

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

ENTRY INTO TERM SHEET FOR, *INTER ALIA*, (I) SUBSCRIPTION OF SHARES; (II) ACQUISITION OF ASSETS; AND (III) PROVISION OF CONVERTIBLE LOAN

– RESPONSES TO SGX QUERIES

The board of directors (the “**Board**” or the “**Directors**”) of Yinda Infocomm Limited (the “**Company**”, together with the subsidiaries, the “**Group**”) refers to its announcement made on 5 July 2021 (the “**5 July 2021 Announcement**”) and sets out its responses to the queries raised by Singapore Exchange Regulation Pte. Ltd. (“**SGX RegCo**”) on 6 July 2021 in relation to the 5 July 2021 Announcement, as follows:

Capitalised terms used but not defined in this announcement shall bear the meanings as ascribed to them in the 5 July 2021 Announcement.

S/No.	SGX RegCo query:	Company response:
1.	<p>A new Singapore company will be set up by the IML Founders (the “Newco”) to transfer the IML Assets (which consist of intellectual property and software relating to Facial Liveness Detection, Age Classification and KYC Platform and contracts with key customers and resellers) from IML (Austria company) to the Newco.</p> <p>(i) Please provide more details on The Institute Of Machine Learning GmbH.</p> <p>(ii) Are there any legal prohibitions for such transfer of assets from a Austrian company to Singapore company?</p>	<p>IML is a privately held R&D organization established in Vienna, Austria in 2019. The company was established by entrepreneurs Adam Hegedus and Roland Trimmel. Trading under the name “Progeny”, IML offers a full set of services around identity verification (for digital onboarding), liveness detection (to protect against spoofing attacks), re-authentication (to prevent payment and identity fraud) and age verification (for parental consent) -- all through a single API, with authentication and/or verification from a single 2D image only. The API-first approach enables the support of all devices with a camera, allowing use in (emerging) markets with high device fragmentation, poor network coverage and low data requirements.</p> <p>Further to the above, IML provides a state-of-the-art KYC aggregation platform for a single, modular authentication API and dashboard.</p> <p>Based on the Company’s consultation with its Austrian counsel, the Austrian counsel has advised that they are at present, not aware of</p>

S/No.	SGX RegCo query:	Company response:
		any legal prohibitions for such transfer of assets. The Company has commenced legal due diligence on IML and the IML Assets and the scope of the legal due diligence will cover regulations on transfer of assets.
2.	<p>IML was established in Austria in 2019 by the two founders, Mr. Adam Hegedüs (“AH”) and Mr. Roland Trimmel (“RH”).</p> <p>(i) Has IML started generating revenue for its IML Business?</p> <p>How many customers does IML have now?</p> <p>(ii) Does the Company have financial information on IML?</p> <p>(iii) Who are the target customers of IML?</p>	<p>Based on IML’s management financial statements provided to the Company for the financial year ended 31 December 2020 (“FY2020”) and the financial period covering 26 April 2019 to 31 December 2019 (“FP2019”), IML generated revenues amounting to approximately €0.1 million and €0.2 million respectively.</p> <p>IML has completed several pilot projects with some of the leading companies in banking, mobility and online games, rating their technology as best-in-class in the industry. The company currently is in the transition phase from pre-launch activities to a launch of the full service offering for said KYC aggregation platform, with the company’s API-based services for identity verification today directly integrated into the shared mobility marketplace and multiple partnership agreements with resellers of their technology closed. PoC customers today include NETS, Österreichische Lotterien, NF Innova, Spherity, Nethone and others.</p> <p>Through the collaboration with Spherity, a Cloud ID Wallet provider offering services to companies such as Daimler, SAP, Novartis and multiple government institutions which uses IML’s solution as part of their wallet application, the company is at the forefront of trusted digital identities and gets direct exposure to Spherity’s clients in PoCs and beyond.</p> <p>Please refer to response above. The Company has received the management financial statements of IML for FP2019 and FY2020.</p> <p>Through the partnerships established, IML is able to target a wide spectrum of customers, e.g. the direct integration of IML into the Wunder Mobility marketplace enables customers in mobility sharing solutions to tap directly into the identity verification services provided by IML, while corporate customers</p>

S/No.	SGX RegCo query:	Company response:
	(iv) Will the focus on these target customers change upon the completion of the Newco in Singapore?	<p>and governments can tap into the modular KYC platform.</p> <p>The focus on existing target customers is not expected to change following the Proposed Transactions. However, it is intended for the Newco's technologies and business to be integrated into the Group's business network and product offerings within South-East Asia thereby creating broad-based growth opportunities for the enlarged Group. Please refer to the response to Query 5 for more details.</p>
3.	<p>Yinda will acquire 70% interest in the Newco for €1.5 million (approx. S\$2.395 million) (the "Proposed Acquisition"). The Consideration takes into account (a) estimates of market value of IML Assets and its market alternatives and comparables; (b) estimated cost incurred by IML and IML Founders in building up the IML Assets; and (c) opportunity cost and risks of "buy versus build" decision for the Company.</p> <p>(i) Was there a valuation conducted on the market value of IML?</p> <p>(ii) If not, will the Company engage a reputable independent valuer to complete the valuation of IML prior to entering a binding S&P in 2 months time?</p>	<p>No valuation has been conducted on the market value of IML as this transaction is currently at the Term Sheet stage. The Subscription Consideration and the discount to the issue price for the new Shares were arrived at after arm's length negotiations amongst the Parties, taking into account, <i>inter alia</i>:</p> <p>(a) estimates of market value of IML Assets and its market alternatives and comparables; (b) estimated cost incurred by IML and IML Founders in building up the IML Assets; and (c) opportunity cost and risks of "buy versus build" decision for the Company.</p> <p>The Company will consider engaging a reputable independent valuer to value the IML Assets in due course.</p>
4.	<p>How did Yinda get to know IML, AH and RH?</p> <p>Has Yinda started its due diligence on IML?</p>	<p>Yinda was introduced to IML, AH and RH through Mr Rahul Parthe, CTO and Co-Founder, TECH5 SA. Mr Parthe will not be charging any fees for this introduction.</p> <p>Yes, Yinda has already started its due diligence undertaken by its management team, Austrian legal counsel as well as Austrian accounting and tax advisors.</p>

S/No.	SGX RegCo query:	Company response:
	What due diligence will be performed?	The Company intends to conduct, <i>inter alia</i> , business, technical, accounting, tax and legal due diligence in respect of the Proposed Transactions.
5.	Please provide more details on how the Proposed Acquisition complement the Company's recent acquisition of the InterBIO Group and investment into TECH5 (still in process of completion).	<p>The Company had explained in earlier announcements and the Circular dated 16 March 2021 that it had a strategic goal of building a credible and sustainable identity management biometric technology solutions business over the long term.</p> <p>The Company further elaborated then that the acquisition of a controlling stake in PT IBI was driven by its proven track record at executing and managing large-scale biometric solutions projects in Indonesia, and that its investment in TECH5 would allow the Company to acquire access to continued research and development in the latest identity management biometric technologies. Specifically, TECH5's key focus lies in high value core biometric technologies, such as T5-Iris, T5-Face, and T-Finger, that form the brain and starting point of many downstream biometrics applications. These two investments, while meritorious in their own right, do not yet bring the Company to its strategic end goal.</p> <p>By combining the strengths within these three companies, the Company would be able to create a vertically integrated value chain within the same technological stack. TECH5 delivers the core identity management technologies, the IML Business has a ready-to-customise platform for digital onboarding and e-KYC that is accompanied by Facial Liveness Detection IP, and PT IBI completes the picture with strong capabilities and experience in executing very large trimodal biometric projects, namely Indonesia's national ID project. Together, the three businesses bring the Company closer to its strategic goal of being a truly one-stop identity management biometrics technology solutions provider.</p>
6.	<p>Upon completion of the Newco Subscription and IML Business Acquisition, the Company shall appoint 3 directors to the board of the Newco, or such number of directors so as to give the Company majority control over the board of the Newco.</p> <p>Are the 3 proposed directors from Yinda's current board?</p>	The Company has not decided on the candidates for the 3 proposed Newco

S/No.	SGX RegCo query:	Company response:
		directors, but is likely to draw upon members of the Company's Board and/or management team.
7.	As part of the Proposed Acquisition, the Newco will employ and/or engage certain identified members of IML's management and development team (the "IML Team"). How many members are there in the IML Team? Who are the identified members, other than the 2 founders?	As of the date of the Term Sheet, the Company has identified 10 members for the IML Team (including the IML Founders). These members comprise the current core software development and marketing personnel of IML.
8.	What is the rationale for the Company to extend a Convertible Loan to the NewCo instead of increasing its equity investment in Newco?	Given that the Company will hold 70% of the Newco's equity and have the Newco Share Option over the remaining existing 30% shareholdings, the Convertible Loan structure keeps open the option that if conditions permit, the Newco may repay the Convertible Loan in cash, which the Company can then redeploy for other usage.

BY ORDER OF THE BOARD

Mr. Pierre Prunier
Chief Executive Officer and Executive Director
7 July 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.