

CIRCULAR DATED 16 NOVEMBER 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Yinda Infocomm Limited (the "Company"). If you are in any doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional advisers immediately.

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

This Circular has been prepared by the Company and its contents have been reviewed by the Company's continuing sponsor, SAC Capital Private Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this Circular. This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness, or correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms. Alicia Sun (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.



YINDA INFOCOMM LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201506891C)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED RATIFICATION OF PAST INTERESTED PERSON TRANSACTIONS
- (2) THE PROPOSED ADOPTION OF THE ANHUI IPT GENERAL MANDATE
- (3) THE PROPOSED ADOPTION OF THE SHANGHAI YINDA S&T IPT GENERAL MANDATE

Independent Financial Adviser to the
Independent Directors of Yinda Infocomm Limited
in respect of the Yinda Transactions and the IPT General Mandates
as interested person transactions



RHT CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201109968H)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	1 December 2018 at 10.00 am
Date and time of Extraordinary General Meeting	:	3 December 2018 at 10.00 am
Place of Extraordinary General Meeting	:	Orchid Country Club, 1 Orchid Club Road, Singapore 769162

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PROXY FORM	

DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

- "Act"** : The Companies Act (Cap. 50) of Singapore, as amended, supplemented or modified from time to time
- "AGM"** : Annual general meeting
- "Anhui Diantong"** : Anhui Diantong Communication Engineering Co., Ltd
- "Anhui IPT"** : Has the meaning ascribed to it in paragraph 3.1.2 of the Letter to Shareholders
- "Anhui IPT General Mandate"** : The general mandate for IPTs with Anhui Diantong as set out in paragraph 4 of the Letter to Shareholders
- "Applicable Laws"** : All laws, bye-laws, regulations, orders and/or official directions for the time being in force affecting the Company and its subsidiaries, including but not limited to the Act, the SFA and the listing rules of the SGX-ST, provided always that a waiver granted in connection with any such law shall be treated as due compliance with such relevant law
- "approved exchange"** : A stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules
- "associate"** : (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- "associated company"** : A company in which at least 20% but not more than 50% of its shares are held by the listed company or group

DEFINITIONS

"Audit Committee"	:	The audit committee of the Company, which comprises Mr. Henry Tan Song Kok, Ms. Tang Qun and Mr. Cheam Heng Haw, Howard, all of whom are Independent Directors and are non-executive
"Board" or "Board of Directors"	:	The board of directors of the Company as at the date of this Circular
"Catalist"	:	The Catalist Board of the SGX-ST
"Catalist Rules"	:	Listing Manual Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited, as amended, supplemented or modified from time to time
"Category 1 Interested Person Transaction"	:	An interested person transaction of a value equal to or more than three per cent. (3.0%) of the Group's latest audited NTA
"Category 2 Interested Person Transaction"	:	An interested person transaction of a value below three per cent. (3.0%) of the Group's latest audited NTA
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular dated 16 November 2018
"Company"	:	Yinda Infocomm Limited
"control"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
"controlling shareholder"	:	A person who (i) holds directly or indirectly 15% or more of the total number of issued shares in the company excluding treasury shares (unless the SGX-ST determines that such person is not a controlling shareholder) or (ii) in fact exercises control over a company
"Director(s)"	:	The director(s) of the Company as at the date of this Circular
"EGM"	:	The extraordinary general meeting of the Company to be held on 3 December 2018 at 10.00 am, notice of which is set out on pages C-1 to C-3 of this Circular
"entity at risk"	:	Means (i) the listed company; (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company
"FY2017"	:	The completed financial year of the Group commencing 1 June 2016 and ending 31 May 2017

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"FY2018"	:	The completed financial year of the Group commencing 1 June 2017 and ending 31 May 2018
"Group"	:	The Company and its subsidiaries
"Independent Directors"	:	The independent directors of the Company, namely, Mr. Henry Tan Song Kok, Ms. Tang Qun and Mr. Cheam Heng Haw, Howard
"IFA" or "Independent Financial Adviser"	:	RHT Capital Pte. Ltd., being the independent financial adviser in connection with the Proposed Transactions
"IFA Letter"	:	The letter from the IFA to the Independent Directors, setting out their advice in full, as set out in Appendix 1 in pages A-1 to A-23 of this Circular
"interested person(s)"	:	A director, chief executive officer, or controlling shareholder of the Company, or an associate of any such director, chief executive officer, or controlling shareholder
"interested person transaction(s)" or "IPT(s)"	:	Interested person transactions (within the meaning of Chapter 9 of the Catalist Rules) entered or to be entered between an entity at risk and an interested person
"IPT Announcement"	:	The announcement released by the Company on 30 August 2018
"IPT General Mandates"	:	The Anhui IPT General Mandate and the Shanghai Yinda S&T IPT General Mandate collectively
"IPT Register"	:	The IPT register maintained by the Company, containing the names and details of the both the interested persons and interested person transactions, including any quotations obtained from unrelated parties to support the terms of the interested person transactions
"Latest Practicable Date"	:	14 November 2018, being the latest practicable date prior to the printing of this Circular
"Letter to Shareholders"	:	The letter to shareholders, as set out on pages 9 to 30 of this Circular
"listed group"	:	A listed company and/or its subsidiaries
"Notice of EGM"	:	The notice of EGM as set out on pages C-1 to C-3 of this Circular
"NTA"	:	Net tangible assets
"PRC"	:	People's Republic of China
"Proposed Anhui IPT General Mandate Adoption"	:	The proposed adoption of the Anhui IPT General Mandate

DEFINITIONS

"Proposed IPT Ratification"	:	The proposed ratification, confirmation and approval of the Yinda Transactions, being past interested person transactions
"Proposed Shanghai Yinda S&T IPT General Mandate Adoption"	:	The proposed adoption of the Shanghai Yinda S&T IPT General Mandate
"Proposed Transactions"	:	The Proposed IPT Ratification, the Proposed Anhui IPT General Mandate Adoption, and the Proposed Shanghai Yinda S&T IPT General Mandate Adoption collectively
"Proxy Form"	:	The proxy form as appended to the end of this Circular
"Recommending Directors"	:	The Directors (save for Madam Song Xingyi and Ms. Shao Lifang)
"SFA"	:	The Securities and Futures Act (Cap. 289) of Singapore, as amended, supplemented or modified from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shanghai Yinda Group"	:	Shanghai Yinda Technology Group Co Ltd
"Shanghai Yinda S&T"	:	Shanghai Yinda Science and Technology Industrial Co Ltd
"Shanghai Yinda S&T IPT General Mandate"	:	The general mandate for IPTs with the Wider S&T Group as set out in paragraph 5 of the Letter to Shareholders
"Shareholder" or "Member"	:	Means: (a) where CDP is named in the Register of Members of the Company as the holder of Shares, a Depositor in respect of the number of Shares which stand in credit against his name in the Depository Register; and (b) in any other case, a person whose name appears on the Register of Members maintained by the Company pursuant to Section 190 of the Act and/or any other Applicable Laws
"Shares"	:	Ordinary shares in the issued and paid-up capital of the Company
"Sponsor"	:	SAC Capital Private Limited
"Substantial Shareholder"	:	Shall have the meaning ascribed to it in Section 81 of the Act and Section 2(4) of the SFA, being a person who: (a) has an interest or interests in one (1) or more Shares in the Company; and

DEFINITIONS

(b) the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the Shares in the Company

"Supply Services"	:	Has the meaning ascribed to it in paragraph 3.2.1 of the Letter to Shareholders
"Wider S&T Group"	:	Shanghai Yinda S&T and its subsidiaries from time to time, provided that in respect of such subsidiaries, (i) Madam Song Xingyi and her immediate family (as defined under the Catalist Rules) together (directly or indirectly) have an interest of 30.0% or more in said entity, (ii) any provision of materials or services by any such entity is in the normal course of business of such entity or ancillary to the normal course of business of such entity, (iii) such entity is in the business of the provision of telecommunication products and/or implementation services, and (iv) such subsidiaries are not members of the Group
"YC Service Agreement"	:	Has the meaning ascribed to it in paragraph 3.1.1 of the Letter to Shareholders
"Yinda"	:	Yinda Pte. Ltd.
"Yinda IPT"	:	Has the meaning ascribed to it in paragraph 3.1.1 of the Letter to Shareholders
"Yinda Transactions"	:	The Yinda IPT and the Anhui IPT, collectively
"YC(PH)"	:	Yinda Communications Philippines, Inc., a wholly-owned subsidiary of the Company
"YT(PH)"	:	Yinda Technology Philippines, Inc.
"YT(SG)"	:	Yinda Technology Singapore Pte. Ltd., a wholly-owned subsidiary of the Company
"YT Service Agreement"	:	Has the meaning ascribed to it in paragraph 3.2.1 of the Letter to Shareholders

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms "**treasury shares**" and "**subsidiary**" shall have the meanings ascribed to them respectively in Sections 4 and 5 of the Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

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

DEFINITIONS

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, SFA, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Act, SFA, the Catalist Rules or any statutory modification thereof, as the case may be. Summaries of the provisions of any laws and regulations (including the Catalist Rules) contained in this Circular are of such laws and regulations (including the Catalist Rules) as at the Latest Practicable Date.

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

LETTER TO SHAREHOLDERS

YINDA INFOCOMM LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201506891C)

Directors:

Madam Song Xingyi (Non-Executive and Non-Independent Chairman)
Mr. Henry Tan Song Kok (Lead Independent Director)
Ms. Tang Qun (Independent Director)
Mr. Cheam Heng Haw, Howard (Independent Director)
Ms. Shao Lifang (Executive Director)

Registered Office:

Block 5008
Ang Mo Kio Avenue 5
#04-07 Techplace II
Singapore 569874

Date: 16 November 2018

To: The Shareholders of the Company

Dear Sir/Madam

- I. THE PROPOSED RATIFICATION OF PAST INTERESTED PERSON TRANSACTIONS
- II. THE PROPOSED ADOPTION OF THE ANHUI IPT GENERAL MANDATE
- III. THE PROPOSED ADOPTION OF THE SHANGHAI YINDA S&T IPT GENERAL MANDATE

1. INTRODUCTION

- 1.1. The Directors are convening an EGM to be held on 3 December 2018 to seek Shareholders' approval for the following transactions:
 - 1.1.1. the proposed ratification, confirmation and approval of the Yinda Transactions, being past interested person transactions (the "**Proposed IPT Ratification**");
 - 1.1.2. the proposed adoption of the Anhui IPT General Mandate (the "**Proposed Anhui IPT General Mandate Adoption**"); and
 - 1.1.3. the proposed adoption of the Shanghai Yinda S&T IPT General Mandate (the "**Proposed Shanghai Yinda S&T IPT General Mandate Adoption**"),(collectively, the "**Proposed Transactions**").
- 1.2. The purpose of this Circular is to provide Shareholders with relevant information relating to, and seek Shareholders' approval for, the Proposed Transactions.
- 1.3. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Circular.

LETTER TO SHAREHOLDERS

2. REQUIREMENTS OF CHAPTER 9 OF THE CATALIST RULES AS TO INTERESTED PERSON TRANSACTIONS

Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies enters into or proposes to enter into with a party who is an interested person of the listed company.

Under Rules 905 and 906 of the Catalist Rules, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain materiality thresholds are reached or exceeded. In particular, under Rule 906 of the Catalist Rules, shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

- (a) 5% of the group's latest audited consolidated NTA; or
- (b) 5% of the group's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.

Rule 920 of the Catalist Rules also permits a listed company to seek a mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses, that may be carried out with the interested persons. Transactions conducted under such a mandate are not subject to Rules 905 and 906 of the Catalist Rules. The general mandate is subject to annual renewal.

General information on the listing rules relating to interested person transactions, including the meanings of terms such as "associate", "entity at risk", "interested person", "same interested person" and "interested person transaction" used in Chapter 9 of the Catalist Rules, are set out in **Appendix 2** of this Circular.

3. THE PROPOSED IPT RATIFICATION

3.1. Introduction

The Yinda Transactions comprise the following past interested person transactions:

- 3.1.1. the telecommunications implementation services agreement (the "**YC Service Agreement**") entered into between Yinda Communications Philippines, Inc. ("**YC(PH)**") and Yinda Technology Philippines, Inc. ("**YT(PH)**") (the "**Yinda IPT**"); and
- 3.1.2. the purchase order submitted by Yinda Technology Singapore Pte. Ltd. ("**YT(SG)**") to Anhui Diantong Communication Engineering Co., Ltd. ("**Anhui Diantong**") (the "**Anhui IPT**"),

(collectively, the "**Yinda Transactions**").

The Yinda Transactions were announced by the Company on 30 August 2018 (the "**IPT Announcement**"). Please refer to paragraphs 3.2 to 3.4 of this Letter to Shareholders for more details on the Yinda Transactions.

LETTER TO SHAREHOLDERS

3.2. Background to the Yinda Transactions

3.2.1. The Yinda IPT

The Company had reorganised the Group pursuant to the mandatory general offer by Yinda Pte. Ltd. ("**Yinda**"), the controlling shareholder of the Company, which was completed on 20 June 2017.

The said reorganisation process included, *inter alia*, a new management team for the Company's wholly-owned subsidiary, YC(PH), which was appointed during mid-2017 to mid-2018. Further, as part of the mandatory general offer by Yinda, Yinda had provided assurances that all of its relevant businesses in the Philippines, held under its wholly-owned subsidiary YT(PH), would be transferred to YC(PH). It was intended that YT(PH) will be wound up upon completion of all existing projects, which is envisaged to take place in the first quarter of 2019.

Separately on or around September 2016, YT(PH) had entered into a contract (the "**YT Service Agreement**") with an unrelated third party for the provision of telecommunication implementation services which include, *inter alia*, the supply, installation, testing, and completion services for a fixed and/or mobile digital telecommunications network (the "**Supply Services**").

As part of the reorganisation process, on 8 January 2018, YC(PH) entered into the YC Service Agreement with YT(PH) for the provision of the Supply Services by YC(PH). At a practical and operational level, the Supply Services under the YT Service Agreement were provided by YC(PH) directly to the unrelated third party.

In view of the factors listed above, for all intents and purposes, the YC Service Agreement served to merely novate YT(PH)'s obligations for the Supply Services to YC(PH) as part of the Group's reorganisation. The aggregate value of the purchase orders received by YC(PH) under the Yinda IPT for FY2018 was approximately S\$655,890.

As the management team of YC(PH) was relatively new at the point in time when the Yinda IPT was entered into, they were not familiar with the Company's continuing compliance obligations under the Catalist Rules, including the nature and concept of IPTs and the disclosure and/or shareholder approval requirements for IPTs. As such, the management team of YC(PH) did not report the Yinda IPT to the Audit Committee and the Board prior to YC(PH)'s entry into the same. As the Company was not immediately notified and was not aware of the Yinda IPT, the Yinda IPT was consequently not entered into the IPT Register. This in turn resulted in the Company's inadvertent non-compliance with the Catalist Rules and the relevant laws and regulations in relation to the Yinda IPT.

3.2.2. The Anhui IPT

Subsequent to the Yinda IPT, the Company's wholly-owned subsidiary, YT(SG), had on 11 April 2018 submitted a purchase order for the purchase of materials amounting to the value of S\$148,809 from Anhui Diantong, a subsidiary of Shanghai Yinda Technology Group Co Ltd ("**Shanghai Yinda Group**"). Shanghai Yinda Group is the 60.0% holding company of Shanghai Yinda Science and Technology Industrial Co Ltd

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("Shanghai Yinda S&T"), which in turn owns the entire issued and paid-up capital of Yinda, a controlling shareholder of the Company.

A miscommunication between the management team of the Company and Anhui Diantong resulted in the Anhui IPT. The management team of the Company was under the impression that the intended arrangement was for Anhui Diantong to provide the materials to YT(SG) on the basis of a free trial. However, the arrangement that Anhui Diantong had agreed to was simply one with longer and more flexible payment and delivery terms.

The materials were delivered by Anhui Diantong to YT(SG) on 28 December 2017, and YT(SG) was subsequently informed in April 2018 that Anhui Diantong was required to submit documentary proof of payment to the People's Republic of China General Administration of Customs and State Administration of Foreign Exchange.

As a result, YT(SG) formally submitted a purchase order for the materials to Anhui Diantong on 11 April 2018, and made payment for the materials on 11 June 2018. The prices for the materials supplied by Anhui Diantong were competitive, as compared to quotes for similar materials from other suppliers.

The Anhui IPT was recognised as an IPT only upon the submission of the purchase order to Anhui Diantong on 11 April 2018. As the value of the Anhui IPT was less than 3.0% of the Group's latest audited NTA of S\$7,562,000 for FY2017, the Company was not required to release an immediate announcement pursuant to Chapter 9 of the Catalist Rules.

3.2.3. The Aggregation of the Yinda Transactions and Shareholders' Approval

As set out in paragraph 3.5 of this Letter to Shareholders below, the Yinda IPT and the Anhui IPT constitute transactions with the same interested person under Chapter 908(1) of the Catalist Rules, as Anhui Diantong and YT(PH) are both associates of Madam Song Xingyi. Please refer to paragraph 3.5 of this Letter to Shareholders for more information.

Upon aggregating the Yinda Transactions, its aggregate value was approximately S\$804,699 for FY2018, representing approximately 10.6% of the Group's latest audited NTA of S\$7,562,000 for FY2017, the latest available audited financial statements of the Group at the point of entry of the Yinda Transactions. Thus, the aggregate value of the Yinda Transactions exceeds 5.0% of the Group's latest audited NTA of S\$7,562,000 for FY2017.

As set out earlier, the Anhui IPT was only formally recognised by the Company on 11 April 2018. At that time, the Company was unaware of the Yinda IPT as it was only formally recognised when the Company was concluding the audit of its financial statements for FY2018. It was at that point in time that the Board had discovered the inadvertent oversight. As a result, the Company did not aggregate the Yinda IPT and the Anhui IPT for the purpose of determining whether Shareholders' approval was required for the Yinda Transactions.

However, once the inadvertent oversight was discovered, the Company had promptly released the IPT Announcement on 30 August 2018 in compliance with Rule 905 of the Catalist Rules. Through the IPT Announcement, the Company has informed

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Shareholders that the Company intends to convene an EGM to seek Shareholders' approval for the ratification and confirmation of the Yinda Transactions.

3.3. The Yinda IPT

3.3.1. Information on Interested Persons

YT(PH) is a company incorporated in the Philippines, and is a wholly-owned subsidiary of Yinda Pte. Ltd. ("**Yinda**"). Yinda is a private limited company incorporated in Singapore and is a wholly-owned subsidiary of Shanghai Yinda Science and Technology Industrial Co Ltd ("**Shanghai Yinda S&T**"). Shanghai Yinda S&T is in turn held by Shanghai Yinda Group (60.0%), Madam Song Xingyi (32.0%) and Mr. Qian Zhongcheng (8.0%). The shareholders of Shanghai Yinda Group are Madam Song Xingyi (52.0%), Mr. Wang Hua (34.0%), and Mr. Wang Zhijun (14.0%).

Madam Song Xingyi is currently the Non-Executive and Non-Independent Chairman of the Company. Mr. Wang Zhijun and Mr. Wang Hua are deemed as Madam Song Xingyi's immediate family under the Catalist Rules, as she is the spouse of Mr. Wang Zhijun and the mother of Mr. Wang Hua.

In view of:

- (a) Madam Song Xingyi's 32.0% shareholding in Shanghai Yinda S&T;
- (b) Madam Song Xingyi's, Mr. Wang Hua's and Mr. Wang Zhijun's aggregated 100.0% interest in Shanghai Yinda Group;
- (c) Shanghai Yinda Group's 60.0% shareholding in Shanghai Yinda S&T;
- (d) Yinda being wholly owned by Shanghai Yinda S&T; and
- (e) YT(PH) being wholly owned by Yinda,

Madam Song Xingyi and her immediate family together indirectly hold more than 30% interest in YT(PH), which is therefore deemed to be an "associate" of Madam Song Xingyi under the Catalist Rules. As such, all transactions entered into with YT(PH) constitute IPTs for the purposes of Chapter 9 of the Catalist Rules.

3.3.2. Consideration of and Factors Relating to the Yinda IPT

The aggregate value of the purchase orders received by YC(PH) under the Yinda IPT for FY2018 was approximately S\$655,890. There has been no further purchase orders received by YC(PH) under the Yinda IPT from the end of FY2018 up till the Latest Practicable Date.

The pricing of the Supply Services rendered by the Group was arrived at on a willing buyer and willing seller basis, and was based on the price of the Supply Services at which YT(PH) was subcontracted to provide to the unrelated third party.

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3.3.3. Rationale for and Benefits of the Yinda IPT

The Board was of the view that the Yinda IPT was beneficial to the Group as YT(PH) required a supplier to provide the Supply Services, and was agreeable to engaging YC(PH)'s services at a commercially competitive rate. As such, the Board was of the view that the Yinda IPT was an attractive business opportunity which had provided the Group with an additional revenue and income stream.

Further, when Yinda had acquired the Company through a mandatory general offer, which was completed on 20 June 2017, Yinda had provided assurances that all of its relevant businesses in the Philippines would be transferred to YC(PH). To this end, it is intended that YT(PH) will be wound up upon completion of all existing projects, which is envisaged to take place in the first quarter of 2019. As of the Latest Practicable Date, YT(PH) does not have any ongoing projects.

3.3.4. Key Terms of the YC Service Agreement

The key terms of the YC Service Agreement are set out below:

(a) Defect Warranties

YC(PH) warranted for a period of twelve (12) months from the time of completion, that the work results and all works provided pursuant to the YC Service Agreement shall be free from all defects and fit for the intended purpose, and that the work results and all works provided pursuant to the YC Service Agreement shall comply with the legislative requirements, specifications, standards and other criteria set out in the YC Service Agreement.

(b) Performance Bond and Warranty Bond

Within 15 calendar days from the date of the relevant purchase order, YC(PH) shall issue a performance bond in an amount equivalent to twenty per cent (20%) of the value of the relevant purchase order to YT(PH), as security for the due performance by YC(PH) of its obligations under the YC Service Agreement. The performance bond will be returned to YC(PH) after YC(PH) has issued the warranty bond pursuant to the YC Service Agreement.

Further, within 15 calendar days from the issuance of the provisional acceptance certificate, YC(PH) shall issue a warranty bond in the amount equivalent to ten per cent (10%) of the value of the relevant purchase order. Such warranty bond shall be valid until YC(PH) has duly completed and remedied any defects, for a period of two (2) years from the date of the provisional acceptance certificate for the last site under the relevant purchase order, as certified by YT(PH).

(c) General Indemnities

YC(PH) shall indemnify and hold YT(PH) harmless from and against any claims, damages, losses, costs and expenses sustained or incurred by YT(PH) as a result of:

- (i) any breach of the provisions of the YC Service Agreement by YC(PH). In the event of YC(PH)'s breach, YT(PH) shall also be entitled to seek price

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reductions, or withhold and set-off payments under the YC Service Agreement or any other agreements between YC(PH) and YT(PH), and replace YC(PH) with a third party to perform or complete the works at the sole risk and expense of YC(PH);

- (ii) any loss and damage to the network equipment (as defined in the YC Service Agreement) caused by YC(PH);
- (iii) any infringement or alleged infringement of any third party patents, copyrights, trademarks, registered designs or any other intellectual property rights arising out of the execution, use or possession of any works, products and/or work results; and
- (iv) damage to property or injury to or death of persons, arising out of or relating to the use or possession of any work results or products or any act or omission of YC(PH) or its representatives in the execution of the works under the YC Service Agreement.

3.4. The Anhui IPT

3.4.1. Information on Interested Persons

Anhui Diantong is a company incorporated in the PRC and is principally engaged in the business of public wireless communication network construction, particularly professional network construction and maintenance of public security, banking and transportation in the PRC. Anhui Diantong has an established track record of more than 30 years of experience, and is a highly regarded manufacturer and supplier of materials relating to the installation of cell towers in Anhui province.

Anhui Diantong is a subsidiary of Shanghai Yinda Group (in which Madam Song Xingyi and her immediate family, as defined in the Catalist Rules, have a 100% interest). Please refer to paragraph 3.3.1 of this Letter to Shareholders for further details.

As such, Anhui Diantong is deemed to be an "associate" of Madam Song Xingyi, and all transactions entered into with Anhui Diantong will constitute IPTs for the purpose of Chapter 9 of the Catalist Rules.

3.4.2. Consideration of and Factors Relating to the Anhui IPT

The aggregate value of the purchase order submitted by YT(SG) for the purchase of materials from Anhui Diantong amounts to S\$148,809. The materials were purchased for the construction and implementation of indoor and outdoor mobile network infrastructure for customers.

The Company had only placed the purchase order for the said materials after obtaining and comparing quotes from other unrelated third-party suppliers for all materials purchased from Anhui Diantong. The Company eventually chose to purchase the materials from Anhui Diantong as its quote was more competitive, and Anhui Diantong is more flexible than its competitors in its payment and delivery terms. In addition, Anhui Diantong was also more flexible in relation to any requested customisations to the supplied materials.

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3.4.3. Rationale for and Benefits of the Anhui IPT

The Group purchases materials required for its business operations in bulk. The Group purchased the materials from Anhui Diantong as it offered competitive prices as compared to quotes for similar materials from other suppliers, and Anhui Diantong is more flexible than its competitors in its payment and delivery terms. In addition, Anhui Diantong was also more flexible in relation to any requested customisations to the supplied materials.

3.5. **Aggregation of the Yinda Transactions**

According to Rule 908(1) of the Catalist Rules, in interpreting the term "same interested person" for the purpose of aggregation in Rules 905 and 906 of the Catalist Rules, transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person.

As stated in paragraphs 3.3.1 and 3.4.1 of this Letter to Shareholders, YT(PH) and Anhui Diantong are associates of Madam Song Xingyi. As such, the Yinda Transactions are deemed as transactions with the same interested person under Rules 905, 906 and 908(1) of the Catalist Rules, with an aggregate value of approximately S\$804,699 for FY2018, which represents approximately 10.6% of the Group's latest audited NTA of S\$7,562,000 for FY2017. Thus, the aggregate value of the Yinda Transactions exceeds 5.0% of the Group's latest audited NTA of S\$7,562,000 for FY2017.

Accordingly, the Yinda Transactions are interested person transactions which require the approval of the Shareholders.

3.6. **Guidelines and Review Procedures for the Yinda Transactions**

In view of the oversights of the Group, the Board, in consultation with the Audit Committee, is in the process of conducting a comprehensive review of the Group's existing internal procedures for IPTs. The Board has implemented the following internal control measures for IPTs:

- 3.6.1. a review and update of internal procedures to ensure that all management and finance teams of the Group's subsidiaries are fully informed of and familiar with the nature and classification of IPTs, as well as the compliance and disclosure obligations under the Catalist Rules and relevant laws and regulations. This would facilitate the Company's updating of the IPT Register on a timely basis;
- 3.6.2. the finance department will maintain the IPT Register (which is to be updated immediately if there are any changes) and disclose the register to relevant personnel (such as the board, the procurement manager and marketing manager of each subsidiary) to enable the identification of Interested Persons. The IPT Register shall be reviewed by the Audit Committee on a quarterly basis;
- 3.6.3. having the management teams of the Group's subsidiaries closely monitor transactions which are or may be deemed to be IPTs, so that they can promptly report the same back to the Audit Committee and the Board;
- 3.6.4. the Board closely monitoring the IPT Register and ensuring that it is maintained by a designated senior executive. The IPT Register shall record all information pertinent to

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the evaluation of IPTs, such as, but not limited to the price or value of the contract, the budget and its basis, the key terms of the contract and supporting evidence such as similar contracts that had been used to evaluate the IPT. In the event that the designated senior executive has an interest, direct or indirect, in any IPT, he shall declare the same in writing to the Board, which will then designate another senior executive to maintain the IPT Register;

- 3.6.5. the Board informing the Audit Committee of any IPTs as and when there are any;
- 3.6.6. the Board ensuring that all disclosure, approval and other requirements on IPTs, including those required by prevailing legislation, the Catalist Rules and accounting standards, will be complied with. In addition, such transactions will also be subject to Shareholders' approval if deemed necessary by the Catalist Rules;
- 3.6.7. a quarterly review of the Group's IPTs by the Group's internal auditors, so that they can provide the Audit Committee with regular reports on the same, to ensure compliance with the Catalist Rules and any relevant laws and regulations;
- 3.6.8. the periodic review of the IPT Register by the Audit Committee to ensure compliance with the Catalist Rules and any relevant laws and regulations; and
- 3.6.9. an annual review of the IPT Register by external auditors, who will also review and confirm the IPTs under the notes to the financial statements, and shall present an annual audit report to the Audit Committee for review, to ensure compliance with the Catalist Rules and any relevant laws and regulations.

The Company confirms that it has implemented the abovementioned additional policies as part of its internal procedures.

3.7. Shareholders' Approval for the Yinda Transactions

Rule 906(1)(b) of the Catalist requires the Company to seek shareholder approval for any interested person transaction of a value equal to, or more than 5.0% of the group's latest NTA when aggregated with other transactions entered into with the same interested person during the same financial year. As such, the Board intends to obtain Shareholders' approval at the EGM for the ratification and confirmation of the Yinda Transactions.

Until the IPT General Mandates are passed, the Board wishes to clarify that the Group does not intend to enter into any future transactions with Anhui Diantong or YT(PH) prior to the EGM to be convened. Accordingly, the Yinda Transactions will be one-off transactions, unless the IPT General Mandates are passed.

Shareholders are to note that if the Yinda Transactions are not approved at the EGM, the Company will have to unwind the Yinda Transactions. It would be practically challenging and/or not possible to do so, as the case may be. In addition, such actions would be detrimental to the interests of the Company and the Shareholders for the following reasons: (1) in relation to the Anhui IPT, YT(SG) has already utilised a portion of the materials supplied by Anhui Diantong and the Company would have to reimburse the full costs of such materials (which were obtained at competitive prices compared to prices quoted from other suppliers) to Anhui Diantong; and (2) in relation to the Yinda IPT, the Group would have to return the payments received for the provision of the Supply Services, which have already been rendered and not possible to unwind.

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4. THE PROPOSED ANHUI IPT GENERAL MANDATE ADOPTION

4.1. Rationale for, and benefits of the Anhui IPT General Mandate

The Group envisages that in the ordinary course of its business and due to increased business demands, transactions between the Group and Anhui Diantong are likely to occur from time to time.

YC(PH) is currently applying to pre-qualify for the tendering of future cell tower installation projects in the Philippines. As stated in paragraph 3.4.1 of this Letter to Shareholders, Anhui Diantong has an established track record of more than 30 years of experience, and is a highly regarded manufacturer and supplier of materials relating to the installation of cell towers in Anhui province. As such, it is well placed to manufacture and supply the materials required for the installation of cell towers, and to provide the necessary and relevant technical expertise to support YC(PH). The Group believes that a collaboration with Anhui Diantong would enable YC(PH) to pre-qualify for the tendering of such future projects.

In view of the above, should YC(PH) be awarded the tender for the said projects in the Philippines, it is anticipated that IPTs with Anhui Diantong will be of a recurrent nature as YC(PH) would continue to collaborate with Anhui Diantong and Anhui Diantong would continue to tap on YC(PH)'s presence and contacts in the Philippines.

Finally, the Group also has a good working relationship with Anhui Diantong, and both management teams are on familiar terms.

Taking into account the above, the Company is of the view that the synergy achieved from the collaboration with Anhui Diantong would benefit the Group as YC(PH) will gain access to commercially competitive rates, which would allow YC(PH) to generate a good profit margin pursuant to its business of providing turnkey services.

Should Shareholders approve the proposed Anhui IPT General Mandate, the Group would be able to pursue similar business opportunities of a time-sensitive nature on a timely and expedient basis, which may in turn enhance the Group's profitability. It would also save administrative time and expenses by eliminating the need to convene general meetings and obtain Shareholders' approval prior to entering into transactions of a similar nature with Anhui Diantong.

4.2. Scope of the Anhui IPT General Mandate

The Anhui IPT General Mandate will apply to the provision of the following telecommunication materials in bulk, and implementation services, from Anhui Diantong to any member of the Group for the Group's business operations:

- 4.2.1. telecommunication materials in bulk for the dominant purpose of or ancillary to the construction of telecommunication infrastructure, such as monopoles, angle steel towers, three-tube and four-tube towers, lamp poles, monopole trees, rooftop poles, C-channels, antenna brackets;
- 4.2.2. trading materials such as power cables, tools and instruments; and
- 4.2.3. technical and professional support on the installation and maintenance of the above telecommunication materials.

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4.3. **Classes of Interested Persons**

The Anhui IPT General Mandate will apply to transactions, as set out in paragraph 4.2 of this Letter to Shareholders above, carried out between members of the Group and Anhui Diantong.

Anhui Diantong is an "interested person" as defined under the Catalist Rules. Please refer to paragraph 3.4.1 of the Letter to Shareholders for more details.

4.4. **Guidelines and Review Procedures for the Anhui IPT General Mandate**

The guidelines and review procedures to be implemented for the Anhui IPT General Mandate are set out in paragraph 6 of this Letter to Shareholders below.

5. **THE PROPOSED SHANGHAI YINDA S&T IPT GENERAL MANDATE ADOPTION**

5.1. **Rationale for, and benefits of the Shanghai Yinda S&T IPT General Mandate**

The Group envisages that in the ordinary course of its business and due to increased business demands, transactions between the Group and Shanghai Yinda S&T and its subsidiaries are likely to occur from time to time. It is anticipated that such IPTs will be of a recurrent nature, as the Group would continue to collaborate with Shanghai Yinda S&T and its subsidiaries on future projects.

Further, Shanghai Yinda S&T holds a certificate of export which allows it to legally export products and/or services out of China, including telecommunication products and materials in bulk, and implementation services. Thus, if the Group pursues business opportunities of a time-sensitive nature which requires the provision of telecommunication products and materials in bulk, and implementation services, Shanghai Yinda S&T and its subsidiaries will be able to satisfy the Group's demand for such products, materials and implementation services in a timely manner.

Finally, the Group also has a good working relationship with Shanghai Yinda S&T and its subsidiaries, and the management teams of the respective parties are on familiar terms.

Given the above, the Company is of the view that the synergy achieved from the collaboration with Shanghai Yinda S&T and its subsidiaries would benefit the Group, as the Group will gain access to commercially competitive rates, which would allow the Group to improve its profit margin from the business operations.

Should Shareholders approve the proposed Shanghai Yinda S&T IPT General Mandate, the Group would be able to pursue similar business opportunities of a time-sensitive nature on a timely and expedient basis, which may in turn enhance the Group's profitability. It would also save administrative time and expenses by eliminating the need to convene general meetings and obtain Shareholders' approval prior to entering into the transactions of a similar nature with Shanghai Yinda S&T and its subsidiaries.

5.2. **Scope of the Shanghai Yinda S&T IPT General Mandate**

The Shanghai Yinda S&T General Mandate will apply to the provision of telecommunication products and materials in bulk, and implementation services, from the members of the Wider S&T Group to any member of the Group for the Group's business operations:

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- 5.2.1. telecommunication materials in bulk for the dominant purpose of or ancillary to the construction of telecommunication infrastructure, such as antennas, cables, connectors, power splitters, directional couplers, combiners, and quadplexes; and
- 5.2.2. technical and professional support on the installation and maintenance of the above telecommunication materials.

5.3. **Classes of Interested Persons**

The Shanghai Yinda S&T General Mandate will apply to transactions, as set out in paragraph 5.2 of this Letter to Shareholders above, carried out between members of the Group and Shanghai Yinda S&T and its subsidiaries from time to time (collectively, the "**Wider S&T Group**"), provided that the following is satisfied in respect of such subsidiaries:

- 5.3.1. Madam Song Xingyi and her immediate family (as defined under the Catalist Rules) together (directly or indirectly) have an interest of 30.0% or more in the said entity;
- 5.3.2. any provision of materials or services by any such entity is in the normal course of business of such entity or ancillary to the normal course of business of such entity;
- 5.3.3. such entity is in the business of the provision of telecommunication products and/or implementation services; and
- 5.3.4. such subsidiaries are not members of the Group.

As set out in paragraph 3.3.1 of this Letter to Shareholders above, Shanghai Yinda S&T is held by Shanghai Yinda Group (60.0%), Madam Song Xingyi (32.0%) and Mr. Qian Zhongcheng (8.0%). The shareholders of Shanghai Yinda Group are Madam Song Xingyi (52.0%), Mr. Wang Hua (34.0%), and Mr. Wang Zhijun (14.0%). In view of the foregoing, Shanghai Yinda S&T is an "interested person" as defined under the Catalist Rules.

The subsidiaries of Shanghai Yinda S&T which are part of the Wider S&T Group, being associates of Madam Song Xingyi and her immediate family (as defined under the Catalist Rules), constitute "interested persons" as defined under the Catalist Rules.

As at the Latest Practicable Date, the subsidiaries of the Wider S&T Group that would fulfil the conditions in sub-paragraphs 5.3.1 to 5.3.4 (inclusive) of this Letter to Shareholders include Yinda and YT(PH).

Nevertheless, for the avoidance of doubt, the Wider S&T Group would include such entities who may, during such period while the Shanghai Yinda S&T IPT General Mandate is in effect, become a subsidiary of the Wider S&T Group where previously they were not so.

5.4. **Guidelines and Review Procedures for the Shanghai Yinda S&T IPT General Mandate**

The guidelines and review procedures to be implemented for the Shanghai Yinda S&T IPT General Mandate are set out in paragraph 6 of this Letter to Shareholders below.

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6. GUIDELINES AND REVIEW PROCEDURES FOR IPTS

In general, interested person transactions shall be carried out on an arm's length basis and on normal commercial terms which are consistent with the Group's usual business practices and on terms that are not prejudicial to the interests of the Company and its minority Shareholders.

In addition to the procedures as set out in Section 3.6 of this Circular, the Group will also implement the following procedures to ensure that the transactions with Anhui Diantong and the Wider S&T Group under each of the Anhui IPT General Mandate and the Shanghai Yinda S&T IPT General Mandate respectively (collectively, the "**IPT General Mandates**") are undertaken on an arm's length basis and on normal commercial terms:

6.1. General Guidelines

6.1.1. Comparison with unrelated third party suppliers

Before entering into any IPT, a procurement manager or other employee of the Group with an equivalent designation (with no interest, direct or indirect, in the IPT) shall compare the terms of the IPTs against quotations (wherever possible or available) from at least two (2) other unrelated third party suppliers for the same or substantially similar products, materials and implementation services. The process of obtaining such quotations under each of the Anhui IPT General Mandate and the Shanghai Yinda S&T General Mandate is as follows:

- (a) in relation to the IPTs under the Anhui IPT General Mandate, project specifications will only be made known to YC(PH) after YC(PH) has been pre-qualified to tender for future projects in the Philippines. As such, third-party quotations similar to the IPTs under the Anhui IPT General Mandate can only be obtained after YC(PH)'s successful pre-qualification, which will be obtained by the procurement manager or an equivalent employee of the Group (with no interest, direct or indirect, in the IPTs) before the Group's actual entry into the relevant IPTs; and
- (b) third-party quotations similar to the IPTs under the Shanghai Yinda S&T General Mandate will be obtained by the procurement manager or an equivalent employee of the Group (with no interest, direct or indirect, in the IPTs) before the Group's actual entry into the relevant IPTs.

The comparison will be based on whether (a) the price that the Group can obtain for the same or substantially similar products, materials and implementation services from the interested person is not higher than that charged by unrelated third parties, and (b) the terms of the interested person transactions are not less favourable to the Group than those offered by the interested person to unrelated third parties. Factors that will be considered include but are not limited to the ability to deliver the products, materials and implementation services on schedule, credit terms, quality of the products, materials and implementation services, the cost of the personnel engaged to provide such implementation services, technical capability and expertise of manpower.

In the event that such quotations from at least two (2) other unrelated third party suppliers for the same or substantially similar products, materials and implementation services cannot be obtained, the Audit Committee will determine whether the price and terms offered by the interested person to the Group are fair and reasonable in

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accordance with the Group's usual business practices and pricing policies or industry norms, and taking into account factors such as, but not limited to, the ability to deliver the products, materials and implementation services on schedule, credit terms, quality of the products, materials and implementation services, the cost of the personnel engaged to provide such implementation services, technical capability and expertise of manpower.

Should any member of the Audit Committee be interested in any IPT, he/she will abstain from the determination of the price and terms of that IPT to ensure that the IPT will not be prejudicial to the interests of the Company and its minority Shareholders. Determination of the price and terms of that IPT will accordingly be undertaken by the remaining members of the Audit Committee.

6.1.2. Categorisation and approval of IPTs

The Group will also monitor all interested person transactions by documenting and categorising the transactions as follows:

- (a) An interested person transaction of a value equal to or more than three per cent. (3.0%) of the Group's latest audited NTA ("**Category 1 Interested Person Transaction**") shall be approved by the Audit Committee prior to the entry into such transactions.

In the event that a member of the Audit Committee is interested in any IPT, he/she will abstain from the deliberation of the transaction to ensure that the IPT will not be prejudicial to the interests of the Company and its minority Shareholders. Approval of that transaction will accordingly be undertaken by the remaining members of the Audit Committee.

- (b) An interested person transaction of a value below three per cent. (3.0%) of the Group's latest audited NTA ("**Category 2 Interested Person Transaction**") shall be reviewed and approved by the Acting Chief Executive Officer and Deputy Chief Financial Officer before entry. If both the Acting Chief Executive Officer and Deputy Chief Financial Officer are interested in a Category 2 Interested Person Transaction, such transaction shall be reviewed and approved by the Audit Committee.

Save for the aforesaid instance, a Category 2 Interested Person Transaction does not require the prior review and approval of the Audit Committee before entry but shall be reviewed on a quarterly basis by the Audit Committee to ensure that they are carried out on normal commercial terms, in accordance with the review procedure stated in paragraph 6.3 of this Letter to Shareholders below. All relevant non-quantitative factors and prevailing market conditions will also be taken into account and recorded accordingly.

6.2. **General Administrative Procedures for all Interested Person Transactions**

The Company will also implement the following procedures for the identification of interested persons and the recording of all interested person transactions:

- 6.2.1. The Company will be reviewing and updating internal procedures to ensure that all management and finance teams of the Group's subsidiaries are fully informed of and

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familiar with the nature and classification of IPTs, as well as the compliance and disclosure obligations under the Catalist Rules and relevant laws and regulations. This would facilitate the Company's updating of the IPT Register on a timely basis.

- 6.2.2. The finance department will maintain the IPT Register (which is to be updated immediately if there are any changes) and disclose the register to relevant personnel (such as the board, the procurement manager and marketing manager of each subsidiary) to enable the identification of interested persons. The IPT Register shall be reviewed by the Audit Committee on a quarterly basis.
- 6.2.3. The Company will procure that the management teams of the Group's subsidiaries will closely monitor transactions which are or may be deemed to be IPTs, so that they can promptly report the same to the Audit Committee and the Board.
- 6.2.4. The Board will closely monitor the IPT Register and ensure that it is maintained by a designated senior executive. The IPT Register shall record all information pertinent to the evaluation of IPTs, such as, but not limited to the price or value of the contract, the budget and its basis, the key terms of the contract and supporting evidence such as similar contracts that had been used to evaluate the IPT. In the event that the designated senior executive has an interest, direct or indirect, in any IPT, he shall declare the same in writing to the Board, which will then designate another senior executive to maintain the IPT Register.
- 6.2.5. The Board will ensure that all disclosure, approval and other requirements on IPTs, including those required by prevailing legislation, the Catalist Rules and accounting standards, will be complied with. In addition, such transactions will also be subject to Shareholders' approval if deemed necessary by the Catalist Rules.
- 6.2.6. The Audit Committee shall have overall responsibility for the determination of the review procedures and shall have the authority to delegate such responsibility to individuals or committees within the Company as they deem appropriate.

6.3. **Quarterly and Annual Audit**

The IPT Register, and all IPTs entered into by the Group pursuant to the proposed IPT General Mandates, are subject to review by the Group's internal auditors on a quarterly basis, who shall present a quarterly internal audit report to the Audit Committee for review on at least a quarterly basis (or whenever deemed necessary by the Audit Committee), to ensure compliance with the Catalist Rules and any relevant laws and regulations. The Audit Committee will also be informed of any IPTs as and when there are any.

The IPT Register shall also be subject to review by external auditors on an annual basis, by sampling the IPTs stated in the IPT Register. The external auditors will report to the Audit Committee in the event of any non-compliance based on the audit sample. The external auditors will also review and confirm the IPTs under the notes to the financial statements, who shall present an annual audit report to the Audit Committee for review, to ensure compliance with the Catalist Rules and any relevant laws and regulations.

In the event that a member of the Audit Committee is interested in any IPT, he/she will abstain from the review of any of the above audit reports. Review of the relevant audit report will accordingly be undertaken by the remaining members of the Audit Committee.

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6.4. Annual Review of Procedures

The Audit Committee shall carry out an annual review of the established review procedures for the monitoring of such IPTs entered into during the current financial year. In the event that a member of the Audit Committee is interested in any IPT, he/she will abstain from the review of the established review procedures for that relevant annual period. Review of the established review procedures will accordingly be undertaken by the remaining members of the Audit Committee.

If, during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the existing guidelines and review procedures as stated above have become inappropriate or insufficient to ensure that the interested person transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek approval from Shareholders for a fresh mandate based on new guidelines and review procedures for transactions to be entered into with interested persons. During the period prior to obtaining a fresh mandate from Shareholders, all transactions with interested persons will be subject to prior review and approval by the Audit Committee.

6.5. Validity Period of the IPT General Mandates

If approved at the forthcoming EGM, each of the IPT General Mandates will take effect from the date of the passing of the relevant ordinary resolution to be proposed at the EGM and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the next AGM of the Company is held or is required by law to be held, whichever is the earlier. The Company will seek the approval of Shareholders for the renewal of the IPT General Mandates at each subsequent AGM. The renewal of the IPT General Mandates shall be made in accordance with the Catalist Rules and such other laws and regulations as may be applicable at the time. It shall also be subject to the satisfactory review by the Audit Committee of the continued need for each of the IPT General Mandates and the adequacy of the review procedures for the transactions.

6.6. Disclosure of IPTs to Shareholders in the Annual Report and Financial Statements

In accordance with the requirements of Chapter 9 of the Catalist Rules:

- (a) disclosure will be made in the annual report of the Company, giving details of the aggregate value of all interested person transactions conducted with interested persons pursuant to the IPT General Mandates during the financial year under review and in the annual reports for the subsequent financial years during which the IPT General Mandates are in force;
- (b) announcements will be made with regard to the aggregate value of transactions conducted pursuant to the IPT General Mandates for the financial periods which the Company is required to report on pursuant to Rule 705 of the Catalist Rules within the time required for the announcement of such report; and
- (c) the names of the interested persons and the corresponding aggregate value of the interested person transactions will be presented in the form set out in Rule 907 of the Catalist Rules as follows:

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Name of Interested Person(s)	Aggregate value of all interested person transactions during the financial period/year under review (excluding transactions less than S\$100,000 and transactions conducted under the IPT General Mandates pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the Anhui IPT General Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	Aggregate value of all interested person transactions conducted under the Shanghai Yinda S&T IPT General Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)

7. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

Pursuant to Chapter 9 of the Catalist Rules, RHT Capital Pte. Ltd. was appointed as the IFA to opine on whether (i) the Yinda Transactions, as interested person transactions, are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders; (ii) the guidelines and review procedures for determining the terms of the Anhui IPT General Mandate are sufficient to ensure that all interested person transactions going forward will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders; and (iii) the guidelines and review procedures for determining the terms of the Shanghai Yinda S&T IPT General Mandate are sufficient to ensure that all interested person transactions going forward will be carried out on an arm's length basis and on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

A copy of the IFA Letter is set out in **Appendix 1** of this Circular. **Shareholders are advised to read the IFA Letter carefully.**

The following is an extract from Section 7 of the IFA Letter and should be read by Shareholders in conjunction with, and in the full context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated.

"7. OUR OPINION

In arriving at our recommendations in respect of the Yinda Transactions and the IPT General Mandates, we have taken into consideration, inter alia, the following factors summarised below and elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

(a) In respect of the Yinda Transactions:

- (i) Rationale for and benefits of the Yinda Transactions;*
- (ii) Independent negotiations between the Group and the interested persons for the Yinda PH IPT and the Anhui IPT;*

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- (iii) *Evaluation of the Yinda PH IPT;*
- (iv) *Evaluation of the Anhui IPT; and*
- (v) *Other relevant considerations in relation to the Yinda Transactions.*

(b) *In respect of the IPT General Mandates:*

- (i) *Rationale for and benefits of the IPT General Mandates;*
- (ii) *Classes of interested persons;*
- (iii) *Scope of the IPT General Mandates;*
- (iv) *Guidelines and review procedures for Interested Person Transactions going forward;*
- (v) *Validity period of the IPT General Mandates; and*
- (vi) *Disclosures in the annual report.*

Having regards to the considerations as set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that:

- (i) the Yinda Transactions, as Interested Person Transactions, were carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority Shareholders;***
- (ii) the guidelines and review procedures for determining the terms of the Anhui Diantong IPT General Mandate are sufficient to ensure that all Interested Person Transactions with Anhui Diantong going forward will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders; and***
- (iii) the guidelines and review procedures for determining the terms of the Shanghai Yinda S&T IPT General Mandate are sufficient to ensure that all Interested Person Transactions with the Wider S&T Group going forward will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.***

We wish to highlight that we were neither a party to the negotiations entered into by the Company in relation to the Yinda Transactions and IPT General Mandates, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Yinda Transactions and IPT General Mandates, and we do not warrant the merits of the Yinda Transactions and IPT General Mandates."

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8. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

The interests of Directors and Substantial Shareholders in the Company on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the Latest Practicable Date are as follows:

	<u>Direct Interest</u>		<u>Deemed Interest</u>		<u>Total Interest</u>	
	No. of Shares	% ⁽⁴⁾	No. of Shares	% ⁽⁴⁾	No. of Shares	% ⁽⁴⁾
<u>Directors</u>						
Song Xingyi	–	–	120,437,180	79.23	120,437,180	79.23
Henry Tan Song Kok	–	–	–	–	–	–
Tang Qun	–	–	–	–	–	–
Cheam Heng Haw, Howard	–	–	–	–	–	–
Shao Lifang	–	–	–	–	–	–
<u>Substantial Shareholders (other than Directors)</u>						
Yinda Pte. Ltd. ⁽¹⁾	120,437,180	79.23	–	–	120,437,180	79.23
Shanghai Yinda Science and Technology Industrial Co Ltd ⁽²⁾	–	–	120,437,180	79.23	120,437,180	79.23
Shanghai Yinda Technology Group Co Ltd ⁽²⁾	–	–	120,437,180	79.23	120,437,180	79.23
Wang Zhijun ⁽²⁾	–	–	120,437,180	79.23	120,437,180	79.23
Wang Hua ⁽²⁾	–	–	120,437,180	79.23	120,437,180	79.23
Dato Abdul Rahman Bin Yusof ⁽³⁾	–	–	8,098,000	5.33	8,098,000	5.33

Notes:

- (1) A total of 63,885,180 Shares held by Yinda are held through its nominee, UOB Kay Hian Pte. Ltd.
- (2) Yinda is wholly-owned by Shanghai Yinda S&T. Shanghai Yinda S&T is in turn held by Shanghai Yinda Group (60.0%), Song Xingyi (32.0%) and Qian Zhongcheng (8.0%). Shanghai Yinda Group is in turn held by Madam Song Xingyi (52.0%), Mr. Wang Hua (34.0%), and Mr. Wang Zhijun (14.0%). Madam Song Xingyi is the spouse of Mr. Wang Zhijun and the mother of Mr. Wang Hua. Save for Qian Zhongcheng, the above-mentioned Shareholders are deemed to have an interest in the 120,437,180 Shares held by Yinda by virtue of Section 7 of the Act.
- (3) Dato Abdul Rahman Bin Yusof is deemed to have an interest in 7,448,000 Shares held by CMC Engineering Sdn. Bhd. and 500,000 Shares held by Ray Venture Inc (through its nominee, Citibank Nominees Singapore Pte Ltd), by virtue of Section 7 of the Act. He is also deemed to be interested in 150,000 Shares held by his wife, Adilah Binti Abdullah (through her nominee, CIMB Securities (Singapore) Pte Ltd) by virtue of Section 7 of the Act.
- (4) The percentages of issued share capital are calculated based on 152,000,000 issued Shares as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

9. ABSTENTION FROM VOTING

Rule 919 of the Catalist Rules requires that interested persons and their associates must not vote on any Shareholders' resolutions relating to the Proposed Transactions. In view of the foregoing, each of (i) Madam Song Xingyi, (ii) Mr. Wang Hua, (iii) Mr. Wang Zhijun, (iv) Shanghai Yinda Group, (v) Shanghai Yinda S&T and (vi) Yinda, being associates of Madam Song Xingyi, have undertaken to abstain and will procure that their respective associates and nominees abstain from voting in respect of each of their direct or indirect shareholdings in the Company on the resolutions for the Proposed Transactions at the EGM.

Furthermore, each of (i) Madam Song Xingyi, and (ii) Mr. Wang Hua, (iii) Mr. Wang Zhijun, (iv) Shanghai Yinda Group, (v) Shanghai Yinda S&T and (vi) Yinda, being associates of Madam Song Xingyi, shall decline any appointment to act as proxies to vote at the EGM in respect of the resolutions relating to the Proposed Transactions for other Shareholders unless the Shareholders concerned have given specific voting instructions as to the manner in which his/her votes are to be cast at the EGM.

10. STATEMENTS OF THE AUDIT COMMITTEE

10.1. The Proposed IPT Ratification

The Audit Committee has reviewed the Yinda Transactions (that have occurred up to and including the Latest Practicable Date) and the guidelines and review procedures as set out under paragraph 3.6 of this Letter to Shareholders above. Having reviewed the opinion of the IFA, as set out in paragraph 7 of this Letter to Shareholders above, the Audit Committee confirms that the Yinda Transactions were on normal commercial terms and were not prejudicial to the interests of the Company and its minority Shareholders.

10.2. The Proposed Anhui IPT General Mandate Adoption

The Audit Committee has reviewed the terms of the Anhui IPT General Mandate and the opinion of the IFA, and is satisfied that the review procedures set up by the Company in relation to the interested person transactions covered under the Anhui IPT General Mandate are, if adhered to, sufficient to ensure that the interested person transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

10.3. The Proposed Shanghai Yinda S&T IPT General Mandate Adoption

The Audit Committee has reviewed the terms of the Shanghai Yinda S&T IPT General Mandate and the opinion of the IFA, and is satisfied that the review procedures set up by the Company in relation to the interested person transactions covered under the Shanghai Yinda S&T IPT General Mandate are, if adhered to, sufficient to ensure that the interested person transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

11. RECOMMENDATION BY THE DIRECTORS

Ms. Shao Lifang is currently a director of YT(SG), a subsidiary of the Company and the holding company of YC(PH), and is an Executive Director of the Company. As such, Ms. Shao Lifang has abstained from making recommendations in respect of the Proposed Transactions.

LETTER TO SHAREHOLDERS

Save as disclosed above, and other than Madam Song Xingyi and Ms. Shao Lifang, none of the Directors have any interest, direct or indirect, in the Proposed Transactions.

11.1. The Proposed IPT Ratification

The Directors (save for Madam Song Xingyi and Ms. Shao Lifang) (the "**Recommending Directors**"), having considered, among other things, the terms of the Yinda Transactions, the rationale for and benefits of the Yinda Transactions and the opinion of the IFA, are of the view that the Yinda Transactions were on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the Recommending Directors recommend that Shareholders vote in favour of Resolution 1 set out in the Notice of EGM.

11.2. The Proposed Anhui IPT General Mandate Adoption

The Recommending Directors, having considered, among other things, the terms, rationale for and benefits of the Anhui IPT General Mandate, the review procedures of the Company for such interested person transactions, the role of the Audit Committee in relation to the Anhui IPT General Mandate and the opinion of the IFA, are of the view that the review procedures as set out in paragraph 6 of this Letter to Shareholders above, if adhered to, are sufficient to ensure that the interested person transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the Recommending Directors recommend that Shareholders vote in favour of Resolution 2 set out in the Notice of EGM.

11.3. The Proposed Shanghai Yinda S&T IPT General Mandate Adoption

The Recommending Directors, having considered, among other things, the terms, rationale for and benefits of the Shanghai Yinda S&T IPT General Mandate, the review procedures of the Company for such interested person transactions, the role of the Audit Committee in relation to the Shanghai Yinda S&T IPT General Mandate and the opinion of the IFA, are of the view that the review procedures as set out in paragraph 6 of this Letter to Shareholders above, if adhered to, are sufficient to ensure that the interested person transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the Recommending Directors recommend that Shareholders vote in favour of Resolution 3 set out in the Notice of EGM.

12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages C-1 to C-3 of this Circular, will be held at Orchid Country Club, 1 Orchid Club Road, Singapore 769162, on 3 December 2018 at 10.00 am for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolutions set out in the Notice of EGM.

13. CONSENT

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA Letter dated 16 November 2018 set out in **Appendix 1** of this Circular and all references thereto in the form and context in which they appear in this Circular.

LETTER TO SHAREHOLDERS

14. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf, should complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the registered office of the Company at 5008 Ang Mo Kio Avenue 5, #04-07 Techplace II, Singapore 569874, not less than 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM, if he wishes to do so, in place of his proxy.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP, as at 72 hours before the EGM.

15. DIRECTORS' RESPONSIBILITY STATEMENT

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

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at Block 5008 Ang Mo Kio Avenue 5, #04-07 Techplace II, Singapore 569874, during normal business hours from the date hereof up to and including the date of the EGM:

- (a) the constitution of the Company;
- (b) the YC Service Agreement;
- (c) the purchase order underlying the Anhui IPT;
- (d) the IFA Letter; and
- (e) the letter of consent from the IFA.

Yours faithfully

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

HENRY TAN SONG KOK
Lead Independent Director
16 November 2018

APPENDIX 1: LETTER FROM RHT CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF YINDA INFOCOMM LIMITED

RHT CAPITAL PTE. LTD.

(Company Registration Number: 201109968H)
(Incorporated in the Republic of Singapore)
9 Raffles Place, #29-01
Republic Plaza Tower 1
Singapore 048619

16 November 2018

To: The Independent Directors of Yinda Infocomm Limited
(deemed to be independent in respect of the Yinda Transactions and the IPT General Mandates)

Mr Henry Tan Song Kok (Lead Independent Director)
Ms Tang Qun (Independent Director)
Mr Cheam Heng Haw, Howard (Independent Director)

Dear Sirs,

INDEPENDENT FINANCIAL ADVICE IN RELATION TO THE PROPOSED RATIFICATION OF THE YINDA TRANSACTIONS AND THE PROPOSED ADOPTION OF THE INTERESTED PERSON TRANSACTION GENERAL MANDATES

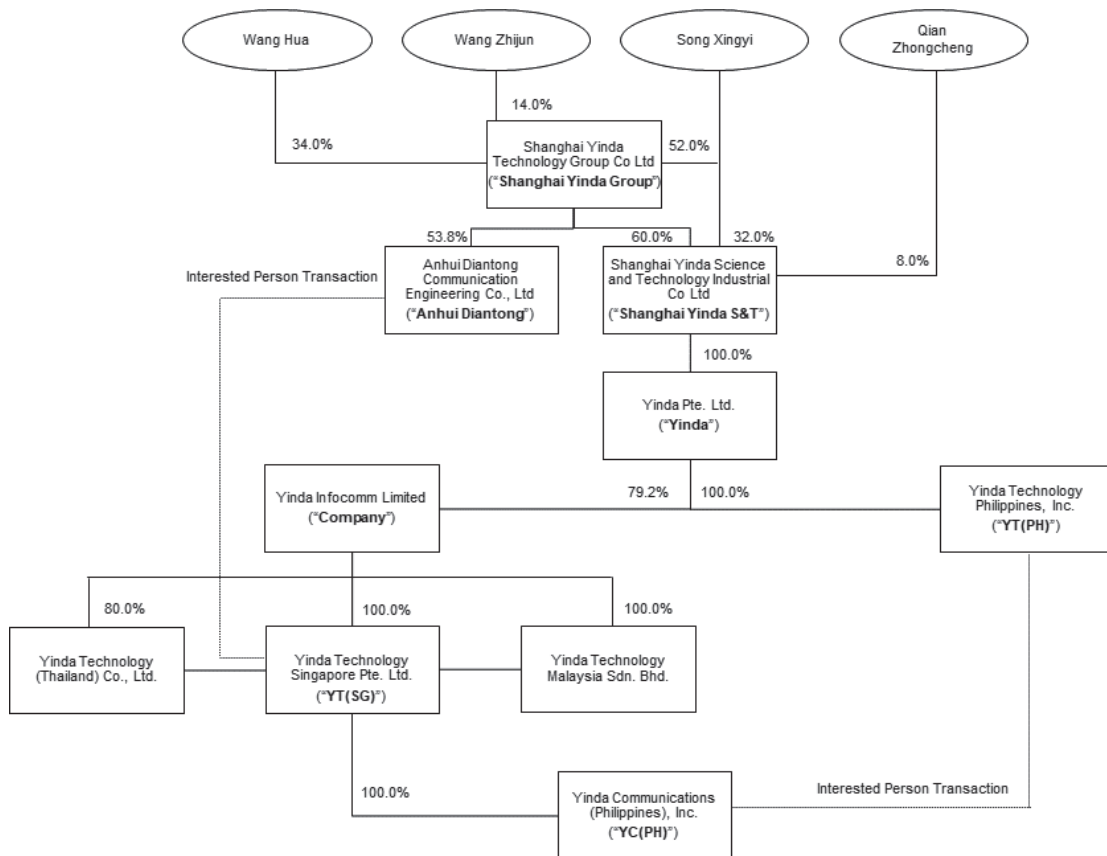
Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 16 November 2018 issued by Yinda Infocomm Limited to shareholders of the Company shall have the same meaning herein.

1. INTRODUCTION

On 30 August 2018, the board of directors ("**Directors**") of Yinda Infocomm Limited ("**Company**", together with its subsidiaries, "**Group**") announced ("**Announcement**") that the Company's indirect wholly-owned subsidiary, Yinda Communications Philippines, Inc. ("**YC(PH)**"), had on 8 January 2018 entered into a telecommunications implementation services agreement with Yinda Technology Philippines, Inc. ("**YT(PH)**"), a wholly-owned subsidiary of Yinda Pte. Ltd. ("**Yinda**") ("**Yinda PH IPT**"), the controlling shareholder of the Company. The value of the Yinda PH IPT amounted to S\$655,890.

As at the Latest Practicable Date, Yinda is a private limited company incorporated in Singapore and is a wholly-owned subsidiary of Shanghai Yinda Science and Technology Industrial Co Ltd ("**Shanghai Yinda S&T**"). Shanghai Yinda S&T is in turn held by Shanghai Yinda Technology Group Co Ltd ("**Shanghai Yinda Group**") (60.0%), Madam Song Xingyi (32.0%) and Mr Qian Zhongcheng (8.0%). The shareholders of Shanghai Yinda Group are Madam Song Xingyi (52.0%), Mr Wang Hua (34.0%), and Mr Wang Zhijun (14.0%). Please refer to the shareholdings chart below for further information.

APPENDIX 1: LETTER FROM RHT CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF YINDA INFOCOMM LIMITED



Madam Song Xingyi is currently the Non-Executive and Non-Independent Chairman of the Company. She is also the spouse of Mr Wang Zhijun and mother of Mr Wang Hua. Each of Madam Song Xingyi, Mr Wang Hua and Mr Wang Zhijun, Shanghai Yinda Group and Shanghai Yinda S&T are deemed to have an interest in the 120,437,180 ordinary shares ("**Shares**"), representing approximately 79.2% of the total issued Shares in the Company held by Yinda, by virtue of Section 7 of the Companies Act (Chapter 50) of Singapore.

At the point of YC(PH)'s entry into the Yinda PH IPT, the management team of YC(PH) was relatively new and thus not familiar with the Company's continuing compliance obligations under the Listing Manual, Section B: Rules of the Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). According to Rule 908(1) of the Catalist Rules, in interpreting the term "same interested person" for the purpose of aggregation in Rules 905 and 906 of the Catalist Rules, transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person ("**Interested Person Transactions**").

As the management team of YC(PH) was unfamiliar with the nature and concept of Interested Person Transactions and the disclosure and/or shareholder approval requirements for Interested Person Transactions, the Yinda PH IPT was not reported to the Audit Committee and the Board prior to YC(PH)'s entry into the Yinda PH IPT. As the Company was not immediately notified and was not aware of the Yinda PH IPT, the Yinda PH IPT was consequently not entered into the Company's register for Interested Person Transactions ("**IPT Register**"). This in turn resulted in the Company's inadvertent non-compliance with the Catalist Rules in relation to the Yinda PH IPT.

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Subsequent to the Yinda PH IPT, the Company's wholly-owned subsidiary, Yinda Technology Singapore Pte. Ltd. ("**YT(SG)**"), had on 11 April 2018 submitted a purchase order for the purchase of materials from Anhui Diantong Communication Engineering Co., Ltd ("**Anhui Diantong**"), a subsidiary of Shanghai Yinda Group ("**Anhui IPT**"). Accordingly, the Anhui IPT was recognised as an Interested Person Transaction on 11 April 2018. As the value of the Anhui IPT amounted to S\$148,809 and was less than 3.0% of the Group's latest audited net tangible assets ("**NTA**"), the Company was not required to release an immediate announcement pursuant to Chapter 9 of the Catalist Rules.

As both YT(PH) and Anhui Diantong are associates of Madam Song Xingyi as defined under the Catalist Rules, the Yinda PH IPT and the Anhui IPT (collectively, "**Yinda Transactions**") are deemed as Interested Person Transactions.

In accordance with Chapter 9 of the Catalist Rules, approval of the shareholders of the Company ("**Shareholders**") must be obtained for any Interested Person Transaction of a value which is equal to or greater than 5.0% of the Group's latest audited NTA or when aggregated with other Interested Person Transactions during the same financial period, the value is equal to or more than 5.0% of the Group's latest audited NTA. In obtaining such approval, pursuant to Rule 919 of the Catalist Rules, the interested persons and their associates are required to abstain from voting on the resolution approving the Interested Person Transaction.

Based on the Company's latest audited consolidated accounts for the financial year ended 31 May ("**FY**") 2018, the Group's audited NTA amounted to approximately S\$5.3 million. The value of the Yinda Transactions had exceeded more than 5.0% of the Group's latest audited NTA. Pursuant to Rule 906(1)(a) of the Catalist Rules, the Yinda Transactions were subjected to Shareholders' approval at an extraordinary general meeting ("**EGM**") of the Company.

Due to the inadvertent oversight by the Company on the aggregation of the value of the Yinda Transactions, the Company intends to seek the approval of Shareholders for the proposed ratification of the Yinda Transactions at an EGM to be convened. We note from the Announcement that the Company had expected the Yinda Transactions to be one-off transactions.

However, going forward, as the Company anticipates that there would be further transactions between the Group, Anhui Diantong and Shanghai Yinda S&T and its subsidiaries, provided that in respect of such subsidiaries, (i) Madam Song Xingyi and her immediate family (as defined under the Catalist Rules) together (directly or indirectly) have an interest of 30.0% or more in the said entity; (ii) any provision of materials or services by any such entity is in the normal course of business of such entity or ancillary to the normal course of business of such entity; (iii) such entity is in the business of the provision of telecommunication products and/or implementation services; and (iv) such subsidiaries are not members of the Group ("**Wider S&T Group**").

As transactions between the Group, Anhui Diantong and the Wider S&T Group are expected to be recurrent transactions of a revenue or trading nature, or those necessary for the Group's day-to-day operations such as the purchase of materials and implementation services, the Company intends to seek the approval of Shareholders for the proposed adoption of separate Shareholders' general mandate for future Interested Person Transactions with both Anhui Diantong ("**Anhui Diantong IPT General Mandate**") and the Wider S&T Group ("**Shanghai Yinda S&T IPT General Mandate**", together with the Anhui Diantong IPT General Mandate, "**IPT General Mandates**").

APPENDIX 1: LETTER FROM RHT CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF YINDA INFOCOMM LIMITED

Pursuant to Rule 921(4)(a) of the Catalist Rules, the Company is required to appoint an independent financial adviser (“**IFA**”) to advise the Directors who are deemed to be independent in respect of the Yinda Transactions and the IPT General Mandates. In addition, pursuant to Rule 919 of the Catalist Rules, each of (i) Madam Song Xingyi, (ii) Mr Wang Hua, (iii) Mr Wang Zhijun, (iv) Shanghai Yinda Group, (v) Shanghai Yinda S&T and (vi) Yinda, being associates of Madam Song Xingyi, have undertaken to abstain, and will procure that their respective associates and nominees abstain, from voting in respect of each of their direct or indirect shareholdings in the Company on the resolutions for the proposed ratification of the Yinda Transactions and the IPT General Mandates at the EGM. They will also decline any appointment to act as proxies to vote at the EGM in respect of the ordinary resolutions unless the Shareholders concerned have given specific voting instructions as to the manner in which his/her votes are to be cast at the EGM.

Accordingly, RHT Capital Pte. Ltd. (“**RHTC**”) has been appointed by the Company as the IFA to the Independent Directors to render the following opinions on whether:

- (i) the Yinda Transactions, as Interested Person Transactions, were carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority Shareholders;
- (ii) the guidelines and review procedures for determining the terms of the Anhui Diantong IPT General Mandate are sufficient to ensure that all Interested Person Transactions with Anhui Diantong going forward will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders; and
- (iii) the guidelines and review procedures for determining the terms of the Shanghai Yinda S&T IPT General Mandate are sufficient to ensure that all Interested Person Transactions with the Wider S&T Group going forward will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

Ms Shao Lifang, who was appointed as a Director of the Company on 1 November 2018, is not an associate of Madam Song Xingyi as defined under the Catalist Rules and is not deemed an interested person in respect of the Yinda Transactions and the IPT General Mandates. However, as she holds directorships in both YT(SG) and Yinda Technology (Thailand) Co., Ltd. and has a direct reporting line to Madam Song Xingyi, the Company is of the view that it would be prudent for her to abstain from making recommendations on the Yinda Transactions and the IPT General Mandates as a Director of the Company.

Accordingly, save for Madam Song Xingyi and Ms Shao Lifang, who will abstain from making any recommendation on the Yinda Transactions and the IPT General Mandates as Directors of the Company, the remaining Directors, namely, Mr Henry Tan Song Kok, Ms Tang Qun and Mr Cheam Heng Haw, Howard are deemed to be independent for the purpose of the Yinda Transactions and the IPT General Mandates (“**Independent Directors**”).

This letter (“**Letter**”) is addressed to the Independent Directors and sets out, *inter alia*, our evaluation and recommendation on the Yinda Transactions and the IPT General Mandates. This Letter forms part of the circular to Shareholders dated 16 November 2018 (“**Circular**”) which provides, *inter alia*, the details of the Yinda Transactions, IPT General Mandates and the recommendation of the Independent Directors thereon.

APPENDIX 1: LETTER FROM RHT CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF YINDA INFOCOMM LIMITED

2. TERMS OF REFERENCE

The purpose of this Letter is to provide independent opinions, for the purpose of Chapter 9 of the Catalist Rules, on whether:

- (i) the Yinda Transactions, as Interested Person Transactions, were carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority Shareholders;
- (ii) the guidelines and review procedures for determining the terms of the Anhui Diantong IPT General Mandate are sufficient to ensure that all Interested Person Transactions with Anhui Diantong going forward will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders; and
- (iii) the guidelines and review procedures for determining the terms of the Shanghai Yinda S&T IPT General Mandate are sufficient to ensure that all Interested Person Transactions with the Wider S&T Group going forward will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

We were neither a party to the negotiations entered into by the Company in relation to the Yinda Transactions and IPT General Mandates nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Yinda Transactions and IPT General Mandates. We do not, by this Letter, warrant the merits of the Yinda Transactions and IPT General Mandates other than to form an opinion on the Yinda Transactions and IPT General Mandates as Interested Person Transactions for the purposes of Chapter 9 of the Catalist Rules.

In the course of our evaluation, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Company. We have also relied on information provided and representations made by the Directors, the management of the Company (“**Management**”) and the Company’s advisers. We have not independently verified such information, or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness and adequacy of such information. We have nevertheless made such enquiries and exercised our judgement as we deemed necessary and have found no reason to doubt the reliability of the information.

We have relied upon the assurance of the Directors (including those who may have delegated detailed supervision of the Circular) that, upon making all reasonable inquiries and to the best of their respective knowledge and belief, all facts stated and opinions expressed in the Circular which relate to the Yinda Transactions and IPT General Mandates and the Company are fair and accurate and that there are no material facts or omissions of which would make any statement in the Circular misleading in any material respect. The Directors collectively and individually accept responsibility accordingly.

For the purposes of assessing the terms of the Yinda Transactions and IPT General Mandates and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of the Company and/or the Group. We will not be required to express, and we do not express, any view on the growth prospects and earnings potential of the Company and/or the Group in connection with our opinion in this Letter.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment) and we have not been furnished with any such evaluation or appraisal.

APPENDIX 1: LETTER FROM RHT CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF YINDA INFOCOMM LIMITED

Our opinions as set out in this Letter is based upon the market, economic, industry, monetary and other conditions in effect on, and the information provided to us as of 14 November 2018 (“**Latest Practicable Date**”). Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should further take note of any announcements relevant to their consideration of the Yinda Transactions and IPT General Mandates which may be released by the Company after the Latest Practicable Date.

In rendering our opinions, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this Letter set out in the Circular). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this Letter set out in the Circular).

This Letter sets out, *inter alia*, our opinions on whether:

- (i) the Yinda Transactions, as Interested Person Transactions, were carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority Shareholders;
- (ii) the guidelines and review procedures for determining the terms of the Anhui Diantong IPT General Mandate are sufficient to ensure that all Interested Person Transactions with Anhui Diantong going forward will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders; and
- (iii) the guidelines and review procedures for determining the terms of the Shanghai Yinda S&T IPT General Mandate are sufficient to ensure that all Interested Person Transactions with the Wider S&T Group going forward will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders,

and should be considered in the context of the entirety of this Letter and the Circular.

APPENDIX 1: LETTER FROM RHT CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF YINDA INFOCOMM LIMITED

3. INFORMATION ON THE COMPANY AND THE GROUP

3.1 Overview

The Company is a regional integrated communication solutions and service provider. The Company provides network maintenance services, telecommunications implementation works for installations and commissioning of radio base transceiver stations, outdoor construction of telecommunication towers and turnkey in-building coverage services.

The Company operates in Singapore, Malaysia, Thailand and the Philippines, and seeks to offer comprehensive solutions and services in the telecommunications value chain to its customers.

The Company was formerly known as CMC Infocomm Limited and had been listed on the Catalist Board of the SGX-ST since August 2015. The Group was acquired by Yinda through a mandatory general offer which was completed on 20 June 2017. Following which, the Company changed its name from CMC Infocomm Limited to Yinda Infocomm Limited on 21 September 2017. As at the Latest Practicable Date, Yinda is the controlling shareholder of the Company and owns 79.2% of the Company's issued Shares.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital comprising 152,000,000 Shares. Based on the last transacted Share price of S\$0.095 and the outstanding Shares as at the Latest Practicable Date, the market capitalisation of the Company was approximately S\$14.4 million.

3.2 Financial information of the Group

The Group's revenue is derived mainly from in-building construction projects and telecommunications implementation projects.

The percentage of revenue derived from the Group's operations in various geographical locations for FY2018 and FY2017 is set out below as follows:

	FY2017				FY2018			
	Singapore	Thailand	Philippines	Total	Singapore	Thailand	Philippines	Total
Revenue (S\$'000)	8,727	3,571	1,940	14,238	10,805	4,090	1,807	16,702
Percentage of revenue contribution (%)	61.3	25.1	13.6	100.0	64.7	24.5	10.8	100.0

We note that majority of the Group's revenue is generated in Singapore, with 61.3% in FY2017 and 64.7% in FY2018. Contribution from Thailand is approximately one quarter of the Group's revenue, with 25.1% in FY2017 and 24.5% in FY2018. The Philippines account for 13.6% and 10.8% of the Group's revenue in FY2017 and FY2018 respectively.

The NTA of the Group as at 31 May 2018 was S\$5.3 million.

APPENDIX 1: LETTER FROM RHT CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF YINDA INFOCOMM LIMITED

4. THE YINDA TRANSACTIONS

4.1 The Yinda PH IPT

YT(PH) is a wholly-owned subsidiary of Yinda, the controlling shareholder of the Group and is part of the Wider S&T Group. It is an indirect wholly-owned subsidiary of Shanghai Yinda S&T, which majors in communication engineering delivery, network planning and optimisation services, network deployment, network maintenance and software research and development on mobile Internet. Its partners include major telecommunications companies such as Nokia, China Telecom and China Mobile.

YT(PH) had in September 2016 entered into a long-term contract (“**YT Service Agreement**”) with a global network service provider (“**YT Customer**”) for the provision of telecommunication implementation services which include, *inter alia*, the following:

- (i) site surveys and installation planning;
- (ii) network planning;
- (iii) installation of network equipment and ancillaries;
- (iv) telecom optimisation; and
- (v) conducting on site acceptance testing.

Following completion of the mandatory general offer by Yinda for the Company on 20 June 2017, it had reorganised the Group and there was a new management team appointed for YC(PH). Further, as part of the mandatory general offer by Yinda, Yinda had provided assurances that all of its relevant businesses in the Philippines, held by YT(PH), would be transferred to YC(PH). It was intended for YT(PH) to be wound up upon completion of all its existing projects, which is envisaged to take place in the first quarter of 2019 (“**Yinda Philippines Restructuring**”).

As part of the transition, YT(PH) had on 8 January 2018, entered into a service agreement with YC(PH), with YC(PH) acting as a subcontractor to YT(PH) for the provision of telecommunication implementation services (“**YC Service Agreement**”).

Based on Management’s representations to us, we understand that as the YT Customer had plans to wind up its operations in the Philippines and did not want to enter into a new long-term service contract with YC(PH), the YC Service Agreement served to merely novate YT(PH)’s obligations for the YT Service Agreement to YC(PH) as part of the Yinda Philippines Restructuring and is a back-to-back contract arrangement for YC(PH) to take over the contract between YT(PH) and the YT Customer on the same terms that YT(PH) was engaged, to ensure that YT(PH) is able to fulfil its outstanding contractual obligations to the YT Customer. At a practical and operational level, YC(PH) had provided services directly to the YT Customer.

The prices set out in the YC Service Agreement for various works to be carried out at the respective sites match the pre-determined prices set out in the YT Service Agreement for such works to be carried out. Further details on the key salient terms of the YC Service Agreement are set out in Section 3.3.4 of the Circular.

The value of the Yinda PH IPT amounted to approximately S\$655,890, which is the amount paid by YC(PH) to YT(PH) pursuant to the YC Service Agreement, and represented approximately 3.9% of the Group’s revenue for FY2018 and 12.4% of the Group’s NTA as at 31 May 2018.

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4.2 The Anhui IPT

Anhui Diantong is a subsidiary of the Shanghai Yinda Group, an indirect controlling shareholder of the Group. It is incorporated in the People's Republic of China ("PRC") and is principally engaged in the business of public wireless communication network construction, particularly in professional network construction and maintenance of public security, banking and transportation in the PRC. The shareholders of Anhui Diantong are as set out in the table below:

Shareholder	Percentage shareholding in Anhui Diantong (%)
Yinda ⁽¹⁾	53.8
Mr Wang Zhijun	26.3
Ms Ruanjing	6.7
Mr Yangwen	6.7
Mr Wang Houming	6.7
Total	100.0 ⁽²⁾

Notes:

(1) Yinda is a wholly-owned subsidiary of Shanghai Yinda S&T, which is held by Shanghai Yinda Group (60.0%), Madam Song Xingyi (32.0%) and Mr Qian Zhongcheng (8.0%). The shareholders of Shanghai Yinda Group are Madam Song Xingyi (52.0%), Mr Wang Hua (34.0%) and Mr Wang Zhijun (14.0%). Please refer to Paragraph 1 of this Letter for further details on the shareholding structure of Yinda.

(2) Does not add up due to rounding.

Mr Wang Zhijun is the spouse of Madam Song Xingyi, the Non-Executive and Non-Independent Chairman of the Company. Ms Ruanjing, Mr Yangwen and Mr Wang Houming are third parties unrelated to Madam Song Xingyi.

The inadvertent oversight by the Company on the Anhui IPT was caused by a miscommunication between Management and Anhui Diantong. Management was under the impression that Anhui Diantong would provide the materials to YT(SG) on the basis of a free trial, while Anhui Diantong's intention was for the provision of materials on a longer and more flexible payment and delivery terms instead.

The materials were subsequently delivered by Anhui Diantong to YT(SG) on 28 December 2017. YT(SG) was then informed in April 2018 that arising from the above, Anhui Diantong was required to submit documentary proof of payment to the People's Republic of China General Administration of Customs and State Administration of Foreign Exchange.

As a result and in order to correct the understanding of the terms of the transaction with Anhui Diantong, YT(SG) had formally submitted a purchase order for the materials, which include standing poles, wall-mounted poles, expansion bolts, steel bolts, steel wires and cable trunking required for the implementation of network infrastructure, to Anhui Diantong on 11 April 2018, and made payment for the materials to Anhui Diantong on 11 June 2018.

As mentioned in the Company's Announcement, the prices for the materials supplied by Anhui Diantong were more competitive than quotes obtained by the Company from other suppliers for similar materials. We note that the value of the Anhui IPT of S\$148,809 represented only 1.1% of the Group's cost of sales for FY2018 and 2.8% of Group's NTA as at 31 May 2018.

Accordingly, the Anhui IPT did not cross the 3.0% threshold for the Company to release an immediate announcement pursuant to Chapter 9 of the Catalist Rules. However, the aggregated value of the Yinda PH IPT and the Anhui IPT crossed 5.0% of the Group's latest audited NTA as at 31 May 2018, which required an immediate announcement and Shareholders' approval at an EGM to be convened.

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5. EVALUATION OF THE YINDA TRANSACTIONS

In our evaluation of the Yinda Transactions, we have given due consideration to, *inter alia*, the following key factors:

- (i) Rationale for and benefits of the Yinda Transactions;
- (ii) Independent negotiations between the Group and the interested persons for the Yinda PH IPT and the Anhui IPT;
- (iii) Evaluation of the Yinda PH IPT;
- (iv) Evaluation of the Anhui IPT; and
- (v) Other relevant considerations in relation to the Yinda Transactions.

5.1 Rationale for and benefits of the Yinda Transactions

5.1.1 Rationale for and benefits of the Yinda PH IPT

The rationale for and benefits of the Yinda PH IPT which has been set out in Section 3.3.3 of the Circular is extracted and reproduced in italics below:

“3.3.3 Rationale for and Benefits of the Yinda IPT

The Board was of the view that the Yinda IPT was beneficial to the Group as YT(PH) required a supplier to provide the Supply Services, and was agreeable to engaging YC(PH)’s services at a commercially competitive rate. As such, the Board was of the view that the Yinda IPT was an attractive business opportunity which had provided the Group with an additional revenue and income stream.

Further, when Yinda had acquired the Company through a mandatory general offer, which was completed on 20 June 2017, Yinda had provided assurances that all of its relevant businesses in the Philippines would be transferred to YC(PH). To this end, it is intended that YT(PH) will be wound up upon completion of all existing projects, which is envisaged to take place in the first quarter of 2019. As of the Latest Practicable Date, YT(PH) does not have any ongoing projects.”

5.1.2 Rationale for and benefits of the Anhui IPT

The rationale for and benefits of the Anhui IPT which has been set out in Section 3.4.3 of the Circular is extracted and reproduced in italics below:

“3.4.3 Rationale for and Benefits of the Anhui IPT

The Group purchases materials required for its business operations in bulk. The Group purchased the materials from Anhui Diantong as it offered competitive prices as compared to quotes for similar materials from other suppliers, and Anhui Diantong is more flexible than its competitors in its payment and delivery terms. In addition, Anhui Diantong was also more flexible in relation to any requested customisations to the supplied materials.”

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5.2 Independent negotiations between the Group and the interested persons for the Yinda PH IPT and the Anhui IPT

As Madam Song Xingyi is an interested person, she had abstained from negotiations on the terms set out in the contracts entered into between the Group and the interested persons involved. In respect of the Yinda Transactions, this includes the terms of the YC Service Agreement between YC(PH) and YT(PH), as well as the prices of materials purchased by YT(SG) from Anhui Diantong. Such negotiations on contractual terms including pricing was carried out independently by the various business functions of the Group, and subsequently overseen by the deputy Chief Financial Officer of the Group, Mr Frederick Lau.

5.3 Evaluation of the Yinda PH IPT

5.3.1 Pricing of the YC Service Agreement

As mentioned above in Paragraph 4.1 of this Letter, the YC Service Agreement served to merely novate YT(PH)'s obligations for the YT Service Agreement to YC(PH) as part of the Yinda Philippines Restructuring and is a back-to-back contract arrangement for YC(PH) to take over the contract between YT(PH) and the YT Customer on the same terms that YT(PH) was engaged, to ensure that YT(PH) is able to fulfil its outstanding contractual obligations to the YT Customer. At a practical and operational level, YC(PH) had provided services directly to the YT Customer.

The YC Service Agreement is set out on the same financial terms as the YT Service Agreement and sets out a list of prices for various works to be carried out at the respective sites which match the pre-determined prices set out in the YT Service Agreement for such works to be carried out.

We note that the amounts billed by YC(PH) in its invoices to YT(PH) are as set out in the YC Service Agreement and corroborate with the pre-determined prices set out in the YT Service Agreement for various services performed by YC(PH) to YT(PH) as a subcontractor.

5.3.2 Comparison of profit margins for YC(PH)'s contracts with other customers

In addition, we have compared the profit margins of projects in FY2018 derived from the YC Service Agreement against other projects carried out by YC(PH) in FY2018 under similar contracts entered into by YC(PH) with unrelated third parties for the provision of similar services.

YC(PH) typically enters into recurring contracts with customers for the provision of telecommunications implementation works and network maintenance services. While these contracts may not be directly comparable to the YC Service Agreement in terms of the service scope, scale, complexity and other relevant factors, the comparison with these contracts may be a useful reference for comparison purposes with the YC Service Agreement.

Management had provided us with the profit margins of projects completed by YC(PH) in FY2018, which are under similar contracts entered into by YC(PH) with unrelated third parties for the provision of services similar to services as the one rendered to the YT Customer as set out in the YC Service Agreement. We note that profit margins derived from projects under the YC Service Agreement is higher in comparison with other projects completed by YC(PH) in FY2018 under similar contracts with unrelated third parties.

As set out in Paragraph 5.3.1 above, the pricing of the YC Service Agreement is identical to the prices set out in the YT Service Agreement. We further note that the profit margins of the YC Service Agreement is in line with YC(PH)'s profit margins derived from other projects under similar contracts with unrelated third party customers and accordingly, the financial terms of the YC Service Agreement is on an arm's length basis.

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5.4 Evaluation of the Anhui IPT

As set out above in Paragraph 4.2 of this Letter, Anhui Diantong had delivered the materials to YT(SG) on 28 December 2017 but YT(SG) only submitted a formal purchase order for the materials to Anhui Diantong on 11 April 2018 when Anhui Diantong required documentary proof of payment for submission to the People's Republic of China General Administration of Customs and State Administration of Foreign Exchange, as YT(SG) was previously under the impression that the materials were provided on the basis of a free trial.

Prior to submitting the purchase order, we note that the Company had obtained and compared quotes from other unrelated third party suppliers for all materials purchased from Anhui Diantong. The Company eventually submitted the formal purchase order to Anhui Diantong and finalised the purchase from Anhui Diantong as they offered more competitive prices and was able to provide priority and flexibility to YT(SG) in terms of delivery and requested customisations to the supplied materials, which made the decision for YT(SG) to purchase from Anhui Diantong instead of other third party suppliers commercially attractive.

As at the Latest Practicable Date, the Company had paid S\$142,025 for materials purchased from Anhui Diantong, after taking into consideration an additional rebate of S\$6,784 from Anhui Diantong, which was received after FY2018. The quotes obtained from unrelated third party suppliers for similar materials supplied by Anhui Diantong amounted to approximately S\$170,000. The Company has reduced its total cost of sales by approximately S\$27,000 by purchasing the materials from Anhui Diantong instead of other unrelated third party suppliers. Accordingly, we note that the Anhui IPT was conducted on an arm's length basis.

5.5 Other relevant considerations in relation to the Yinda Transactions

5.5.1 The Group is not materially dependent on the Yinda Transactions

We note that the value of the Yinda PH IPT of S\$655,890 represented only 3.9% of the Group's total revenue of S\$16.7 million in FY2018.

The value of the Anhui IPT of S\$148,809 recorded in the Group's accounts for FY2018 represented only 1.1% of the Group's cost of sales of S\$14.1 million in FY2018.

Based on the above, we note that, overall, the Group is not materially dependent on the revenue and profit contribution from the Yinda Transactions.

5.5.2 Financial impact of the Yinda Transactions on the FY2018 audited financial statements

We note that following the completion of the Yinda PH IPT in FY2018, the Group had recorded revenues of S\$655,890 and a net profit of approximately S\$160,000 from the Yinda PH IPT. We further note that by purchasing materials from Anhui Diantong instead of other third party suppliers, the Group had reduced its cost of sales by approximately S\$20,000 in FY2018 and accordingly, increased its net profit for FY2018 by an additional S\$20,000. In addition, there will be additional profits of approximately S\$6,784 recognised in FY2019 as a result of the rebate given by Anhui Diantong in relation to the Anhui IPT.

Assuming that the Group had not entered into the Yinda Transactions in FY2018, the Group would have recorded revenue of approximately S\$16.0 million and loss after tax of approximately S\$2.6 million instead of revenue and net profit of S\$16.7 million and loss after tax of S\$2.4 million respectively, as set out in its audited financial statements for FY2018.

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5.5.3 Improvements in the Group's review procedures for Interested Person Transactions

As set out in Section 3.6 of the Circular, we note that the Group had reviewed and updated its internal procedures, which we have extracted for easy reference below:

“3.6. Guidelines and Review Procedures for the Yinda Transactions

In view of the oversights of the Group, the Board, in consultation with the Audit Committee, is in the process of conducting a comprehensive review of the Group's existing internal procedures for IPTs. The Board has implemented the following internal control measures for IPTs:

- 3.6.1. *a review and update of internal procedures to ensure that all management and finance teams of the Group's subsidiaries are fully informed of and familiar with the nature and classification of IPTs, as well as the compliance and disclosure obligations under the Catalist Rules and relevant laws and regulations. This would facilitate the Company's updating of the IPT Register on a timely basis;*
- 3.6.2. *the finance department will maintain the IPT Register (which is to be updated immediately if there are any changes) and disclose the register to relevant personnel (such as the board, the procurement manager and marketing manager of each subsidiary) to enable the identification of Interested Persons. The IPT Register shall be reviewed by the Audit Committee on a quarterly basis;*
- 3.6.3. *having the management teams of the Group's subsidiaries closely monitor transactions which are or may be deemed to be IPTs, so that they can promptly report the same back to the Audit Committee and the Board;*
- 3.6.4. *the Board closely monitoring the IPT Register and ensuring that it is maintained by a designated senior executive. The IPT Register shall record all information pertinent to the evaluation of IPTs, such as, but not limited to the price or value of the contract, the budget and its basis, the key terms of the contract and supporting evidence such as similar contracts that had been used to evaluate the IPT. In the event that the designated senior executive has an interest, direct or indirect, in any IPT, he shall declare the same in writing to the Board, which will then designate another senior executive to maintain the IPT Register;*
- 3.6.5. *the Board informing the Audit Committee of any IPTs as and when there are any;*
- 3.6.6. *the Board ensuring that all disclosure, approval and other requirements on IPTs, including those required by prevailing legislation, the Catalist Rules and accounting standards, will be complied with. In addition, such transactions will also be subject to Shareholders' approval if deemed necessary by the Catalist Rules;*
- 3.6.7. *a quarterly review of the Group's IPTs by the Group's internal auditors, so that they can provide the Audit Committee with regular reports on the same, to ensure compliance with the Catalist Rules and any relevant laws and regulations;*
- 3.6.8. *the periodic review of the IPT Register by the Audit Committee to ensure compliance with the Catalist Rules and any relevant laws and regulations; and*
- 3.6.9. *an annual review of the IPT Register by external auditors, who will also review and confirm the IPTs under the notes to the financial statements, and shall present an annual audit report to the Audit Committee for review, to ensure compliance with the Catalist Rules and any relevant laws and regulations.*

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The Company confirms that it has implemented the abovementioned additional policies as part of its internal procedures.”

Going forward, the updates to the Group’s review procedures for Interested Person Transactions will allow the Board to be notified on all Interested Person Transactions and ensure that all Interested Person Transactions are carried out at prevailing market rates and prices of services provided or products purchased by the Group and such the terms of such Interested Person Transactions to be no more favourable than the usual commercial terms extended to unrelated third parties. This will ensure that all Interested Person Transactions entered into by the Group going forward are undertaken on an arm’s length basis and on normal commercial terms.

6. EVALUATION OF THE IPT GENERAL MANDATES

6.1 Rationale for and benefits of the IPT General Mandates

It is not within our terms of reference to comment or express an opinion on the merits of the IPT General Mandates or the future prospects of the Group after adoption of the IPT General Mandates. Nevertheless, we have reviewed the rationale for and benefits of adopting the IPT General Mandates, of which the full text of the rationale for and the benefits of adopting the IPT General Mandates can be found in Sections 4.1 and 5.1 of the Circular, for the Anhui Diantong IPT General Mandate and the Shanghai Yinda S&T IPT General Mandate respectively and which are reproduced in italics below:

6.1.1 Anhui Diantong IPT General Mandate

“4.1. Rationale for, and benefits of the Anhui IPT General Mandate

The Group envisages that in the ordinary course of its business and due to increased business demands, transactions between the Group and Anhui Diantong are likely to occur from time to time.

YC(PH) is currently applying to pre-qualify for the tendering of future cell tower installation projects in the Philippines. As stated in paragraph 3.4.1 of this Letter to Shareholders, Anhui Diantong has an established track record of more than 30 years of experience, and is a highly regarded manufacturer and supplier of materials relating to the installation of cell towers in Anhui province. As such, it is well placed to manufacture and supply the materials required for the installation of cell towers, and to provide the necessary and relevant technical expertise to support YC(PH). The Group believes that a collaboration with Anhui Diantong would enable YC(PH) to pre-qualify for the tendering of such future projects.

In view of the above, should YC(PH) be awarded the tender for the said projects in the Philippines, it is anticipated that IPTs with Anhui Diantong will be of a recurrent nature as YC(PH) would continue to collaborate with Anhui Diantong and Anhui Diantong would continue to tap on YC(PH)’s presence and contacts in the Philippines.

Finally, the Group also has a good working relationship with Anhui Diantong, and both management teams are on familiar terms.

Taking into account the above, the Company is of the view that the synergy achieved from the collaboration with Anhui Diantong would benefit the Group as YC(PH) will gain access to commercially competitive rates, which would allow YC(PH) to generate a good profit margin pursuant to its business of providing turnkey services.

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Should Shareholders approve the proposed Anhui IPT General Mandate, the Group would be able to pursue similar business opportunities of a time-sensitive nature on a timely and expedient basis, which may in turn enhance the Group's profitability. It would also save administrative time and expenses by eliminating the need to convene general meetings and obtain Shareholders' approval prior to entering into transactions of a similar nature with Anhui Diantong."

6.1.2 Shanghai Yinda S&T IPT General Mandate

"5.1. Rationale for, and benefits of the Shanghai Yinda S&T IPT General Mandate

The Group envisages that in the ordinary course of its business and due to increased business demands, transactions between the Group and Shanghai Yinda S&T and its subsidiaries are likely to occur from time to time. It is anticipated that such IPTs will be of a recurrent nature, as the Group would continue to collaborate with Shanghai Yinda S&T and its subsidiaries on future projects.

Further, Shanghai Yinda S&T holds a certificate of export which allows it to legally export products and/or services out of China, including telecommunication products and materials in bulk, and implementation services. Thus, if the Group pursues business opportunities of a time-sensitive nature which requires the provision of telecommunication products and materials in bulk, and implementation services, Shanghai Yinda S&T and its subsidiaries will be able to satisfy the Group's demand for such products, materials and implementation services in a timely manner.

Finally, the Group also has a good working relationship with Shanghai Yinda S&T and its subsidiaries, and the management teams of the respective parties are on familiar terms.

Given the above, the Company is of the view that the synergy achieved from the collaboration with Shanghai Yinda S&T and its subsidiaries would benefit the Group, as the Group will gain access to commercially competitive rates, which would allow the Group to improve its profit margin from the business operations.

Should Shareholders approve the proposed Shanghai Yinda S&T IPT General Mandate, the Group would be able to pursue similar business opportunities of a time-sensitive nature on a timely and expedient basis, which may in turn enhance the Group's profitability. It would also save administrative time and expenses by eliminating the need to convene general meetings and obtain Shareholders' approval prior to entering into the transactions of a similar nature with Shanghai Yinda S&T and its subsidiaries."

In general, these procedures are established by the Company to ensure that all Interested Person Transactions going forward are undertaken on an arm's length basis and on normal commercial terms consistent with the usual business practices and policies of the Group which are generally no more favourable to Anhui Diantong and the Wider S&T Group than those transacted with other unrelated third parties.

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6.2 Classes of interested persons

6.2.1 Anhui Diantong IPT General Mandate

The Anhui Diantong IPT General Mandate will apply to the transactions that are proposed to be carried out between the Group and Anhui Diantong.

6.2.2 Shanghai Yinda S&T IPT General Mandate

The Shanghai Yinda S&T IPT General Mandate will apply to the transactions that are proposed to be carried out between the Group and the Wider S&T Group, being Shanghai Yinda S&T and its subsidiaries, provided that in respect of such subsidiaries,

- (i) Madam Song Xingyi and her immediate family (as defined under the Catalist Rules) together (directly or indirectly) have an interest of 30.0% or more in the said entity;
- (ii) any provision of materials or services by any such entity is in the normal course of business of such entity or ancillary to the normal course of business of such entity;
- (iii) such entity is in the business of the provision of telecommunication products and/or implementation services; and
- (iv) such subsidiaries are not members of the Group.

6.3 Scope of the IPT General Mandates

6.3.1 Anhui Diantong IPT General Mandate

The Anhui Diantong IPT General Mandate will apply to the provision of the following telecommunication materials in bulk, and implementation services, from Anhui Diantong to any member of the Group for the Group's business operations:

- (i) telecommunication materials in bulk for the dominant purpose of or ancillary to the construction of telecommunication infrastructure, such as monopoles, angle steel towers, three-tube and four-tube towers, lamp poles, monopole trees, rooftop poles, C-channels, antenna brackets;
- (ii) trading materials such as power cables, tools and instruments; and
- (iii) technical and professional support on the installation and maintenance of the above telecommunication materials.

6.3.2 Shanghai Yinda S&T IPT General Mandate

The Shanghai Yinda S&T IPT General Mandate will apply to the provision of telecommunication products and materials in bulk, and implementation services, from the members of the Wider S&T Group to any member of the Group for the Group's business operations:

- (i) telecommunication materials in bulk for the dominant purpose of or ancillary to the construction of telecommunication infrastructure, such as antennas, cables, connectors, power splitters, directional couplers, combiners, and quadplexes; and
- (ii) technical and professional support on the installation and maintenance of the above telecommunication materials.

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6.3.3 General conditions

For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the IPT General Mandates.

The IPT General Mandates will not cover any transaction by a member in the Group with any interested person that is below S\$100,000 in value as the threshold and aggregation requirements in Chapter 9 of the Catalist Rules would not apply to such transactions.

Transactions with Anhui Diantong and the Wider S&T Group that do not fall within the ambit of the IPT General Mandates will be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

6.4 Guidelines and review procedures for Interested Person Transactions going forward

To ensure that all Interested Person Transactions going forward are carried out at an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company has established the following procedures for the review and approval of any Interested Person Transactions going forward under the IPT General Mandates.

The full text of the review procedures for all Interested Person Transactions going forward are set out in Section 6.1 to Section 6.4 of the Circular and reproduced in italics below:

“6.1. General Guidelines

6.1.1. Comparison with unrelated third party suppliers

Before entering into any IPT, a procurement manager or other employee of the Group with an equivalent designation (with no interest, direct or indirect, in the IPT) shall compare the terms of the IPTs against quotations (wherever possible or available) from at least two (2) other unrelated third party suppliers for the same or substantially similar products, materials and implementation services. The process of obtaining such quotations under each of the Anhui IPT General Mandate and the Shanghai Yinda S&T General Mandate is as follows:

- (a) in relation to the IPTs under the Anhui IPT General Mandate, project specifications will only be made known to YC(PH) after YC(PH) has been pre-qualified to tender for future projects in the Philippines. As such, third-party quotations similar to the IPTs under the Anhui IPT General Mandate can only be obtained after YC(PH)'s successful pre-qualification, which will be obtained by the procurement manager or an equivalent employee of the Group (with no interest, direct or indirect, in the IPTs) before the Group's actual entry into the relevant IPTs; and*
- (b) third-party quotations similar to the IPTs under the Shanghai Yinda S&T General Mandate will be obtained by the procurement manager or an equivalent employee of the Group (with no interest, direct or indirect, in the IPTs) before the Group's actual entry into the relevant IPTs.*

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The comparison will be based on whether (a) the price that the Group can obtain for the same or substantially similar products, materials and implementation services from the interested person is not higher than that charged by unrelated third parties; and (b) the terms of the interested person transactions are not less favourable to the Group than those offered by the interested person to unrelated third parties. Factors that will be considered include but are not limited to the ability to deliver the products, materials and implementation services on schedule, credit terms, quality of the products, materials and implementation services, the cost of the personnel engaged to provide such implementation services, technical capability and expertise of manpower.

In the event that such quotations from at least two (2) other unrelated third party suppliers for the same or substantially similar products, materials and implementation services cannot be obtained, the Audit Committee will determine whether the price and terms offered by the interested person to the Group are fair and reasonable in accordance with the Group's usual business practices and pricing policies or industry norms, and taking into account factors such as, but not limited to, the ability to deliver the products, materials and implementation services on schedule, credit terms, quality of the products, materials and implementation services, the cost of the personnel engaged to provide such implementation services, technical capability and expertise of manpower.

Should any member of the Audit Committee be interested in any IPT, he/she will abstain from the determination of the price and terms of that IPT to ensure that the IPT will not be prejudicial to the interests of the Company and its minority Shareholders. Determination of the price and terms of that IPT will accordingly be undertaken by the remaining members of the Audit Committee.

6.1.2. Categorisation and approval of IPTs

The Group will also monitor all interested person transactions by documenting and categorising the transactions as follows:

- (a) *An interested person transaction of a value equal to or more than three per cent. (3.0%) of the Group's latest audited NTA ("**Category 1 Interested Person Transaction**") shall be approved by the Audit Committee prior to the entry into such transactions.*

In the event that a member of the Audit Committee is interested in any IPT, he/she will abstain from the deliberation of the transaction to ensure that the IPT will not be prejudicial to the interests of the Company and its minority Shareholders. Approval of that transaction will accordingly be undertaken by the remaining members of the Audit Committee.

- (b) *An interested person transaction of a value below three per cent. (3.0%) of the Group's latest audited NTA ("**Category 2 Interested Person Transaction**") shall be reviewed and approved by the Acting Chief Executive Officer and Deputy Chief Financial Officer before entry. If both the Acting Chief Executive Officer and Deputy Chief Financial Officer are interested in a Category 2 Interested Person Transaction, such transaction shall be reviewed and approved by the Audit Committee.*

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Save for the aforesaid instance, a Category 2 Interested Person Transaction does not require the prior review and approval of the Audit Committee before entry but shall be reviewed on a quarterly basis by the Audit Committee to ensure that they are carried out on normal commercial terms, in accordance with the review procedure stated in paragraph 6.3 of this Letter to Shareholders below. All relevant non-quantitative factors and prevailing market conditions will also be taken into account and recorded accordingly.

6.2. General Administrative Procedures for all Interested Person Transactions

The Company will also implement the following procedures for the identification of interested persons and the recording of all interested person transactions:

- 6.2.1. The Company will be reviewing and updating internal procedures to ensure that all management and finance teams of the Group's subsidiaries are fully informed of and familiar with the nature and classification of IPTs, as well as the compliance and disclosure obligations under the Catalist Rules and relevant laws and regulations. This would facilitate the Company's updating of the IPT Register on a timely basis.*
- 6.2.2. The finance department will maintain the IPT Register (which is to be updated immediately if there are any changes) and disclose the register to relevant personnel (such as the board, the procurement manager and marketing manager of each subsidiary) to enable the identification of interested persons. The IPT Register shall be reviewed by the Audit Committee on a quarterly basis.*
- 6.2.3. The Company will procure that the management teams of the Group's subsidiaries will closely monitor transactions which are or may be deemed to be IPTs, so that they can promptly report the same to the Audit Committee and the Board.*
- 6.2.4. The Board will closely monitor the IPT Register and ensure that it is maintained by a designated senior executive. The IPT Register shall record all information pertinent to the evaluation of IPTs, such as, but not limited to the price or value of the contract, the budget and its basis, the key terms of the contract and supporting evidence such as similar contracts that had been used to evaluate the IPT. In the event that the designated senior executive has an interest, direct or indirect, in any IPT, he shall declare the same in writing to the Board, which will then designate another senior executive to maintain the IPT Register.*
- 6.2.5. The Board will ensure that all disclosure, approval and other requirements on IPTs, including those required by prevailing legislation, the Catalist Rules and accounting standards, will be complied with. In addition, such transactions will also be subject to Shareholders' approval if deemed necessary by the Catalist Rules.*
- 6.2.6. The Audit Committee shall have overall responsibility for the determination of the review procedures and shall have the authority to delegate such responsibility to individuals or committees within the Company as they deem appropriate.*

APPENDIX 1: LETTER FROM RHT CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF YINDA INFOCOMM LIMITED

6.3. **Quarterly and Annual Audit**

The IPT Register, and all IPTs entered into by the Group pursuant to the Proposed IPT General Mandates, are subject to review by the Group's internal auditors on a quarterly basis, who shall present a quarterly internal audit report to the Audit Committee for review on at least a quarterly basis (or whenever deemed necessary by the Audit Committee), to ensure compliance with the Catalist Rules and any relevant laws and regulations. The Audit Committee will also be informed of any IPTs as and when there are any.

The IPT Register shall also be subject to review by external auditors on an annual basis, by sampling the IPTs stated in the IPT Register. The external auditors will report to the Audit Committee in the event of any non-compliance based on the audit sample. The external auditors will also review and confirm the IPTs under the notes to the financial statements, who shall present an annual audit report to the Audit Committee for review, to ensure compliance with the Catalist Rules and any relevant laws and regulations.

In the event that a member of the Audit Committee is interested in any IPT, he/she will abstain from the review of any of the above audit reports. Review of the relevant audit report will accordingly be undertaken by the remaining members of the Audit Committee.

6.4. **Annual Review of Procedures**

The Audit Committee shall carry out an annual review of the established review procedures for the monitoring of such IPTs entered into during the current financial year. In the event that a member of the Audit Committee is interested in any IPT, he/she will abstain from the review of the established review procedures for that relevant annual period. Review of the established review procedures will accordingly be undertaken by the remaining members of the Audit Committee.

If, during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the existing guidelines and review procedures as stated above have become inappropriate or insufficient to ensure that the interested person transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek approval from Shareholders for a fresh mandate based on new guidelines and review procedures for transactions to be entered into with interested persons. During the period prior to obtaining a fresh mandate from Shareholders, all transactions with interested persons will be subject to prior review and approval by the Audit Committee."

6.5 **Validity period of the IPT General Mandates**

If the IPT General Mandates are approved at the EGM, it will take effect from the date of the passing of the ordinary resolutions at the EGM and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the next annual general meeting of the Company.

Approval from the Shareholders will be sought for the renewal of each of the IPT General Mandates at each subsequent annual general meeting of the Company subject to satisfactory review by the Audit Committee of its continued application to transactions with Anhui Diantong and the Wider S&T Group.

APPENDIX 1: LETTER FROM RHT CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF YINDA INFOCOMM LIMITED

6.6 Disclosures in the annual report

The Company will announce the aggregate value of all transactions entered into with Anhui Diantong and the Wider S&T Group pursuant to each of the IPT General Mandates for the relevant financial periods which the Company is required to report on pursuant to the Catalist Rules and within the time required for the announcement of such reports.

Disclosures will also be made in the Company's annual report on the aggregate value of transactions conducted with Anhui Diantong and the Wider S&T Group pursuant to each of the IPT General Mandates during the financial year, and in the annual reports for subsequent financial years provided that the IPT General Mandates continue to be in force, in accordance with the requirements of Chapter 9 of the Catalist Rules.

The aggregate value of transactions entered into with Anhui Diantong and the Wider S&T Group will be presented in the following format in the Company's half-year and full-year results announcement:

Name of Interested Person(s)	Aggregate value of all interested person transactions during the financial period/year under review (excluding transactions less than S\$100,000 and transactions conducted under the IPT General Mandates)	Aggregate value of all interested person transactions conducted under the Anhui Diantong IPT General Mandate (excluding transactions less than S\$100,000)	Aggregate value of all interested person transactions conducted under the Shanghai Yinda S&T IPT General Mandate (excluding transactions less than S\$100,000)

APPENDIX 1: LETTER FROM RHT CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF YINDA INFOCOMM LIMITED

7. OUR OPINION

In arriving at our recommendations in respect of the Yinda Transactions and the IPT General Mandates, we have taken into consideration, *inter alia*, the following factors summarised below and elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

(a) In respect of the Yinda Transactions:

- (i) Rationale for and benefits of the Yinda Transactions;
- (ii) Independent negotiations between the Group and the interested persons for the Yinda PH IPT and the Anhui IPT;
- (iii) Evaluation of the Yinda PH IPT;
- (iv) Evaluation of the Anhui IPT; and
- (v) Other relevant considerations in relation to the Yinda Transactions.

(b) In respect of the IPT General Mandates:

- (i) Rationale for and benefits of the IPT General Mandates;
- (ii) Classes of interested persons;
- (iii) Scope of the IPT General Mandates;
- (iv) Guidelines and review procedures for Interested Person Transactions going forward;
- (v) Validity period of the IPT General Mandates; and
- (vi) Disclosures in the annual report.

Having regards to the considerations as set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that:

- (i) the Yinda Transactions, as Interested Person Transactions, were carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority Shareholders;**
- (ii) the guidelines and review procedures for determining the terms of the Anhui Diantong IPT General Mandate are sufficient to ensure that all Interested Person Transactions with Anhui Diantong going forward will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders; and**
- (iii) the guidelines and review procedures for determining the terms of the Shanghai Yinda S&T IPT General Mandate are sufficient to ensure that all Interested Person Transactions with the Wider S&T Group going forward will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.**

We wish to highlight that we were neither a party to the negotiations entered into by the Company in relation to the Yinda Transactions and IPT General Mandates, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Yinda Transactions and IPT General Mandates, and we do not warrant the merits of the Yinda Transactions and IPT General Mandates.

**APPENDIX 1: LETTER FROM RHT CAPITAL PTE. LTD. TO THE INDEPENDENT
DIRECTORS OF YINDA INFOCOMM LIMITED**

We have prepared this Letter for the use of the Independent Directors in connection with and for the purposes of their consideration of the Yinda Transactions and IPT General Mandates. The recommendation made by them to the Shareholders in relation to the Yinda Transactions and IPT General Mandates shall remain the sole responsibility of the Independent Directors. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose other than for the purpose of the EGM at any time and in any manner without prior written consent of RHTC in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours sincerely
For and on behalf of
RHT CAPITAL PTE. LTD.

Khong Choun Mun
Chief Executive Officer

Mah How Soon
Managing Director

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APPENDIX 2: GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE CATALIST RULES

1. Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions between a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be "at risk", with the listed company's interested persons.

2. General Requirements

Except for any transaction which is below S\$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9 of the Catalist Rules, when this Chapter applies to a transaction with an interested person and the value of the transaction alone or in aggregation with other transactions conducted with the same interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the latest audited consolidated net tangible assets ("**NTA**")), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for the transaction. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

- (a) 5.0% of the listed company's latest audited NTA; or
- (b) 5.0% of the listed company's latest audited NTA, when aggregated with the values of all other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Catalist Rules) during the same financial year.

3. Mandate from Shareholders

Rule 920 of the Catalist Rules, however, allows a listed company to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not for the purchase or sale of assets, undertakings or businesses) which may be carried out with the listed company's interested persons. A general mandate is subject to annual renewal.

4. Terminology

For the purposes of Chapter 9 of the Catalist Rules:

- (a) an "**entity at risk**" means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has control over the associated company;

APPENDIX 2: GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE CATALIST RULES

- (b) an "**interested person**" means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;
- (c) an "**associate**" in relation to an interested person who is a director, chief executive officer or controlling shareholder, includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;
- (d) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles as Chapter 9 of the Catalist Rules;
- (e) an "**interested person transaction**" means a transaction between an entity at risk and an interested person;
- (f) a "**transaction**" includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly; and
- (g) in interpreting the term "**same interested person**" for the purpose of aggregation of the values of all transactions entered into with the same interested person during the same financial year under Rules 905 and 906 of the Catalist Rules, the following applies:
 - (i) transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person; and
 - (ii) if an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and their associates and have audit committees whose members are completely different.

NOTICE OF EXTRAORDINARY GENERAL MEETING

YINDA INFOCOMM LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201506891C)
(the "Company")

Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the circular dated 16 November 2018 issued by the Company (the "Circular").

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "EGM") of the Company will be held at Orchid Country Club, 1 Orchid Club Road, Singapore 769162, on 3 December 2018 at 10.00 am for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolutions as ordinary resolutions:

ORDINARY RESOLUTION 1 – THE PROPOSED RATIFICATION OF PAST INTERESTED PERSON TRANSACTIONS

THAT:

- (a) the Yinda Transactions entered and to be entered into between the Group, YT(PH) and Anhui Diantong, up to and including the conclusion of this EGM, being interested person transactions for the purposes of Chapter 9 of Catalist Rules, be and are hereby ratified, confirmed and approved; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including without limitation, execution of all such documents as may be required) as they and/or he may consider desirable, expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

ORDINARY RESOLUTION 2 – THE PROPOSED ADOPTION OF THE ANHUI IPT GENERAL MANDATE

THAT:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules, for the Company, its subsidiaries and associated companies (if any) which fall within the definition of "entities at risk" under Chapter 9 of the Catalist Rules, or any of them, to enter into any transaction falling within the categories of interested person transactions set out under the Anhui IPT General Mandate with Anhui Diantong, provided that such transaction is made on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders, and is entered into in accordance with the review procedures for interested person transactions as set out in the Circular;
- (b) the approval given for the Anhui IPT General Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier;
- (c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the review procedures and/or modify or implement such review procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Catalist Rules, which may be prescribed by the SGX-ST from time to time; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) the Directors of the Company and each of them be and are hereby authorised, empowered to complete and do and execute all such things and acts as they or he may consider necessary or appropriate to give effect to this resolution and the Anhui IPT General Mandate, with such modifications thereto (if any) as they or he may think fit in the interests of the Company.

ORDINARY RESOLUTION 3 – THE PROPOSED ADOPTION OF THE SHANGHAI YINDA S&T IPT GENERAL MANDATE

THAT:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules, for the Company, its subsidiaries and associated companies (if any) which fall within the definition of "entities at risk" under Chapter 9 of the Catalist Rules, or any of them, to enter into any transaction falling within the categories of interested person transactions set out under the Shanghai Yinda S&T IPT General Mandate with members of the Wider S&T Group, provided that such transaction is made on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders, and is entered into in accordance with the review procedures for interested person transactions as set out in the Circular;
- (b) the approval given for the Shanghai Yinda S&T IPT General Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier;
- (c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the review procedures and/or modify or implement such review procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Catalist Rules, which may be prescribed by the SGX-ST from time to time; and
- (d) the Directors of the Company and each of them be and are hereby authorised, empowered to complete and do and execute all such things and acts as they or he may consider necessary or appropriate to give effect to this resolution and the Shanghai Yinda S&T IPT General Mandate, with such modifications thereto (if any) as they or he may think fit in the interests of the Company.

BY ORDER OF THE BOARD
YINDA INFOCOMM LIMITED

HENRY TAN SONG KOK
Lead Independent Director
16 November 2018

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote in his stead. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
2. A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's form of proxy appoints more than two proxies, the number of Shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
3. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act (Cap. 50) of Singapore (the "**Act**").
4. A proxy need not be a member of the Company.
5. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under seal or under the hand of its duly authorised officer or attorney.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 5008 Ang Mo Kio Avenue 5, #04-07 Techplace II, Singapore 569874, not less than 48 hours before the time appointed for the EGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

General:

This Notice of EGM 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 Company's Sponsor has not independently verified the contents of this announcement.

This Notice of EGM 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 Notice of EGM.

The contact person for the Sponsor is Ms. Alicia Sun (Telephone No.: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

NOTES TO PROXY FORM

NOTES TO PROXY FORM

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289) of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instruction appointing a proxy or proxies shall be deemed to relate to all Shares held by you.
2. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. A member appointing more than one proxy shall specify the percentage of Shares to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the number of Shares in relation to which each proxy has been appointed shall be specified in the instrument appointing the proxies. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act (Cap. 50) of Singapore (the "**Act**").
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 5008 Ang Mo Kio Avenue 5, #04-07 Techplace II, Singapore 569874, not less than 48 hours before the time appointed for the EGM.
6. In the case of joint Shareholders, all Shareholders must sign the instrument appointing a proxy or proxies.
7. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which, the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with its constitution and Section 179 of the Act.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instruments appointing a proxy or proxies. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
10. Please refer to the notes set out in the Notice of EGM dated 16 November 2018.

PROXY FORM

YINDA INFOCOMM LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201506891C)

**PROXY FORM
EXTRAORDINARY GENERAL MEETING**

IMPORTANT:

Relevant intermediaries as defined in Section 181 of the Companies Act (Cap. 50) of Singapore, may appoint more than two (2) proxies to attend, speak and vote at the Extraordinary General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 16 November 2018.

I/We _____ (Name) _____ (NRIC/Passport Number)

of _____

being a *member/members of **YINDA INFOCOMM LIMITED** (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholding (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholding (%)

or failing them, the Chairman of the EGM, as *my/our *proxy/proxies, to attend and to vote for *me/us on *my/our behalf at the Extraordinary General Meeting of the Company to be held at Orchid Country Club, 1 Orchid Club Road, Singapore 769162, on 3 December 2018 at 10.00 am.

Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the ordinary resolutions as indicated hereunder, please tick (✓) within the box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the ordinary resolutions, please indicate the number of Shares in the box provided. In the absence of specific directions, the *proxy/proxies may vote or abstain as *he/they may think fit.



PROXY FORM

(Please indicate your vote "For" or "Against" with a tick (✓) or number of Shares within the box provided.)

No.	Ordinary Resolutions	For	Against
1	THE PROPOSED RATIFICATION OF PAST INTERESTED PERSON TRANSACTIONS		
2	THE PROPOSED ADOPTION OF THE ANHUI IPT GENERAL MANDATE		
3	THE PROPOSED ADOPTION OF THE SHANGHAI YINDA S&T IPT GENERAL MANDATE		

Dated this _____ day of _____ 2018

Shares held in:	Number of Shares
CDP Register	
Register of Members	

Signature(s) of Member(s)/Common Seal
of Corporate Shareholder

**IMPORTANT: PLEASE REFER TO THE SECTION TITLED
"NOTES TO PROXY FORM" IN THE CIRCULAR.**

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