



YINDA INFOCOMM LIMITED

(THE "COMPANY")

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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR ENDED
30 NOVEMBER 2018**

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

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

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PART 1 – INFORMATION REQUIRED FOR HALF YEAR ANNOUNCEMENTS

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

Consolidated Statement of Comprehensive Income

	Group		
	Half Year Ended		
	30 Nov 2018	30 Nov 2017	Change
	S\$'000	S\$'000	%
Revenue	7,821	6,356	23.0
Cost of sales	(5,630)	(5,322)	5.8
Gross profit	2,191	1,034	111.9
Other income	120	29	N.M
Interest income	1	9	(88.9)
Other operating expenses	(4)	(39)	(89.7)
Administrative expenses	(2,131)	(2,391)	(10.9)
Finance costs	(41)	(55)	(25.5)
Profit/(Loss) before tax	136	(1,413)	N.M
Income tax expenses	(25)	(12)	N.M
Profit/(Loss) attributable to owners of the Company, net of tax	111	(1,425)	N.M
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences	12	14	(14.3)
Total comprehensive income for the period attributable to owners of the Company	123	(1,411)	N.M

N.M – Not Meaningful

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

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

	Group		
	Half Year Ended		Change
	30 Nov 2018	30 Nov 2017	
	S\$'000	S\$'000	%
Amortisation of intangible assets	4	23	(82.6)
Depreciation of property, plant and equipment	216	167	29.3
Employee benefit expenses	1,127	1,305	(13.6)
Foreign exchange (gain)/loss	(20)	16	N.M
Interest expense	41	55	(25.5)
Interest income	(1)	(9)	(88.9)
Rental of office premise, warehouse and equipment	74	207	(64.3)

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

Statement of Consolidated Financial Position	Group		Company	
	As at		As at	
	30 Nov 2018	31 May 2018	30 Nov 2018	31 May 2018
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	1,074	923	2	3
Intangible asset	114	138	–	–
Investment in subsidiaries	–	–	6,125	6,125
Deferred tax assets	108	106	–	–
Deposits	142	86	–	–
Total non-current assets	1,438	1,253	6,127	6,128
Current assets				
Contract assets	3,698	4,371	–	–
Trade and other receivables	9,438	8,761	65	36
Amounts due from subsidiaries	–	–	4,143	4,726
Cash and bank balances	359	672	14	14
Total current assets	13,495	13,804	4,222	4,776
Total assets	14,933	15,057	10,349	10,904
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	4,747	7,780	597	3,278
Amounts due to subsidiary companies	–	–	323	166
Loan and borrowings	3,810	1,175	3,043	1,000
Provision for tax	396	363	–	–
Total current liabilities	8,953	9,318	3,963	4,444
Net current assets	4,542	4,486	259	332
Non-current liabilities				
Loan and borrowings	286	180	–	–
Employee benefit liabilities	146	134	–	–
Total non-current liabilities	432	314	–	–
Total liabilities	9,385	9,632	3,963	4,444

Statement of Consolidated Financial Position (Cont'd)

	Group		Company	
	As at		As at	
	30 Nov 2018	31 May 2018	30 Nov 2018	31 May 2018
	S\$'000	S\$'000	S\$'000	S\$'000
Net assets	5,548	5,425	6,386	6,460
Equity attributable to owners of the Company				
Share capital	14,542	14,542	14,542	14,542
Accumulated losses	(557)	(668)	(8,156)	(8,082)
Reserves	(8,437)	(8,449)	-	-
Total equity	5,548	5,425	6,386	6,460
Total equity and liabilities	14,933	15,057	10,349	10,904

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

	Group			
	As at		As at	
	30 Nov 2018	31 May 2018	30 Nov 2018	31 May 2018
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Current				
Amounts repayable in one year or less, or on demand	93 ⁽ⁱ⁾	3,717 ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	67 ⁽ⁱ⁾	1,108 ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾
Non-current				
Amount repayable after one year	286 ⁽ⁱⁱⁱ⁾	-	180 ⁽ⁱⁱ⁾	-

Detail of collaterals

As at 30 November 2018, the Group's borrowings comprised:

- (i) hire purchase arrangements for the purchase of motor vehicles, testing equipment and copiers;
- (ii) included unsecured shareholder's loan from Yinda Private Limited which will be payable on demand; and
- (iii) unsecured loan from a financial institution

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

Consolidated Statement of Cash Flows

	Group	
	Half Year Ended	
	30 Nov 2018	30 Nov 2017
	S\$'000	S\$'000
Operating activities:		
Profit/(Loss) before tax	136	(1,413)
Adjustments for:		
Depreciation of property, plant and equipment	216	167
Amortisation of intangible assets	4	23
Interest income	(1)	(9)
Interest expense on borrowings	41	55
Exchange (gain)/loss	(15)	28
Employee benefit liabilities	10	12
Total adjustments	255	276
Operating cash flows before changes in working capital	391	(1,137)
Changes in working capital:		
(Increase)/Decrease in contract assets	685	(436)
(Increase)/Decrease in trade and other receivables	(713)	664
Decrease in trade and other payables	(402)	(322)
Total changes in working capital	(430)	(94)
Cash flows used in operations	(39)	(1,231)
Interest received	1	9
Interest paid	(27)	(60)
Taxes refund/(paid)	34	(35)
Retirement benefit paid	-	-
Net cash flows used in operating activities	(31)	(1,317)
Financing activities		
Loan obtained from a shareholder ¹	349	1,500
Other advances from shareholder ¹	-	2,310
Proceeds from bank borrowings	637	-
Proceeds from hire purchase	97	-
Repayment to bank borrowings	-	(795)
Repayment of loan from a previous shareholder ²	-	(941)
Repayment of shareholder's loan ¹	(1,000)	(500)
Repayment of advances from shareholder ¹	-	(580)
Net cash flows generated from financing activities	83	994

¹ Shareholder refers to Yinda Pte. Ltd.

² Previous shareholder refers to Tee International Limited

Consolidated Statement of Cash Flows (Cont'd)

	Group	
	Half Year Ended	
	30 Nov 2018	30 Nov 2017
	S\$'000	S\$'000
Investing activities:		
Purchase of property, plant and equipment	(366)	(79)
Withdrawal of deposit pledged with a bank	85	–
Net cash flows used in investing activities	(281)	(79)
Net decrease in cash and cash equivalents	(229)	(402)
Effects of exchange rate changes on cash and cash equivalents	1	(5)
Cash and cash equivalents at 1 June	487	2,166
Cash and cash equivalents at 30 November (Note A)	259	1,759

Notes to Consolidated Statements of Cash Flows:

A) Cash and cash equivalents comprised of the following:

Cash and bank balances	359	1,944
Less: Pledged bank deposits	(100)	(185)
Cash and cash equivalents	259	1,759

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

		Attributable to owners of the Company							
		Share capital S\$'000	Preference shares S\$'000	Merger reserves S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total reserves S\$'000	Total equity S\$'000
Group									
At 1 June 2018		14,542	–	(10,397)	3	(668)	1,945	(9,117)	5,425
Profit for the period		–	–	–	–	111	–	111	111
Other comprehensive income									
Currency translation difference		–	–	–	12	–	–	12	12
Total comprehensive income for the period		–	–	–	12	111	–	123	123
At 30 November 2018		14,542	–	(10,397)	15	(557)	1,945	(8,994)	5,448
At 1 June 2017		14,542	–	(10,397)	(23)	1,673	1,945	(6,802)	7,740
Loss for the period		–	–	–	–	(1,425)	–	(1,425)	(1,425)
Other comprehensive income									
Currency translation difference		–	–	–	14	–	–	14	14
Total comprehensive income for the period		–	–	–	14	(1,425)	–	(1,411)	(1,411)
At 30 November 2017		14,542	–	(10,397)	(9)	248	1,945	(8,213)	6,329

	<u>Attributable to owners of the Company</u>		
	Share capital S\$'000	Retained earnings S\$'000	Total equity S\$'000
Company			
At 1 June 2018	14,542	(8,082)	6,460
Loss for the period, representing total comprehensive income	–	(74)	(74)
At 30 November 2018	<u>14,542</u>	<u>(8,156)</u>	<u>6,386</u>
At 1 June 2017	14,542	(6,106)	8,436
Profit for the period, representing total comprehensive income	–	(472)	(472)
At 30 November 2017	<u>14,542</u>	<u>(6,578)</u>	<u>7,964</u>

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

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

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

There are no outstanding convertibles, shares held as treasury shares of the Company and subsidiary holdings as at 30 November 2018 and 30 November 2017.

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

	As at 30 Nov 2018	As at 31 May 2018
Total number of issued shares	<u>152,000,000</u>	<u>152,000,000</u>

The Company did not have any treasury shares as at 30 November 2018 and 31 May 2018.

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

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

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

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

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

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

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

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

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

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period compared to its most recently audited annual financial statements for the financial year ended 31 May 2018.

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

The Group adopted the new financial reporting framework, Singapore Financial Reporting Standards (International) (“**SFRS(I)**”), and various new standards, amendments to standards and interpretations, which are effective for the financial year beginning on 1 June 2018. The adoption of the new financial reporting framework and the new standards did not result in significant impact on the financial statements of the Group.

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

	Group Half Year Ended	
	30 Nov 2018	30 Nov 2017
Profit/(Loss) attributable to owners of the Company used in the computation of basic earnings per shares (S\$'000)	111	(1,425)
(a) Basic earnings/(loss) per share (cents)	<u>0.07</u>	<u>(0.94)</u>
(b) Diluted earnings/(loss) per share (cents)	<u>0.07</u>	<u>(0.94)</u>
Weighted average number of ordinary shares in issue for computation of basic earnings per share ('000)	<u>152,000</u>	<u>152,000</u>
Weighted average number of ordinary shares for computation of diluted earnings per share ('000)	<u>152,000</u>	<u>152,000</u>

As at 30 November 2018 and 30 November 2017, the Company did not have any dilutive instruments. Hence, the basic and diluted earnings per share for both periods under review are the same.

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

	Group As at		Company As at	
	30 Nov 2018	31 May 2018	30 Nov 2018	31 May 2018
Net assets (S\$'000)	5,548	5,425	6,386	6,460
Number of ordinary shares used in calculating net asset value per ordinary share ('000)	152,000	152,000	152,000	152,000
Net asset value per ordinary share attributable to owners of the Company (cents)	3.7	3.6	4.2	4.3

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

Review of the Group's Consolidated Statement of Comprehensive Income

Revenue

The Company recorded a higher revenue of S\$7.8 million in the financial period ended 30 November 2018 ("1H2019") as compared to S\$6.4 million in the financial period ended 30 November 2017 ("1H2018") or an increase of approximately 23.0%.

The increase in revenue was mainly due to a new revenue stream from Networking Planning Optimisation ("NPO") of S\$1.9 million, partially offset by a decrease in In-Building Construction ("IBC") projects of S\$0.5 million. Revenue from Telecommunications Implementation ("TI") projects remain relatively stable at S\$1.05 million in 1H2019 compared to S\$1.07 million in 1H2018.

In Singapore, the increase in revenue was mainly contributed by NPO of approximately S\$1.5 million, which was partially offset by a decrease in IBC projects by approximately \$1.1 million. TI projects in Singapore remain relatively stable in 1H2019.

Revenue from IBC projects in Thailand increased by approximately S\$0.2 million in 1H2019 due to completion of projects towards the end of the financial period.

Overall increase in revenue in Philippines was contributed by IBC projects of approximately S\$0.4 million, mainly due to completion of projects towards the end of the financial period. Furthermore, additional revenue of NPO from Philippines had contributed approximately S\$0.4 million during 1H2019. TI projects in Philippines remain relatively stable in 1H2019.

Cost of sales and gross profit

Cost of sales increased by approximately 5.8% from S\$5.3 million in 1H2018 to S\$5.6 million in 1H2019 in line with the increase in revenue.

Gross profit increased by approximately 111.9% from S\$1.0 million in 1H2018 to S\$2.2 million in 1H2019 while gross profit margins increased from to 16.3% in 1H2018 to 28.0% in 1H2019.

Other income and interest income

Other income comprised of consultation fees from our centralised service centre in Philippines amounting to S\$0.1 million.

Interest income comprised of interest received from bank deposits.

Other operating expenses

Other operating expenses comprised mainly, foreign exchange losses and amortisation of intangible assets.

Administrative expenses

Administrative expenses comprised, amongst others, depreciation, printing cost, staff cost, insurance, rental, utilities and professional fees. No significant changes in administrative expenses with only decrease of approximately 10.9% due to overall cost saving measures.

Finance costs

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

Taxation

Income tax provision mainly arising from taxable income from the estimated chargeable income across the region.

Review of the Group's Statement of Consolidated Financial Position

Non-current assets

The increase in non-current assets by approximately 14.8% from S\$1.3 million as at 31 May 2018 to S\$1.4 million as at 30 November 2018 was mainly due to the increase in capital expenditure, partially offset with depreciation and amortisation charges on the property, plant and equipment and intangible assets.

Intangible assets consist of customer relationships arising from the purchase price allocation exercise upon acquisition of the Group's subsidiaries Yinda Technology Singapore Pte. Ltd. and Yinda Technology (Thailand) Co. Ltd in June 2011.

Current assets

Current assets decreased by approximately 2.2% from S\$13.8 million as at 31 May 2018 to S\$13.5 million as at 30 November 2018.

Trade and other receivables increased by 7.7% from S\$8.8 million as at 31 May 2018 to S\$9.4 million as at 30 November 2018 due to slower collection of accounts receivable. Cash and cash equivalents decreased by 46.6% mainly due to repayment of trade payables, shareholder's loan and bank borrowings. The decrease in contract assets of 15.4% from S\$4.4 million as at 31 May 2018 to S\$3.7 million as at 30 November 2018 due to lower unbilled receivables at the end of the financial period.

Current liabilities

Current liabilities decreased by approximately 3.9% from S\$9.3 million as at 31 May 2018 to S\$9.0 million as at 30 November 2018. The increase in loan and borrowings and decrease of was mainly due to the conversion of interest free advances from shareholder to a loan (previously recorded in other payables) amounting to S\$3.0 million, partially offset with the repayment of shareholder loan of S\$1.0 million during the period.

Non-current liabilities

Non-current liabilities increased by approximately 37.6% from S\$0.3 million as at 31 May 2018 to S\$0.4 million as at 30 November 2018 mainly due to increase in hire purchase.

Equity attributable to owners of the Company

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

Review of the Group's Statement of Cash Flows

In 1H2019, net cash flows used in operating activities amounted to approximately S\$0.03 million. This includes operating cash outflows before changes in working capital of S\$0.4 million, an increase in contract assets of S\$0.7 million, offset by a decrease in trade and other payables of S\$0.4 million which is mainly due to repayment to suppliers, and an increase in trade and other receivables of S\$0.7 million as a result of slow collection.

Net cash flows generated from financing activities amounted to approximately S\$0.08 million, mainly due to increase in advances and loan from Yinda Pte Ltd amounted to \$0.3 million, increase in trade financing of \$0.6 million and an increase in hire purchase of S\$0.1 million, partially offset by repayment of shareholder loan of \$1.0 million.

Net cash flows used in investing activities amounted to approximately S\$0.3 million which is mainly due to purchases of plant and equipment of S\$0.4 million, partially offset by withdrawal of fixed deposit of \$0.09 million.

As a result of the above, there was a net decrease of approximately S\$0.23 million in cash and cash equivalents.

As at 30 November 2018, the Group's cash and cash equivalents amounted to approximately S\$0.26 million.

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

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

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

The Group will continue to focus its efforts in marketing to its existing customers based in Singapore, Thailand and the Philippines, as well as in delivering its existing projects expeditiously.

While opportunities may arise with the recent award of a license to the fourth telecommunications operator and the potential sales of spectrum rights in Singapore, as well as the third telecommunications operator in Philippines, the Group remains cautious amid the prevailing economic uncertainties especially with the growing tension between the United States of America and China. The Group will also be selective in pursuing projects and investment opportunities into new and complementary businesses in Singapore, Thailand and Philippines.

11. Dividend

(a) Current Financial Period Reported on:

Any dividend declared for the current financial period reported on?

No dividends have been declared or recommended.

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

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

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

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

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date.

Not applicable.

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

No dividend has been declared or recommended in respect of 1H2019.

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

The Group has obtained a general mandate from shareholders for interested person transactions pursuant to Rule 902(1)(a)(ii) of the Catalist Rules for Shanghai Yinda Science and Technology Industrial Co Ltd and Anhui Diantong Communication Engineering Co., Ltd. The resolution was passed on 3 December 2018, and the aggregate value of all interested person transaction during the financial period under review were less than S\$100,000.

14. Negative confirmation pursuant to Rule 705(5)

The Board of Directors hereby confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for the half year ended 30 November 2018 to be false or misleading in any material aspect.

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

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

On behalf of the Board of Directors

Qian Zimin
Acting Chief Executive Officer

Song Xingyi
Non-Executive and Non-Independent
Chairman

10 January 2019