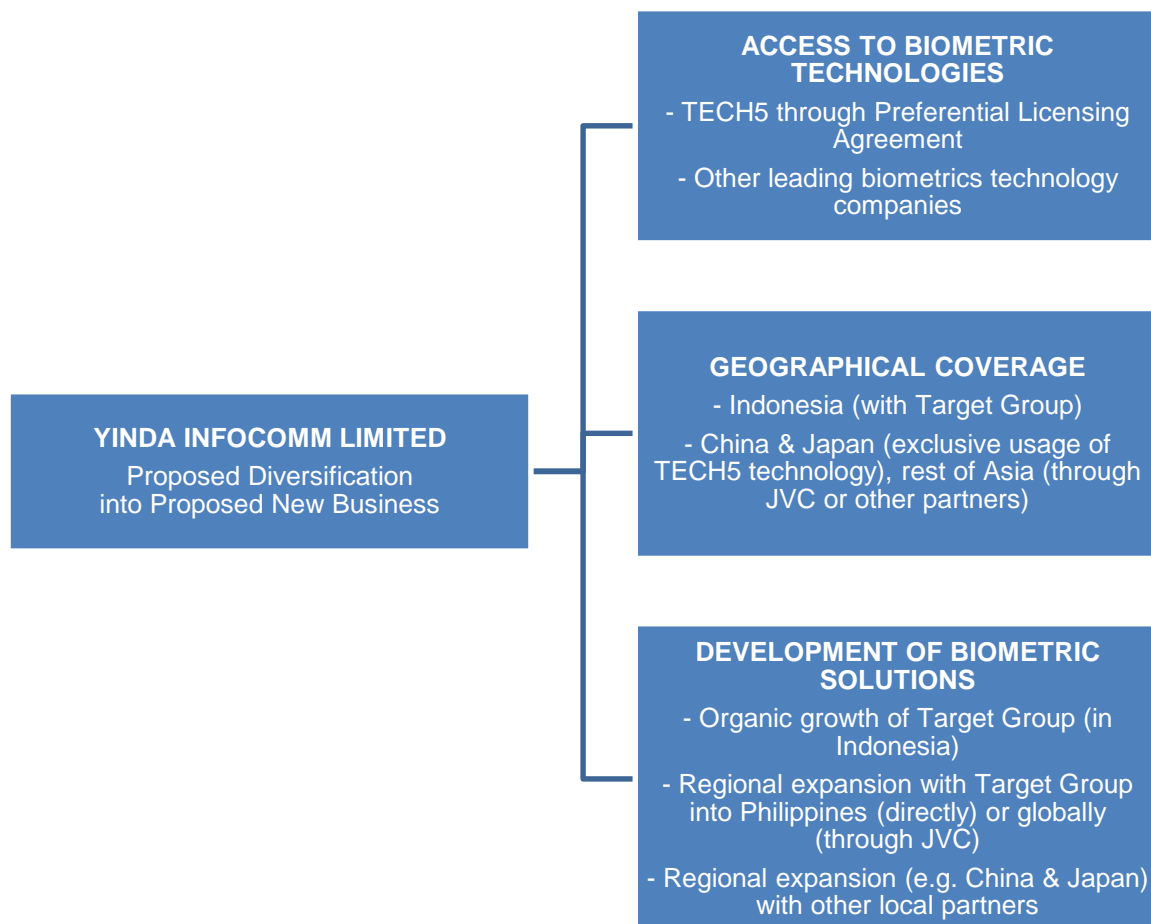
In the event that the Proposed Diversification and Proposed Acquisition are not approved by Shareholders, the Group will not be able to proceed with the Proposed New Business. Hence, the Group will not incorporate the JVC and the JVA may be terminated by the Target. The Company will only incorporate the JVC subsequent to Shareholders' approval being received for the Proposed Diversification and Proposed Acquisition.

Under this Proposed Diversification goal, the Company envisions:

- (a) pursuant to the Proposed Acquisition, to ride on PT IBI's current base of maintaining Indonesia's current national identity database (of approximately 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;
- (b) pursuant to the JVA, to secure Proposed New Business' projects regionally in Asia and worldwide and tap on the expertise, experience and established capabilities of the Target Group to expediently execute such projects;
- (c) 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 (i) equity conversion rights; and (ii) exclusive (for China and Japan) and non-exclusive (for the rest of the world) distribution rights for TECH5's biometric technologies through the TECH5 Preferential Licensing Agreement. 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 the Proposed New Business' projects. Following therewith, this will open up a new growth track for the Company in addition to those set out in sub-paragraphs (a) and (b) above;
- (d) having both the Proposed Acquisition and TECH5 Preferential Licensing Agreement under its wings, the Group has the ability and flexibility to take on the Proposed New Business' projects on its own, through PT IBI, the JVC, 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
- (e) therefore, the Proposed Diversification (undertaken through the Proposed JV, Proposed Acquisition and Proposed Investment) allows the Group to have an investment and operational stake in various parts of the supply and value chain of the identity management biometrics industry.

2.2. The Proposed Diversification

To allow Shareholders' a more holistic and comprehensive understanding of the synergies of the Proposed Diversification through the Proposed JV, Proposed Acquisition and Proposed Investment, below is a summary of the business focus of the JVC, the Target Group and TECH5:



The Group does not intend for the Proposed New Business to be restricted to any geographical area or to any phase or activity in the Proposed New Business and the Group may also enter into joint ventures, strategic alliances and foster partnerships with various other third parties and integrate future collaborations or acquisitions in the industry.

2.3. Rationale for the Proposed Diversification

- (a) *The Proposed New Business has promising growth potential to support the Current Core Business*

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.

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% CAGR over the same period, with biometric technology solutions growing at a higher rate than non-biometric ones. In particular, the biometric system market is expected to grow from

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US\$36.6 billion in 2020 to US\$68.6 billion by 2025, a CAGR of 13.4% over the forecast period¹. 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. 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 2019³.

This underlies the huge potential of the Proposed New Business to develop identity management biometric technology solutions to tap on this available infrastructure and growing demand.

- (b) *The Proposed Diversification through the Proposed JV, Proposed Acquisition and the Proposed Investment will provide diversified business and income base, thereby reducing reliance on the Current Core Business*

Given the market potential and positive trends in the Proposed New Business, the Group is of the view that the Proposed Diversification through the Proposed JV, Proposed Acquisition and Proposed Investment, 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 Current Core Business 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.

- (c) *Ease of access to business opportunities in the Proposed New Business*

Upon obtaining Shareholders' approval for the Proposed Diversification and the Proposed Investment, business opportunities such as the Proposed JV, Proposed Acquisition and Proposed Investment 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 JV, Proposed Acquisition and Proposed Investment expediently without having to seek further approval from its Shareholders (unless otherwise required by 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 to reduce expenses associated with the convening of such meetings.

2.4. Requirements of the Catalist Rules

Chapter 10 of the Catalist Rules regulates transactions which are not in the ordinary course of business of a company and which are material, as determined based on certain relative figures computed with respect to the transaction and the company, including net asset value, net profits, the aggregate value of the consideration vis-à-vis market capitalisation of the company and equity securities. Specifically, a material transaction which is not in the ordinary course of business of a company is required to be approved by shareholders of a company. In addition, a material transaction which changes the risk profile of the company is, notwithstanding that it is in the ordinary

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 (<http://www.marketsandmarkets.com/PressReleases/biometric-technologies.asp>)

³ <https://www.thejakartapost.com/news/2020/06/12/thirteen-financial-institutions-get-access-to-governments-civil-registry-database.html>

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course of business of such company, required to be approved by shareholders of a company.

Rule 1002(1) of the Catalist Rules provides that “transaction” generally refers to the acquisition or disposal of assets, or the provision of financial assistance, by an issuer or its subsidiary, including an option to acquire or dispose of assets. It excludes a transaction which is in, or in connection with, the ordinary course of its business or of a revenue nature.

As such, the compliance requirements prescribed under Rules 1010 and 1014 of the Catalist Rules do not apply to transactions which are within the Company’s existing core business for so long as it is in the ordinary course of its business or of a revenue nature. Pursuant to Rule 1014 of the Catalist Rules, a major transaction is a transaction defined in Rule 1014(1) of the Catalist Rules where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 75.0% but is less than 100.0% in respect of an acquisition or 50.0% in respect of a disposal or the provision of financial assistance by an issuer or a subsidiary that is not listed on the SGX-ST or an approved exchange (a “**Major Transaction**”). A Major Transaction must be made conditional upon approval by shareholders in a general meeting. In the case where the transaction exceeds 5.0% but is less than 75.0% (for an acquisition) or 50.0% (for a disposal) on the bases set out in Rule 1006 of the Catalist Rules, the transaction is defined as a discloseable transaction and an announcement requiring disclosure of the prescribed information set out in Rule 1010 of the Catalist Rules will also be required.

Pursuant to Practice Note 10A of the Catalist Rules, shareholders’ approval is not required for an acquisition that is regarded to be in, or in connection with the ordinary course of an issuer’s business, if (a) the asset to be acquired is part of the issuer’s existing principal business; and (b) the acquisition does not change the issuer’s risk profile. Guidelines are provided under Practice Note 10A of the Catalist Rules on the assessment of what consists of “existing principal business” and “change of risk profile”. Further, Practice Note 10A of the Catalist Rules also states that a disposal of an issuer’s business (or a substantial part of its business) will usually not be considered to be in the ordinary course of business.

As the Proposed Diversification involves a new business area which is materially different from the Current Core Business, it is envisaged that the Proposed Diversification will change the existing risk profile of the Group materially. Accordingly, the Company is convening the EGM to seek Shareholders’ approval to approve the Proposed Diversification and for concurrent transactions which it is entering into relating to the Proposed New Business (specifically, the Proposed Acquisition and Proposed Investment).

Upon approval by Shareholders of the Proposed Diversification, any acquisition which is in, or is in connection with, the Proposed New Business, would be in the Group’s ordinary course of business and therefore not fall under the definition of a “transaction” under Chapter 10 of the Catalist Rules even if the relative figures computed on the bases set out in Catalist Rule 1006 exceed the thresholds set out in Catalist Rule 1014, unless such transaction changes the risk profile of the Group or is subject to Catalist Rule 1015 on very substantial acquisitions or reverse takeovers. This will reduce substantially the administrative time and expenses in convening Shareholder meetings for any transactions in the Proposed New Business, as well as provide the Group with greater flexibility to pursue business opportunities in the Proposed New Business which may be time-sensitive in nature.

For the avoidance of doubt, notwithstanding that Shareholders’ approval of the Proposed Diversification is being sought:

- (a) where an acquisition of assets (whether or not the acquisition is deemed to be in the ordinary course of business of the Company) is one where any of the relative figures as computed on the bases set out in Catalist Rule 1006 exceeds 100.0% or results in a change in control of the Company, the transaction is classified as a very substantial acquisition or reverse takeover and would be subject to Catalist Rule 1015, and such transaction will be

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made conditional upon approval by Shareholders at a general meeting;

- (b) Practice Note 10A of the Catalist Rules will apply and Shareholders' approval would be required for any transaction (which falls within the definition as set out in Catalist Rule 1002(1)) which changes the risk profile of the Company; and
- (c) where any transaction constitutes an "interested person transaction" as defined under Chapter 9 of the Catalist Rules, Chapter 9 of the Catalist Rules will apply to such transactions and the Company will comply with the relevant provisions.

In addition, the Company will be required to comply with any applicable and prevailing Catalist Rules as may be amended or modified from time to time.

2.5. Risk Factors of the Proposed Diversification

Having explained the Board's rationale for the Proposed Diversification, the Board acknowledges that there may be risks for the entry into the Proposed New Business. This section 2.5 sets out the risk factors which, to the best of the Directors' knowledge and belief, are material to Shareholders in making an informed judgment on the Proposed Diversification. The Proposed New Business involves a number of risks, including risks associated with the identity management biometric technology sector, risks associated with the entry into new businesses and general competition and macro-economic risks. Some risks are not yet known to the Group and there may be risks which the Group currently believes are not material at present but may subsequently turn out to be. The risk factors set out in this section 2.5 should not be construed as a comprehensive list of all risk factors relating to the Proposed New Business.

Shareholders should carefully consider and evaluate the risk factors and all other information contained in this Circular and consider the risk factors in light of your own investment objectives and financial circumstances before deciding whether to vote in favour of the Proposed Diversification. Shareholders should seek professional advice from your accountants, stockbrokers, bank managers, solicitors or other professional advisers if you have any doubt about the actions you should take.

2.5.1 Risks associated with the development and provision of identity management biometric technology solutions

- (a) ***The Group has no prior track record and operating experience in the Proposed New Business***

The Group does not have a prior track record in the carrying out or implementation of the Proposed New Business. There is no assurance that the Group's foray into the Proposed New Business will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital, start-up and/or acquisition costs as well as operating costs arising from the Proposed New Business. The Proposed New Business may require significant capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

The Group will also be exposed to the risks associated with a different competitive landscape and a different operating environment from that of the Current Core Business. In particular, the Group will be affected by factors affecting the identity management biometric technology sector in the regions where the Group ventures into, as well as the trends and developments affecting the identity management biometric technology sector in general. The Group's future plans with regard to the Proposed New Business may not be profitable, may not achieve sales levels and profitability that justify the investments and/or acquisition costs made and may take a long period of time before the Group could realise any return.

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Further, such future plans and new initiatives could be capital intensive and could also result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debt and contingent liabilities as well as increased operating expenses, all of which may materially and adversely affect the financial performance of the Group. The Group may face significant financial risks before it can realise any benefits from its investments in the Proposed New Business.

Please refer to section 2.3 (*Rationale for the Proposed Diversification*) of this Circular for the rationale for the Proposed Diversification.

(b) ***Profitability of the Proposed New Business is partly dependent on the ability of the Group to price its fees competitively for products and services for the Proposed New Business***

The profitability of the Proposed New Business is partly dependent on fees from the products and services that the Group intends to provide. Fee rates are, in turn, based on factors such as the demand for identity management biometric technology products and services, costs of our operations including salaries paid to employees as well as marketing and advertising fees. If the Group is unable to price its fees competitively to attract governmental agencies, multinational corporations or other prospective clients, and at the same time cover its operational costs, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

(c) ***System interruptions and delays may adversely affect the operations of the Proposed New Business and expose the Group to legal and financial liabilities***

The success of the Proposed New Business depends, in part, on the Group's ability to develop and maintain the integrity of its systems and infrastructure, including websites, information and related systems and fulfilment facilities. System interruption, the lack of integration and redundancy in the Group's information systems and infrastructures may adversely affect its ability to operate websites, process and fulfil transactions, respond to customer inquiries and generally maintain cost-efficient operations. The Group may experience occasional system interruptions or delays that make some or all systems or data unavailable or prevent its businesses from efficiently or sufficiently providing services. The Group may also have to incur additional costs and expend resources in repairing such damage, malfunction, breakdown or interruption which will directly impact the profitability of the Proposed New Business.

The Group may also rely on affiliate and third party computer systems, broadband and other communications systems and service providers in connection with the provision of services generally, as well as to facilitate, process and fulfill transactions. Any interruptions, outages or delays in its systems and infrastructures, its businesses, its affiliates and/or third parties, or deterioration in the performance of these systems and infrastructures, could impair the ability of the Group to provide services.

Fire, flood, power loss, telecommunications failure, hurricanes, tornadoes, earthquakes, acts of war or terrorism, acts of God and similar events or disruptions may damage or interrupt computer, broadband or other communications systems and infrastructures at any time. Any of these events could cause system interruption, delays and loss of critical data, and could prevent the Group from providing services. While the Group may have backup systems for certain aspects of their operations, disaster recovery planning by its nature cannot be sufficient for all eventualities.

In addition, the Group may not have adequate insurance coverage to compensate for losses from a major interruption. If any of these adverse events were to occur, the Group's

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business, financial condition, results of operations and prospects may be materially and adversely affected.

(d) ***Security breaches could potentially compromise information of the Proposed New Business, and may expose the Group to legal and financial liabilities***

The Proposed New Business could, in the ordinary course of business, comprise the collection and storage of sensitive data, including intellectual property, proprietary business information and personally identifiable information of customers on platforms and networks which are internet-based. The platforms and provision of services over the internet may expose the Group to cyber risks which include but are not limited to security and hacking threats, and distributed denial of service attacks, which could result in the failure of the associated physical infrastructure.

Further, any penetration of network security or other misappropriation or misuse of customer information could cause interruptions in the Group's operations and subject the Group to increased costs, litigation and other liabilities.

Security breaches could also significantly damage the Group's reputation with customers and third parties with whom it does business. It is possible that advances in computer capabilities, new discoveries, undetected fraud, inadvertent violations of company policies or procedures or other developments could result in a compromise of information or a breach of the technology and security processes that are used to protect sensitive information. As a result, the security measures in place may not prevent any or all security breaches.

The Group may be required to expend significant capital and other resources to protect against and remedy any potential or existing security breaches and their consequences, and the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

(e) ***The processing, storage, use and disclosure of personal data could give rise to liabilities as a result of governmental regulation, conflicting legal requirements or differing views of personal privacy rights***

In its course of the Proposed New Business, the Group may receive, transmit and store a large volume of personally identifiable information and other user data. The sharing, use, disclosure and protection of this information shall be governed by the privacy and data security policies to be implemented by the Group. Moreover, there are international laws regarding privacy and the storing, sharing, use, disclosure and protection of personally identifiable information and user data. Specifically, personally identifiable information is increasingly subject to legislation and regulations in numerous jurisdictions around the world, the intent of which is to protect the privacy of personal information that is collected, processed and transmitted in or from the governing jurisdiction. The Group could be adversely affected if legislation or regulations are expanded to require changes in business practices or privacy policies, or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect the Group's business, financial condition, results of operations and prospects.

(f) ***The success and growth of the Proposed New Business may be dependent on the Group's ability to secure its intellectual property rights***

The Group's success and growth in the Proposed New Business will depend on the delivery of innovative and effective solutions to meet its clients' objectives, which may in turn be dependent on its ability to secure intellectual property rights to its trademarks, trade names, software platforms and/or products that it designs, develops and/or acquires.

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The Group may be reliant on a combination of patents, trademarks, trade secrets, employee and third-party nondisclosure agreements, licensing arrangements (including but not limited to the TECH5 Preferential Licensing Agreement and the exclusivity agreement in Indonesia between the Target Group and TECH5), and the laws of the countries in which the Group operates to protect its intellectual property rights. The Group may be required to spend significant resources to monitor and protect its intellectual property rights, and even with significant expenditures the Group may not be able to protect its intellectual property rights that are valuable to its Proposed New Business. The laws of certain foreign countries may not protect the Group's products or intellectual property rights to the same extent as in other countries.

If the Group is unable to secure its intellectual property rights, or should its intellectual property be encroached or misappropriated or otherwise misused in jurisdictions where the Group operates or intends to operate in, this may adversely affect the growth prospects of the Proposed New Business. The piracy, theft or unauthorised use of the technology and products of the Proposed New Business could harm the competitive position of the Group. As a result, the value of any investment in research and development, product development and marketing by the Group could be reduced.

(g) ***The Proposed New Business may be subject to exposure to claims of infringement of intellectual property rights of third parties as well as litigation associated with such claims***

The technology sector is subject to the inherent risk of exposure to claims and legal proceedings relating to the infringement of the intellectual property rights of others. Third parties may claim that the technology or content used in the operations and products of the Proposed New Business, the Target Group or any future partners infringe upon their intellectual property rights. Such risk of intellectual property claims will increase as the Proposed New Business expands its products and offerings and to new geographies. While the Group will attempt to protect itself from such claims and exposures, the Group cannot assure that its efforts in this regard will ultimately protect it from any such claims.

Such disputes and claims, with or without merit, may result in legal proceedings which may result in substantial costs and the diversion of financial and management resources. Additionally, if these disputes or claims are not concluded in the Group's favour, the Group will be liable to pay for the claims and/or damages in addition to any legal or other professional fees incurred and its business reputation and results of operations will be adversely affected. Any such claim or litigation could also damage the Group's reputation or result in the termination of agreements by the Group's partners. Such events could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

(h) ***Technology is constantly improving, and current technology may become obsolete***

In carrying out the Proposed New Business, the Group may develop or acquire access to new technologies for its identity management biometric technology solutions. The evolution, development and deployment of new technologies may render the existing technologies to be uncompetitive or obsolete. The Group needs to keep abreast of technological changes and ensure the relevance of technologies to the Group's clients and service offerings. If the Group is unable to develop new applications or enhance its existing technology in a timely manner in response to technological changes, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected, resulting in the Group being unable to compete in the industry.

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(i) ***The Group may not be able to adequately protect its know-how and confidential information from unauthorised copying, use or disclosure***

The Proposed New Business may rely on the value and secrecy of its expertise, know-how, confidential information, as well as ownership of intellectual property. If any security breach, cyber-attack, malicious software or other reason results in the unauthorised disclosure of know-how or confidential information, external parties could gain knowledge of such know-how or confidential information. This could affect the competitiveness of the Proposed New Business and materially and adversely affect Group's business, financial condition, results of operations and prospects.

(j) ***The Group may face competition from existing competitors and new market entrants***

The market for identity management biometric technology solutions is rapidly evolving and competitive, and the Group expects both product and pricing competition to intensify in the near future. The Group competes with both established biometric companies and a significant number of start-up enterprises as well as providers of more traditional methods of access control. Increased competition could cause reduced revenue, price reductions, reduced gross margins and loss of market share.

Many of the current and potential competitors in the Proposed New Business may have longer operating histories and substantially greater financial, technical, sales, marketing and other resources, which may enable them to reduce prices to win new customers or respond more rapidly to new or emerging technologies and changes in client requirements. The Group may not be able to compete successfully against current or future competitors.

As the market for identity management biometric technology solutions continues to develop, a number of other companies with greater resources than the Group could attempt to enter the market or increase their presence by acquiring or forming strategic alliances with the Group's competitors or by introducing their own competing products. These companies and their products and services may be superior to those offered by the Group. The Group may not have the financial resources, technical expertise, marketing, distribution or support capabilities to compete effectively with any of these new entrants to the market.

(k) ***The Group may fail to accurately forecast its clients' demands and trends in preferences***

Demand for the Group's products and services under its identity management biometric technology solutions could be subject to rapidly changing demand and trends in preferences. Therefore, the Group's success depends upon its ability to:

- identify, anticipate, understand and respond to these trends in a timely manner;
- introduce relevant and effective new products and performance features on a timely basis;
- anticipate and meet an expanding range of customer requirements;
- effectively position and market the Group's products and services;
- identify and secure cost-effective means of marketing the Group's products and services to reach the appropriate customers; and
- identify and successfully implement ways of building brand loyalty and reputation.

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As a result of the complexities inherent in the biometric technology solutions offerings of the Proposed New Business, which may require development and testing periods with its clients, the Group may experience difficulties that could delay or prevent the successful development, introduction or marketing of new products and services for its identity management biometric technology solutions. This may lead to a failure to satisfy customers' needs and requirements and a decline in demand for the Group's products and services and the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

- (i) ***As the use of identity management biometric technology solutions is still in its early stages and is pending widespread market acceptance, if the recognition of the value of such technological solutions does not continue to grow, the Group's ability to generate revenue could be impaired***

Identity management biometric technologies have received limited market acceptance, particularly in the private sector. The use of identity management biometric technologies represents a relatively new security solution and is pending widespread market acceptance. Although security concerns relating to identification of individuals and appearance of biometric readers on popular consumer products have increased interest in biometrics generally, it remains an evolving market. Biometric based solutions compete with more traditional security methods including keys, cards, personal identification numbers and security personnel. Acceptance of biometrics as an alternative to such traditional methods depends upon a number of factors including:

- national or international events which may affect the need for or interest in biometric solutions;
- the performance and reliability of biometric solutions;
- marketing efforts and publicity regarding these solutions;
- public perception regarding privacy concerns;
- costs involved in adopting and integrating biometric solutions;
- proposed or enacted legislation related to privacy of information; and
- competition from non-biometric technologies that provide more affordable, but less robust, authentication (such as tokens and smart cards).

For these reasons, there remains uncertainty as to whether the Group's identity management biometric technology solutions will gain widespread acceptance in commercial markets or that demand will be sufficient to create a market large enough to produce significant revenue or earnings. If the acceptance and adoption rate of identity management biometric technology solutions does not continue to grow or is not growing at the rate expected by the Group, the Group's ability to continue to grow organically in the Proposed New Business could be impaired and the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

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- (m) ***The market for identity management biometric technology solutions is still developing and if the biometrics industry adopts standards or a platform different from the Group's standards or platform, the Group's competitive position would be negatively affected***

The market for identity management biometric technology solutions is still developing. The evolution of this market may result in the development of different technologies and industry standards that are not compatible with the current solutions, products or technologies of the Proposed New Business. Several organisations set standards for biometrics to be used in identification and documentation. Although the Group believes that their biometric technologies comply with existing standards, these standards may change and any standards adopted could prove disadvantageous to or incompatible with the Group's business model and current or future solutions, products and services.

- (n) ***If there are changes in the spending policies or budget priorities for government ministries and agencies, the Group's financial prospects may be affected***

The Group is dependent on PT IBI's current base of maintaining Indonesia's current national identity database and supporting PT IBI in building new inroads into the application of identity management biometric technology solutions in the burgeoning Indonesian market. It is also intended that the Group will seek for new clientele from government ministries and agencies. Therefore, any general decrease in funding for ministries or government agencies could reduce their demand of the Group's identity management biometric technology solutions and the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

- (o) ***The Proposed New Business relies on the Group's ability to recruit and retain dedicated and qualified experts and personnel***

The Proposed New Business would rely substantially on the quality of the employees and technical personnel hired for the development, provision and marketing of identity management biometric technology solutions. There is, however, no assurance that the Group will be able to hire employees and technical personnel with the necessary expertise, experience and technical knowledge to develop, provide and market the products and services of the Proposed New Business. The Group faces competition from other similar providers, and therefore, there is no guarantee that the Group will be able to recruit and retain quality employees and technical personnel. If the Group is unable to recruit and retain an appropriate number of management, engineering, technical, finance, sales and other personnel, the quality of the products and services provided under the Proposed New Business may decline or be perceived to decline, which may have a material and adverse effect on the Group's brand and reputation. In the case of highly qualified employees and technical personnel, such persons may demand higher compensation packages and the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

- (p) ***The Group may not have the ability or sufficient expertise to execute the Proposed Diversification***

The Group's ability to successfully diversify into the Proposed New Business is dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate the Proposed New Business. As set out in section 2.7 (*Management of the Proposed New Business*) of this Circular, the Group will be appointing certain key management personnel to oversee the Proposed New Business and is confident that they have the requisite expertise and experience to head the Proposed New Business. That said, there is no assurance that the Group will be able to recruit other qualified personnel with suitable expertise and experience to support the growth of the Proposed New

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Business. Without the support of a strong management team to manage the Proposed New Business, the Group may not be able to successfully implement the Proposed New Business, and the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

- (q) ***The Group may not be able to find partners to work with for future collaborations, joint ventures or strategic alliances or be successful in working with such partners***

From time to time, depending on available opportunities, feasibility and market conditions, the Group may consider that it would benefit from the entry into collaborations, joint ventures or strategic alliances with third parties in Singapore or overseas in connection with the Proposed New Business. There is, however, no guarantee as to whether the Group would be able to find partners to work with at such time or, even if the Group is able to find partners to work with, whether the Group would be successful in working with such partners. Accordingly, even if the Group identifies strategic business opportunities with potential for growth that, in its view, would complement the Group's business, there is no assurance that these opportunities would be successfully executed and the Group may from time to time have to forego potential business opportunities.

- (r) ***The Group may not be able to successfully integrate future collaborations or acquisitions with the Proposed New Business***

Further to the Proposed Diversification, the Board and management may consider it to be in the best interests of the Company and the Group to enter into collaborations or make further acquisitions. The success and profitability of such collaborations and acquisitions may depend on the Group's ability to successfully integrate such collaborations or acquisitions with the Group's business at the respective point in time, including to employ cost-cutting measures and to derive synergies. There is, however, no assurance that the Group would be able to successfully integrate such collaborations or acquisitions with the Proposed New Business. In the event the Group is not able to successfully integrate such collaborations or acquisitions effectively, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

2.5.2 General risks

- (a) ***The Group may be exposed to a range of economic risks relating to the Proposed New Business in the countries in which the Group may operate***

The performance of the Proposed New Business depends largely on the economic situation in the geographical markets in which the Target Group is in and in which the Group proposes to enter into. There is no assurance that the identity management biometric technology solutions sector in Singapore or such other geographical markets will continue to grow. This may adversely affect the demand for the Group's products and services.

Changes in inflation, interest rates, taxation or other regulatory, economic or adverse developments in the supply, demand and prices of resources in such countries, may have an adverse effect on the Group's business. This may also materially and adversely affect the Group's business, financial condition, results of operations and prospects.

- (b) ***The Group may be susceptible to fluctuations in foreign exchange rates***

Should the Group choose to expand or operate substantially in countries other than locations where it is currently operating, a significant portion of the Group's revenue and expenses arising from operating the Proposed New Business may be denominated in the foreign currencies of the respective countries in which it is involved. While care will be taken to hedge against foreign exchange risks, any unforeseen fluctuations against the reporting

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currency of the Group that are unfavourable to the Group may affect the Group's business, financial condition, results of operations and prospects.

(c) ***The Group may be faced with limited availability of funds and is subject to financing risks***

The Group may require extensive technological research and development and the availability of financing may be essential to the Group's ability to undertake and/or expand the Proposed New Business.

However, the Group cannot assure that it will have sufficient funds at its disposal for the operations and expansion of the Proposed New Business, be able to secure adequate financing, if at all, or obtain or renew credit facilities granted by banks and financial institutions for the projects in question when the need arises. Furthermore, the incurrence of debt will increase the Group's financing costs and obligations and could result in operating and financial covenants imposed by financial institutions that restrict its operations and its ability to pay dividends to Shareholders. In such event, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

(d) ***The Group is subject to risks relating to the economic, political, legal or social environment in the overseas markets that the Group may operate in***

Whilst the Group has specific geographical markets which it may focus on, it does not plan to restrict the Proposed New Business to only those geographical markets. There are risks inherent in operating businesses overseas.

The Group's business, financial condition, results of operations and prospects and the value of the Shares may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies, price and wage controls, exchange control regulations, taxation, expropriation, social instability and other political, legal, economic or diplomatic developments in or affecting the overseas markets that the Group may operate in, such as Indonesia, where applicable. The Group does not have control over such conditions and developments and can provide no assurance that such conditions and developments will not have a material adverse effect on the Group's business operations.

Specifically, the business, financial condition, results of operations and prospects of the Group may be materially and adversely affected by:

- changes in government laws, regulations and policies concerning restrictions on price controls, export or import controls, taxation, ownership and expropriation of property, technologies, intellectual property, environmental and/or health safety;
- imposition of additional restrictions on currency conversions, repatriation of local currencies, application of or access to technologies, and remittances abroad;
- industrial disruptions; and
- economic growth or slowdown.

Terrorist attacks and other acts of violence or war may negatively affect certain economies and may also adversely affect financial markets globally. In addition, any such activities in the overseas markets or its neighbouring countries might result in concerns about stability in the region, which may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

(e) ***The Group's operations may be subject to disruptions caused by uncontrollable and unforeseen events and influences***

The Group may face severe disruption in operations from events or circumstances not within its control which, sustained over time, may negatively impact the Group's business, financial condition, results of operations and prospects. Examples of these events or circumstances include conflicts, wars, terrorism, global pandemics (including the COVID-19 pandemic) and other social disruptions, adverse weather and natural disasters including floods, earthquakes, increased costs, unexpected delays from the engagement of third party contractors and service providers, accidents or fires which may result in injuries, damages to critical equipment, power supply or infrastructure and disruptions caused by members of the local community. Any of these events or conditions could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

2.6. **Funding for the Proposed New Business**

The Company may fund the Proposed New Business through a combination of internal sources of funds and borrowings from financial institutions. The Directors will determine the optimal combination of internal funding and bank borrowings, taking into account the cash flow of the Group and the prevailing bank financing costs.

As and when necessary and deemed appropriate, the Group may explore secondary fund raising exercises by tapping the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments.

Please also refer to sections 3.9 (*Source of Funds for the Proposed Acquisition*), 5.7 (*Source of Funds for the Proposed Investment*) and 7.6 (*Rationale for the Proposed Subscription Shares Issue and Use of Proceeds*) of this Circular for the funding for the Proposed Acquisition and Proposed Investment, respectively.

2.7. **Management of the Proposed New Business**

It is currently envisaged that the Proposed New Business and related management will be spearheaded by the executive Director and senior management of the Group as set out below and they will be responsible for overseeing the entire operations of the Proposed New Business. They will be supported by and tapping on the industry experience of the existing management of the Target Group as set out below:

Executive Director and Senior Management of the Group

(a) **Mr. Tan Chee Bun Gordon ("Mr. Gordon Tan")**

Mr. Gordon Tan is currently an Executive Director of the Company. He is responsible for the management of the Group's overall business, financial and corporate matters. He was previously a Chief Financial Officer of a mainboard listed company in Singapore and led a team of thirty (30) finance professionals over nine (9) companies regionally in Singapore, Malaysia, Thailand and China. Mr. Gordon Tan will continue with his current responsibilities and further oversee the Target Group's corporate matters, in particular, the finance and accounts and corporate development departments.

(b) **Mr. Ngo Yit Sung ("Mr. Ngo")**

Mr. Ngo is currently the Business Development Manager of the Company. He is responsible for researching and pursuing new business leads for the growth of the Company. Mr. Ngo will oversee the Target Group's operations and assist in the expansion

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of the Target Group in international markets. Mr. Ngo was a director in a financial communications advisory firm. Prior to that, he was a product engineer at Altera Corporation (Malaysia) Sdn Bhd. Mr. Ngo holds a Bachelor of Engineering (First Class Honours) in Electrical (Mechatronics) from Universiti Teknologi Malaysia and a Ph.D. degree in Electrical and Computer Engineering from the National University of Singapore.

Management of the Target Group

(a) **Mr. Rahul Ganpat Parthe (“Mr. Rahul”)**

Mr. Rahul is the Chief Technology Officer of the Target and the Chief Technical Officer and Co-Founder of TECH5. He was instrumental in designing and implementing the world’s two (2) largest biometric national identification management systems, as a key system architect for the UDI Aadhaar India national identification project, and as the lead architect for the Indonesia national identification implementation. Going forward, Mr. Rahul will continue to lead all the technical aspects of the Target Group with a strong focus on providing the most optimal technical solutions to the Group’s clients.

(b) **Mr. Pierre Olivier Marc Yves Prunier (“Mr. Prunier”)**

Mr. Prunier is the Chief Executive Officer and a director of the Target. He was previously the Chief Executive Officer and director of a large Asian conglomerate. Mr. Prunier currently sits on the board of several private investment firms and has substantive experience in private equity, venture capital and real estate. Mr. Prunier will run the Target Group’s daily activities with a strong focus on business development in Indonesia and worldwide.

(c) **Mr. Irawan Mulyadi (“Mr. Mulyadi”)**

Mr. Mulyadi is the Chief Executive Officer of PT IBI and a director of the Target. He is an IT entrepreneur with many years of progressive experience in the strategic use of information technology. Mr. Mulyadi is currently the director and Deputy Secretary General of FORSEAA (Forum of Small Medium Economic Africa Asean). Mr. Mulyadi will continue to run the operations of the Target Group in Indonesia.

The Group may enter into joint ventures, strategic alliances and foster partnerships with various other third parties in the industry to assist it in undertaking the Proposed New Business more effectively and efficiently. Such partnerships may be on a case by case basis or on a long-term basis. Where necessary, work may be contracted or sub-contracted to third parties who have expertise in the relevant area(s) in relation to the projects concerned. In selecting its partners, the Company will take into account the specific expertise and competencies necessary for the project(s) in question and the experience, track record and financial standing of the party(ies) concerned.

The Group will carefully monitor developments and progress in the Proposed New Business. Where necessary and as the Proposed New Business grows, it will strengthen the management and execution team of the Proposed New Business with additional candidates with the credentials and experience relevant to the Proposed New Business. The Group will also continually evaluate the manpower and expertise required for the Proposed New Business and will, as and when required, engage suitably qualified external personnel, consultants, industry experts and professionals for the Proposed New Business. In making decisions, the Board and senior management will seek the advice of these reputable external consultants and experts where necessary and appropriate. Where necessary, work may be outsourced to these third parties who have expertise in the relevant area(s).

The Group recognises that the Proposed New Business is different from its Current Core Business. However, the Group is confident of developing and building up the expertise required and a track

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record for the Proposed New Business over time. The Group also notes that the relevant experience and expertise required can be strengthened, acquired and developed by the Group over time as it progresses in the Proposed New Business. The Board, which reviews the risk exposure of the Group for all its businesses at regular intervals, will additionally review the risk exposure of the Proposed New Business periodically to ensure that there are sufficient guidelines and procedures in place to monitor its operations.

2.8. Risk Management Measures and Safeguards

The Board does not have a separate risk committee as the Board is currently assisted by the Audit Committee, internal auditors and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies. To address the risks presented by the Proposed Diversification, the members of the Audit Committee will be tasked with the responsibility of overseeing the risk management activities of the Company in relation to the Proposed New Business following the Proposed Diversification.

The Audit Committee will be required to approve appropriate risk management procedures and measurement methodologies, and be involved in identifying and managing the various business risks for the Proposed New Business. The Audit Committee will:

- (a) review with the management, external and internal auditors on the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance, informational technology and risk management systems relating to the Proposed New Business; and
- (b) commission and review the findings of internal investigations into 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 the Group's operating results and/or financial position.

The Company will endeavour to ensure that the risk management systems are implemented commensurate with the risk and business profile, nature, size and complexity of operations and business activities of the Proposed New Business, and will review such risk management systems periodically to assess its adequacy.

The Board and the Audit Committee will adopt internal policies before tabling proposals for any new projects or investments under the Proposed New Business. In addition, the Board and the Audit Committee (which is required to review the risk exposure of the Proposed New Business of the Company at regular intervals) will review the risk exposure of the Proposed New Business at intervals of not less than annually.

The risk management and internal control systems, no matter how sophisticated in design, still contains inherent limitations caused by misjudgement or fault. Accordingly, there is no assurance that the risk management and internal control systems are adequate or effective notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies may result in investigations and/or disciplinary actions, prosecution being taken against the Company and/or its employees, disruption to the risk management system, and/or an adverse effect on the Group's financial condition and results of operations.

2.9. Conflict of Interest

When the Company identifies a potential opportunity in respect of the Proposed New Business, each of the Directors and key management personnel will be obliged to disclose to the Board where he and/or his associates have an interest (and the full extent thereof) in the transaction (a "**Conflicted Individual**"). A Conflicted Individual shall not (a) vote in respect of matters in relation to the Proposed New Business; (b) will not, directly or indirectly, make any executive decisions in

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respect of the Proposed New Business; and (c) will not, directly or indirectly influence or participate in the operations and management of the Proposed New Business.

Please refer to section 2.7 (*Management of the Proposed New Business*) of this Circular for information of the management of the Proposed New Business.

2.10. Financial Impact of the Proposed New Business

As at the Latest Practicable Date, save for the Proposed JV, the Proposed Acquisition and the Proposed Investment, the Group has not made any substantial affirmative and binding investments in relation to the Proposed New Business that are expected to materially impact the NTA / NTL per Share or EPS / LPS of the Group for the financial year ending 31 May 2021.

Please refer to section 8 (*Pro Forma Financial Effects*) of this Circular for the impact on NTA / NTL per Share and LPS in relation to, *inter alia*, the Proposed JV, Proposed Acquisition and Proposed Investment.

The Company would make the necessary announcements as and when appropriate in the event that any further developments relating to the Proposed Diversification would have any material impact on the NTA / NTL per Share and/or the LPS of the Group.

2.11. Impact on the Financial Reporting of the Proposed New Business

For the purposes of reporting the financial performance of the Group, in accordance with the applicable accounting standards and the Catalist Rules, where the financial results of the Proposed New Business are material, it will be accounted for and disclosed as a separate business segment in the Group's financial statements. The Group's financial statements, which would include the financial results of the Proposed New Business, will be periodically announced in accordance with the requirements set out in Chapter 7 of the Catalist Rules.

The consolidated financial statements comprise the financial statement of the Company and its subsidiaries at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date on which such control ceases. The financial statement of the Proposed New Business will be prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

3. THE PROPOSED ACQUISITION

3.1. Introduction to the Proposed Acquisition

On 26 January 2021, the Company announced that it had entered into (a) a sale and purchase agreement (the "**InterBio SPA**") with the Seller Shareholders and the Sellers 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 "**Consideration**") to be satisfied via the issue and allotment of Consideration Shares and cash payment, in the manner as set out in section 3.6 (*Salient Terms of the InterBio SPA*) of this Circular; and (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.

Upon completion of the Proposed Acquisition, the Target will become a subsidiary of the Company.

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3.2. Rationale for the Proposed Acquisition

The Directors are of the view that the Proposed Acquisition is in line with the Group's goal to diversify its business into the Proposed New Business, provide additional revenue streams for the Group, to increase Shareholder's value, and is in the best interests of the Group for the following reasons:

- (a) *The Proposed Acquisition is in line with the Group's growth strategy to diversify into the Proposed New Business and reduce the Group's reliance on the Current Core Business*

As stated in section 2.3(a) of this Circular, the Company intends to diversify into the Proposed New Business, and the Proposed Acquisition is an integral part of the Group's strategy to diversify its business and generate an additional stream of revenue for the Group and to reduce its reliance on its Current Core Business.

- (b) *The Proposed Acquisition will allow the Group to tap into the expertise and know-how of the existing management of the Target Group*

The Target Group has a proven management team which has a credible track record of developing identity management biometric technology solutions for the Indonesian market. The Group shall be working closely with the Target Group's management team to further develop the Target Group's biometric business as well as explore new projects through the Proposed JV, and this will provide a reservoir of management capabilities and experience, together with which the Group's management can penetrate the Proposed New Business. Please refer to section 2.7 (*Management of the Proposed New Business*) of this Circular for more details on the Target Group's existing management team.

- (c) *Proven Track Record of Profitability of the Target Group*

Based on the unaudited consolidated accounts for the six (6) months ended 30 June 2020 ("HY2020"), eleven (11) months ended 30 November 2020 ("11MFY2020") and financial year ended 31 December 2020 ("FY2020"), the Target Group recorded a net profit after tax of approximately S\$1,849,000, S\$2,880,000 and S\$3,560,000, respectively. Such profitability is built upon PT IBI's current base of maintaining Indonesia's current national identity database (of approximately 200 million of enrolled citizens), and the Group looks forward to PT IBI building new inroads into the application of identity management biometric technology solutions in the burgeoning Indonesian market. The proven track record of profitability makes the Target Group an attractive acquisition target and partner vis-à-vis other market players who have yet to successfully make a profitable business case.

3.3. Information on the Seller Shareholders and the Sellers

Please refer to **Appendix I** (*Information on the Seller Shareholder and the Sellers*) of this Circular for more details on the Seller Shareholders and the Sellers.

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.

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 Code upon issue and allotment of the Consideration Shares.

None of the Seller Shareholders and Sellers are persons who fall within the categories set out in

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Catalist 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, or any other person in the categories set out in Catalist Rule 812(1).

3.4. Information on the Target Group

The Target is a private limited company established in 2017 in Singapore and is a holding company of PT IBI owning 99.0%⁴ of the share capital of PT IBI.

PT IBI is a leading identity management biometric software solutions company with strong execution experience and robust technology platforms, with its current operations in Indonesia. 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 NIST⁵ 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.

3.5. Key Financial Information on the Target Group

(a) Asset Value of the Target Group

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 has a net tangible asset value of approximately S\$4,030,000, S\$5,049,000 and S\$5,679,000 as at 30 June 2020, 30 November 2020 and 31 December 2020, respectively.

(b) Net Profits of the Target Group

Based on the unaudited consolidated accounts for HY2020, 11MFY2020 and FY2020, the Target Group recorded a net profit after tax of approximately S\$1,849,000, S\$2,880,000 and S\$3,561,000, respectively.

(c) Independent Valuation

The Company has appointed Cushman & Wakefield VHS Pte. Ltd. as an Independent Valuer to assess and determine the market value of the 100.0% equity interest in the capital of the Target Group as at 30 November 2020 for the Proposed Acquisition (the "**Valuation**"). A Valuation Report has been issued by the Independent Valuer in respect of the independent valuation on the market value of the 100.0% equity interest in the capital of Target Group as at 30 November 2020, and the Summary Valuation Report is set out in **Appendix II** (*Summary Valuation Report*) of this Circular.

Based on the Valuation Report, the market value of 100.0% equity interest in the capital of the Target Group as at 30 November 2020 is between US\$47.0 million to US\$56.0 million. The Valuation is based primarily on the income approach with reference made to the market approach. The Independent Valuer has also taken into consideration the prevailing market conditions as at the valuation date, being 30 November 2020.

Shareholders are advised to read and consider the Summary Valuation Report issued by the Independent Valuer in respect of the independent valuation on the Target Group carefully, in particular the terms of reference, key assumptions and critical factors. The Summary Valuation Report is set out in Appendix II (*Summary Valuation Report*) of this Circular.

⁴ The remaining 1.0% is owned by an Indonesian national, Mr. Achmad Wijaya.

⁵ National Institute of Standards and Technology under the United States Commerce Department.

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3.6. Salient Terms of the InterBio SPA

Consideration	:	<p>The Consideration is approximately S\$35,000,000 and shall be satisfied by the Company in the following manner:</p> <ul style="list-style-type: none"> (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 Company on the Completion Date to the Seller Shareholders and/or their nominees; and (b) an aggregate amount of S\$13,500,000 to be satisfied in cash by the Company to the Seller Shareholders in the following tranches (the “Cash Consideration”): <ul style="list-style-type: none"> (i) S\$6,750,000 of the Cash Consideration on the Completion Date; and (ii) S\$6,750,000 of the Cash Consideration on the date falling three (3) months from the Completion Date. <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 as stated in the Valuation Report, the net asset value and the net profits of the Target Group for 11MFY2020.</p> <p>Please refer to section 4 (<i>The Proposed Consideration Shares Issue</i>) of this Circular for more details on the Consideration Shares.</p> <p>Please refer to section 7.6 (<i>Rationale for the Proposed Subscription Shares Issue and Use of Proceeds</i>) of this Circular for more details on the how the Cash Consideration will be satisfied.</p>
Conditions	:	<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> <ul style="list-style-type: none"> (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; (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; (c) the completion of the divestment of the other existing

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	<p>subsidiaries of the Target, being PT BLI, Lone Soft and Tip Rock;</p> <p>(d) the approval of the board of directors of each of the Sellers 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 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, 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 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</p>
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	<p>from certain of the Seller Shareholders;</p> <ul style="list-style-type: none">(j) the repayment in full of all outstanding amounts (including any trade payables) owing or owed to any Target Group Company by each of PT BLI, Lone Soft or Tip Rock, as the case may be;(k) the repayment in full of all outstanding amounts owed by the Target to its shareholders;(l) the entry into a service agreement between PT 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</p>
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		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.
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: <ul style="list-style-type: none"> (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 PT 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: <ul style="list-style-type: none"> (a) all of the Consideration Shares from the Completion Date until the date falling six (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 Company, 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 all of its affiliates or related undertakings) are subject to non-compete and non-solicit restrictions for a period of eighteen (18) months after the

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		Completion Date. ⁶
Intellectual Property	:	<p>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.</p> <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 (the "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"> (a) any breach of Anti-Corruption Laws (as defined in the InterBio SPA) by any Target Group Company (or any person (including PT BLI, Lone Soft and/or Tip Rock) for whose actions any Target Group Company may be liable) at any time before Completion; (b) 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 PT BLI, Lone Soft and/or Tip Rock) for whose actions any Target Group Company may be liable); or (c) 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

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

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		copyright certificates from the relevant Government Authority by any Group Company (or any person (including PT 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 Company (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.

3.7. 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</p>
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		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.
Reserved matters	:	Board reserved matters require the prior written consent of all of the Yinda Directors and all of the Founder Directors. Shareholder reserved matters require the prior written consent of the shareholders who together, at the relevant time, hold more than 80.0% of the number of shares in the Target in issue at that time.
Issuance of new shares	:	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.
Restrictions on transfers of shares	:	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.
Restrictive Covenants	:	The shareholders ⁷ of the Target are subject to confidentiality obligations and restrictive covenants as a shareholder of the Target and non-compete and non-solicit restrictions for a period of twelve (12) months subsequent to the Cessation Date (as defined in the InterBio SHA).
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.

⁷ Save with the exception of Mr. Rahul’s (who is a Seller Shareholder) involvement with TECH5.

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3.8. Management of the Target Group

Please refer to section 2.7 (*Management of the Proposed New Business*) of this Circular in relation to the management of the Proposed New Business, where Mr. Rahul, Mr. Prunier and Mr. Mulyadi will remain as the management in relation to the Target Group. Upon completion of the Proposed Diversification and Proposed Acquisition, the Target will become a subsidiary of the Company and Mr. Gordon Tan and Mr. Ngo will also contribute to the management of the Target Group.

3.9. Source of Funds for the Proposed Acquisition

The Cash Consideration (and estimated professional and other fees and expenses incurred or to be incurred by the Company in connection with the Proposed Acquisition) will be funded by the Company's internal resources (including net proceeds from the November 2020 Subscription Exercise and December 2020 Subscription Exercise) and net proceeds from the January 2021 Subscription Exercise. This is in line with the use of net proceeds arising from the Company's Subscription Exercises.

Please refer to section 7.6 (*Rationale for the Proposed Subscription Shares Issue and Use of Proceeds*) of this Circular for more details on the how the Cash Consideration will be satisfied.

3.10. Information on the Introducer

The Introducer is in 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 Latest Practicable Date, both Mr Tan Chin Tuan and Ms Li Jingjing do not hold any Shares.

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 the due diligence process with the Target during the course of the Company's evaluation of the Proposed Acquisition.

In consideration of the services provided by the Introducer, the Company has agreed with the Introducer that it shall pay a fee (the "**Introducer Fee**") comprising (a) four (4) monthly retainers of S\$50,000 in cash to the Introducer upon the signing of the Introducer Letter Agreement, which shall be refunded in the event that the Proposed Acquisition is terminated; and (b) a service fee of 6.0% of the Consideration which shall be due and payable in cash on the Completion Date (approximately 80.0%) and on the date falling three (3) months from the Completion Date (approximately 20.0%), which is in line with the proportions for the Consideration.

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. The Company had also considered the following factors pertinent to the Group and the current COVID-19 environment:

- (a) the need to identify new businesses to support the Current Core Business was urgent given that the Group's projects in Singapore and Thailand continue to be affected and delayed due to measures implemented by the respective governments to curb the COVID-19 pandemic; and
- (b) it had posed the Introducer a challenging target to locate new businesses amidst the COVID-19 pandemic. In addition, the new businesses identified should not be materially

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and adversely affected by the COVID-19 pandemic and should also be reasonably expected to thrive in or benefit from a post COVID-19 environment.

4. THE PROPOSED CONSIDERATION SHARES ISSUE

4.1. Principal Terms of the Proposed Consideration Shares Issue

The issue price of S\$0.15 per Consideration Share represents a premium of approximately 9.7% to the 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 called by the Company on 22 January 2021, following which the InterBio SPA was executed and announced on 26 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.

4.2. Rationale for the Proposed Consideration Shares Issue

The Board is of the view that partial satisfaction of the Consideration through the Proposed Consideration Shares Issue 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 III** (*Changes in Shareholding Interests*) of this Circular for a breakdown of the shareholding interests of Directors and Substantial Shareholder both prior to and immediately after completion of the Proposed Transactions.

4.3. Issue Size

The total number of the Consideration Shares to be issued and allotted by the Company to the Seller Shareholders and/or their nominees is 143,333,000, representing approximately 30.47% of the Existing Share Capital and 22.14% of the Enlarged Share Capital.

4.4. Authority for the Issue and Allotment of the Consideration Shares

Catalist Rule 805 provides that an issuer must obtain the prior approval of shareholders in general meeting for the issuance of shares or convertible securities, unless such shares or convertible securities are issued under a general mandate obtained from shareholders in general meeting.

Accordingly, the Company will be seeking specific Shareholders' approval at the EGM for the Proposed Consideration Shares Issue for the purposes of Catalist Rule 805.

5. THE PROPOSED INVESTMENT

5.1. Introduction to the Proposed Investment

On 26 January 2021, the Company announced that it had entered into (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

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by TECH5 to the Company preferential licensing rights to distribute and utilise TECH5's biometric technology solutions.

5.2. Rationale for the Proposed Investment

The Directors are of the view that the Proposed Investment is in line with the Group's goal to diversify its business into the Proposed New Business, to increase Shareholder's value, and is in the best interests of the Group for the following reasons:

- (a) *The Proposed Investment is in line with the Group's growth strategy to diversify into the Proposed New Business and reduce the Group's reliance on the Current Core Business*

As stated in section 2.3(a) of this Circular, the Company intends to diversify into the Proposed New Business, and the Proposed Investment is an integral part of the Group's strategy to diversify its business, grants access to TECH5's biometric technologies and to reduce its reliance on its Current Core Business.

- (b) *The Proposed Investment will allow the Group to tap into the proven biometric technologies of TECH5 in order to expediently enter the Proposed New Business*

The identity management biometrics technology solutions provided by TECH5 can be applied to over forty (40) vertical markets, from national identity, to fintech, banking e-KYC, healthcare and education. As at the Latest Practicable Date, TECH5 has major clients comprising system integrators in Switzerland, the United Kingdom, Turkey, India, South Korea, Middle East and Indonesia. Through the Proposed Investment, the Group will be able to immediately tap into the proven biometric technologies of TECH5 and expediently move into the Proposed New Business. This working relationship between the Group and TECH5 shall be further anchored by the equity conversion rights into TECH5, which will in time establish TECH5 as a key technology partner of the Group going forward. As the Company seeks to build up its Proposed New Business, the Company sees TECH5 as a biometrics technology partner with credible biometrics technologies and a strong technical team led by the TECH5 Shareholders. As TECH5 is a promising and growing company, both parties mutually agreed to a convertible loan to defer the equity investment to a later date to allow TECH5's business and valuations to stabilise, whilst the discounts and valuation bands (see section 5.5 (*Salient Terms of the TECH5 Loan Agreement and TECH5 Investment Agreement*) of this Circular) provide the Company greater certainty to the conversion outcome.

- (c) *The Proposed Investment will grant exclusive and non-exclusive distribution rights for TECH5's technologies to the Group*

The TECH5 Preferential Licensing Agreement, which will come into force when the TECH5 Loan Amount pursuant to the TECH5 Loan Agreement has been received by TECH5, shall grant the Group exclusive value-added reseller and distribution rights for China and Japan and non-exclusive value-added reseller distribution rights for the rest of the world. In particular, the exclusive rights to China and Japan will allow the Group to ride on TECH5's biometrics technologies in penetrating these markets and gain a head-start against other potential competitors.

5.3. Information on TECH5

TECH5 is a company incorporated in Switzerland. Mr. Rahul (who is also a Seller Shareholder) and Mr. Machiel van der Harst (collectively, the "**TECH5 Shareholders**") each hold 50.0% of the total ordinary share capital of TECH5. The sole director of TECH5 is Mr. Machiel van der Harst who is also the Chief Executive Officer and Co-Founder. Mr. Rahul is the Chief Technical Officer and Co-Founder of TECH5.

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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 twenty (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.

The identity management biometrics technology solutions provided by TECH5 can be applied to over forty (40) vertical markets, from national identity, to fintech, banking e-KYC, healthcare and education. As at the Latest Practicable Date, TECH5 has major clients comprising system integrators in Switzerland, the United Kingdom, Turkey, India, South Korea, Middle East and Indonesia.

Save for Mr. Rahul who is also a Seller Shareholder and that 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.

Prior to the Proposed Investment, neither TECH5 Shareholder (save for Mr. Rahul who is also a Seller 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.

5.4. Key Financial Information on TECH5

(a) 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).

(b) Net Profits of 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).

5.5. 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 the rest of the world) distribution rights for TECH5's technologies.
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 ").

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		Date”).
Early repayment	:	<p>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> <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; or</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 five (5) business days after the date TECH5 receives the proceeds of the Qualified Financial Round but not earlier than six (6) months after the Funding Date, provided that TECH5 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>

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Conversion shares of TECH5	:	<p>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.</p>
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 style="padding-left: 20px;">(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 style="padding-left: 20px;">(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 Company shall not be issued TECH5 Shares representing more than 5.0% of TECH5’s share capital; or</p> <p style="padding-left: 20px;">(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> <p>The terms of the 12.0% discount rate and the floor and ceiling limits were determined on a willing buyer willing-seller basis between the Company and TECH5, taking the following into consideration:</p> <p>(a) TECH5’s willingness to provide the Company a higher return (through the discount rate) than its subsequent investors for the Company’s support for TECH5 during its initial growth</p>

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		<p>phase through the provision of the TECH5 Loan Amount;</p> <p>(b) the Company's review of the existing valuation of companies comparable to TECH5, and</p> <p>(c) the entry of the TECH5 Preferential Licensing Agreement with the Company, which grants distributorship and licensing rights to TECH5's biometric technologies, including but not limited to the exclusive rights to two key markets, China and Japan.</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.

5.6. Salient Terms of the TECH5 Preferential Licensing Agreement

Term	:	<p>Three (3) years, with automatic renewals of consecutive one (1) year terms unless written notice not to renew is provided at least thirty (30) days' prior to the renewal date. The TECH5 Preferential Licensing Agreement will only come into force on the date TECH5 confirms to the Company that it has received in full the proceeds of the TECH5 Loan Amount.</p> <p>At deciding on the term of the TECH5 Preferential Licensing Agreement, the Board considered that the three (3) years' period will allow the Company to build up its Proposed New Business with TECH5 and over this period, execute projects that will benefit both TECH5 and the Company. While the Company will work earnestly with TECH5 towards mutual benefit, the TECH5 Preferential Licensing Agreement does not preclude the Company from working with other biometric technology partners. Hence, should the Company lose the licensing rights from TECH5 after three (3) years, it will continue to work with other biometric technology partners. Should the TECH5 Preferential Licensing Agreement prove to be beneficial to the Group during the three (3) years and the Group continues to have a good working relationship with TECH5, the parties may discuss and decide to extend TECH5's licensing rights to the Group for a continued partnership.</p>
Products and services	:	TECH5 software products in relation to biometrics-based identity management, such as biometric software developer kits, biometric matching platforms, middleware and client applications.
Geographical coverage	:	<p>Exclusive Value Added Reseller and Distribution rights for China and Japan.</p> <p>Non-Exclusive Value Added Reseller and Distribution rights for the Rest of World.</p>
Roles and obligations of TECH5	:	<p>To continue to develop and improve its biometric algorithms, biometric matching platform, middleware and client applications.</p> <p>To provide training, technical support and maintenance to the</p>

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		Company.
Roles and obligations of the Company	:	To develop software technologies customised 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 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.

5.7. Source of Funds for the Proposed Investment

The TECH5 Loan Amount (and estimated professional and other fees and expenses incurred or to be incurred by the Company in connection with the Proposed Investment) will be funded from the Company's internal resources (including net proceeds from the November 2020 Subscription Exercise and December 2020 Subscription Exercise), as well as net proceeds from the January 2021 Subscription Exercise. This is in line with the use of net proceeds arising from the Company's Subscription Exercises.

Please refer to section 7.6 (*Rationale for the Proposed Subscription Shares Issue and Use of Proceeds*) of this Circular for more details on the how the TECH5 Loan Amount will be satisfied.

5.8. Transactions with TECH5

The Company and Audit Committee will evaluate any future transactions between the Group (which will include the Target Group after completion of the Proposed Acquisition and Proposed Investment) and TECH5 on a case-by-case basis and assess whether such transaction needs to be subject to the requirements of Chapter 9 of the Catalist Rules. Where necessary, the Group will seek a general mandate for transactions between the Group (which will include the Target Group after completion of the Proposed Acquisition and Proposed Investment) and TECH5.

6. CATALIST RULE 1006 RELATIVE FIGURES FOR THE PROPOSED JV, PROPOSED ACQUISITION AND PROPOSED INVESTMENT

- 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 Latest Practicable Date and TECH5 is 50.0% owned by Mr. Rahul, who is also a Seller Shareholder in respect of the Proposed JV, Proposed Acquisition and Proposed Investment will be aggregated for the purposes of computing the relevant bases pursuant to Rule 1006 of the Catalist Rules.
- 6.2. The relative figures for the Proposed JV, Proposed Acquisition and Proposed Investment computed on the bases set out in Catalist Rule 1006 are as follows:

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Rule 1006	Bases of Calculation	Relative Figure for Proposed JV	Relative Figure for Proposed Acquisition	Relative Figure for Proposed Investment	Relative Figure for Proposed JV, Proposed Acquisition and Proposed Investment
(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⁾	(60.44)% ⁽⁸⁾	N.A. ⁽²⁾	(60.44)% ⁽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	N.A. ⁽⁶⁾	N.A. ⁽⁶⁾	N.A. ⁽⁶⁾	N.A. ⁽⁶⁾

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Rule 1006	Bases of Calculation	Relative Figure for Proposed JV	Relative Figure for Proposed Acquisition	Relative Figure for Proposed Investment	Relative Figure for Proposed JV, Proposed Acquisition and Proposed Investment
	disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets				

Notes:

- (1) Computed based on the JV Investment Amount of S\$510,000 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 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 preceding the execution of the InterBio SPA and the 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 relating to mineral, oil or gas assets.
- (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\$1,198,000 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 Consideration of S\$35,000,000.
- (10) Computed based on 143,333,000 Consideration Shares to be issued as partial satisfaction of the Consideration and 371,333,333 Shares in the ordinary share capital of the Company (as at 21 January 2021, being the last full market day prior to the trading halt called by the Company on 22 January 2021 and the execution of the Interbio SPA which was announced on 26 January 2021).
- (11) Computed based on the TECH5 Loan Amount of US\$2,500,000 (approximately S\$3,300,000) and net asset value of the Group of approximately S\$7,472,000 as at 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 of the JV Investment Amount and the TECH5 Loan Amount amounting to approximately S\$3,810,000 and net asset value of the Group of approximately S\$7,472,000 as at 30 November 2020.
- (14) Computed based on the total of the JV Investment Amount, Consideration and the TECH5 Loan Amount amounting to approximately S\$38,810,000.

6.3. Approvals for the Proposed JV, Proposed Acquisition and Proposed Investment

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 JV, Proposed Acquisition and Proposed Investment exceeds 75.0% individually, the collective relative figures of Catalist Rule

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1006(a) and 1006(c) of the Proposed JV, Proposed Acquisition and Proposed Investment exceeds 50.0% and 75.0% respectively. In addition, the net profit attributable to the Sale Shares (for HY2020) exceeds 5.0% 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 the new business area, Shareholders' approval will be sought at an EGM for the Proposed Acquisition and Proposed Investment.

7. THE PROPOSED SUBSCRIPTION SHARES ISSUE

7.1. Introduction to the Proposed Subscription Shares Issue

On 26 January 2021, the Company announced that it had entered into subscription agreements (the "**Subscription Agreements**") with twenty-nine (29) subscribers (including Mr. Hing Chow Yuen, Mr. Chee Tuck Hong and Mr. Chee Tai Chiew) for an aggregate subscription of 167,400,000 Shares (the "**January 2021 Subscription Exercise**"). Further, on 15 February 2021, the Company announced that out of the 167,400,000 Shares, certain subscribers had requested to withdraw or reduce their subscription commitments (as the case may be) of 34,800,000 Shares due to unforeseen circumstances, and in the interest of maintaining investor relationships, the Company had agreed to release these subscribers from their obligations under the respective Subscription Agreements as a gesture of goodwill. As a result, the total subscription under the January 2021 Subscription Exercise is for 132,600,000 Shares.

Of the 132,600,000 Shares subscribed for under the January 2021 Subscription Exercise, Mr. Hing Chow Yuen, Mr. Chee Tuck Hong and Mr. Chee Tai Chiew (collectively, the "**Subscribers**") will be subscribing for 33,600,000 Shares pursuant to terms of the relevant Subscription Agreements (the "**Subscription Shares**") in the following proportions:

S/No.	Name of Subscriber	Aggregate consideration	Number of Subscription Shares
1.	Mr. Hing Chow Yuen	S\$2,000,000	16,000,000
2.	Mr. Chee Tuck Hong	S\$700,000	5,600,000
3.	Mr. Chee Tai Chiew	S\$1,500,000	12,000,000
Total		S\$4,200,000	33,600,000

Please refer to the Company's announcements dated 26 January 2021, 30 January 2021, 4 February 2021 and 15 February 2021 for further details regarding the January 2021 Subscription Exercise.

7.2. Information on the Subscribers

Shareholders should note that the information relating to the Subscribers in this section were provided by the Subscribers. The Company and the Directors have not independently verified the accuracy and correctness of such information.

The background details of the Subscribers are set out below:

S/No.	Name of Subscriber	Background of Subscriber
1.	Mr. Hing Chow Yuen	Private investor

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S/No.	Name of Subscriber	Background of Subscriber
2.	Mr. Chee Tuck Hong	Private investor
3.	Mr. Chee Tai Chiew	Director / HC Auto Pte Ltd

Mr. Hing Chow Yuen and Mr. Chee Tai Chiew had participated in previous subscription exercises of the Company while Mr. Chee Tai Chiew had, on 14 August 2020, acquired 27,360,000 Shares from Yinda Pte. Ltd. The Subscribers had expressed interest to invest further in the Company. More details on the Company's previous subscription exercises can be found in section 7.6 (*Rationale for the Proposed Subscription Shares Issue and Use of Proceeds*) of this Circular.

As at 21 January 2021, being the last full market day when the Shares were traded prior to the trading halt called by the Company on 22 January 2021, following which the Subscription Agreements were executed and announced on 26 January 2021, Mr. Hing Chow Yuen, Mr. Chee Tuck Hong and Mr. Chee Tai Chiew held 41,804,800 Shares representing 11.26%, 27,360,000 Shares representing 7.37% and 20,500,000 Shares representing 5.52% of the total issued and paid-up share capital of the Company of 371,333,333 Shares as at 21 January 2021 and were deemed as Substantial Shareholders of the Company.

Each of the Subscribers have represented and warranted that they have entered into the relevant Subscription Agreements for their respective financial investment purposes and will not be holding the Subscription Shares on trust or as a nominee. Each of the Subscribers have confirmed that they have entered into the relevant Subscription Agreement purely for investment purposes only, and has no intention of influencing the management of, or exercising control over, the Company, and is not acting in concert, as defined in the Code with any persons to obtain or consolidate control of the Company. No share borrowing arrangement has been entered into to facilitate the Proposed Subscription.

Save as disclosed, to the best of the Company's knowledge, none of the Subscribers have any connection (including business relationships) with the Company, its Directors and Substantial Shareholders.

There is no moratorium imposed on the Subscription Shares.

7.3. Terms of the Proposed Subscription Shares Issue

Completion of the Proposed Subscription Shares Issue is conditional upon, among others:

- (a) the listing and quotation notice being obtained from the SGX-ST for the dealing in, listing of and quotation for the Subscription Shares on the Catalist;
- (b) the approval of the Shareholders in the EGM for the Proposed Subscription Shares Issue;
- (c) the exemptions under Section 275 of the Securities and Futures Act being applicable to the Proposed Subscription;
- (d) the allotment, issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreements by any legislative, executive or regulatory body or authority of Singapore or any jurisdiction which is applicable to the Company; and
- (e) the representations, warranties and undertakings in the Subscription Agreements remaining true and correct in all material respects as at the date of completion of the Proposed Subscription Shares Issue and the Company having performed all of its

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obligations under the Subscription Agreements.

If any of the conditions set out in the Subscription Agreements has not been satisfied on or before the date falling three (3) months after the date of the Subscription Agreements or such other date as the parties to the Subscription Agreements may mutually agree, the Subscription Agreements shall terminate and shall be of no further effect and no party thereto shall be under any liability to the other in respect of the Subscription Agreements.

The Subscribers shall pay the consideration to the Company within two (2) business days from the Company's receipt of the listing and quotation notice from the SGX-ST or the approval of the Shareholders in the EGM for the Proposed Subscription Shares Issue, whichever is later.

Completion of the Proposed Subscription Shares Issue will occur within three (3) business days after the Company's receipt of the consideration from the Subscribers.

7.4. **Subscription Shares and Subscription Issue Price**

The issue price of S\$0.125 for each Subscription Share represents a discount of approximately 8.56% to the 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 called by the Company on 22 January 2021, following which the Subscription Agreements were executed and announced on 26 January 2021.

The issue price for each Subscription Share was arrived at after taking into consideration, inter alia, the prevailing market conditions, the share prices of the Company during the time of entry of the Subscription Agreements, the rationale for the Proposed Subscription Shares Issue as set out in section 7.6 (*Rationale for the Proposed Subscription Shares Issue and Use of Proceeds*) of this Circular, and was mutually agreed between the Company and the Subscribers.

The Subscription Shares, when fully paid and issued, shall rank *pari passu* with and shall carry all rights similar to the existing Shares except that they will not rank for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of such Subscription Shares.

7.5. **Issue Size**

The Proposed Issue of Shares to Mr. Hing Chow Yuen, Proposed Issue of Shares to Mr. Chee Tuck Hong and Proposed Issue of Shares to Mr. Chee Tai Chiew represent 3.40%, 1.19% and 2.55% of the Company's Existing Share Capital and approximately 2.47%, 0.87% and 1.85% of the Company's Enlarged Share Capital, respectively.

Collectively, the Subscription Shares represent 7.14% of the Company's Existing Share Capital and approximately 5.19% of the Company's Enlarged Share Capital.

Please refer to **Appendix III** (*Changes in Shareholding Interests*) of this Circular for a breakdown of the shareholding interests of the Subscribers both prior to and immediately after completion of the Proposed Transactions.

7.6. **Rationale for the Proposed Subscription Shares Issue and Use of Proceeds**

The Company had, conducted the following share subscription exercises in 2020 (collectively, with the January 2021 Subscription Exercise, the "**Subscription Exercises**"):

- (a) share subscription of 76,000,000 Shares that was completed on 16 October 2020 (the "**October 2020 Subscription Exercise**");

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- (b) share subscription of 81,200,000 Shares of which 72,700,000 Shares were issued on 27 November 2020 while the remaining 8,500,000 Shares were issued on 6 January 2021 (the “**November 2020 Subscription Exercise**”); and
- (c) share subscription of 41,300,000 Shares that was completed on 23 December 2020 (the “**December 2020 Subscription Exercise**”).

Notwithstanding that the Company has yet to fully utilise the proceeds from the October 2020 Subscription Exercise, the November 2020 Subscription Exercise and the December 2020 Subscription Exercise, the January 2021 Subscription Exercise is beneficial for the Group as this will further strengthen its financial position and improve its cash flow to support the working capital requirements of the Group, given its current loss-making position. In addition, the January 2021 Subscription Exercise will also provide additional resources and funding for the Group to pursue new business opportunities as and when they arise, such as the Proposed Acquisition.

The net proceeds to be raised by the Company from the January 2021 Subscription Exercise (after deducting estimated expenses of S\$0.04 million) are approximately S\$16,535,000 (the “**January 2021 Subscription Exercise Net Proceeds**”). The Company intends to allocate the January 2021 Subscription Exercise Net Proceeds as follows:

Use of Net Proceeds	Amount (S\$'000)	Percentage Allocation (%)
Working capital	1,984 – 2,976	12% - 18%
New business opportunities, including the Proposed Acquisition and working capital of the new business after completion of the Proposed Acquisition	13,559 – 14,551	82% - 88%
Total	16,535	100

Pending the deployment of the January 2021 Subscription Exercise Net Proceeds, the Company intends to place the January 2021 Subscription Exercise Net Proceeds from the January 2021 Subscription Exercise with banks and/or financial institutions or use the January 2021 Subscription Exercise Net Proceeds for any other purposes on a short-term basis, as the Directors may deem fit.

The Company will make periodic announcements on the utilisation of the January 2021 Subscription Exercise Net Proceeds as and when the funds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated.

The Company will also provide a status report on the use of the January 2021 Subscription Exercise Net Proceeds in the Company’s half year and full year financial statements and the Company’s annual report. Where the January 2021 Subscription Exercise Net Proceeds are used for working capital purposes (including working capital for the new business after completion of the Proposed Acquisition), the Company will provide a breakdown with specific details on how the January 2021 Subscription Exercise Net Proceeds have been applied in the announcements and the annual report. Where there is any material deviation from the stated use of the January 2021 Subscription Exercise Net Proceeds, the Company will announce the reasons for such deviation.

As at the Latest Practicable Date, the remaining net proceeds and the intended use of net proceeds from the Subscription Exercises are as follows:

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S\$'000	October 2020	November 2020	December 2020	January 2021
Net proceeds for working capital	301 ⁽¹⁾	1,163 – 1,745	157 – 315	1,984 – 2,976
Net proceeds for new business opportunities	1,670 ⁽¹⁾	4,071 – 4,653	2,835 – 2,993	13,559 – 14,551
Proposed utilisation of net proceeds for new business opportunities	(1,670) ⁽²⁾⁽³⁾	(4,653) ⁽⁴⁾⁽⁵⁾	(2,993) ⁽⁵⁾	(10,144) ⁽⁵⁾
Remaining net proceeds for new business opportunities	-	-	-	3,415 – 4,407 ⁽⁶⁾

Notes:

- (1) This is the amount of net proceeds remaining from the October 2020 Subscription Exercise as at the Latest Practicable Date.
- (2) The JV Investment Amount of S\$510,000 will be funded from the net proceeds from the October 2020 Subscription Exercise. Please refer to the 2 December 2020 announcement by the Company for more details.
- (3) The Introducer Fee of S\$2,150,000 will be funded partially from the net proceeds of the October 2020 Subscription Exercise and the November 2020 Subscription Exercise.
- (4) The Proposed Investment of US\$2,500,000 (approximately S\$3,300,000) will be funded from the net proceeds of the November 2020 Subscription Exercise.
- (5) The Cash Consideration of S\$13,500,000 for the Proposed Acquisition will be funded partially from the net proceeds from the November 2020 Subscription Exercise and the December 2020 Subscription Exercise and the January 2021 Subscription Exercise Net Proceeds.
- (6) It is intended for the remaining net proceeds from the Subscription Exercises to be used to fund new business opportunities amounting to S\$3.4 million to S\$4.4 million to be utilised for the following: (a) payment of professional fees in relation to the Proposed Transactions amounting to approximately S\$0.7 million; and (b) future working capital of the Proposed New Business amounting to approximately S\$2.7 to S\$3.7 million.

7.7. Authority for the Issue and Allotment of the Subscription Shares

Catalist Rule 805(1) provides that an issuer must obtain the prior approval of shareholders in general meeting for the issuance of shares or convertible securities, unless such shares or convertible securities are issued under a general mandate obtained from shareholders in general meeting.

Catalist Rule 812(1) provides that an issue must not be placed to, *inter alia*, the Company's Directors and Substantial Shareholders. Catalist Rule 812(2) provides that Catalist Rule 812(1) will not apply if specific shareholder approval for such a placement has been obtained.

Accordingly, the Company will be seeking specific Shareholders' approval at the EGM for each of the Proposed Issue of Shares to Mr. Hing Chow Yuen, Proposed Issue of Shares to Mr. Chee Tuck Hong and Proposed Issue of Shares to Mr. Chee Tai Chiew for the purposes of Catalist Rules 805(1) and 812(2).

In accordance with Catalist Rule 812(2), each of Mr. Hing Chow Yuen and his associates, Mr. Chee Tuck Hong and his associates and Mr. Chee Tai Chiew and his associates shall abstain from voting on Ordinary Resolution 5, Ordinary Resolution 6 and Ordinary Resolution 7 approving the Proposed Issue of Shares to Mr. Hing Chow Yuen, Proposed Issue of Shares to Mr. Chee Tuck Hong and Proposed Issue of Shares to Mr. Chee Tai Chiew, respectively. Further, each of Mr. Hing Chow Yuen, Mr. Chee Tuck Hong and Mr. Chee Tai Chiew shall not accept appointments as proxies

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unless specific instructions as to voting are given, in respect of the resolutions to approve the Proposed Issue of Shares to Mr. Hing Chow Yuen, Proposed Issue of Shares to Mr. Chee Tuck Hong and Proposed Issue of Shares to Mr. Chee Tai Chiew, respectively. The Company will disregard any votes cast on the aforesaid resolutions by the persons required to abstain from voting pursuant to the relevant Catalist Rules or pursuant to a court order where such court order is served on the Company.

7.8. Exemption from Prospectus Requirement

The Proposed Subscription Shares Issue is not underwritten and there is no placement agent appointed for the purpose of the Proposed Subscription Shares Issue. The Subscription Shares are offered to accredited investors and the Proposed Subscription Shares Issue is made pursuant to the exemption under Section 275 of the Securities and Futures Act. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Subscription Shares Issue. No commission or introducer fee is paid or payable by the Company in connection with the Proposed Subscription Shares Issue.

8. PRO FORMA FINANCIAL EFFECTS

8.1. Assumptions

The pro forma financial effects of the Proposed Transactions on the Company's share capital and the Group's NTA and NTL per Share and EPS and 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.

The objective of presenting the pro forma financial effects of the Proposed Transactions as shown below is to illustrate what the historical financial information might have been had the Proposed Transactions been completed at an earlier date. However, such financial information is not necessarily indicative of the results of the operations or the related effects in the financial position that would have been attained had the Proposed Transactions been completed at the earlier date. 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 financial year ended 31 December 2019 ("**FY2019**"); and (ii) the unaudited consolidated accounts of the Target Group for 11MFY2020; and (iii) the unaudited consolidated accounts of the Target Group for FY2020 on the following bases and assumptions:

- (a) 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;
- (b) the computation does not take into account any goodwill (which may arise from the Proposed Acquisition) or intangible assets (which may arise from the TECH5 Preferential Licensing Agreement);
- (c) the computation assumes that the TECH5 Loan Amount has not been converted into equity in TECH5;
- (d) the Proposed Transactions had been completed on 31 May 2020 for the purpose of illustrating the financial effects on the NTA / NTL per Share;
- (e) the Proposed Transactions had been completed on 1 June 2019 for the purpose of illustrating the financial effects on the EPS / LPS; and
- (f) the Existing Share Capital as at the Latest Practicable Date comprising 470,333,333 Shares taking into consideration the transactions mentioned in section 8.2 (*Share Capital*)

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of this Circular.

8.2. 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 Latest Practicable Date ⁽¹⁾	318,333,333
After the completion of the Proposed Transactions ⁽²⁾	647,266,333

Notes:

- (1) Subsequent to the FYE 31 May 2020, the Company issued and allotted (i) 76,000,000 Shares pursuant to the October 2020 Subscription Exercise; (ii) 81,200,000 Shares pursuant to the November 2020 Subscription Exercise; (iii) 41,300,000 Shares pursuant to the December 2020 Subscription Exercise; (iv) 99,000,000 Shares pursuant to the January 2021 Subscription Exercise; and (v) 20,833,333 Shares pursuant to a debt conversion exercise that was completed on 6 January 2021.
- (2) Pursuant to the issue and allotment of 143,333,000 Consideration Shares and/or their nominees and the issue and allotment of 33,600,000 Subscription Shares.

8.3. Net Tangible Assets (“NTA”) / Net Tangible Liabilities (“NTL”)

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 unaudited consolidated accounts)	After the Proposed Transactions (based on Target Group’s FY2020 unaudited consolidated accounts)
NTA ⁽¹⁾ attributable to owners of the Company (S\$’000)	360	(7,856) ⁽²⁾	(6,398) ⁽³⁾	(6,080) ⁽⁴⁾
Number of issued ordinary shares in the capital of the Company	470,333,333	647,266,333	647,266,333	647,266,333

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	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 unaudited consolidated accounts)	After the Proposed Transactions (based on Target Group's FY2020 unaudited consolidated accounts)
NTA per Share (Singapore cents)	0.08	(1.21)	(0.99)	(0.94)

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\$1,084,000 as at 31 December 2019, proceeds from the Proposed Subscription amounting to S\$4,200,000 and Cash Consideration amounting to S\$13,500,000.
- (3) Taking into account the net asset attributable to the Sale Shares amounting to S\$2,542,000 as at 30 November 2020, proceeds from the Proposed Subscription amounting to S\$4,200,000 and Cash Consideration amounting to S\$13,500,000.
- (4) Taking into account the net asset attributable to the Sale Shares amounting to S\$2,860,000 as at 31 December 2020, proceeds from the Proposed Subscription amounting to S\$4,200,000 and Cash Consideration amounting to S\$13,500,000.

8.4. Earnings per Share ("EPS") / Loss per Share ("LPS")

Assuming that the Proposed Transactions were completed on 1 June 2019, the pro forma financial effects on the Group's EPS / 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 unaudited consolidated accounts)	After the Proposed Transactions (based on Target Group's FY2020 unaudited consolidated accounts)
Earnings / (Loss) after income tax (S\$'000)	(3,156)	(2,202) ⁽¹⁾	(1,702) ⁽²⁾	(1,358) ⁽³⁾
Number of issued ordinary shares in the capital of the Company	470,333,333	647,266,333	647,266,333	647,266,333

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	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 unaudited consolidated accounts)	After the Proposed Transactions (based on Target Group's FY2020 unaudited consolidated accounts)
EPS / LPS (Singapore cents)	(0.67)	(0.34)	(0.26)	(0.21)

Notes:

- (1) Taking into account the net profit after tax attributable to the Sale Shares amounting to S\$954,000 for FY2019.
- (2) Taking into account the net profit after tax attributable to the Sale Shares amounting to S\$1,454,000 for 11MFY2020.
- (3) Taking into account the net profit after tax attributable to the Sale Shares amounting to S\$1,798,000 for FY2020.

9. LISTING AND QUOTATION

The Company had on 2 February 2021, made applications through its Sponsor to the SGX-ST for the dealing in, listing of and quotation for the Consideration Shares and Subscription Shares on the Catalyst.

On 4 February 2021, the Company announced that it had received the approval-in-principle from the SGX-ST for the listing of and quotation for the 143,333,000 Consideration Shares and the 167,400,000 Shares⁸ pursuant to the January 2021 Subscription Exercise (including the 33,600,000 Subscription Shares), subject to, *inter alia*, the following conditions:

- (a) the Company obtaining specific approval from the Shareholders for the Proposed Issue of Shares to Mr. Hing Chow Yuen, Proposed Issue of Shares to Mr. Chee Tuck Hong and Proposed Issue of Shares to Mr. Chee Tai Chiew at a general meeting;
- (b) the Company obtaining specific approval from the Shareholders for the Proposed Diversification, Proposed Acquisition and Proposed Consideration Shares Issue at a general meeting; and
- (c) the Company's compliance with the SGX-ST's listing requirements.

The 33,600,000 Subscription Shares to Mr. Hing Chow Yuen, Mr. Chee Tuck Hong and Mr. Chee Tai Chiew are to be placed out within seven (7) market days from the date of the EGM.

Shareholders are advised that the SGX-ST's in-principle approval is not to be taken as an indication of the merits of the January 2021 Subscription Exercise, 167,400,000 Shares⁹ pursuant to the January 2021 Subscription Exercise (including the 33,600,000 Subscription Shares), the Proposed Acquisition, the Consideration Shares, the Company and/or its subsidiaries.

⁸ Please refer to Section 7.1 (*Introduction to the Proposed Subscription Issue*) of this Circular for updates in relation to the January 2021 Subscription Exercise.

⁹ Please refer to Section 7.1 (*Introduction to the Proposed Subscription Issue*) of this Circular for updates in relation to the January 2021 Subscription Exercise.

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10. DIRECTORS' SERVICE CONTRACTS

Save as disclosed under section 3.6 (*Salient Terms of the InterBio SPA*) of this Circular, 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.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Please refer to the **Appendix III** (*Changes in Shareholding Interests*) of this Circular for a breakdown of the shareholding interests of Directors and Substantial Shareholders both prior to and immediately after completion of the Proposed Transactions.

Save for their respective interests arising by way of their directorships and/or shareholdings in the Company and as disclosed in this Circular, none of the Directors or Substantial Shareholders or their respective associates has any interest, direct or indirect, in the Proposed Transactions.

12. DIRECTORS' CONFIRMATIONS

The Directors are of the opinion that, as at the Latest Practicable Date, after taking into consideration the Group's present bank facilities and present internal resources, including the proceeds from the Company's Subscription Exercises in October 2020 to January 2021, and the continued financial support from the holding company of Yinda Pte. Ltd., the working capital available to the Group is sufficient to meet its present requirements.

13. DIRECTORS' RECOMMENDATIONS

13.1. Having considered, *inter alia*, the terms and conditions of and rationale for the Ordinary Resolutions, the Directors are of the view that the following Ordinary Resolutions relating to:

- (a) the Proposed Diversification;
- (b) the Proposed Acquisition;
- (c) the Proposed Consideration Shares Issue;
- (d) the Proposed Investment;
- (e) the Proposed Issue of Shares to Mr. Hing Chow Yuen;
- (f) the Proposed Issue of Shares to Mr. Chee Tuck Hong; and
- (g) the Proposed Issue of Shares to Mr. Chee Tai Chiew,

the Directors are of the unanimous opinion that the Proposed Transactions are in the best interests of the Company and are not prejudicial to the interests of the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolutions 1 to 7 relating to the Proposed Transactions, as set out in the Notice of EGM.

13.2. Note to Shareholders

Shareholders, in deciding whether to vote in favour of the Proposed Resolutions, should carefully read the terms and conditions, rationale and financial effects of the Proposed Resolutions. In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Directors

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recommend that any Shareholder who is in any doubt as to the course of action he/she should take or may require specific advice in relation to his/her specific investment objectives or portfolio should consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.

14. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-6 of this Circular, will be held by way of electronic means on 31 March 2021 at 10.30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolutions set out in the Notice of EGM.

15. ACTION TO BE TAKEN BY SHAREHOLDERS

Due to the current COVID-19 restriction orders in Singapore, Shareholders will NOT be allowed to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM through a “live” webcast or “live” audio feed as set out below:

15.1. Registration

Shareholders are entitled to watch the EGM proceedings via their mobile phones, tablets or computers. Shareholders will need to register at <https://conveneagm.sg/yindainfocommegm2021> (the “**EGM Webcast Registration and Q&A Link**”) for the Company to verify their status prior to the EGM. Shareholders must register via the EGM Webcast Registration and Q&A Link by no later than 10.30 a.m. on 28 March 2021 (the “**Registration Deadline**”).

Following the verification, authenticated Shareholders will receive an email by 5.00 p.m. on 29 March 2021. The email will contain login credentials and instructions to access the live audio-visual webcast of the EGM proceedings. Shareholders must not forward the login credentials to other persons who are not Shareholders and who are not entitled to attend the EGM. This is also to avoid any technical disruptions or overload to the live audio-visual webcast of the EGM proceedings. Shareholders who have registered by the Registration Deadline but do not receive an email response by 5.00 p.m. on 29 March 2021, may contact our Share Registrar, B.A.C.S. Private Limited, for assistance at (65) 6593 4848.

Person who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including investors who hold shares under the Central Provident Fund Investment Scheme (the “**CPF Investors**”) and/or the Supplementary Retirement Scheme (the “**SRS Investors**”) (as may be applicable), and who wish to participate in the EGM by (a) observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the EGM; and/or (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM should contact the relevant intermediary (which would include, in the case of CPF Investors and/or SRS Investors, their respective banks approved by CPF to be their agent banks (the “**CPF Agent Banks**”) or agent banks approved by CPF under the Supplementary Retirement Scheme (the “**SRS Operators**”) through which they hold such shares by 10.30 a.m. on 22 March 2021 in order to make the necessary arrangement for them to participate in the EGM.

15.2. Voting

Shareholders who wish to vote at the EGM must submit the Proxy Form to appoint the Chairman of the EGM to cast votes on their behalf.

The Proxy Form, duly completed and signed, must be submitted by: (a) electronic mail to proxy@yinda.com.sg; or (b) physical mail to the Company’s registered office at 20 Collyer Quay #09-02 Singapore 049319, by no later than the Registration Deadline, being seventy-two (72) hours

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before the time appointed for holding the EGM.

CPF Investors and/or SRS Investors (as may be applicable) who wish to vote should approach their CPF Agent Banks and/or SRS Operators, as the case may be to submit their votes at least seven (7) working days before the EGM (i.e. by 10.30 a.m. on 22 March 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the extraordinary meeting to vote on their behalf by the cut-off date.

A Shareholder who wishes to submit a proxy form via email must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In appointing the Chairman of the EGM as Proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting in the Proxy Form, failing which the appointment will be treated as invalid. If the appointor is a corporate, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney.

In view of the current COVID-19 measures which may make it difficult for Shareholders to submit completed Proxy Forms by post, Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM, as certified by CDP to the Company.

15.3. Questions

Shareholders will not be able to ask questions during the live audio-visual webcast of the EGM proceedings. Therefore, it is important for Shareholders to pre-register and submit their questions in advance of the EGM.

Shareholders must submit their questions related to the EGM via (a) the EGM Webcast Registration and Q&A Link; (b) electronic mail to proxy@yinda.com.sg; (c) physical mail to the Company's registered office at 20 Collyer Quay #09-02 Singapore 049319, by the Registration Deadline, being seventy-two (72) hours before the time appointed for holding the EGM.

In view of the current COVID-19 measures which may make it difficult for Shareholders to submit completed Proxy Forms by post, Shareholders are strongly encouraged to submit completed Proxy Forms electronically via the EGM Webcast Registration and Q&A Link or via email.

The Company will endeavour to address the substantial questions received prior to the EGM via SGXNet and the Company's website.

The Company will publish the minutes of the EGM on SGXNet and on the Company's website within one (1) month from the date of EGM, and the minutes will include the responses to substantial and relevant questions from Shareholders which are addressed during the EGM.

15.4. Documents

This Circular, Notice of EGM and accompanying Proxy Form will be sent to the Shareholders solely by electronic means via publication on the Company's website and will also be made available on

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SGXNet. Printed copies of these documents will not be sent to Shareholders. Please refer to the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at <http://yinda.com.sg/investor-relations/> for the (i) Circular, (ii) Notice of EGM, and (iii) Proxy Form.

Minutes of the EGM will be provided within one (1) month after the EGM on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at <http://yinda.com.sg/investor-relations/>.

15.5. Important Reminder

As the COVID-19 pandemic continues to evolve, further measures and/or changes to the EGM arrangements may be made on short notice in the ensuing days, even up to the day of the EGM. Shareholders are advised to closely monitor announcements made SGXNet and the Company's website at <http://yinda.com.sg/> for updates on the EGM.

The Company would like to thank all Shareholders for their patience and co-operation in enabling it to hold the EGM with the optimum safe distancing measures amidst the current COVID-19 situation. The Company also seeks the understanding and cooperation of all Shareholders to minimise the risk of community spread of COVID-19.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular 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 Circular in its proper form and context.

17. CONSENT

The Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the Summary Valuation Report as set out in **Appendix II (Summary Valuation Report)** of this Circular and all references to the Valuation Report, in the form and context in which it appears in this Circular, and to act in such capacity in relation to this Circular.

18. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 20 Collyer Quay #09-02 Singapore 049319 during normal business hours from 9.00 a.m. to 5.00 p.m. for three (3) months from the date of this Circular:

- (a) the Constitution;
- (b) the InterBio SPA;
- (c) the InterBio SHA;
- (d) the TECH5 Loan Agreement;
- (e) the TECH5 Investment Agreement;

LETTER TO SHAREHOLDERS

- (f) the TECH5 Preferential Licensing Agreement;
- (g) the Subscription Agreements;
- (h) the Summary Valuation Report;
- (i) the Valuation Report; and
- (j) the letter of consent referred to in section 17 (*Consent*) of this Circular.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to ir@yinda.com.sg to make an appointment in advance. The Company will arrange a date when each shareholder can come to the registered office to inspect accordingly. The inspection of documents will be arranged with each shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

Yours faithfully

For and on behalf of the Board of Directors of
YINDA INFOCOMM LIMITED

Mr. Tan Chee Bun Gordon
Executive Director

APPENDIX I – 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%) 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%

APPENDIX I – INFORMATION ON THE SELLER SHAREHOLDERS AND THE SELLERS

(B) THE SELLER SHAREHOLDERS

Name of Seller	Information on Seller Shareholder
Rahul Ganpat Parthe	Chief Technical Officer of the Target and Chief Technical Officer and Co-Founder 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 Chief Executive Officer and director within a large Asian conglomerate. Angel investor in several technology start-ups.
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 II – SUMMARY VALUATION REPORT

Valuation of 100% equity interest in the capital of the
Target Group (as defined herein)

Prepared for

Yinda Infocomm Limited

Report Date

11 March 2021

Ref: 20/RY-CW-AN-JW/BV0150-2

Executive Summary

Valuation of 100% equity interest in the capital of the Target Group (as defined herein)

Date of Valuation: 30 November 2020

Purpose: Public disclosure purpose

Situation: Yinda Infocomm Limited (“Yinda”, “Company”, “Client”), together with its subsidiaries (“Group”) is a regional integrated and innovative communication solutions and services provider with operations in Singapore and Thailand. The Company has on 1 November 2020 entered into a non-binding memorandum of understanding (“MOU”) with the shareholders (“Vendors”) of International Biometrics Pte Ltd (“InterBio” or “Target”). The MOU sets out certain key understandings between the Vendors and the Company in respect of the Company’s proposed acquisition of up to 51% of the ordinary shares in InterBio (“Proposed Acquisition”). InterBio is a software technology company specialising in the provision of identity management biometrics software technology solutions and has 99% of PT International Biometrics Indonesia (“IBI”).

As a result of the Proposed Acquisition, we have been requested to perform a valuation of 100% equity interest in the capital of the Target and its subsidiary, IBI (“Target Group”) as at 30 November 2020 (“Valuation Date”).

Subject Matter: 100% equity interest in the capital of Target Group

Basis of Valuation: Market Value

Valuation Approach: Income Approach

Valuation of 100% equity interest in the capital of the Target Group (as defined herein)

Other Details:

We wish to highlight that any discrepancies in tables included herein between the amounts and the totals thereof are due to rounding; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

The outbreak of the Novel Coronavirus (“COVID-19”), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

The market that the Target Group is valued in is being impacted by the uncertainty that COVID-19 outbreak has caused. Market conditions are changing daily at present. This valuation is current at the Valuation Date only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer (as defined herein) could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value. As such, we recommend that the user(s) of this report review this valuation periodically.

Having regard to the foregoing and market condition as at the Valuation Date, we are of the opinion that the Market Value of 100% equity interest in the capital of the Target Group as at Valuation Date, subject to the assumptions stated herein, is in the region of:-

US\$47.0 million to US\$56.0 million

This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report.

A Valuation Report

To: Yinda Infocomm Limited
Subject Matter: 100% equity interest in the capital of Target Group
Report Date: 11 March 2021
Valuation Date: 30 November 2020

1. Introduction and Instructions

Appointment

In accordance with your instructions, we have assessed and ascertained the Market Value of 100% equity interest in the capital of Target Group. We are pleased to submit our summarised valuation report (“Report”), which has been prepared for public disclosure purpose to seek shareholders’ approval pursuant to the Proposed Acquisition and should be read in conjunction with the full valuation report dated 11 March 2021 (“Full Report”).

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Full Report.

2. Terms of reference

Cushman & Wakefield VHS Pte Ltd (“C&W” or “Valuer”) has been appointed to undertake an independent valuation of 100% equity interest in the capital of Target Group. We were neither a party to the negotiations entered into by the Company and its subsidiaries (the “Group”) in relation to the Proposed Acquisition nor were we involved in the deliberation leading up to the decision on the part of the management of the Company, Group, Target and/or Target Group (the “Management”) to enter into the Proposed Acquisition and we do not, by the Report or Full Report or otherwise, advise or form any judgement on the merits of the Proposed Acquisition. We do not warrant the merits of the Proposed Acquisition or the acceptability of the risk for the Proposed Acquisition.

We have confined our evaluation strictly and solely on the financial of the Target Group and have not taken into account the commercial/financial risks and/or merits (if any) of the Proposed Acquisition or the strategic merits or the comparison with other deals involving shares of the Company, Group, Target and/or Target Group. We were not required to comment on or evaluate the methods or procedures used by the Target Group to manage the change in any risk profile of the Company, Group, Target and/or Target Group in the context of possible changes in the nature of operations. Such evaluation or comment remains the responsibility of the Management although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our view as set out in the Report or the Full Report.

We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Proposed Acquisition. In addition, we do not express any views or opinion on the merits of the Proposed Acquisition, the legality or any

other matters pertaining to the Proposed Acquisition, documents for the Proposed Acquisition (the notice of meeting and the accompanying explanatory notes), *inter alia*, the independence of any party or mechanism or process of voting, acceptance, its eligibility or validity or the other alternatives (if any) or the sufficiency of information.

In the course of our evaluation, we have held discussions with, *inter alia*, the Management, regarding their assessment of the Proposed Acquisition and have examined publicly available information collated by us as well as the financial information, both written and verbal, provided to us by the Management, including its consultants or advisers (where applicable). We have not independently verified such information but have made enquiries and used our judgement as we deemed necessary on such information and have found no reason to doubt the reliability of the information. Accordingly, we cannot and do not expressly or impliedly represent or warrant, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information or the manner in which it has been classified or presented.

We do not warrant and have not commented on the acceptability of the risk that the Company, Group, Target and/or Target Group may be subject to for the Proposed Acquisition.

We were not required to and have not made any independent evaluation or appraisal of the individual assets and liabilities (including without limitation, real property) of the Target Group. Our opinion in this Report is based on economic conditions, market, industry, monetary and other conditions (if applicable) in effect on, and the information provided to us, as at the Valuation Date. Accordingly, the bases or assumptions and likewise our views or opinion may change in light of developments which *inter alia*, includes general as well as company specific or industry specific conditions or sentiments or factors.

Shareholders should note that the evaluation is based solely on publicly available information and other information provided by the Management as well as the economic and market conditions prevailing as at the Valuation Date, and therefore does not reflect unexpected financial performance and financial condition after the Valuation Date or developments both macro and company specific and that these factors do and will necessarily affect the valuation of the interests in the capital of the Target Group. Likewise, this Report outlines some of the matters or bases or factors or assumptions which we have used in our valuation and is a summary. They are by no means exhaustive or a reproduction of all the matters or bases or factors or assumptions etc. which we have used in the valuation.

In rendering the opinion, we have made no regard for the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual shareholder of the Company, Group, Target and/or Target Group (the "Shareholder"). As such, any individual Shareholder who may require advice in the context of his or her specific investment portfolio, including his or her investment in the Company, Group, Target and/or Target Group, should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Accordingly, any factor or assumption or basis as well as the relative emphasis on any matter set out in this Report and provided by the Company, Group, Target and/or Target Group which we used or may have used may differ from the relative emphasis accorded by any individual Shareholder and that any reliance on our opinion or view or assessment, is subject to the contents of the Report and the Full Report in its entirety.

Accordingly, our Report, Full Report or opinion or views or recommendation should not be used or relied by anyone for any other purposes and should only be used by Company, subject to the terms of reference and the contents of the Report and Full Report as one of the basis for their opinion or views or recommendation. In addition, any references to our Full Report or Report or opinion or views, should not be made except with our prior consent in writing and even if made with our prior consent in writing, shall be subject to the contents of the Report or the Full Report in its entirety *inter alia* the matters, conditions, assumptions, factors and bases as well as our terms of reference for the Full Report or the Report.

3. Bases of Valuation

The valuation and Report have been prepared in accordance with International Valuation Standards.

Bases

The subject matter has been valued on the basis of Market Value as at the Valuation Date which is defined as follows:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

4. Assumptions and Reservations

Assumptions

In preparing our assessment, we have made the following key assumptions in our valuation and these apply throughout unless otherwise stated:

- The financial information provided accurately reflects the Target Group's financial and operating position and performance.
- The financial statements were prepared in accordance with accounting principles generally accepted internationally on a true and fair basis.
- The Management has provided us the financial projections from financial period of 1 December to 31 December 2020 (“FPDec2020”) to financial year ended 31 December (“FY”) 2025. To its best knowledge, the Management is solely responsible for the contents, estimation and the assumptions used in the projections.
- The Target Group shall continue to operate as a going concern and it has sufficient liquidity to achieve the financial forecasts and projections.

- There will not be any material changes in the political and/or economic conditions under which the Target Group operates that may adversely affect the future prospects of the Target Group.
- There are no other liabilities, including any contingent liabilities, unusual contractual obligations or substantial commitments which would have a material effect on the value of the Target Group.
- The current owners of the Target Group have clear and unencumbered title of ownership over all assets included in this assessment.
- There are no material changes in existing political, legal or regulatory (including changes in legislation, laws, regulations, government policies or rules), fiscal, market or economic conditions in the Target Group's countries of operations.
- There will be no material change in inflation, interest rates or exchange rates from those prevailing as at the Valuation Date.
- There will be no material changes in the bases or rates of taxation or duties as at the Valuation Date.
- The Target Group's operations and business will not be severely interrupted by any force majeure event or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Management, including but not limited to the occurrence of natural disasters or catastrophes, epidemics or serious accidents.

Other assumptions specific to a particular valuation approach or certain observations and conclusions are outlined in the ensuing sections of the Report.

It should be noted that the valuation of the Target Group critical upon the following key value drivers:

- The Target Group continues to operate as a going concern and is able to meet all its financial obligations.
- The Target Group's sales, costs, and net profit continue to grow according to the forecast. Their capital expenditure and working capital requirements are estimated accurately in the projections.
- The Target Group has sufficient operational resources to support the projected turnover and profitability.
- The Target Group continues to maintain costs in accordance with the forecast.

Any deviation from the above key drivers and forecasts may significantly vary the valuation of the Target Group.

The valuation is largely based on information provided to us by the Management who are solely responsible for their contents/accuracy. We have not performed any work in the nature of an audit, due diligence or investigation of the information provided to us and accordingly have not expressed any such opinion in this Report. Further, we have not carried out any work in the nature of a feasibility study, nor have we expressed a viability opinion on any transactions including the Proposed Acquisition. We have also not verified or confirmed

information provided to us and have assumed that all such information is accurate and is not subject to material error or omission.

For this exercise, we have considered published market data and other public information relating to the comparable companies on international stock exchanges. We are not responsible as to their content and accuracy in deriving parameters such as country risk rate for purposes of valuation. Such information was obtained from Bloomberg and other sources, where applicable.

Reservations

The value conclusions reflect all information known by the valuers of C&W who worked on the valuation in respect of the equity interest in the capital of the Target Group, market conditions and available data.

5. General Comment

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgements that, even if logical and appropriate, may differ from those made by a lessee, or another valuer. Historically, it has been considered that valuers may properly conclude within a range of possible values.

Market Value of the subject matter can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation was to change.

The outbreak of the COVID-19, declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. The market that the Target Group is valued in is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present.

This valuation is current at the Valuation Date only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the Valuation Date). We do not accept responsibility or liability for any losses arising from such subsequent changes in value. As such, we recommend that the user(s) of this report review this valuation periodically.

We have no present or prospective interest in the Target Group and are not a related corporation of nor do we have a relationship with the owner(s) or other party/parties whom the client is contracting with.

The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the Company, Group, Target and/or Target Group, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that the valuers undertaking the valuation are authorized to practice as valuers and have the necessary experience in valuing similar types of assets. Any discrepancies in tables included herein between the amounts and the totals thereof are due

to rounding; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

6. Valuation Methodology

We have considered the three valuation approach namely Cost Approach, Income Approach and Market Approach and have adopted Income Approach as our primary approach with Market Approach as reference.

The rationale for adopting Income Approach lies in the present value rule, i.e. the value of any asset or enterprise value is the present value of expected future cash flows, discounted at a rate appropriate to the risk of the cash flows not being realised. Given that the Target Group had an on-going business and operations to generate future cash flow, we considered the use of Income Approach as the primary approach to be appropriate.

Under Market Approach, we have considered enterprise value to sales (“EV/S”) and enterprise value to earnings before interest, taxation, depreciation and amortisation (“EV/EBITDA”) multiples. Based on our analysis, the volatilities from the multiples of Comparable Companies make it difficult to conclude a reliable amount for the valuation by adopting the result from a single market multiple approach and no single company was comparable in size, capital nature of business and operations. Further, the Target Group is still at its growth stage and the current earnings are not normalised. Thus, Market Approach is used as reference.

The Cost Approach is not adopted because it does not directly incorporate information about the future economic benefits expected to be derived by the Target Group.

Accordingly, we have relied solely on Income Approach in assessing the equity value of the Target Group and the Market Approach as a reference.

Income Approach - Discounted Cash Flow Analysis

Discounted Cash Flow (“DCF”) Method is one application of Income Approach. We have used free cash flow to firm (“FCFF”) to assess the overall enterprise value of the companies. FCFF represents the cash flows left over after covering capital expenditure and working capital needs. The present value of FCFF is a measure of enterprise value and the equity value is subsequently derived after taking into consideration debt, excess cash & cash equivalents as well as non-operating assets/liabilities. FCFF is defined as follows:

$$FCFF = EBIT (1 - Tax rate) + Depreciation and Amortization - Capital Spending - Change in Working Capital$$

In applying the DCF method there are three critical inputs:

- A supportable cash flow forecasts;
- An estimate of the terminal value at the end of the forecast period; and
- An appropriate discount rate by which to revert the cash flows to present value.

The assumptions used in the DCF analysis are set out in the following sections.

- *Financial projections*

We were provided with financial projections from FPDec2020 to FY2025, which form the basis of the DCF analysis. The financial forecasts are used as the basis for the DCF and we are of the opinion that the financial forecasts are in-line with the accompanying assumptions provided by Management. Based on the financial projections provided, the expected FCFF of the Target Group from FPDec2020 to FY2025 is as follows:-

USD'000, unless otherwise specified	FPDec2020	Forecast				
		FY2021	FY2022	FY2023	FY2024	FY2025
Revenue	526	11,134	24,308	37,805	67,169	86,812
EBIT	241	4,505	11,022	17,393	31,345	41,115
Less: Tax expenses	(53)	(991)	(2,425)	(3,827)	(6,896)	(9,045)
Add: Depreciation and amortisation	10	132	203	343	611	951
Less: Capital expenditure	-	(170)	(355)	(700)	(1,343)	(1,736)
Less: Net working capital changes	1,453	(908)	(3,020)	(1,315)	(1,942)	2,578
FCFF	1,650	2,568	5,425	11,894	21,775	33,862

- *Capital expenditure*

Capital expenditure is projected to be 1.5% of the revenue in FY2021 and FY2022 and expected to increase to about 2.0% of the revenue per annum for FY2023 to FY2025.

- *Net working capital changes*

Based on discussion with Management, trade & other receivables and trade & other payables during the projected period is expected to change in line with the change in projected revenue and operating expenses (excluding depreciation) (as the case may be). The underlying net working capital assumptions are set out as follows:-

Parameters	Turnover days
Trade & other receivables	75 to 194
Trade & other payables	85 to 111

- *Terminal value*

To estimate the terminal value of Target Group at the end of the projection period in FY2025, we have used the Gordon Growth Model. This model is used to assess terminal value of firms that are growing at a stable growth rate and relates the value to its expected cash flow in the next time period, the required rate of return and the expected long term growth rate.

$$\text{Terminal value} = CF_{n+1} / (r - g)$$

Where	CF_{n+1}	=	expected cash flow one year from n -th year
	r	=	required rate of return, i.e. discount rate
	g	=	growth rate in perpetuity

We have assumed that the earnings of the Target Group would reach a stable perpetual growth rate ranging from 1.0% to 3.0% after FY2025 based on the expected long term global GDP growth rate.

- *Discount rate*

Income Approach requires the application of an appropriate discount rate that reflects the inherent risks relating to the cash flows. The present value of the cash flows from Target Group is the expected future net cash flows discounted by an appropriate discount rate. We have adopted Weighted Average Cost of Capital (“WACC”) ranging from 28.0% to 30.0%.

- *Debt & non-operating payable and excess cash & cash equivalents*

In order to arrive at 100% equity value of the Target Group from the enterprise value, the existing debt & non-operating payable (where applicable) is subtracted and excess cash & cash equivalents are added. The Target Group has approximately US\$1.0 million debt & non-operating payable (where applicable) and US\$0.2 million of excess cash & cash equivalents as at the Valuation Date.

- *Adjustment for private company discount (marketability discount)*

According to the International Glossary of Business Valuation Terms, marketability means the relative ease and promptness with which a security or commodity may be sold when desired, at a representative current price, without material concession in price merely because of the necessity of the sale. Investors will price in a discount for the additional costs and risks of liquidation when valuing equity in privately held companies. We applied a marketability discount of approximately 30% for the purpose of this valuation.

- *Market Value of 100% equity interest in the capital of the Target Group*

Based on the DCF method, the derived 100% enterprise value of Target Group ranges from US\$69.1 million to US\$80.6 million as at Valuation Date. The equity value of 100% equity interest in the capital of the Target Group is then derived by taking enterprise value, subtracting debt & non-operating payable, adding excess cash & cash equivalents and applying the marketability discount. The Target Group has approximately US\$1.0 million debt & non-operating payable (where applicable) and US\$0.2 million of excess cash & cash equivalents as at the Valuation Date. A marketability discount of 30.0% is applied to reflect the private status of Target Group.

As such, based on DCF Method, the Market Value of 100% equity interest in the capital of Target Group as at the Valuation Date ranges from US\$47.0 million to US\$56.0 million.

7. Valuation Result

Having regard to the foregoing, we are of the opinion that the Market Value of the 100% equity interest in the capital of the Target Group as at Valuation Date, subject to the assumption stated herein, is in the region of: -

US\$47.0 million to US\$56.0 million

The following table illustrates the results of the valuation based on Market Approach, which are purely for reference purposes only and do not reflect Market Value of 100% equity interest in the capital of the Target Group as at Valuation Date.

US\$ million	
Market Approach	US\$12.8 million to US\$89.7 million

8. Confidentiality

Our valuation is confidential to you, for your sole use and for the specific purpose stated. We will not accept responsibility to any third party in respect of its contents.

9. Disclosure and Publication

You must not disclose the contents of the Report and/or Full Report to a third party in any way without first obtaining our written approval to the form and context of the proposed disclosure. You must obtain our consent, even if we are not referred to by name or the Report and/or Full Report is to be combined with others. We will not approve any disclosure that does not refer sufficiently to any special assumptions or departures that we have made.

10. Limiting Conditions

This Report is prepared subject to the Limiting Conditions in Appendix 1 of the Report.

11. Valuer's Credential

The valuation is performed by Richard Yap who is a senior corporate advisory executive with more than 10 years of experience in M&A, valuation of business, financial instruments and intangible assets and has worked extensively throughout Asia Pacific. He has demonstrable success across Valuations, Advisory and Capital Markets. Currently based in Singapore, Richard leads the Business Valuation team for C&W throughout Singapore and South East Asia. Richard is a Chartered Financial Analyst (CFA), Chartered Accountant (CA Singapore) as well as Chartered Valuer and Appraiser (CVA).

Signed for and on behalf of C&W.

Richard Yap

CFA, CA (Singapore), CVA

Director

Appendix 1 Limiting Conditions

The Report and/or Full Report is prepared subject to the following terms and conditions: -

- 1) The Report and/or Full Report is:
 - a. restricted to the use by the client to whom the Report and/or Full Report is addressed;
 - b. for the specific purpose stated therein; and
 - c. for the sole purpose for which it was commissioned.

Any reliance on its contents shall be made within a reasonable time from Valuation Date. We disclaim any liability arising from any reliance on the Report and/or Full Report by any other person or for any other purpose or beyond a reasonable time.
- 2) Neither the whole nor any part of the Report and/or Full Report or any reference to it may be included in any document, circular, statement, correspondence nor publication in any way without our prior written approval of the form and context in which it may appear. We bear no responsibility for any unauthorised inclusion or publication.
- 3) Where it is stated in the Report and/or Full Report that information has been supplied to us by another party, this information is believed to be reliable and accurate and we disclaim all responsibility if this information should later prove not to be so. Where information is given without being attributed directly to another party, it shall be taken that this information has been obtained by our own search of records and examination of documents, or by our enquiry from Government or quasi-Government departments.
- 4) The values assessed in the Report and/or Full Report for the subject property and any allocation of values between parts of the property apply strictly on the terms of and for the purpose of this valuation (where applicable). The values assessed should not be used in conjunction with any other assessment, as they may prove incorrect if so used.
- 5) While due care is taken in the course of inspection to note serious building defects, no structural survey has been made and no guarantee is given that the building is free from rot, termite, pest infestation or other hidden defects (where applicable). We have also not made any test on the building services such as air-conditioning, fire-fighting systems, lifts, escalators, plumbing and lighting etc. and the services are presumed to be in good working order (where applicable).
- 6) Our valuation assumes that the title(s) is (are) in good order and are marketable, free from any liens, mortgages, encumbrances, restrictions and other legal impediments (where applicable). We accept no responsibility for investigations into title(s), searches, legal requisitions, legal validity of title or any charges, claims, liabilities registered against the title(s). The client is advised to consult his solicitors on any matter concerning the title(s) (where applicable).
- 7) Any plans that are included in the Report and/or Full Report are meant for identification purposes and to assist the client in visualising the subject property (where applicable). The plans should not be treated as certified true copies of areas or other particulars contained therein. We have not made any survey of the property and assume no responsibility in connection with such matters (where applicable).
- 8) We have not taken into account of any property, plant and machinery in our valuation.

- 9) We have not made any requisition for the Road Line Plan or for drainage proposal (where applicable). We have also not made any application for information/document in respect of Building Control Records. Such requisitions/applications will not be made unless specifically instructed by our client (where applicable).
- 10) As matters concerning compulsory acquisitions by the Government are confidential, we are unable to provide information relating to Government acquisitions unless the subject property has already been gazette for acquisition (where applicable).
- 11) Our valuation assumes that the subject property, as currently used, is in compliance with the existing land use zoning and is not in contravention of any planning rules or regulations (where applicable).
- 12) Our valuation assumes that all development charges and maintenance/ service/ conservancy charges, if any, whether outstanding or payable as at the date of valuation, have already been fully paid (where applicable).
- 13) Our valuation further assumes that, as at the date of valuation, there are no outstanding liabilities or charges attached to the property (ies) (where applicable).
- 14) Subject at all times to the provisions in these terms and conditions and in the letter of engagement, we shall not be liable to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services in respect of:
 - a) any direct loss of profit;
 - b) any indirect, special or consequential loss whatsoever howsoever caused including without limitation (i) indirect loss of profit; (ii) loss of business; (iii) loss of goodwill; (iv) loss of use of money; (v) loss of opportunity, and the parties agree that the sub-clauses of this clause shall be severable.
- 15) Subject at all times to the provisions in these terms and conditions and in the letter of engagement, we shall not be liable to you in negligence for pure economic loss arising in connection with the performance or contemplated performance of our services.
- 16) Where a third party has contributed to the losses, damages, costs, claims or expenses, we shall not be liable to make any contribution in respect of the liability of such third party.
- 17) Save in respect of third parties directly instructed by us and not on your behalf, we shall not be liable for the services or products provided by other third parties, nor shall we be required to inspect or supervise such third parties, irrespective of the third party services or products being incidental to or necessary for the provision of our services to you (where applicable).
- 18) Subject to the provisions in these terms and conditions and in the letter of engagement, our total aggregate liability (including that of our partners and employees) to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services shall be limited to (i) an aggregate sum not exceeding the fee paid for each instruction accepted; or (ii) SGD500,000.00, whichever is lower.
- 19) We shall be released from our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond our reasonable control (examples being a strike, act of God or act of terrorism). On becoming aware of any circumstance which gives

- rise, or which is likely to give rise, to any failure or delay in the performance of our obligations, we will notify you by the most expeditious method then available.
- 20) Our pricing structure has been established by reference to these limitations on our liability and our level of professional indemnity insurance in respect of the services we provide. If you feel that it is necessary to discuss with us a variation in these levels, then please raise the issue with your client partner who will be able to let you have proposals for a revised pricing structure to reflect the agreed level of our liability and/or professional indemnity cover.
- 21) Responsibility for our valuation extends only to the party(ies) to whom it is addressed. However, in the event of us being asked by you to re-address the Report and/or Full Report to another party or other parties or permit reliance upon it by another party or other parties, we will give consideration to doing so, to named parties, subject to payment of additional fees.
- These fees are exclusive of GST & expenses (including the cost of re-addressing the Report and/or Full Report) and are subject to a minimum fee of SGD1,000. Should additional work be involved, over and above that undertaken to provide the initial report, we may make a further charge although we will agree this with you before commencing the work.
- 22) Where we consent to reliance on the Report and/or Full Report by another party or other parties, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/they had been a party to the original letter of engagement between us. Where we consent to such reliance, you agree to furnish the addressee with a copy of any reliance letter issued by us and/or a copy of these terms and conditions.
- 23) Where you provide a copy of and/or permit another party or parties to rely upon the Report and/or Full Report without obtaining our express written consent (in accordance with clauses 21 and 22 above), you agree to indemnify and us, our affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including reasonable attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report and/or Full Report by any such unauthorised person or entity.
- 24) Save where we have consented to another party or other parties relying on the Report and/or Full Report in accordance with clauses 21 and 22, where the Report and/or Full Report is prepared or where we consent to the Report and/or Full Report being used for the purpose of a public offering in accordance with any stock exchange listing rules, you agree to indemnify us for any liability whatsoever that we have to any party or parties which exceeds our aggregate cap on liability (referred to in clause 18) which arises from their use and/or reliance on the Report and/or Full Report.
- 25) Where reference is made to "Reinstatement Cost for Insurance Values", such insurance value is the value of property on the appropriate basis as defined in the insurance contract or policy (where applicable).
- 26) Where reference is made to "Forced Sale Value", such value is the amount that may reasonably be received from the sale of a property under (forced sale) conditions that do not meet all the criteria of a normal market transaction. Such Forced Sale Value is not a representation of the market value (where applicable).

- 27) The Report and/or Full Report is prepared on the basis that we are not required to give testimony or appear in court or any other tribunal or to any government agency by reason of the Report and/or Full Report or with reference to the property in question unless prior arrangements have been made and we are properly reimbursed.
- 28) a) The U.S. Foreign Corrupt Practices Act (the “FCPA”) and other laws make it unlawful for us or anyone acting on our behalf to offer, pay, promise or authorize to pay any money, gift or anything of value directly or indirectly to any Public Official with the intent of causing the Public Official to misuse such official’s position to obtain or retain business for us or our subsidiaries or affiliates. The term Public Official is broadly defined to include not only traditional government officials and those employed by government agencies, departments, or ministries but also employees of companies which are owned or controlled by the state. The U.K. Bribery Act and other laws also prohibit commercial bribery of any kind.
- b) We comply with all applicable anti-bribery and corruption laws, rules, and regulations of the United States, European Union or any member state and any other similar laws in all applicable jurisdictions, including but not limited to the FCPA and U.K. Bribery Act (“Applicable Anti-Bribery Laws and Rules”).
- c) You acknowledge and confirm your understanding of and agree to comply with all applicable Anti-Bribery Laws and Rules and agree not to take or fail to take any action that might in any way cause us to be in violation of such laws.
- d) We must at all times comply with all U.S. sanctions administered by the Office of Foreign Asset Control (“OFAC”) of the Department of the Treasury or under any statute, executive order (including, but not limited to, the September 24, 2001, Executive Order 13224 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other governmental action and any applicable international laws and regulations pertaining to the detection, prevention and reporting of potential money laundering and terrorist financing activities (collectively “Applicable Sanctions/AML Rules”).
- e) You represent and warrant to us that you, and all persons and entities owning (directly or indirectly) an ownership interest in you: (i) are not, and will not become, a person or entity with whom a party is restricted from doing business under Applicable Sanctions/AML Rules; and (ii) are not knowingly engaged in, and will not knowingly engage in, any dealings or transactions or be otherwise associated with such persons or entities described in Clause 28 (e) (i) above.
- f) In the event that we believe in good faith, and whether or not we have conducted an investigation, that you have acted in a way that may subject us to liability under Applicable Anti-Bribery Laws and Rules or you (including all persons and entities owning (directly or indirectly) an ownership interest in you) become a Target Group of Applicable Sanctions/AML Rules, we shall have the unilateral right, exercisable immediately upon written notice, to terminate this agreement and shall be entitled to receive payment of the service fees for services rendered pursuant to this agreement together with any and all reasonable additional costs incurred due to such early termination.

APPENDIX III – CHANGES IN SHAREHOLDING INTERESTS

	Before Proposed Transactions, as at the Latest Practicable Date ⁽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⁾	13.88% ⁽³⁾	-	-	65,270,513 ⁽³⁾	10.08% ⁽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	13.88%	-	-	65,270,513	10.08%	-	-
Shanghai Yinda Science and Technology Industrial Co Ltd ⁽³⁾	-	-	65,270,513 ⁽³⁾	13.88% ⁽³⁾	-	-	65,270,513 ⁽³⁾	10.08% ⁽³⁾
Shanghai Yinda Technology Group Co Ltd ⁽³⁾	-	-	65,270,513 ⁽³⁾	13.88% ⁽³⁾	-	-	65,270,513 ⁽³⁾	10.08% ⁽³⁾
Wang Hua ⁽³⁾	-	-	65,270,513 ⁽³⁾	13.88% ⁽³⁾	-	-	65,270,513 ⁽³⁾	10.08% ⁽³⁾
Wang Zhijun ⁽³⁾	-	-	65,270,513 ⁽³⁾	13.88% ⁽³⁾	-	-	65,270,513 ⁽³⁾	10.08% ⁽³⁾
Rahul Ganpat Parthe	-	-	-	-	60,149,693	9.29%	-	-
Hing Chow Yuen	41,804,800	8.89%	-	-	57,804,800	8.93%	-	-
Pierre Olivier Marc Yves Prunier	-	-	-	-	50,166,550	7.75%	-	-
Chee Tuck Hong	27,360,000	5.82%	-	-	32,960,000	5.09%	-	-
Chee Tai Chiew	20,500,000	4.36%	-	-	32,500,000	5.02%	-	-

APPENDIX III – CHANGES IN SHAREHOLDING INTERESTS

	Before Proposed Transactions, as at the Latest Practicable Date ⁽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	%
Public								
	315,398,020	67.05%	-	-	348,414,777	53.84%	-	-
Total								
	470,333,333	100.0%	-	-	647,266,333	100.0%	-	-

Notes:

- (1) Based on the Existing Share Capital of the Company as at the Latest Practicable Date of 470,333,333 Shares.
- (2) Based on the Enlarged Share Capital of the Company as at the Latest Practicable Date, taking into consideration the issue and allotment of the Consideration Shares and the Subscription Shares, of 647,266,333 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

YINDA INFOCOMM LIMITED

(Company Registration No. 201506891C)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of Yinda Infocomm Limited (the “**Company**”) will be held by way of electronic means on Wednesday, 31 March 2021 at 10.30 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions:

Please refer to the paragraph titled “IMPORTANT INFORMATION” below for details.

*All capitalised terms in this Notice which are not defined herein shall have the same meaning as ascribed to them in the Company's circular dated 16 March 2021 (the “**Circular**”).*

Shareholders should note that:

- (a) **Ordinary Resolutions 2 and 3 are inter-conditional and conditional on Ordinary Resolution 1.** This means that if (i) Ordinary Resolution 1 is not approved, Ordinary Resolutions 2 and 3 will not be deemed to be duly passed; and (ii) if any of Ordinary Resolutions 2 and 3 are not approved, the other resolution will not be deemed to be duly passed. Ordinary Resolutions 2 and 3 are inter-conditional as the Proposed Consideration Shares Issue is for the partial satisfaction of the Consideration for the Proposed Acquisition and the Ordinary Resolutions 2 and 3 are conditional on Ordinary Resolution 1 as the Proposed Acquisition can only be completed pursuant to the Proposed Diversification into the Proposed New Business;
- (b) **Ordinary Resolution 4 is conditional on Ordinary Resolution 1.** This means that if Ordinary Resolution 1 is not approved, Ordinary Resolution 4 will not be deemed to be duly passed. Ordinary Resolution 4 is conditional on Ordinary Resolution 1 as the Proposed Investment can only be completed pursuant to the Proposed Diversification into the Proposed New Business; and
- (c) the passing of Ordinary Resolutions 5, 6 and 7 are not conditional on any of the other ordinary resolutions.

AS ORDINARY RESOLUTIONS:

ORDINARY RESOLUTION 1

THE PROPOSED DIVERSIFICATION INTO THE NEW BUSINESS OF DEVELOPMENT AND PROVISION OF IDENTITY MANAGEMENT BIOMETRIC TECHNOLOGY SOLUTIONS

THAT:

- (a) approval be and is hereby granted for the diversification of the business activities of the Company and its subsidiaries into the new business of development and provision of identity management biometric technology solutions; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 1 and implement any of the foregoing as they think fit and in the interests of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 2

THE PROPOSED ACQUISITION OF 51.0% SHAREHOLDING IN THE TOTAL ORDINARY SHARE CAPITAL OF INTERNATIONAL BIOMETRICS PTE. LTD.

THAT subject to and contingent upon the passing of Ordinary Resolution 1 and Ordinary Resolution 3:

- (a) the Proposed Acquisition be and is hereby approved and that authority be and is hereby granted to the Directors to carry out and implement the Proposed Acquisition on the terms and subject to the conditions set out in the InterBio SPA; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 2 and implement any of the foregoing as they think fit and in the interests of the Company.

ORDINARY RESOLUTION 3

THE PROPOSED ISSUE AND ALLOTMENT OF 143,333,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.15 PER NEW ORDINARY SHARE TO THE SELLER SHAREHOLDERS AND/OR THEIR NOMINEES AS PARTIAL SATISFACTION OF THE CONSIDERATION FOR THE PROPOSED ACQUISITION

THAT subject to and contingent upon the passing of Ordinary Resolution 1 and Ordinary Resolution 2:

- (a) authority be and is hereby given to the Directors to allot and issue to the Seller Shareholders and/or their nominees an aggregate of 143,333,000 Consideration Shares, credited as fully paid-up, at an issue price of S\$0.15 per Consideration Share, on the terms and subject to the conditions set out in the InterBio SPA; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 3 and implement any of the foregoing as they think fit and in the interests of the Company.

ORDINARY RESOLUTION 4

THE PROPOSED INVESTMENT IN TECH5 SA THROUGH A LOAN CONVERTIBLE INTO SHARES OF TECH5 SA AND ENTRY INTO A PREFERENTIAL LICENSING AGREEMENT WITH TECH5 SA

THAT subject to and contingent upon the passing of Ordinary Resolution 1:

- (a) the Proposed Investment be and is hereby approved and that authority be and is hereby granted to the Directors to carry out and implement the Proposed Investment on the terms and subject to the conditions set out in the TECH5 Loan Agreement, TECH5 Investment Agreement and the TECH5 Preferential Licensing Agreement; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this

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Ordinary Resolution 4 and implement any of the foregoing as they think fit and in the interests of the Company.

ORDINARY RESOLUTION 5

THE PROPOSED ISSUE AND ALLOTMENT OF 16,000,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.125 PER NEW ORDINARY SHARE TO MR. HING CHOW YUEN

THAT:

- (a) authority be and is hereby given to the Directors to allot and issue to Mr. Hing Chow Yuen, an aggregate of 16,000,000 Subscription Shares, credited as fully paid-up, at an issue price of S\$0.125 per Subscription Share, on the terms and subject to the conditions set out in the relevant Subscription Agreement; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 5 and implement any of the foregoing as they think fit and in the interests of the Company.

ORDINARY RESOLUTION 6

THE PROPOSED ISSUE AND ALLOTMENT OF 5,600,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.125 PER NEW ORDINARY SHARE TO MR. CHEE TUCK HONG

THAT:

- (a) authority be and is hereby given to the Directors to allot and issue to Mr. Chee Tuck Hong, an aggregate of 5,600,000 Subscription Shares, credited as fully paid-up, at an issue price of S\$0.125 per Subscription Share, on the terms and subject to the conditions set out in the relevant Subscription Agreement; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 6 and implement any of the foregoing as they think fit and in the interests of the Company.

ORDINARY RESOLUTION 7

THE PROPOSED ISSUE AND ALLOTMENT OF 12,000,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.125 PER NEW ORDINARY SHARE TO MR. CHEE TAI CHIEW

THAT:

- (a) authority be and is hereby given to the Directors to allot and issue to Mr. Chee Tai Chiew, an aggregate of 12,000,000 Subscription Shares, credited as fully paid-up, at an issue price of S\$0.125 per Subscription Share, on the terms and subject to the conditions set out in the relevant Subscription Agreement; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may

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consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 7 and implement any of the foregoing as they think fit and in the interests of the Company.

ABSTENTION FROM VOTING

Mr. Hing Chow Yuen and his associates, Mr. Chee Tuck Hong and his associates and Mr. Chee Tai Chiew and his associates shall abstain from exercising any voting rights on Ordinary Resolution 5, Ordinary Resolution 6 and Ordinary Resolution 7, respectively, as set out in this Notice of Extraordinary General Meeting.

By Order of the Board
YINDA INFOCOMM LIMITED

Mr. Tan Chee Bun Gordon
Executive Director
Singapore
16 March 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTES:

1. A Shareholder of the Company entitled to attend and vote at the EGM may appoint the Chairman as proxy to vote on his/her behalf. Please refer to the section entitled "Submission of Proxy Forms to Vote" of the Measures to Minimise Risk of Community Spread of COVID-19 below for further information.
2. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.
3. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the extraordinary general meeting of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the extraordinary general meeting of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the extraordinary general meeting of the Company (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. The member's personal data and its proxy(ies)'s and/or representative(s)'s personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member of the Company and/or its proxy(ies) or representative(s) (such as his/her name, his/her presence at the EGM and any questions he/ she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

IMPORTANT INFORMATION

Measures to Minimise Risk of Community Spread of COVID-19:

In view of the evolving COVID-19 situation, the Company is arranging for a live webcast of the EGM proceedings (the "**Live EGM Webcast**") which will take place at 10.30 a.m. on Wednesday, 31 March 2021. **Shareholders will be able to watch the EGM proceedings through the Live EGM Webcast, and the Company will not accept any physical attendance by Shareholders. Any Shareholder seeking to attend the extraordinary general meeting physically in person will be turned away.**

Shareholders will be able to participate in the extraordinary general meeting in following manner set out in the paragraphs below:

Live Webcast:

1. Shareholders are entitled to watch the EGM proceedings via their mobile phones, tablets or computers. Shareholders will need to register at <https://conveneagm.sg/yindainfocommegm2021> (the "**Registration Link**") for the Company to verify their status prior to the EGM. Shareholders must register via the Registration Link by no later than 10.30 a.m. on 28 March 2021 (the "**Registration Deadline**").
2. Following the verification, authenticated Shareholders will receive an email by 5.00 p.m. on 29 March 2021. The email will contain login credentials and instructions to access the live audio-visual webcast of the EGM proceedings. Shareholders that are authenticated successfully will be able to access the live audio-visual and/or live audio-only stream of the webcast EGM proceedings using the same account and password that were being used in the pre-registration stage.
3. Shareholders must not forward the login credentials to other persons who are not Shareholders and who are not entitled to attend the EGM. This is also to avoid any technical disruptions or overload to the live audio-visual webcast of the EGM proceedings.
4. Shareholders who have registered by the Registration Deadline but do not receive an email response by 5.00 p.m. on 29 March 2021, may contact our Share Registrar, B.A.C.S. Private Limited, for assistance at (65) 6593 4848.

Submission of Proxy Forms to Vote:

1. Shareholders who wish to vote at the EGM must submit the Proxy Form to appoint the Chairman of the EGM to cast votes on their behalf.
2. The Proxy Form, duly completed and signed, must be submitted by: (a) electronic mail to proxy@vinda.com.sg; or (b) physical mail to the Company's registered office at 20 Collyer Quay #09-02 Singapore 049319, by no later than the Registration Deadline,

NOTICE OF EXTRAORDINARY GENERAL MEETING

being seventy-two (72) hours before the time appointed for holding the EGM.

3. CPF Investors or SRS Investors who wish to vote should approach their CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the EGM (i.e. by 10.30 a.m. on 22 March 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by the cut-off date.

Please note that Shareholders will not be able to vote through the live webcast and can only vote with their Proxy Forms which are required to be submitted in accordance with the foregoing paragraphs.

In view of the current COVID-19 measures which may make it difficult for Shareholders to submit completed Proxy Forms by post, Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

Submission of Questions:

1. Shareholders will not be able to ask questions during the live audio-visual webcast of the EGM proceedings. Therefore, it is important for Shareholders to pre-register and submit their questions in advance of the EGM.
2. Shareholders must submit their questions related to the EGM via the Registration Link by the Registration Deadline.
3. The Company will endeavour to address the substantial questions received prior to the EGM via SGXNet and the Company's website.
4. The Company will publish the minutes of the EGM on SGXNet and on the Company's website within one (1) month from the date of EGM, and the minutes will include the responses to substantial and relevant questions from Shareholders which are addressed during the EGM.

As the COVID-19 pandemic continues to evolve, further measures and/or changes to the EGM arrangements may be made on short notice in the ensuing days, even up to the day of the EGM. Shareholders are advised to closely monitor announcements made SGXNet and the Company's website at <http://yinda.com.sg/> for updates on the EGM.

The Company would like to thank all Shareholders for their patience and co-operation in enabling it to hold the EGM with the optimum safe distancing measures amidst the current COVID-19 situation. The Company also seeks the understanding and cooperation of all Shareholders to minimise the risk of community spread of COVID-19.

PROXY FORM

<p>YINDA INFOCOMM LIMITED (Company Registration No. 201506891C) (Incorporated in the Republic of Singapore)</p> <p>PROXY FORM EXTRAORDINARY GENERAL MEETING <i>(Please see notes overleaf before completing this Proxy Form)</i></p>	<p>IMPORTANT:</p> <p>1. An Investor who holds shares under the Central Provident Fund Investment Scheme (the “CPF Investor”) and/or the Supplementary Retirement Scheme (the “SRS Investors”) (as may be applicable) may attend and cast his vote(s) at the EGM. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy. In which case, the CPF and SRS Investors shall be precluded from attending the EGM.</p> <p>2. This proxy form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purported to be used by them.</p>
*I/We, of	(Name) (NRIC/Passport/Co Reg No.) (Address)
<p>being a shareholder/shareholders* of YINDA INFOCOMM LIMITED (the “Company”), hereby appoint the Chairman of the Extraordinary General Meeting (the “EGM”) as *my/our *proxy to vote for *me/us on *my/our behalf at the EGM to be convened and held by electronic means at 10.30 a.m. on Wednesday, 31 March 2021 and at any adjournment thereof. I/We* direct my/our* proxy to vote for, vote against or abstain from voting on the resolutions to be proposed at the EGM as indicated hereunder.</p>	

All resolutions put to the vote at the EGM shall be decided by way of poll.

No.	Ordinary Resolutions relating to:	No. of Votes For ⁽¹⁾	No. of Votes Against ⁽¹⁾	No. of Votes Abstain ⁽²⁾
1.	The Proposed Diversification			
2.	The Proposed Acquisition			
3.	The Proposed Consideration Shares Issue			
4.	The Proposed Investment			
5.	The Proposed Issue of Shares to Mr. Hing Chow Yuen			
6.	The Proposed Issue of Shares to Mr. Chee Tuck Hong			
7.	The Proposed Issue of Shares to Mr. Chee Tai Chiew			

⁽¹⁾ Voting will be conducted by poll. If you wish the Chairman of the EGM as your proxy to cast all your votes “For” or “Against” a resolution, please tick (√) within the “For” or “Against” box provided in respect of that resolution. Alternatively, please indicate the number of votes “For” or “Against” in the “For” or “Against” box provided in respect of that resolution.

⁽²⁾ If you wish the Chairman of the EGM as your proxy to abstain from voting a resolution, please tick (√) within the “Abstain” box provided in respect of that resolution. Alternatively, please indicate the number of votes that the Chairman of the EGM as your proxy is directed to abstain from voting in the “Abstain” box provided in respect of that resolution.

Dated this _____ day of _____ 2021

Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

* Delete where inapplicable

Total Number of Shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members of the Company, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
2. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.
3. Shareholders who wish to vote at the EGM must submit the Proxy Form to appoint the Chairman of the EGM to cast votes on their behalf.
4. The Proxy Form, duly completed and signed, must be submitted by: (a) electronic mail to proxy@yinda.com.sg; or (b) physical mail to the Company's registered office at 20 Collyer Quay #09-02 Singapore 049319, by no later than the Registration Deadline, being seventy-two (72) hours before the time appointed for holding the EGM. In view of the current COVID-19 measures which may make it difficult for Shareholders to submit completed Proxy Forms by post, Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or by an officer on behalf of the corporation.
6. CPF Investors or SRS Investors who wish to vote should approach their CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the EGM (i.e. by 10.30 a.m. on 22 March 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by the cut-off date.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney or other authority, the power of attorney or authority or a notarially certified copy thereof must be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the extraordinary general meeting of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the extraordinary general meeting of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the extraordinary general meeting of the Company (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. The member's personal data and its proxy(ies)'s and/or representative(s)'s personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member of the Company and/or its proxy(ies) or representative(s) (such as his/her name, his/her presence at the EGM and any questions he/ she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.