

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

ENTRY INTO DEFINITIVE AGREEMENTS FOR:

- (I) **SUBSCRIPTION OF NEW SHARES BY THE COMPANY IN GENESISPRO PTE LTD;**
 - (II) **ACQUISITION OF BUSINESS FROM THE INSTITUTE OF MACHINE LEARNING GMBH BY GENESISPRO PTE LTD;**
 - (III) **PROVISION OF CONVERTIBLE LOAN BY THE COMPANY TO GENESISPRO PTE LTD;**
AND
 - (IV) **GRANT OF OPTION OVER SHARES IN GENESISPRO PTE LTD BY THE FOUNDERS OF INSTITUTE OF MACHINE LEARNING GMBH TO THE COMPANY**
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1. INTRODUCTION

1.1. The board of directors (the “**Board**” or the “**Directors**”) of Yinda Infocomm Limited (the “**Company**”, together with the subsidiaries, the “**Group**”) refers to the announcements made on 5 July 2021, 7 July 2021 and 4 September 2021 in relation to, *inter alia*, the entry into the termsheet with The Institute of Machine Learning GmbH (“**IML**”) and the founders of IML, Mr. Adam Hegedüs (“**AH**”) and Mr. Roland Trimmel (“**RT**”, together with AH, the “**IML Founders**”) and is pleased to announce that the following definitive agreements have been entered into on 11 September 2021:

- (a) a subscription agreement (the “**Subscription Agreement**”) among GenesisPro Pte Ltd (“**GenesisPro**”), the IML Founders, IML and the Company for the subscription of 7,000 new shares in GenesisPro by the Company (the “**Subscription**”) (equivalent to 70.0% of the enlarged share capital of GenesisPro) for €1,500,000 (equivalent to approximately S\$2,378,000¹) (the “**Subscription Consideration**”). The Subscription Consideration shall be satisfied by the Company in cash and allotment and issue of ordinary shares (the “**Shares**”) in its share capital (the “**Consideration Shares**”);
- (b) an asset purchase agreement (the “**Asset Purchase Agreement**”) among IML, the IML Founders and GenesisPro for the acquisition by GenesisPro of the IML Assets (as defined below) (the “**IML Business Acquisition**”);
- (c) a shareholders’ agreement (the “**Shareholders’ Agreement**”) among each of the IML Founders and the Company as shareholders of GenesisPro;
- (d) a convertible loan agreement (the “**Convertible Loan Agreement**”) between GenesisPro and the Company for the provision by the Company to GenesisPro of a convertible loan of a principal amount of €600,000 (equivalent to approximately S\$951,000) (the “**Convertible Loan**”); and
- (e) the call option deeds (the “**Call Option Deeds**”) with each of the IML Founders in favour of the Company to acquire all of the shares held in GenesisPro by the IML Founders (the “**Call Options**”).

The Subscription, IML Business Acquisition and Convertible Loan shall collectively be known as the “**Transactions**”. Further details on the Transactions, the Shareholders’ Agreement and the Call Options under the Call Option Deeds can be found in section 4 (*Salient terms*).

¹ References to exchange rate of €1:S\$1.5855 in this announcement are extracted from www.mas.gov.sg as at 10 September 2021.

2. INFORMATION ON GENESISPRO, IML, IML FOUNDERS AND ASSETS TO BE ACQUIRED FROM IML

Information on GenesisPro, IML and IML Founders in this announcement was provided by IML and IML Founders (as the case may be) which has been extracted and reproduced herein. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.

2.1. GenesisPro

GenesisPro was incorporated on 25 August 2021 in Singapore with an issued share and paid-up capital of S\$3,000 comprising 3,000 shares, with each of the IML Founders holding 1,500 shares. The current directors are AH, RT and Pierre Prunier (the Chief Executive Officer and Executive Director of the Company). GenesisPro was incorporated for the purposes of the Transactions and its business shall include the provision of information technology and computer service activities, development and sale of identity management technologies, information technology consultancy, consulting and research and development. It is intended for GenesisPro to utilise the assets acquired from IML to carry out its business.

2.2. IML

- (a) IML was established in Austria in 2019 by the IML Founders, with AH being the sole shareholder and sole director.
- (b) IML is in the business of provision of technology for biometric authentication and fraud prevention and aims to offer developers an easy integration, and their end-users a seamless, frictionless user experience across all channels. Since its incorporation, IML has progressed in its development of key biometrics software in the fields of, amongst others, Facial Liveness Detection, Age Classification and KYC Platform (the "**IML Business**"). 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 Application Programming Interface ("**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. Further to the above, IML provides a state-of-the-art KYC aggregation platform for a single, modular authentication API and dashboard.
- (c) IML has completed several pilot projects with some of the leading companies in banking, mobility and online games. 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 Österreichische Lotterien, Spherity, Nethone and others. 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.
- (d) Financial information:

Based on the unaudited accounts of IML for the financial year ended 31 December 2020 ("**FY2020**"), IML recorded a net loss after tax of €262,000 (equivalent to approximately S\$415,000) for FY2020 and has a net liability value of €83,000 (equivalent to approximately S\$132,000) as at 31 December 2020.

2.3. IML Founders

- (a) AH is a technology entrepreneur and ex-venture capitalist who has played instrumental roles in a series of technology startups involved in Software Engineering, DevOps, Systems Engineering, Distributed Ledger Technologies and Cloud System Architecture, often filling technical managerial roles. Currently as the Chief Executive Officer and Technical Lead of IML, he drives innovation in the fields of self sovereign identity, biometric authentication and fraud prevention.
- (b) RT is an entrepreneur and business transformation leader with more than 10 years of experience in designing and delivering transformation projects on a wide variety of issues across Europe, US and Africa. RT's speciality is in building high growth businesses and high performance teams, coupled with a deep understanding of technology, product and customers. Currently, RT heads up the marketing and sales function for IML.
- (c) Prior to the Transactions, IML and the IML Founders have not had any previous business, commercial, trade dealings or any other connection and are independent of the Group, the Directors, chief executive officer, the controlling shareholders of the Company and their respective associates.
- (d) IML and the IML Founders have confirmed that they are unrelated parties (save for AH being a director and shareholder of IML and the IML Founders being directors and shareholders of GenesisPro) and that they will not be acting in concert with each other or with any other parties to obtain or consolidate control of the Company for the purpose of the Singapore Code on Take-overs and Mergers upon allotment and issue of the Consideration Shares.
- (e) IML and the IML Founders are not persons who fall within the categories set out in Rule 812(1) of the Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Catalist Rules**"). Accordingly, none of the Consideration Shares will be placed by the Company to any person who is a Director or substantial shareholder of the Company, or any other person in the categories set out in Catalist Rule 812(1).

2.4. Assets to be acquired from IML

Pursuant to the IML Business Acquisition, GenesisPro will be acquiring key assets of IML used for the IML Business, including but not limited to all intellectual property and software relating to Facial Liveness Detection, Age Classification and KYC Platform and contracts with key customers and resellers (the "**IML Assets**"), and engage certain identified members of IML's management and development team, including the IML Founders (the "**IML Team**").

3. BACKGROUND AND RATIONALE

- 3.1. After its entry into the identity management biometrics technology business in early 2021, the Company has been exploring new investment targets or partners across the digital identity space and biometrics industry value chain, including but not limited to biometrics technology developers, biometrics solution developers, traditional identity management solutions developers (with strong customer relationships), in order to build new biometric capabilities, products and markets.
- 3.2. Accordingly, the Company has mapped its existing biometric technological capabilities against customers' needs, and in doing so, found that various identity management biometrics technologies are desired by its customers. Such technologies include:

- (a) Facial Liveness Detection

Liveness Detection is a security feature in biometric authentication that can ensure a biological identifier is in fact a real person. This is an increasingly sought after functionality by customers which seek protection against fraudulent impersonations. For Facial

Liveness Detection, the passive detection method is more desirable than the active detection method as the passive detection method eliminates user's responses to a challenge, such as nodding or turning the head, as required by active liveness detection mechanisms which may not be suitable for use in cases with high frequency authentication, such as border control, airport access control and ATM machines.

(b) Age Classification

Age Classification technology is highly desired by customers due to its wide-ranging application in security and video surveillance, control of age-restricted product sales, and access control to digital content.

(c) KYC Platform

Customers desire modular KYC platforms as it allows the flexibility to utilise solutions from multiple vendors in a plug-and-play architecture for the development of various applications.

3.3. Hence, the Company recognises the need to boost its biometrics technological capabilities in areas demanded by its customers. Aside from exploring options to build these capabilities internally and working with its existing technology partners like TECH5 SA² ("**TECH5**"), the Company has approached various global biometrics technology developers to explore cooperation and/or investment.

3.4. Through this search, the Company has identified IML³, which has made significant strides in various key biometrics technologies which were highlighted as desired by its customers, as summarised in paragraph 3.2 above:

(a) Facial Liveness Detection

IML's Facial Liveness Detection is a 2D-image based passive liveness detection algorithm which can identify spoofing attacks from the analysis of a single self-captured image and requires no action by the user. IML's Facial Liveness Detection software has also been proven to detect attempts to defraud using non-live images.

(b) Age Classification

IML's neural network-based Age Classification technology is able to achieve robust age group classification based on the analysis of age-sensitive facial features, such as the location of the pupils, eye corners, lip boundaries, etc. The passive algorithm (which requires no user interaction) is able to estimate the approximate age of a person from the analysis of a 2D-image.

(c) KYC Platform

IML has developed a modular platform comprising a set of KYC tools packaged into an off-the-shelf system, allowing a third party to roll-out a complete authentication and identity product with ease and in minimal time. The platform offers multiple application programming interface (API) end-points. IML's platform is particularly attractive to smaller customers who seek greater flexibility and ease of use, and requires less customisation.

3.5. For the Company to develop the biometrics technologies which have been already developed by IML, the Company assessed that significant time and resources will be required by the Company. To that end, there may be risks that the Company's team may not succeed in this development and even if the development succeeds, there will be a time lag for such development to complete,

² Please also refer to announcement dated 14 May 2021 in relation to the Company's proposed equity investment in TECH5 (the "**TECH5 Announcement**"). The proposed equity investment in TECH5 is in the process of completion.

³ The Company was introduced to IML and the IML Founders through Mr. Rahul Parthe, the CTO and co-founder of TECH5 and substantial shareholder of the Company. Mr. Rahul Parthe will not be charging any fees for this introduction.

which may cause the Company to miss significant immediate customer opportunities during the period of internal development.

- 3.6. The IML Business Acquisition will complement the Company's proposed equity investment in TECH5 as announced in the TECH5 Announcement, which is in the process of completion. The IML Business and TECH5 focus on different spectrum of the biometrics and digital identity technology business value chain. TECH5's key focus lies in high value core biometric technologies, such as T5-Iris, T5-Face, and T5-Finger, that form the brain and starting point of many downstream biometrics applications. On the other hand, IML develops platforms like their e-KYC Platform which is the basic infrastructure for digital onboarding of potential customers. The IML Business Acquisition represents another step by the Company to complete its toolkit of biometric technology and digital identity capabilities across the entire value chain in order to build an integrated and sustainable business model.
- 3.7. Through the partnerships established by IML and to be acquired via the IML Business Acquisition, the Company (through GenesisPro) will be able to target a wide spectrum of customers, e.g. the direct integration of IML's technology into the Wunder Mobility marketplace which enables customers in mobility sharing solutions to tap directly into the identity verification services to be provided, while corporate customers and governments can tap into the modular KYC platform. It is intended that the technologies and business as acquired via the IML Business Acquisition 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.
- 3.8. Through the acquisition of International Biometrics Pte. Ltd. and its subsidiary PT International Biometrics Indonesia ("PT IBI"), its investment in TECH5 and PT. Patra Aksa Jaya, and coupled with the Transactions contemplated, 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.
- 3.9. Accordingly, the Company is of the view that the Transactions will bring the following primary benefits to the Company:
 - (a) provide the Company immediate access to biometric technologies with clear market demand and shorten the Company's time to market to cross-sell or cross-apply comprehensive biometrics products and solutions, thereby boosting market share, standing and profile in a relatively short period of time. Overall, the Company believes that its standing as a one-stop biometrics products and solutions provider can be significantly enhanced; and
 - (b) provide the Company immediate access to a proven team of biometrics technologies developers that will contribute to the building of biometrics talent and capabilities within the Group, and accelerate the Company's development of new biometric technologies inhouse. As innovation cycles are accelerating, having access to ready-to-go research and development talent with specialised skills, in-depth industry knowledge and business intelligence will enable the Group to be more relevant and competitive in the highly competitive biometrics technologies business space.

4. SALIENT TERMS

4.1. Subscription under the Subscription Agreement

Subscription : Subscription of 7,000 new shares in GenesisPro by the Company (equivalent to 70.0% of the enlarged share capital of GenesisPro).

- Subscription Consideration** : The Subscription Consideration of €1,500,000 (equivalent to approximately S\$2,378,000) shall be payable in the following manner:
- (a) an aggregate amount equal to €550,000 (equivalent to approximately S\$872,000) to be satisfied in cash by the Company on the Completion Date (as defined below); and
 - (b) an aggregate amount of €950,000 (equivalent to approximately S\$1,506,000) to be satisfied through the allotment and issue by the Company of 7,037,383 Consideration Shares on the Completion Date at the issue price of S\$0.2140⁴ per Consideration Share.

The cash portion of the Subscription Consideration is expected to be funded from the Company's internal resources which includes the net proceeds from past placement and subscription exercises.

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, *inter alia*:

- (a) the Subscription Consideration will be used by GenesisPro to fund the IML Business Acquisition;
- (b) estimated costs incurred by IML and IML Founders in building up the IML Business;
- (c) alternative of paying IML for use of the IML Assets instead of acquiring the said assets; and
- (d) opportunity cost, risks and time to market of "buy versus build" decision for the Company.

After performing due diligence on the specifics of IML Assets and taking into account, *inter alia*, lack of comparability across companies possessing different mix of technologies other than IML Assets, limited details of private market transactions and listed comparables, the management decided against using estimates of market value of IML Assets and its market alternatives and comparables as a bases in its final analysis. Management had instead, considered the aforementioned, including but not limited to reviewing the reasonableness of the estimated costs incurred by IML and IML Founders to date; weighing the opportunity cost and development risks involved to develop the IML Assets versus an acquisition of the IML Assets through GenesisPro; and explored the alternative of working/partnering with IML for the use of its technologies instead of acquiring the said assets.

The Company had conducted due diligence with the support of relevant legal, financial and tax advisors, and was able to reach a reasonable assessment of the Subscription Consideration based on its own internal analysis, working knowledge of relevant factors and costs, and the various due diligence reports. Accordingly, the Company did not consider it necessary to engage an external valuer for this exercise.

⁴ The issue price per Consideration Share of S\$0.2140 is an 8.0% discount to the volume weighted average price for trades done on the SGX-ST for 10 September 2021, being the immediate preceding full market day on which the definitive agreements for the Transactions are signed.

Use of Subscription Consideration : The parties to the Subscription Agreement agree and acknowledge that the Subscription Consideration will be used by GenesisPro to fund the IML Business Acquisition and GenesisPro will direct the payment of the Subscription Consideration to IML accordingly for the IML Business Acquisition as required under the Asset Purchase Agreement.

Consideration Shares : The Consideration Shares are to be fully allotted and issued to IML, as directed by GenesisPro to fund the IML Business Acquisition.

The Board is of the view that partial satisfaction of the Subscription Consideration through the allotment and issue of the Consideration Shares would allow the Company to conserve such equivalent cash reserves and provide the Company with greater financial flexibility in the future.

Authority to allot and issue the Consideration Shares : The Consideration Shares will be allotted and issued pursuant to the general share issue mandate granted by the shareholders of the Company (“**Shareholders**”) by way of an ordinary resolution (the “**General Mandate**”) at the extraordinary general meeting of the Company held on 30 December 2020 (the “**2020 EGM**”).

The General Mandate authorises the Directors to allot and issue Shares not exceeding 100.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2020 EGM, of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing Shareholders shall not exceed 50.0% (excluding treasury shares and subsidiary holdings).

The number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2020 EGM, after adjusting for the 29,333,333 Shares issued on 6 January 2021 as approved by shareholders at the 2020 EGM, is 371,333,333 Shares. On this basis, the maximum number of new Shares the Company is authorised to allot and issue other than on a pro-rata basis under the General Mandate is 185,666,666 Shares.

The Company had previously sought listing and quotation for 133,800,000 Shares under the General Mandate. Hence, the remaining number of Shares that the Company is authorised to allot and issue other than on a pro-rata basis under the General Mandate is 51,866,666 Shares and the proposed allotment and issuance of the Consideration Shares falls within the limits of the General Mandate.

The 7,037,383 Consideration Shares represent 0.84% of the Company’s existing issued and paid-up share capital of 842,266,333 Shares (excluding treasury shares and subsidiary holdings) and approximately 0.83% of the Company’s enlarged issued and paid-up share capital of 849,303,716 Shares (excluding treasury shares and subsidiary holdings) after the allotment and issue of the Consideration Shares.

The Consideration Shares shall be issued as fully-paid shares, free from encumbrances, and shall rank *pari passu* with all other outstanding issued shares of the Company in respect of all rights, dividends, entitlements and advantages as of and including the Completion Date.

- Conditions** : The completion of the Subscription (the “**Completion**”) is conditional on the following conditions being satisfied (or waived in accordance with the Subscription Agreement):
- (a) the approval of the board of directors of the Company having been obtained for the entry into the Subscription Agreement and all transactions contemplated in the Subscription Agreement (and in connection herewith);
 - (b) the allotment and issue 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 to the Subscription Agreement;
 - (c) the receipt of the listing and quotation notice in respect of the Consideration Shares on the Catalist Board of the SGX-ST being obtained;
 - (d) if required, obtaining all necessary written consents, approvals, waivers and/or notifications (in terms reasonably satisfactory to the Company) from and/or to third parties, including without limitation, any Government Authority (as defined in the Subscription Agreement) having jurisdiction over the transactions contemplated in the Subscription Agreement (and in connection herewith), 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;
 - (e) the entry into the Convertible Loan Agreement, Call Option Deeds and Shareholders’ Agreement;
 - (f) no Material Adverse Event (as defined in the Subscription Agreement) having occurred on or before Completion;
 - (g) each of the Warranties (as defined in the Subscription Agreement) remaining true and accurate in all respects as at Completion; and
 - (h) each of the covenants, agreements, undertakings and obligations that the parties are required to perform or to comply with pursuant to the Subscription Agreement at or prior to Completion having been duly performed and complied with.

If any conditions has not been satisfied (or waived in accordance with the Subscription Agreement) 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 Subscription Agreement) on or before the Long Stop Date, then the Subscription Agreement shall terminate with immediate effect (other than the Surviving Provisions (as defined in the Subscription Agreement), which shall

remain in full force and effect) and no party 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 Subscription Agreement.

- Long Stop Date** : The date which is 30 September 2021, or such other date as may be agreed in writing between the parties (the “**Long Stop Date**”).
- Completion** : Completion shall take place remotely (or at such other place as the parties may mutually agree) on the date which is seven (7) business days after the date on which all of the conditions are satisfied (or waived in accordance with the Subscription Agreement), or such other date to be mutually agreed in writing between the parties (the “**Completion Date**”).
- Termination** : If there shall have come to the notice of a party(ies) of any breach of the representations, warranties and undertakings set out in the Subscription Agreement by a party(ies) which is not remedied (to the reasonable satisfaction of the non-defaulting party(ies)) within seven (7) days of the receipt of a written notice by the defaulting party(ies) from the non-defaulting party(ies) notifying of such breach, the non-defaulting party(ies) may thereafter at any time prior to the Completion Date by notice in writing to the defaulting party(ies) terminate the Subscription Agreement, but failure to exercise this right shall not constitute a waiver of any other rights of the non-defaulting party(ies) arising out of any such breach.

If the Subscription Agreement is terminated in accordance with its terms, the Subscription Agreement shall terminate with immediate effect (other than the Surviving Provisions, which shall remain in full force and effect) and no party 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 Subscription Agreement.

The parties further agree and acknowledge that if:

- (a) the Subscription Agreement is terminated in accordance with its terms, the Asset Purchase Agreement (and to the extent if already executed, the Convertible Loan Agreement, the Call Option Deeds and the Shareholders’ Agreement) shall be terminated automatically with immediate effect; or
- (b) the Asset Purchase Agreement is terminated in accordance with its terms, the Subscription Agreement (and to the extent if already executed, the Convertible Loan Agreement, the Call Option Deeds and the Shareholders’ Agreement) shall be terminated automatically with immediate effect.

- Governing law** : Singapore law.
- Dispute resolution** : Any dispute arising out of or in connection with the Subscription Agreement including any question regarding its existence, validity or termination, shall be exclusively referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre in accordance with the Arbitration Rules of the Singapore International Arbitration Centre for the time being in force, which rules are deemed to be incorporated by reference.

The seat of the arbitration shall be Singapore. The tribunal shall consist of one (1) arbitrator. The language of the arbitration shall be English. The law for the arbitration agreement shall be Singapore law.

(“Singapore Arbitration”).

4.2. IML Business Acquisition under the Asset Purchase Agreement

Consideration for the IML Business Acquisition : The IML Assets shall be acquired by GenesisPro from IML equivalent to the Subscription Consideration.

Consents and approvals, transfer : The IML Business Acquisition is conditional upon the Subscription.

In the event that the Subscription is not fulfilled by the Long Stop Date, IML shall be entitled to withdraw from the Asset Purchase Agreement by giving written notice to GenesisPro.

If the IML Business Acquisition is otherwise not effected until the Long Stop Date for reasons attributable to a Party, the other Party shall be entitled to withdraw from the Asset Purchase Agreement by giving written notice.

IML’s and IML Founders’ liability : Market-standard catalogue of representations and warranties as well as indemnification obligations by IML and IML Founders, especially related to the assets and contracts acquired by GenesisPro.

Liability from breach of representations and warranties is limited as follows: De minimis amount of €1,500 (equivalent to S\$2,378), floor of €15,000 (equivalent to S\$23,783), cap of €1,000,000 (equivalent to S\$1,585,500) for fundamental breaches and €333,000 (equivalent to S\$527,972) for all other breaches. The limitation period is three (3) years from the date of the IML Business Acquisition.

Obligations post-transfer : The IML Founders shall be obliged to take all measures to initiate liquidation of IML within twelve (12) months from the date of completion of the IML Business Acquisition.

Market-standard non-compete undertaking by IML and IML Founders for a period of three (3) years from the date of completion of the IML Business Acquisition.

Governing law : Austrian substantive law.

Dispute resolution : Singapore Arbitration.

4.3. Shareholders’ Agreement

Board seats : Unless otherwise agreed upon by all the shareholders of GenesisPro in writing, the board of GenesisPro shall consist of not more than five (5) members.

The members of the board of GenesisPro shall initially consist of three (3) directors appointed by the Company (the “**Yinda Directors**”) and (2) directors appointed by the IML Founders (the “**Founder Directors**”), where a Yinda Director shall be the chairman of the Board (the “**Chairman**”).

Where applicable, the Chairman shall be entitled to a casting vote at

any meeting of the board of GenesisPro.

Reserved matters : No resolution of the directors shall be effective unless carried by a majority of the directors, and no board reserved matter shall be effective, save with the prior written consent of majority of the directors which shall include one of the Founder Directors.

No action shall be taken or resolution passed by GenesisPro in respect of any shareholder reserved matter, save with prior written consent of the shareholders who together, at the relevant time, hold more than 85.0% of the number of shares in issue at that time.

Issuance of new shares : Each of the shareholders shall exercise its voting rights for the time being in GenesisPro 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 GenesisPro in proportion as nearly as practicable to their respective shareholding percentages.

This shall not be applicable in the event of (a) issue of shares pursuant to full and/or partial conversion(s) of the Convertible Loan under the Convertible Loan Agreement by the Company; or (b) an issuance of new shares to an employee as part of a stock option incentive plan or any such similar employee incentive plan, or upon conversion of preference shares in the capital of GenesisPro (if any).

Restrictions on shares : Subject to customary pre-emption, tag-along and drag-along rights, there will be no transfers of shares in GenesisPro except that (a) the IML Founders shall be able to transfer their shares to the Company in accordance with the Call Option Deeds; (b) any corporate shareholder shall be able to transfer to any of its related corporations, affiliates or nominees; and (c) subject to the terms and conditions under the Call Option Deeds, any shareholder who is an individual shall be able to transfer to his Immediate Family Member (as defined in the Shareholders' Agreement) or Family Trust (as defined in the Shareholders' Agreement).

Restrictive covenants : The shareholders of GenesisPro are subject to non-compete and non-solicit restrictions as a shareholder of GenesisPro and for a period of twelve (12) months from the earlier of the (a) relevant Cessation Date (as defined in the Shareholders' Agreement) as a shareholder of GenesisPro; or (b) termination date of the Shareholders' Agreement.

Deadlock resolution : If a party considers that a major deadlock or dispute has occurred in relation to any matters governed by the Shareholders' Agreement (including the inability of the parties or the board of GenesisPro 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.
- Dispute resolution** : Singapore Arbitration.

4.4. Convertible Loan under the Convertible Loan Agreement

Convertible Loan Amount : The Company shall extend a loan of €600,000 (equivalent to approximately S\$951,000) to GenesisPro (the “**Convertible Loan Amount**”), which can be convertible by the Company into new shares in the share capital of GenesisPro.

The Convertible Loan Amount is expected to be funded from the Company’s internal resources which includes the net proceeds from past placement and subscription exercises.

Given that the Company will hold 70.0% in GenesisPro and have the Call Options over the remaining existing 30.0% shareholding held by the IML Founders, the Convertible Loan structure keeps open the option that if conditions permit, GenesisPro may repay the Convertible Loan in cash, which the Company can then re-deploy for other usage.

Use of proceeds : The proceeds from the Convertible Loan shall be used by GenesisPro only to fund the operational needs of GenesisPro in its ordinary course of business.

Interest rate : 3.0% per annum in cash on the outstanding Convertible Loan Amount (on a 365-day pro-rata basis) on a quarterly basis.

Interest shall accrue up to the date of full repayment and/or full conversion of the Convertible Loan.

Conditions : The obligation of the Company to make the Convertible Loan available shall be subject to the following conditions:

- (a) the Company or its duly authorised representative shall have received by the date when all conditions have been met (the “**Effective Date**”), a copy of (a) the board resolutions of GenesisPro authorising the execution and delivery of the Convertible Loan Agreement; and (b) any other authorisation or other document, opinion or assurance which the Company reasonably considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by any Finance Document (as defined in the Convertible Loan Agreement) or for the legality, validity, enforceability or admissibility in evidence of any Finance Document;
- (b) the completion of the (a) IML Business Acquisition and all transactions contemplated under the Asset Purchase Agreement; and (b) Subscription and all transactions contemplated under the Subscription Agreement; and
- (c) on the date of the Convertible Loan Agreement, each of the Warranties (as defined in the Convertible Loan Agreement) made by GenesisPro are true and accurate in all respects (except those Warranties that are made as of a specific date shall be true and accurate only as of such date), (a) disregarding (i) any breaches or inaccuracies thereof that, individually or in the aggregate, are not material and (ii) any

breaches or inaccuracies thereof that, individually or in the aggregate, do not and will not result in a Material Adverse Effect (as defined in the Convertible Loan Agreement), and (b) subject to any matter or thing hereafter done or omitted to be done pursuant to the Convertible Loan Agreement or any other Finance Documents or otherwise at the request in writing or with the approval in writing of the Company (including under any Finance Documents).

Utilisation : The request for the Convertible Loan may be made by GenesisPro only within the period commencing from the Effective Date to the date falling seven (7) days from the Effective Date.

Repayment and Maturity Date : Subject to the conversion right of the Company, GenesisPro shall repay the outstanding principal amount of the Convertible Loan, together with the outstanding accrued interest, without demand and without any deduction or withholding, within two (2) years from the utilisation date of the Convertible Loan (the "**Maturity Date**").

In the event that full or partial conversion of the Convertible Loan occurs in accordance with the terms of the Convertible Loan Agreement, the obligation of GenesisPro to repay the Convertible Loan (to the extent that such amount has been converted under the conversion) will be deemed discharged, and the right of the Company to the repayment of the Convertible Loan (to the extent that such amount has been converted under the conversion) shall be extinguished. Any interest accrued and outstanding shall remain payable notwithstanding the conversion.

GenesisPro shall not have any right to make prepayment or early repayment of the Convertible Loan prior to the expiration of Maturity Date.

Conversion right : The Company shall have the right at any time within the period commencing on the date falling twelve (12) months from the utilisation date of the Convertible Loan up to the Maturity Date to convert all or some of the aggregate amount of the Convertible Loan into new shares in GenesisPro (the "**Conversion Shares**") to be credited as fully paid-up.

All Conversion Shares shall be issued as fully-paid shares, free from encumbrances, and shall rank *pari passu* with all other outstanding issued Shares in respect of all rights, dividends, entitlements and advantages as of and including the relevant conversion date.

Conversion basis : Any conversion shall be made on the basis of a valuation of GenesisPro performed by a reputable independent third party valuer to be mutually agreed to be appointed by the parties, subject always that the Company shall be entitled to a minimum of 10.0% of the enlarged total issued and paid-up share capital of GenesisPro as at the relevant conversion date, based on a conversion of all of the aggregate principal amount of the Convertible Loan. Any partial conversion shall be pro-rated accordingly.

Governing law : Singapore law.

Dispute resolution : Singapore Arbitration.

4.5. Call Options under the Call Option Deeds

Grant of Call Options : Each of the IML Founders grants to the Company an option over all of the shares in GenesisPro which the IML Founder owns in GenesisPro (the “**Call Option Shares**”), whereby the Company is able to exercise such option to require the IML Founder to transfer any or all of such Call Option Shares to the Company at the Call Option Price (as defined below) for each Call Option Share, on the terms and subject to the conditions of the Call Option Deeds.

Call Option Period : Commencing on the Completion Date and ending on the date falling two (2) years from the Completion Date.

Call Option Price : The price payable by the Company (the “**Call Option Price**”) for each Call Option Share shall be determined based on a valuation of the Company to be conducted by a reputable independent third party valuer to be mutually agreed to be appointed by the parties.

The parties agree that the total Call Option Price to be paid for the exercised Call Option Shares (the “**Exercised Call Option Consideration**”) shall be satisfied by the Company by the allotment and issue of such number of new Shares (the “**Call Option Consideration Shares**”) amounting to the Exercised Call Option Consideration (provided that all approvals have been obtained by the Company for such allotment and issue). The issue price of each of the Call Option Consideration Shares shall be based on the volume weighted average price for trades done on the SGX-ST for the immediate preceding full market day on which the Call Option is exercised by the Company.

Governing law : Singapore law.

Dispute resolution : Singapore Arbitration.

5. CATALIST RULE 1006 FIGURES FOR THE TRANSACTIONS

5.1. The relative figures for the Transactions computed on the bases set out in Catalist Rule 1006 are as follows:

Rule 1006	Bases of Calculation	Relative figure for Transactions
(a)	Net asset value of the assets to be disposed of or aggregate value of the financial assistance given, compared with the Group’s net asset value.	1.81% ⁽¹⁾
(b)	Net profits/losses attributable to the assets acquired, compared with the Group’s net profits/losses.	3.95% ⁽²⁾
(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.	1.75% ⁽⁴⁾
(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.	0.84% ⁽⁵⁾

Rule 1006	Bases of Calculation	Relative figure for Transactions
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	N.A. ⁽⁶⁾

Notes:

- (1) Computed based on the Convertible Loan Amount of €600,000 (equivalent to approximately S\$951,000) and net asset value of the Group of approximately S\$52,483,000 as at 31 May 2021.
- (2) Computed based on the net losses before tax attributable to IML (based on the IML Business Acquisition by GenesisPro) of €260,000 (equivalent to approximately S\$412,000) for the full year ended 31 December 2020 and net losses before tax of the Group of approximately S\$7,294,000 for the full year ended 31 May 2021.
- (3) Based on the market capitalisation of the Company of S\$195,911,149, which is computed based on 842,266,333 Shares (excluding treasury shares) in issue and the weighted average price of S\$0.2326, as at 10 September 2021, being the last full market day prior to the execution of the definitive agreements for the Transactions.
- (4) Computed based on the Subscription Amount and the Convertible Loan Amount of €2,100,000 (equivalent to approximately S\$3,329,000) and net liabilities attributable to IML of €83,000 (equivalent to S\$132,000).
- (5) Computed based on 7,037,383 Consideration Shares issued as partial satisfaction for the Subscription and 842,266,333 Shares in the ordinary share capital of the Company.
- (6) Not applicable as the Transactions do not relate to mineral, oil or gas assets by a mineral, oil and gas company.

5.2. Approvals for the Transactions

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

Catalist Rule 1014 states, *inter alia*, that where any of the relative figures as computed on the bases set out in Catalist Rule 1006 exceeds, for an acquisition, 75.0% but is less than 100.0% and for provision of financial assistance, 50%, the transaction would be classified as a major transaction and shareholders' approval will be required to be sought.

Having considered paragraph 4.4(a) of Practise Note 10A of the Catalist Rules and that the Transactions includes the provision of financial assistance by the Company to GenesisPro through the Convertible Loan, none of the absolute relative figures of Catalist Rule 1006(a), 1006(c) and 1006(d) in respect of the Transactions exceeds 50.0% and 75.0% respectively. In addition, the net loss attributable to IML does not exceed 10.0% of the consolidated net loss of the Group for the full year ended 31 May 2021. Hence, the Transactions are not subject to the approval of Shareholders.

6. PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTIONS

6.1. Assumptions

The pro forma financial effects of the Transactions on the Company's share capital and the Group's net tangible assets ("NTA") 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 Transactions. The objective of presenting the pro forma financial effects of the Transactions as shown below is to illustrate what the historical financial information might have been had the 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 Transactions been completed at the earlier date.

The pro forma financial effects have been prepared based on the unaudited financial results of the Group for the financial year ended 31 May 2021 (“**FYE 31 May 2021**”), and the unaudited accounts of IML for the financial year ended 31 December 2020, on the following bases and assumptions:

- (a) the computation takes into account estimated professional fees, costs and expenses that have been and/or will be incurred in relation to the Transactions, amounting to S\$160,000;
- (b) the Transactions had been completed on 31 May 2021 for the purpose of illustrating the financial effects on the NTA;
- (c) the Transactions had been completed on 1 June 2020 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 842,266,333 Shares taking into consideration transactions mentioned in section 6.2 (*Share capital*).

6.2. Share capital

	Number of Shares (excluding treasury shares)
As at 31 May 2021	647,266,333
Arising from transactions between 31 May 2021 and the date of this announcement ⁽¹⁾	195,000,000
After the completion of the Transactions ⁽²⁾	849,303,716

Notes:

- (1) Subsequent to FYE 31 May 2021, 195,000,000 Shares were issued pursuant to a placement completed in June 2021.
- (2) Based on the 7,037,383 Consideration Shares to be issued pursuant to the Transactions.

6.3. NTA per Share

Assuming that the Transactions were completed on 31 May 2021, the pro forma financial effects on the Group’s NTA per Share would be as follows:

	Before the Transactions	After the Transactions
NTA ⁽¹⁾ attributable to owners of the Company (S\$’000)	10,053	11,108
Number of Shares	842,266,333	849,303,716
NTA per Share (Singapore cents)	1.19	1.31

Note:

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

6.4. LPS

Assuming that the Transactions were completed on 1 June 2020, the pro forma financial effects on the Group’s LPS would be as follows:

	Before the Transactions	After the Transactions
Loss after income tax (S\$'000)	(7,869)	(8,320)
Number of Shares	842,266,333	849,303,716
LPS (Singapore cents)	(0.93)	(0.98)

7. APPLICATION FOR LISTING AND QUOTATION

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

8. DIRECTORS' SERVICE CONTRACTS

Save for the IML Team which will be acquired by GenesisPro and the board appointments to the board of GenesisPro (as disclosed under section 4.3 (*Shareholders' Agreement*)), no person is proposed to be appointed as a Director of the Company in connection with the Transactions, the Shareholders' Agreement and/or the Call Options under the Call Option Deeds and accordingly, no service contracts in relation thereto will be entered into by the Company.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective interests arising by way of their directorships and/or shareholdings in the Company and as disclosed in this announcement, none of the Directors or substantial shareholders of the Company and their respective associates has any interest, direct or indirect, in the Transactions, the Shareholders' Agreement and/or the Call Options under the Call Option Deeds.

10. DOCUMENTS AVAILABLE FOR INSPECTION

- 10.1. Copies of the (a) Subscription Agreement; (b) Asset Purchase Agreement; (c) Shareholders' Agreement; (d) Convertible Loan Agreement; and (e) Call Option Deeds 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.
- 10.2. 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.

11. 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 Transactions, the Shareholders' Agreement, the Call Options under the Call Option Deeds 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.

12. FURTHER ANNOUNCEMENTS

The Company will make further announcements as and when appropriate in compliance with the Catalist Rules if and when there are material developments in respect of the Transactions, the Shareholders' Agreement and/or the Call Options under the Call Option Deeds.

13. CAUTIONARY STATEMENT

Shareholders should note that the Transactions remain subject to, amongst others, the relevant conditions precedent being fulfilled. There is no certainty or assurance that the conditions precedent for the Transactions will be fulfilled or that the Transactions will be completed. 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
12 September 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.