



**YINDA INFOCOMM LIMITED
(THE "COMPANY")**

(Incorporated in the Republic of Singapore under Registration Number 201606891C)

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
FINANCIAL YEAR ENDED 31 MAY 2018**

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**Exchange**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by 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.

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PART 1 – INFORMATION REQUIRED FOR HALF YEAR AND FULL-YEAR ANNOUNCEMENTS

1(a)(i) A consolidated statement of comprehensive income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income

	Group		
	Financial Year Ended		
	31 May 2018	31 May 2017	Change
	S\$'000	S\$'000	%
	(Unaudited)	(Audited)	
Revenue	16,702	14,238	17.3
Cost of sales	(14,066)	(10,864)	29.5
Gross profit	2,636	3,374	(21.9)
Other income	100	112	(10.7)
Interest income	7	15	(53.3)
Other operating expenses	(92)	(3,146)	(97.1)
Administrative expenses	(5,132)	(4,574)	12.2
Finance costs	(71)	(111)	(36.0)
Loss before tax	(2,552)	(4,330)	(41.1)
Income tax credit	119	8	N.M.
Loss attributable to owners of the Company, net of tax	(2,433)	(4,322)	(43.7)
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial gains on measurements of post-employment benefit plan, net of tax	92	9	N.M.
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences	26	54	(51.9)
Total comprehensive income for the year attributable to owners of the Company	(2,315)	(4,259)	(45.6)

N.M – Not Meaningful



1(a)(ii) Notes to the consolidated statement of comprehensive income

A) The Group's loss before tax was arrived at after charging/(crediting) the following:

	Group		
	Financial Year Ended		
	31 May 2018	31 May 2017	Change
	S\$'000	S\$'000	%
	(Unaudited)	(Audited)	
Amortisation of intangible assets	46	641	(92.8)
Impairment of intangible assets	-	2,385	N.M.
Depreciation of property, plant and equipment	349	358	(2.5)
Employee benefit expenses	2,390	2,489	(4.0)
Foreign exchange loss	46	9	N.M.
Interest expense	71	111	(36.0)
Interest income	(7)	(15)	(53.3)
Loss from disposal of property, plant and equipment	-	6	N.M.
Rental of office premise, warehouse and equipment	428	364	17.6
Impairment of investment in joint venture	-	42	N.M.
Impairment of notes receivable	-	63	N.M.
Allowance for doubtful debts	16	45	(64.4)
Property, plant and equipment written off	8	-	N.M.
Write-back of allowance for doubtful debts ⁽¹⁾	(17)	(76)	(77.6)

⁽¹⁾ Relating to write-back of allowance for doubtful debts in Philippines for which the corresponding amounts have already been collected.



The major components of income tax credit was:

	Group		
	Financial Year Ended		
	31 May 2018	31 May 2017	Change
	S\$'000	S\$'000	%
	(Unaudited)	(Audited)	
Consolidated income statement:			
Current income tax (expense)/credit			
- Current income taxation	72	24	N.M.
- Over provision in prior year	(179)	(12)	N.M.
	(107)	12	N.M.
Deferred income tax			
- Reversal of temporary differences	-	(37)	N.M.
- (Over)/Under provision in respect of prior year	(12)	17	N.M.
	(12)	(20)	(40.0)
Income tax credit recognised in profit or loss	(119)	(8)	N.M.
Statement of other comprehensive income:			
Deferred tax expense related to other comprehensive income:			
- Post employment benefit obligation	32	4	N.M.
	32	4	N.M.

N.M – Not Meaningful



1(b)(i) A statement of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

Statement of Consolidated Financial Position	Group		Company	
	As at		As at	
	31 May 2018	31 May 2017	31 May 2018	31 May 2017
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	923	835	3	3
Intangible asset	138	178	–	–
Investment in subsidiaries	–	–	6,125	7,395
Deferred tax assets	106	133	–	–
Deposits	86	60	–	–
Total non-current assets	1,253	1,206	6,128	7,398
Current assets				
Gross amount due from customers for contracts work-in-progress	4,620	7,092	–	–
Trade and other receivables	8,761	4,826	36	19
Amounts due from subsidiaries	–	–	4,726	1,289
Cash and bank balances	672	2,351	14	1,021
Total current assets	14,053	14,269	4,776	2,329
Total assets	15,306	15,475	10,904	9,727
EQUITY AND LIABILITIES				
Current liabilities				
Gross amount due to customers for contracts work-in-progress	468	778	–	–
Trade and other payables	7,561	4,231	4,278	300
Amounts due to subsidiary companies	–	–	166	50
Loan and borrowings	1,175	1,809	–	941
Provision for tax	363	376	–	–
Total current liabilities	9,567	7,194	4,444	1,291
Net current assets	4,486	7,075	332	1,038
Non-current liabilities				
Deferred tax liabilities	–	–	–	–
Loan and borrowings	180	322	–	–
Employee benefit liabilities	134	219	–	–
Total non-current liabilities	314	541	–	–
Total liabilities	9,881	7,735	4,444	1,291



Statement of Consolidated Financial Position (Cont'd)

	Group		Company	
	As at		As at	
	31 May 2018	31 May 2017	31 May 2018	31 May 2017
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net assets	5,425	7,740	6,460	8,436
Equity attributable to owners of the Company				
Share capital	14,542	14,542	14,542	14,542
(Accumulated losses)/retained earnings	(668)	1,673	(8,082)	(6,106)
Reserves	(8,449)	(8,475)	-	-
Total equity	5,425	7,740	6,460	8,436
Total equity and liabilities	15,306	15,475	10,904	9,727

1(b)(ii) In relation to the aggregate amount of the Group's borrowings and debts securities, specify the following at the end of the financial period reported on with comparative figures at the end of the immediately preceding financial year:

	Group			
	As at		As at	
	31 May 2018		31 May 2017	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Current				
Amounts repayable in one year or less, or on demand	67 ⁽ⁱ⁾	1,108 ^{(ii) (iii)}	368	1,441
Non-current				
Amount repayable after one year	180 ⁽ⁱⁱⁱ⁾	-	72	250

Detail of any collaterals

As at 31 May 2018, the Group's borrowings comprised:

- (i) hire purchase arrangements for the purchase of commercial vehicle, testing equipment and copiers
- (ii) included unsecured shareholder's loan from Yinda Private Limited which will be payable on demand, and
- (iii) unsecured loans from financial institutions.



1(c) A statement of cash flow (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	Group	
	Financial Year Ended	
	31 May 2018	31 May 2017
	S\$'000	S\$'000
	(Unaudited)	(Audited)
Operating activities:		
Loss before tax	(2,552)	(4,330)
Adjustments for:		
Depreciation of property, plant and equipment	349	358
Loss on disposal of property, plant and equipment	-	6
Property, plant and equipment written off	8	-
Amortisation of intangible assets	46	641
Impairment of intangible assets	-	2,385
Impairment of investment in joint venture	-	42
Impairment of notes receivable	-	63
Allowance for doubtful debts	16	45
Write-back of allowance for doubtful debts	(17)	(76)
Interest income	(7)	(15)
Interest expense on borrowings	71	111
Exchange loss	108	60
Employee benefit liabilities	109	43
Total adjustments	683	3,663
Operating cash flows before changes in working capital	(1,869)	(667)
Changes in working capital:		
Decrease/(Increase) in gross amount due from customers for contracts work-in-progress	2,472	(2,235)
(Increase)/Decrease in trade and other receivables	(3,913)	2,389
Decrease in gross amount due to customers for contracts work-in-progress	(310)	(16)
Increase/(Decrease) in trade and other payables	464	(1,801)
Total changes in working capital	(1,287)	(1,663)
Cash flows used in operations	(3,156)	(2,330)
Interest received	7	15
Interest paid	(57)	(116)
Taxes (paid)/refund	(47)	64
Net cash flows used in operating activities	(3,253)	(2,367)
Financing activities:		
Proceeds from bank borrowings	107	2,383
Loan obtained from a shareholder ¹	1,500	-
Other advances from a shareholder ¹	2,842	-
Repayment of shareholder's loan ²	(500)	-
Repayment of advances from a shareholder	(136)	-
Repayment of bank borrowings	(942)	(1,976)
Repayment of loan from a previous shareholder ³	(941)	(558)
Placement of pledged deposits	-	(100)
Increase/(Decrease) in amounts due to related companies	100	(119)
Net cash flows generated from/(used in) financing activities	2,030	(370)

¹ Shareholder refers to Yinda Pte. Ltd.

² Shareholders' loan refers to the loan from Yinda Pte. Ltd

³ Previous shareholder refers to Tee International Limited



Consolidated Statement of Cash Flows (Cont'd)

	Group	
	Financial Year Ended	
	31 May 2018	31 May 2017
	S\$'000	S\$'000
	(Unaudited)	(Audited)
Investing activities:		
Purchase of property, plant and equipment	(455)	(194)
Proceeds from disposal of property, plant and equipment	-	1
Decrease in deposits pledged with bank	-	19
Investment in joint venture	-	(42)
Net cash flows used in investing activities	(455)	(216)
Net decrease in cash and cash equivalents	(1,678)	(2,953)
Effects of exchange rate changes on cash and cash equivalents	(1)	(6)
Cash and cash equivalents at 1 June	2,166	5,125
Cash and cash equivalents at 31 May (Note A)	487	2,166

Notes to Consolidated Statements of Cash Flows:

A) Cash and cash equivalents comprised of the following:

Cash and bank balances	672	2,351
Less: Pledged bank deposits	(185)	(185)
Cash and cash equivalents	487	2,166



1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Attributable to the owners of the Company							
Group	Share capital S\$'000	Merger reserves S\$'000	Foreign currency translation reserve S\$'000	Other reserves S\$'000	Total reserves S\$'000	Retained earnings/ (Accumulated losses) S\$'000	Total equity S\$'000
At 1 June 2017	14,542	(10,397)	(23)	1,945	(8,475)	1,673	7,740
Loss for the year	-	-	-	-	-	(2,433)	(2,433)
<u>Other comprehensive income</u>							
Actuarial gains on measurement of post-employment benefit plan, net of tax	-	-	-	-	-	92	92
Currency translation difference	-	-	26	-	26	-	26
Total comprehensive income for the year	-	-	26	-	26	(2,341)	(2,315)
At 31 May 2018	14,542	(10,397)	3	1,945	(8,449)	(668)	5,425
At 1 June 2016	14,542	(10,397)	(77)	1,945	(8,529)	5,986	11,999
Loss for the year	-	-	-	-	-	(4,322)	(4,322)
<u>Other comprehensive income</u>							
Actuarial gains on measurement of post-employment benefit plan, net of tax	-	-	-	-	-	9	9
Currency translation difference	-	-	54	-	54	-	54
Total comprehensive income for the year	-	-	54	-	54	(4,313)	(4,259)
At 31 May 2017	14,542	(10,397)	(23)	1,945	(8,475)	1,673	7,740



	Attributable to owners of the Company		
	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Company			
At 1 June 2017	14,542	(6,106)	8,436
Loss for the year, representing total comprehensive income	–	(1,976)	(1,976)
At 31 May 2018	14,542	(8,082)	6,460
At 1 June 2016	14,542	(2,317)	12,225
Loss for the year, representing total comprehensive income	–	(3,789)	(3,789)
At 31 May 2017	14,542	(6,106)	8,436

*denotes amounts less than \$1,000

1(d)(ii) Details of any changes in the Company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares Issued	Paid-up Capital (S\$)
As at 31 May 2018 and 30 November 2017	152,000,000	14,542,370

There have been no changes to the Company's issued and paid up share capital since 30 November 2017 up till 31 May 2018.

The Company had no outstanding convertibles, treasury shares and subsidiary holdings as at 31 May 2018 and 31 May 2017.



1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 May 2018	As at 31 May 2017
Total number of issued shares	152,000,000	152,000,000

The Company did not have any treasury shares as at 31 May 2018 and 31 May 2017.

1(d)(iv) A statement showing all sales, transfers, cancellation and / or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial year reported on.

1(d)(iv) A statement showing all sales, transfers, cancellation and / or use of subsidiary holdings as at the end of the current financial period reported on.

The Company does not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditor.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable. The figures have not been audited nor reviewed by the auditor.

4. Whether the same accounting policies and methods of computation as in the Issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year compared to its most recently audited annual financial statements for the financial year ended 31 May 2017.

5. If there are any changes in the accounting policies and methods of computation including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

The Group has adopted new and revised Singapore Financial Reporting Standards ("SFRS") and interpretations of SFRS applicable to the Group which are effective for the financial year beginning 1 June 2017. These are not expected to have a material impact on the results of the Group and of the Company for the financial year ended 31 May 2018.



6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

	Group	
	Financial Year Ended	Financial Year Ended
	31 May 2018	31 May 2017
Loss attributable to owners of the Company used in the computation of basic earnings per shares (S\$'000)	(2,433)	(4,322)
(a) Basic loss per share (cents)	<u>(1.60)</u>	<u>(2.84)</u>
(b) Diluted loss per share (cents)	<u>(1.60)</u>	<u>(2.84)</u>
Weighted average number of ordinary shares in issue for computation of basic loss per share ('000)	<u>152,000</u>	<u>152,000</u>
Weighted average number of ordinary shares for computation of diluted loss per share ('000)	<u>152,000</u>	<u>152,000</u>

As at 31 May 2018 and 31 May 2017, the Company did not have any dilutive instruments. Hence, the basic and diluted earnings per share for both years under review are the same.

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the Issuer at the end of the: -
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at	As at	As at	As at
	31 May 2018	31 May 2017	31 May 2018	31 May 2017
Net assets (S\$'000)	<u>5,425</u>	<u>7,740</u>	<u>6,460</u>	<u>8,436</u>
Number of ordinary shares used in calculating net asset value per ordinary share ('000)	<u>152,000</u>	<u>152,000</u>	<u>152,000</u>	<u>152,000</u>
Net asset value per ordinary share attributable to owners of the Company (cents)	<u>3.6</u>	<u>5.1</u>	<u>4.3</u>	<u>5.6</u>



8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

Review of the Group's Consolidated Statement of Comprehensive Income

The Company recorded a higher revenue of S\$16.7 million in the financial year ended 31 May 2018 ("FY2018") as compared to S\$14.2 million in the financial year ended 31 May 2017 ("FY2017") or an increase of 17.3%, mainly due to higher revenue contribution from both In-Building Construction ("IBC") projects and Telecommunications Implementation ("TI") projects increased by S\$0.7 million and S\$1.7 million respectively. The increase was mainly due to a few projects being completed in second half of FY2018 as well as the result of the Group increasing its marketing and operational activities across the regions.

Revenue from IBC projects increased in Singapore and Thailand by approximately S\$1.0 million and S\$0.5 million respectively, which was offset by the decrease in revenue in the Philippines of approximately S\$0.7 million. Revenue from TI projects in Singapore and Philippines increased by approximately S\$1.1 million and S\$0.6 million respectively.

Cost of sales and gross profit

Cost of sales increased by approximately 29.5% from S\$10.9 million in FY2017 to S\$14.1 million in FY2018 in line with the increase in revenue.

Gross profit decreased by approximately 21.9% from S\$3.4 million in FY2017 to S\$2.6 million in FY2018 as the increase in cost of sales was more than the increase in revenue. Gross profit margins decreased from 23.7% in FY2017 to 15.8% in FY2018. The overall gross profit margin for Thailand and the Philippines remained relatively constant, whereas the reduction in gross profit margin in Singapore was mainly due to increased competitiveness in the industry and tougher market conditions, and higher investment cost in labour.

Other and interest income

Other income comprised of sundry income, rebates and incentives such as the Temporary Employment Credit and Wage Credit Scheme. The slight decrease in other income of approximately 10.7% was due to lower sundry income recorded in Philippines.

Interest income comprised interest received from the Group's bank deposits.

Other operating expenses

Other operating expenses decreased by approximately 97.1% from S\$3.1 million in FY2017 to S\$0.09 million in FY2018.

Other operating expenses in current year comprised mainly amortisation of intangible assets and foreign exchange loss. Significant reduction in other operating expenses was mainly due to the decrease in amortization of intangible assets by S\$0.6 million or 92.8%, as well as the absence of major expense items in FY2017, including:



- i) impairment of investment in joint venture and notes receivable which amounting to S\$42,000 and S\$63,000 respectively, which were due to the compensation provided to joint venture partner, Argosy Properties, Inc("API"), relating to the joint venture that was announced on 27 July 2017, and;
- ii) The impairment of intangible assets on Group's intangible assets of S\$2,385,000.

Administrative expenses

Administrative expenses comprised, amongst others, depreciation, allowance and write-back of allowance for doubtful debts, printing cost, staff cost, insurance, rental, utilities and professional fees.

The increase in administrative expenses of approximately 12.2% from S\$4.6 million to S\$5.1 million was largely due to an increase in legal and professional fee during the transition period of change of shareholder to Yinda Pte. Ltd.

Finance costs

Finance costs comprised interest expenses from bank borrowings and shareholder's loan.

Taxation

Income tax credit arose mainly due to overprovision of income tax in previous year and deferred tax asset recognised on unutilised capital allowance and losses.

Review of the Group's Statement of Consolidated Financial Position

Non-current assets

The increase in non-current assets by approximately 3.9% from S\$1.2 million as at 31 May 2017 to S\$1.3 million as at 31 May 2018 was mainly due to the increase of property, plant and equipment of S\$88,000, and offset by the decrease in the carrying value of the intangible assets as a result of amortisation charges of S\$40,000.

Intangible assets consist of customer relationships arising from the purchase price allocation exercise upon acquisition of the Group's subsidiaries CMC Communications (Singapore) Pte. Ltd. (which has been renamed to Yinda Technology Singapore Pte. Ltd.) and CMC Communications (Thailand) Co. Ltd (which has been renamed to Yinda Technology (Thailand) Co., Limited) in June 2011, post-IPO.

Current assets

Current assets decreased from S\$14.3 million as at 31 May 2017 to S\$14.1 million as at 31 May 2018.

Trade and other receivables increased by 83.3% from S\$4.8 million as at 31 May 2017 to S\$8.8 million as at 31 May 2018 due to the increase in revenue where few of the projects were completed towards end of the year, as well as slower collection from customers.

Cash and cash equivalents decreased mainly due to repayment of trade payables and shareholder's loan.

In addition, the decrease in gross amount due from customers for contracts work-in-progress of S\$2.5 million which is representative of the increase of billing for work done towards end of the financial year.



Current liabilities

Current liabilities increased by approximately 33.0% from S\$7.2 million as at 31 May 2017 to S\$9.6 million as at 31 May 2018. This was mainly due to a net increase in shareholder's loan from Yinda Pte. Ltd. of S\$1.0 million and short-term advances of S\$2.7 million from Yinda Pte. Ltd. which has been included in trade and other payables respectively, partially offset by a repayment of previous shareholder's loan and bank borrowings amounted to S\$1.9 million.

Non-current liabilities

Non-current liabilities decreased by approximately 41.9% from S\$0.5 million as at 31 May 2017 to S\$0.3 million as at 30 November 2017 mainly due to repayments of bank borrowings.

Equity attributable to owners of the Company

The decrease in retained earnings and reserves were mainly due to current year losses offset by translation reserve movements.

Review of the Group's Statement of Cash Flows

In FY2018, net cash flows used in operating activities amounted to S\$3.3 million. This includes operating cash outflows before changes in working capital of approximately S\$1.9 million, increase in trade and other receivables of S\$3.9 million and decrease in gross amount due to customers for contracts work-in-progress of S\$0.3 million. This is partially offset by a decrease in gross amount due from customers for contracts work-in-progress of S\$2.5 million and an increase in trade and other payables of S\$0.5 million which is mainly due to repayment to suppliers.

Net cash flows generated from financing activities amounted to approximately S\$2.0 million. Net proceeds from advances and loan from Yinda Pte. Ltd. amounted to \$2.8 million and S\$1.5 million respectively. The advances from Yinda Pte. Ltd. is unsecured, interest free and repayable on demand while loan from Yinda Pte. Ltd. is unsecured, bear interest at 3.25% per annum and repayable within 1 year. This is offset by repayment of bank borrowings of S\$0.9 million, repayment of loan from Yinda Pte. Ltd. of S\$0.5 million, repayment of advances from Yinda Pte. Ltd. of \$0.1 million and a repayment of loan from a previous shareholder of S\$0.9 million.

Net cash flows used in investing activities amounted to approximately S\$0.5 million which is mainly due to purchases of plant and equipment.

As a result of the above, there was a net decrease of approximately S\$1.7 million in cash and cash equivalents.



9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

While the entrance of a fourth telecommunications operator and the transition of Singapore to a digital economy may open up new opportunities, the Group remains cautious amid the prevailing economic uncertainties.

The Group may face continued pressures on its margins as competition is expected to remain in the telecommunication environment. However, the Group is actively taking steps to manage its costs and streamline its business processes so as to achieve cost and operational optimization.

The Group will continue to focus its efforts in servicing to its existing customers based in Singapore, Thailand and the Philippines, as well as to explore into new markets. The change in controlling shareholders of the Company will also bring a fresh perspective on the Group's business and introduction of new customers, and help the Group in its business strategy to stay relevant amidst the current economic uncertainties.

11. Dividend

(a) Current Financial Period Reported on:

Any dividend declared for the current financial period reported on?

No dividends have been declared or recommended for FY2018.

(b) Corresponding Period of the Immediately Preceding Financial Year:

Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividends were declared or recommended in the previous corresponding year.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date.

Not applicable.



12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended in respect of FY2018.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 902(1)(a)(ii) of the Catalist Rules.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H under Rule 720(1))

The Company hereby confirms that it has procured undertakings from all its Directors and the relevant executive officers in the format as set out in Appendix 7H in accordance with Rule 720(1) of the Catalist Rules.

PART 2 – ADDITIONAL INFORMATION REQUIRED FOR FULL-YEAR ANNOUNCEMENTS

15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business segment information

For management purposes, the Group is organised into operating segments based on their geographical locations in Singapore, Thailand, the Philippines and Malaysia.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.



2018

Geographical Information

	Singapore	Thailand	Philippines	Malaysia	Adjustment & Elimination	Consolidated Group Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Revenue</u>						
External customers	10,805	4,090	1,807	-	-	16,702
Gross profit	852	1,066	718	-	-	2,363
<u>Segment results</u>						
Operating (loss)/ profit	(3,340)	263	(610)	(23)	1,222	(2,488)
Interest income	6	1	-	-	-	7
Finance costs	(73)	-	-	-	2	(71)
Loss before taxation						(2,552)
Income tax credit						119
Loss for the year						(2,433)
<u>Other Information</u>						
Segment assets	24,454	3,722	2,629	29	(15,528)	15,306
Segment liabilities	11,464	1,332	2,547	90	(5,552)	9,881
Net assets	12,990	2,390	82	(61)	(9,976)	5,425
<u>Additional Information</u>						
Allowance for doubtful debts	-	-	16	-	-	16
Write-back of allowance for doubtful debts	-	-	(17)	-	-	(17)
Depreciation of property, plant & equipment	204	74	71	-	-	349
Amortisation of intangible assets	-	46	-	-	-	46
Purchase of property, plant & equipment	369	73	13	-	-	455

Information about major customers

Revenue from one major customer in Singapore contributed 51.73% (31-May-17: 29%) of the total revenue of the Group.



2017

Geographical Information

	Singapore \$'000	Thailand \$'000	Philippines \$'000	Malaysia \$'000	Adjustment & Elimination \$'000	Consolidated Group Total \$'000
<u>Revenue</u>						
External customers	8,727	3,571	1,940	–	–	14,238
Gross profit	1,773	907	694	–	–	3,374
<u>Segment results</u>						
Operating (loss)/ profit	(3,651)	(73)	(504)	(34)	28	(4,234)
Interest income						15
Finance costs						(111)
Loss before taxation						(4,330)
Income tax expenses						8
Loss for the year						(4,322)
<u>Other Information</u>						
Segment assets	22,831	3,834	2,288	37	(13,515)	15,475
Segment liabilities	6,451	1,550	1,630	73	(1,969)	7,735
Net assets	16,380	2,284	658	(36)	(11,546)	7,740
<u>Additional Information</u>						
Allowance for doubtful debts	27	–	18	–	–	45
Write-back of allowance for doubtful debts	(25)	–	(51)	–	–	(76)
Depreciation of property, plant & equipment	210	82	66	–	–	358
Amortisation of intangible asset	596	45	–	–	–	641
Impairment of intangible asset	2,385	–	–	–	–	2,385
Impairment of notes receivables	–	–	63	–	–	63
Purchase of property, plant & equipment	93	8	140	–	–	241

Information about major customers

Revenue from one major customer in Singapore contributed 29% (31-May-16: 55.3%) of the total revenue of the Group.



17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8.

18. A breakdown of sales and operating profit after tax are as follows:

	Group		
	Financial Year Ended		
	31 May 2018	31 May 2017	Increase/ (decrease)
	\$'000	\$'000	%
	(Unaudited)	(Unaudited)	
a) Revenue			
- first half year	6,356	7,741	(17.9)
- second half year	10,346	6,497	59.2
	<u>16,702</u>	<u>14,238</u>	<u>17.3</u>
b) Operating (loss)/ profit after tax			
- first half year	(1,425)	(416)	242.5
- second half year	(1,008)	(3,906)	(74.2)
	<u>(2,433)</u>	<u>(4,322)</u>	<u>(43.7)</u>

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows: —

No dividend has been declared or paid by the Company for FY2018 and FY2017.



20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year.
Qian Zimin	57	Cousin to Qian Zhongcheng, Chief Executive Officer	Country Manager	CEO of the Company from 30 May 2017 to 30 September 2017.

On behalf of the Board of Directors

Qian Zhongcheng
Chief Executive Officer
30 July 2018