

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

PROPOSED EQUITY INVESTMENT IN TECH5 SA THROUGH

- (I) **ENTRY INTO INVESTMENT AGREEMENT TO SUBSCRIBE FOR US\$8,000,000 OF NEW SHARES IN TECH5; AND**
 - (II) **CONVERSION OF US\$2,500,000 LOAN AMOUNT TO NEW SHARES IN TECH5**
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1. INTRODUCTION

- 1.1. The board of directors (the “**Board**” or the “**Directors**”) of Yinda Infocomm Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements dated 26 January 2021, 30 January 2021, 4 February 2021, 5 April 2021 and 6 April 2021 (collectively, the “**Previous Announcements**”) and the circular dated 16 March 2021 (the “**Circular**”). Capitalised terms used but not defined herein shall have the meanings as ascribed in the Previous Announcements and the Circular, where applicable.
- 1.2. Pursuant to discussions with TECH5 SA (“**TECH5**”), the Board wishes to announce that it has, on 14 May 2021 entered into an investment agreement with TECH5 and its shareholders Mr. Rahul Ganpat Parthe (“**Mr. Rahul**”) and Mr. Machiel van der Harst (“**Mr. Machiel**”, collectively with Mr. Rahul, the “**TECH5 Founders**”) (the “**Second Investment Agreement**”), whereby the Company will be subscribing to 1,627,900 new registered shares in TECH5 (the “**Investment Shares**”) at a subscription price per Investment Share of approximately US\$4.91 (approximately S\$6.53¹) (the “**Subscription Price**”) (the “**Proposed Equity Investment**”), which is equivalent to a shareholding of 13.34% in TECH5 on the basis of the enlarged share capital pursuant to the Proposed Transactions (as defined below). Please refer to section 3 (*Proposed Equity Investment*) for further details.
- 1.3. Further, under clause 3 of the investment agreement dated 26 January 2021 (the “**First Investment Agreement**”) which was signed amongst the shareholders of TECH5 and the Company to set out the conversion rights of the Company in relation to the US\$2,500,000 term loan (the “**TECH5 Loan Amount**”) extended by the Company to TECH5 (the “**Convertible Loan Investment**”) pursuant to a loan agreement dated 26 January 2021 (the “**TECH5 Loan Agreement**”), the Company intends to exercise its rights to convert the TECH5 Loan Amount into 578,089 new registered shares in TECH5 (the “**Conversion Shares**”) at US\$4.32 per Conversion Share (approximately S\$5.75), which is equivalent to a shareholding of 4.73% in TECH5 on the basis of the enlarged share capital pursuant to the Proposed Transactions and shall be completed together with the Proposed Equity Investment (the “**Proposed Conversion**”, together with the Proposed Equity Investment, the “**Proposed Transactions**”). Please refer to section 4 (*Proposed Conversion*) for further details.

2. BACKGROUND AND RATIONALE TO THE PROPOSED TRANSACTIONS

- 2.1. As announced in the Previous Announcements, the Company entered into the First Investment Agreement and the TECH5 Loan Agreement on 26 January 2021 and the Convertible Loan Investment of US\$2.5 million thereto was completed on 5 April 2021.
- 2.2. As disclosed in the Previous Announcements and the Circular, the Company had explained that it entered into the aforesaid transactions for the following reasons:

¹ References to exchange rate of US\$1:S\$1.33 in this announcement are extracted from www.oanda.com as at 12 May 2021.

- (a) The earlier investment is in line with the Group's growth strategy to diversify into the new business of the development and provision of identity management biometric technology solutions (the "**New Business**") and reduce the Group's reliance on the provision of integrated and innovative communications solutions and services in Singapore and Thailand (the "**Original Business**");
 - (b) The earlier investment will allow the Group to tap into the proven biometric technologies of TECH5 in order to expediently enter into the New Business; and
 - (c) The earlier investment will grant exclusive (to China and Japan) and non-exclusive (to rest of the world) distribution rights for TECH5's technologies to the Group.
- 2.3. As represented in the Previous Announcements, while the initial intention for the Convertible Loan Investment was to defer the equity investment to a later date to allow TECH5's business and valuations to stabilise, the Company has the ability to exercise its right to convert the TECH5 Loan Amount into TECH5 shares (a) upon the occurrence of a Qualified Financial Round², by written notice to TECH5 sent not later than 20 business days before the Qualified Financing Round (after which the right to convert shall automatically expire); or (b) during the period starting from the date falling 18 months from the date on which the TECH5 Loan Amount was disbursed and ending on the repayment date³ of the TECH5 Loan Amount, by 6 months' prior notice to TECH5.
- 2.4. At the same time, the Group is aware that sound identity management biometric technology forms the bedrock of its new customer solution development and new markets outreach efforts in the New Business. While the Group is constantly reviewing targets for its investment into the identity management biometric technology industry globally, TECH5 is a natural target due to, *inter alia*, the Company's familiarity with its technologies, management team, operations and potential. The Company is of the opinion that the benefits of TECH5's technologies' development efforts will synergistically flow downstream into the Group's existing operations in PT International Biometrics Indonesia, driving a positive effect that may not be achieved seamlessly with other technology investment targets.
- 2.5. Considering the natural fit with TECH5 as an investment target, the Company understands that TECH5 had since January 2021 made further progress on its new projects for 2021. Important developments by TECH5 so far in 2021 include (a) signing and/or roll out of projects in Phillipines, India, Brazil, Iraq, and Guinea; (b) signing on of more than 10 new commercial trade partners in Asia, Europe, Africa and the Americas; and (c) making improvements in cell phone-based finger capture technology, using advances in Artificial Intelligence, thereby allowing end-customer usage without having to procure finger scanners and so disrupting the device market segment. Armed with the above business and technological developments, TECH5 commenced discussions with various investors to further fund its research and development efforts.
- 2.6. Taking into consideration the various progresses by TECH5 above, the Company commenced discussions with TECH5 to make further investments, which culminated in the Proposed Equity Investment.
- 2.7. When considering the Proposed Equity Investment, the Company took note of the earlier Convertible Loan Investment and the commercial merits and terms of this Proposed Equity Investment, including but not limited to (a) the valuation of TECH5 is to be around a reasonable range of the valuations as set out in the First Investment Agreement; and (b) the Proposed Equity Investment is conditional upon a further grant by TECH5 of reseller and distribution rights for Singapore, Thailand, Cambodia and Vietnam, in addition to rights granted previously

² A Qualified Financial Round refers to TECH5 completing an issue of shares (in 1 or more tranches) on or prior to the the repayment date of the TECH5 Loan Amount, and which results in net proceeds to TECH5 of not less than US\$7,000,000.

³ Repayment date refers to 36 months from the date the TECH5 Loan Amount is received by TECH5.

under the TECH5 Preferential Licensing Agreement. To that end, the Company is of the opinion that it should capture the opportunity of the Proposed Equity Investment and that exercising its conversion rights under the First Investment Agreement is congruous with its entry into the Proposed Equity Investment.

- 2.8. Taking into consideration the above, the Group is of the opinion that the Proposed Transactions are in the interests of the Company and its shareholders and in line with the Group's efforts to cement its working partnership with TECH5.

3. PROPOSED EQUITY INVESTMENT

3.1. Information on TECH5

- (a) TECH5 is a company incorporated in Switzerland. As at the date of this announcement, Mr. Rahul and Mr. Machiel each hold 50.0% of the total ordinary share capital of TECH5. Mr. Rahul is the the Chief Technology Officer and Co-Founder of TECH5 and Mr. Machiel is the Chief Executive Officer and Co-Founder of TECH5.
- (b) TECH5 was founded by a team of seasoned industry professionals, who have been innovating in the area of multi-modal (fingerprint, face, iris, etc) biometric matching solutions for more than 20 years. The team is dedicated to continuously invest in the research and development to take advantage of artificial intelligence in all biometric modalities. It focuses on highly scalable products built on the experience gained by the implementation of large deployments targeting both government and private sectors.
- (c) The identity management biometrics technology solutions provided by TECH5 can be applied to over 40 vertical markets, from National ID, to fintech, banking e-KYC, healthcare and education. As at the date of this announcement, TECH5 has major clients comprising system integrators in Switzerland, the United Kingdom, Turkey, India, South Korea, Middle East and Indonesia.
- (d) Other than the Convertible Loan Investment in TECH5 by the Company, the acquisition of 51.0% of International Biometrics Pte Ltd ("IBPL") and the joint venture between the Company and IBPL as announced in the Previous Announcements, and save that Mr. Rahul is a shareholder and founder of TECH5 and a shareholder of IBPL as well as a substantial shareholder of the Company, neither TECH5 Founder 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.

3.2. Salient terms of the Second Investment Agreement

Subscription amount	:	<p>US\$8,000,000 (approximately S\$10,640,000) (the "Subscription Amount").</p> <p>The Subscription Amount and the Subscription Price was arrived at after arm's length negotiations between the Company and TECH5 (together with the TECH5 Founders), taking into account, <i>inter alia</i>, the funding needs of TECH5, the reseller and distribution rights to be granted by TECH5 as mentioned in section 2.5 above as well as the potential synergies and collaborative opportunities between TECH5 and the Group's biometrics businesses.</p> <p>The Subscription Amount will be funded from the Company's internal resources and the net proceeds from the proposed placement as announced by the Company on 11 May 2021.</p>
Subscription Price	:	US\$4.91 (approximately S\$6.53).

Number of Investment Shares	: 1,627,900, which is equivalent to a shareholding of 13.34% in TECH5 on the basis of the enlarged share capital pursuant to the Proposed Transactions.
Conditions precedent	: Closing of the Proposed Equity Investment (the “ Closing ”) is subject to the following conditions precedent: <ul style="list-style-type: none"> (a) no action by a third party is pending or threatened in writing which seeks to enjoin from, restrain or prohibit the consummation of the Closing; (b) completion of a satisfactory top-up legal, financial and technical due diligence by the Company in relation to new information since the date of the TECH5 Loan Agreement to be completed within 30 days after the signing of the Second Investment Agreement; (c) completion of valuation exercise conducted by the Company; (d) approval of the shareholders of the Company, having been obtained at an extraordinary general meeting (an “EGM”) to be convened and if necessary, approval of any regulatory authorities and parties, being the SGX-ST, SGX Regco and the Company’s sponsor; (e) execution of the shareholders’ agreement among the shareholders of TECH5; and (f) execution of a license agreement granting the Company reseller and distribution rights for Singapore, Thailand, Cambodia and Vietnam. <p>The parties to the Second Investment Agreement shall use all commercially reasonable best efforts and negotiate in good faith to ensure that the conditions are satisfied as soon as practicable, and shall provide to such other parties promptly upon request information as to the actions taken, progress, status and timeline for the satisfaction of the conditions.</p>
Closing	: The Closing shall occur at the premises of a notary Stauffer von May, Von-Werdt-Passage 3, 3011 Bern, 10 (ten) business days upon the fulfilment of the conditions precedent or such other place or date as the parties mutually agree, provided such conditions precedent are satisfied no later than within four (4) months from the date of the Second Investment Agreement.
Limitation on liability	: The liability of TECH5 for any representations and warranties shall be limited to a total of 50% of the Proposed Equity Investment, except regarding any breach or misrepresentation of a representation or warranty by gross negligence or wilful act, in which case the liability shall be limited to the Subscription Amount. For avoidance of any doubt, the TECH5 Founders make no representations and warranties and none are to be implied or otherwise construed under the Second Investment Agreement in relation to TECH5 and no TECH5 Founder assumes or shall have any liability in relation to the representations made by TECH5. The Company shall not be able to claim additional damages or interest above the appropriate liability limitation. The

		<p>liability of the TECH5 Founders for any representation given by them shall be limited to a total of 10% of the Proposed Equity Investment, <i>pro-rata</i> with their shareholding in TECH5 and not jointly.</p> <p>No indemnification shall be owed by TECH5 and the TECH5 Founders to the Company unless (i) the amount of a claim on a stand-alone-basis exceeds US\$10,000, and (ii) the aggregate amount of claim(s) of the Company is more than US\$150,000, in which case the amount of excess only shall be owed.</p>
Termination for representations and warranties	:	<p>If the Company is not able to represent and warrant that the representations and warranties as set forth in the Second Investment Agreement are true and correct as at Closing, then the TECH5 Founders and TECH5 shall have the right to terminate the Second Investment Agreement by immediate notice to the Company and not proceed to Closing.</p> <p>If:</p> <p>(a) TECH5 is not able to represent and warrant that the representations and warranties as set forth in the Second Investment Agreement (save as disclosed by TECH5 to the Company (provided that such disclosure does not have a material adverse effect on the underlying valuation of TECH5 or adversely affects the ability of TECH5 to perform in any material respect its obligations under the Second Investment Agreement)); or</p> <p>(b) the TECH5 Founders are not able to represent and warrant that the representations and warranties as set forth in the Second Investment Agreement,</p> <p>as the case may be, are true and correct as at Closing, then the Company shall have the right to terminate the Second Investment Agreement by immediate written notice to TECH5 and the TECH5 Founders and not proceed to Closing.</p>
Governing law	:	Laws of Switzerland.

3.3. Financial information on the Proposed Equity Investment

(a) Net asset value of TECH5

Based on the unaudited financial statements of TECH5 for the financial year ended 31 December 2020, the net asset value of TECH5 was approximately CHF646,000 (approximately S\$950,000)⁴.

(b) Net profits attributable to TECH5

Based on the unaudited financial statements of TECH5 for the financial year ended 31 December 2020, the net profits attributable to the TECH5, is approximately CHF550,000 (approximately S\$809,000).

⁴ References to exchange rate of CHF1:S\$1.47 in this announcement are extracted from www.oanda.com as 12 May 2021.

(c) Independent valuation

The Company will commission an independent valuer (the “**Valuer**”) to ascertain the market value of the 100.0% equity interest in the capital of TECH5 (the “**Valuation**”). The finalised report for the Valuation will be issued by the Valuer and included in the circular to be issued in due course.

4. PROPOSED CONVERSION

- 4.1. In accordance with the terms and conditions of the First Investment Agreement, the Proposed Equity Investment constitutes a Qualified Financial Round and therefore, the Company will provide written notice to TECH5 indicating that it will exercise its right to convert the total TECH5 Loan Amount. The First Investment Agreement provides that, in the case of a Qualified Financial Round, the Company can convert the TECH5 Loan Amount at a 12.0% discount to the valuation price per TECH5’s share based on the Qualified Financial Round valuation. In this regard, the Company can convert the TECH5 Loan Amount of US\$2,500,000 (approximately S\$3,325,000) at a conversion price of US\$4.32 (approximately S\$5.75) per Conversion Share. Pursuant to the Proposed Conversion, which shall complete concurrently with the Proposed Equity Investment, the Company will be issued 578,089 Conversion Shares, which is equivalent to a shareholding of 4.73% in TECH5 on the basis of the enlarged share capital pursuant to the Proposed Transactions.
- 4.2. Further information on the First Investment Agreement, TECH5 Loan Agreement can be found in the Previous Announcements and the Circular.

5. SHAREHOLDING STRUCTURE IN TECH5

The shareholding structure of TECH5 before and after the Proposed Transactions is as follows:

Shareholder	Shareholding percentage before the Proposed Transactions ⁽¹⁾	Shareholding percentage after the Proposed Transactions ⁽²⁾
Mr. Rahul	50.00%	40.96%
Mr. Machiel	50.00%	26.22% ⁽³⁾
TECH5/Employees	Nil	14.75% ⁽³⁾
The Company	Nil	18.07%

Notes:

- (1) Computed based on the existing share capital of TECH5 of 10,000,000 shares.
- (2) Computed based on the enlarged share capital of TECH5 of 12,205,989 shares pursuant to the Proposed Transactions.
- (3) Mr. Machiel intends to assign 1,800,000 existing shares to TECH5 prior to the completion of the Proposed Transactions. These shares are reserved for employee participation and TECH5 may assign them at any time. As at the date of this announcement, no assignment has been entered in the share register and no shares have yet been promised from the conditional share capital. The conditional share capital has not yet been entered in the commercial register (only the application has been filed with the Commercial Register Office of Switzerland).

6. INTRODUCER FEES

- 6.1. Pursuant to an agreement entered into on 15 January 2021 (as amended on 9 April 2021), Precious Glory Enterprises Limited (the “**Introducer**”) assisted the Company to *inter alia*, assist with the introduction of TECH5 for joint venture, acquisition, investment, convertible loans/instruments (upon successful conversion into investment) with or by the Company, taking into account the strategic needs and requirements of the Company.
- 6.2. 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 date of this announcement, both Mr Tan Chin Tuan and Ms Li Jingjing do not hold any shares in the Company.
- 6.3. In consideration of the services provided by the Introducer, the Company has agreed to an introducer fee of 6.0% of the total consideration of the Proposed Transactions (the “**Introducer Fee**”), which shall be payable in cash within a week from the completion of the Proposed Transactions. For the avoidance of doubt, the introducer fees with regards to the First Investment Agreement shall only be paid to the Introducer upon the completion of the Proposed Conversion.
- 6.4. The Introducer Fee was arrived at following arm’s length negotiations between the Company and the Introducer, taking into account the contacts and network of the Introducer and the scope of services to be provided by the Introducer to facilitate the transactions contemplated in connection with the Proposed Transactions. 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 Original 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 and adversely affected by the COVID-19 pandemic and should also be reasonably expected to be thrive in or benefit from a post COVID-19 environment.
- 6.5. For avoidance of doubt, notwithstanding that there is a common shareholder between TECH5 and IBPL, the Introducer Fee for TECH5 is separate from that for the earlier acquisition of 51% equity stake in IBPL, as these involve, *inter alia*, different investment transactions and different parties altogether.

7. CATALIST RULE 1006 FIGURES FOR THE PROPOSED TRANSACTIONS

- 7.1. As Mr. Rahul, a shareholder and founder of TECH5 is also a shareholder of IBPL, the joint venture with IBPL which was announced on 2 December 2020 (the “**IBPL JV**”), the acquisition of 51.0% of IBPL which was announced on 26 January 2021 (the “**IBPL Acquisition**”), the Convertible Loan Investment together with the Proposed Equity Investment will be aggregated for the purposes of computing the relevant bases pursuant to Rule 1006 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).
- 7.2. The relative figures for the Proposed Transactions computed on the bases set out in Catalist Rule 1006 are as follows:

Rule 1006	Bases of calculation	Relative figure for the IBPL JV, IBPL Acquisition and Convertible Loan Investment ⁵	Relative figure for Proposed Equity Investment	Relative figure for IBPL JV, IBPL Acquisition Convertible Loan Investment and Proposed Equity 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.	51.32% ⁽¹⁾	N.A. ⁽²⁾	51.32%
(b)	Net profits/losses attributable to the assets acquired, compared with the Group's net profits/losses.	(60.44)% ⁽³⁾	(5.20)% ⁽⁴⁾	(65.64)% ⁽⁵⁾
(c)	Aggregate value of the consideration given or aggregate value of the financial assistance given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares ⁽⁶⁾ .	38.68% ⁽⁷⁾	10.60% ⁽⁸⁾	49.28% ⁽⁹⁾
(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.	22.14% ⁽¹⁰⁾	N.A. ⁽¹¹⁾	22.14%
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	N.A. ⁽¹²⁾	N.A. ⁽¹³⁾	N.A. ⁽¹⁴⁾

Notes:

- (1) Computed based on the investment amount for the IBPL JV and the TECH5 Loan Amount amounting to approximately S\$3,835,000 and net asset value of the Group of approximately S\$7,472,000 as at 30 November 2020.

⁵ Shareholders' approvals for the Company's Proposed Diversification, IBPL Acquisition and Proposed Investment (in relation to the investment in TECH5 through a loan convertible into shares of TECH5 and entry into a preferential licensing agreement with TECH5) were obtained at the extraordinary general meeting held on 31 March 2021. Information in relation thereto (including the Catalist Rule 1006 figures) can be found in the Circular. Notwithstanding, in determining whether a transaction falls into category (a), (b), (c) or (d) of Catalist Rule 1004, the sponsor may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction.

- (2) Not applicable as the Proposed Equity Investment is in relation to a acquisition of assets.
- (3) Computed based on the net profits before tax attributable to the sale shares in respect of the IBPL Acquisition 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.
- (4) Computed based on 18.07% of the net profits before tax of TECH5 amounting to CHF385,000 (approximately S\$103,000) 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. TECH5 will be considered as an associate of the Company subsequent to the completion of the Proposed Equity Investment and Proposed Conversion.
- (5) Computed based on the net profits before tax attributable to the sale shares in respect of the IBPL Acquisition and the 18.07% net profit before tax of TECH5 amounting to CHF385,000 (approximately S\$103,000) 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.
- (6) Based on the market capitalisation of the Company of S\$100,391,008, which is computed based on 647,266,333 ordinary shares in the capital of the Company (excluding treasury shares) (the "Shares") in issue and the weighted average price of S\$0.1551, as at 12 May 2021, being the last full market day prior to the execution of the Second Investment Agreement.
- (7) Computed based on the total investment amount for the IBPL JV, consideration for the IBPL Acquisition and Convertible Loan Investment amounting to S\$38,835,000.
- (8) Computed based on the Subscription Amount of US\$8,000,000 (approximately S\$10,640,000).
- (9) Computed based on the total investment amount for the IBPL JV, consideration for the IBPL Acquisition, Convertible Loan Investment and Proposed Equity Investment amounting to S\$49,475,000.
- (10) Computed based on 143,333,000 consideration shares issued as partial satisfaction for the IBPL Acquisition and 647,266,333 Shares in the ordinary share capital of the Company.
- (11) Not applicable as no equity securities will be issued by the Company in relation to the Proposed Equity Investment.
- (12) Not applicable as the IBPL JV, IBPL Acquisition and Convertible Loan Investment were not of mineral, oil or gas assets by a mineral, oil and gas company.
- (13) Not applicable as the Proposed Equity Investment is not of mineral, oil or gas assets by a mineral, oil and gas company.
- (14) Not applicable as the IBPL JV, IBPL Acquisition, Convertible Loan Investment and Proposed Equity Investment is not of mineral, oil or gas assets by a mineral, oil and gas company

7.3. Approvals for Proposed Equity 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%, the transaction would be classified as a major transaction and shareholders' approval will be required to be sought.

Shareholders' approvals for the Company's diversification into the New Business, IBPL Acquisition and Convertible Loan Investment were obtained at the extraordinary general meeting held on 31 March 2021. Notwithstanding, in determining whether a transaction falls into category (a), (b), (c) or (d) of Catalist Rule 1004, the sponsor may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction.

Notwithstanding that the collective relative figures of Catalist Rule 1006 does not exceed 75.0%, the Company will be seeking shareholders' approval for the Proposed Equity Investment as a good corporate governance practice and as it will hold a substantial stake in TECH5 post completion of the Proposed Equity Investment and the Proposed Conversion.

8. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

- 8.1. The *pro forma* financial effects of the Proposed Transactions on the Company's share capital and the Group's net tangible assets ("NTA") and net tangible liabilities ("NTL") per Share and loss per Share ("LPS") as set out below are strictly for illustrative purposes and are not

indicative of the actual financial position and results of the Group following the Proposed Transactions.

8.2. The pro forma financial effects have been prepared based on the latest audited financial results of the Group for the financial year ended 31 May 2020 (“**FYE 31 May 2020**”), and the unaudited consolidated accounts of the TECH5 for FY2020, on the following bases and assumptions:

- (a) the computation takes into account estimated Introducer Fee, professional fees, costs and expenses that have been and/or will be incurred in relation to the Proposed Transactions, amounting to S\$1.2 million;
- (b) the Proposed Transactions had been completed on 31 May 2020 for the purpose of illustrating the financial effects on the NTA/NTL;
- (c) the Proposed Transactions had been completed on 1 June 2019 for the purpose of illustrating the financial effects on the LPS; and
- (d) the share capital of the Company as at the date of this announcement comprising 647,266,333 Shares taking into consideration transactions mentioned in section 8.3 (*Share capital*).

8.3. Share capital

	Number of Shares (excluding treasury shares)
As at 31 May 2020	152,000,000
Arising from transactions between 31 May 2020 and the date of this announcement ⁽¹⁾	495,266,333
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 an October 2020 Subscription Exercise; (ii) 81,200,000 Shares pursuant to a November 2020 Subscription Exercise; (iii) 41,300,000 Shares pursuant to a December 2020 Subscription Exercise; (iv) 20,833,333 Shares pursuant to a debt conversion exercise completed on 6 January 2021; (v) 132,600,000 Shares pursuant to a January 2020 Subscription Exercise; and (vi) 143,333,000 Shares as partial consideration for the IBPL Acquisition.
- (2) No Shares will be issued pursuant to the Proposed Transactions.

8.4. NTA / NTL per Share

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
NTA/(NTL) ⁽¹⁾ attributable to owners of the Company (S\$’000)	360	(694)

	Before the Proposed Transactions	After the Proposed Transactions
Number of issued ordinary shares in the capital of the Company	647,266,333	647,266,333
NTA/(NTL) per Share (Singapore cents)	0.06	(0.11)

Note:

(1) NTA/(NTL) means total assets less the sum of total liabilities and intangible assets.

8.5. LPS

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

	Before the Proposed Transactions	After the Proposed Transactions
(Loss) after income tax (S\$'000)	(3,156)	(4,210)
Number of issued ordinary shares in the capital of the Company	647,266,333	647,266,333
LPS (Singapore cents)	(0.49)	(0.65)

9. EXTRAORDINARY GENERAL MEETING TO BE CONVENED

- 9.1. The Company will convene an EGM in due course to seek the approval from its shareholders for the Proposed Equity Investment.
- 9.2. A circular which meets the disclosure requirements of the Catalist Rules, together with a notice of the EGM to be convened, will be despatched to shareholders of the Company in due course.

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective interests arising by way of their directorships and/or shareholdings in the Company, none of the Directors, controlling shareholders or their associates have any interest, direct or indirect, in the Proposed Equity Investment.

11. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Equity Investment and accordingly, no service contracts in relation thereto will be entered into by the Company.

12. DOCUMENTS AVAILABLE FOR INSPECTION

- 12.1. Copies of the Second Investment Agreement will be available for inspection during normal business hours for a period of three (3) months commencing from the date of this announcement at the registered office of the Company at 20 Collyer Quay #09-02 Singapore 049319.
- 12.2. Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, please contact the Company at +65 6970 1971 prior to making any visits to arrange for a suitable time slot for the inspection.

13. DIRECTORS' RESPONSIBILITY STATEMENT

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

14. FURTHER ANNOUNCEMENTS

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

15. CAUTIONARY STATEMENT

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

BY ORDER OF THE BOARD

Mr. Pierre Prunier
Chief Executive Officer and Executive Director
14 May 2021

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

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr. Ong Hwee Li (telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.