



ACHIEVING **GREATER HEIGHTS**

SUSTAINABILITY REPORT 2018



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This Sustainability Report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this Sustainability Report, including the correctness of any of the statements or opinions made in this Sustainability Report.

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

Board Statement



The Board recognises that good governance is essential for continued growth and investors' confidence, and that all businesses have to manage their own operations responsibly.



We are pleased to present the inaugural Sustainability Report of Yinda Infocomm Limited (“**Yinda Infocomm**”, or the “**Company**” and together with its subsidiaries, the “**Group**”) for our financial year ended 31 May 2018 (“**FY2018**”). This report is prepared in compliance with the requirements of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Catalist Listing Rules 711A and 711B, and references the Global Reporting Initiative (“**GRI**”) Standards, Core option. We have chosen to report using the GRI Standards because it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures.

This report highlights the key economic, environmental, social and governance (“**EESG**”) related initiatives carried throughout a 12-month period, from 1 June 2017 to 31 May 2018 as well as providing insights into the way we conduct business. For this report, we will only be covering the Group's operation in Singapore. In line with the Group's continued commitment to environmental sustainability, we hope to share more on our business in our subsequent reports.

Sustainability is a part of the Group's wider strategy to create long-term value for all its stakeholders. As such, the key material EESG factors for the Group have been identified and cautiously reviewed by the management. The data and information provided have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy of data and information. The Board of Directors of the Group (the “**Board**” or “**Directors**”) oversees the management and monitoring of these factors and takes them into consideration in the determination of the Group's strategic direction and policies.

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems and results. Please send your comments and suggestions to contact@yinda.com.sg.

30 May 2019

Organisational Profile

CMC Infocomm Limited was listed in August 2015 on the Catalist board of the SGX-ST. The Group was acquired by Yinda Pte. Ltd. through a mandatory general offer completed on 20 June 2017. The Group has subsequently been rebranded as Yinda Infocomm Limited with effect from 26 September 2017, to align with the parent company common identity which bodes well for corporate branding purposes.

Yinda Pte. Ltd. is a wholly-owned subsidiary of Shanghai Yinda Science and Technology Industrial Co. Ltd. ("**Shanghai Yinda**"). Shanghai Yinda is in turn held by Shanghai Yinda Technology Group Co. Ltd. ("**Shanghai Yinda Group**"). Shanghai Yinda Group is engaged in the information technology, telecommunications and related businesses. Yinda Pte. Ltd. currently holds 120,437,180 shares, representing approximately 79.23% of the total number of issued shares of the Company.

The Group is a regional integrated and innovative communication solutions and services provider with operations in Singapore, Thailand, the Philippines and Malaysia. Over the years, the Group has established a firm reputation in providing consistent and reliable solutions and services. With over 20 years of experience in the telecommunications industry, Yinda Infocomm has completed numerous projects in Singapore, the Philippines and Thailand since 2011.

Our capabilities include:

IN-BUILDING COVERAGE

Provision of full turnkey in-building coverage services from planning and design to construction and implementation of customers' indoor mobile network infrastructure;

OUTDOOR CONSTRUCTION

Provision of full turnkey services from planning and design to construction and implementation of customers' outdoor mobile network infrastructure;

TELECOMMUNICATIONS IMPLEMENTATION

Provision of telecommunications implementation works for the installation and commissioning of radio base transceiver stations; and

MAINTENANCE SERVICES

Provision of corrective and preventive maintenance services to ensure network reliability and minimal network disruptions.







Sustainability Approach

OUR SUSTAINABILITY METHODOLOGY



STAKEHOLDERS ENGAGEMENT

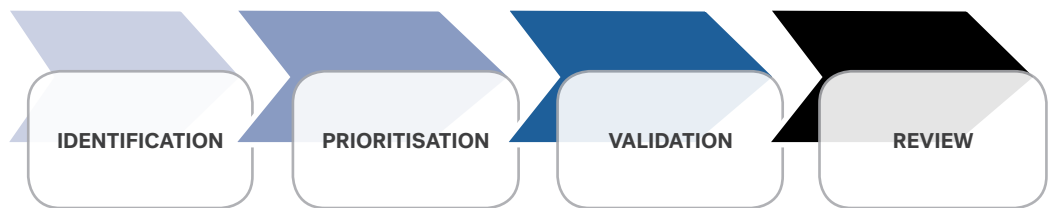
An important starting point in our sustainability journey is to identify our stakeholders and material aspects relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. These key stakeholders include, but are not limited to, customers, suppliers, shareholders, employees, and regulators. We adopt both formal and informal channels of communication to understand the needs of key stakeholders, and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

Stakeholders	Engagement Platforms	Frequency
Suppliers 	Vendor assessment	Annually
	Emails/Calls	Continuously
	Face-to-face meetings	Continuously
Shareholders 	Annual General Meeting/ Extraordinary General Meeting	Annually
	Annual report	Annually
	Announcement	Continuously
	Websites-Investor Relationship	Continuously
Customers 	Face-to-face meetings	Continuously
	Email feedback	Continuously
	Customer cold calls	Continuously
Employees 	Staff appraisal	Continuously
	Whistle blowing policy updates	Annually
	Department & management meetings	Continuously
	Staff bonding sessions	Continuously
Board 	Board meetings	Half yearly
	Board circulation via emails	Continuously
	Board lunches and meetings	Half yearly
Government and Regulators 	Regular reports	Continuously
	Websites	Continuously
	Calls	Continuously

Sustainability Approach

MATERIALITY ASSESSMENT

Our sustainability reporting process begins with the identification of relevant aspects. The relevant aspects are then prioritised to identify material factors which are subjected to validation. The end result of this process is a list of material factors disclosed in the Sustainability Report. Process of which are as shown below:



The Group has conducted a materiality assessment during the year internally. We engaged our employees from different departments, seeking our internal stakeholders' feedback for ranking of these topics according to priority. Going forward, materiality review will be conducted every year, incorporating inputs gathered from stakeholders' engagements.

In order to determine if an aspect is material, we assessed its potential impact on the economy, environment and society and its influence on the stakeholders. Applying the guidance from GRI, we have identified the following as our material aspects:



TARGETS

This is our inaugural report and we are currently in the process of improving and refining our data collection methods so as to obtain meaningful and reliable data to track and provide the basis for us to determine trends for the purpose of setting targets. Accordingly, we have deferred the process of target setting until later when adequate data is available to set reasonable targets.

Economic

ECONOMIC PERFORMANCE

Yinda Infocomm firmly believes that focus on financial sustainability is critical and we are fully committed to the highest standards of corporate governance. The Group's basic principle is that long-term profitability and shareholders' value is ensured by taking into account the interests of all stakeholders, such as shareholders, employees, suppliers and society as a whole.

FY2018 has been a significant year to the Group as this was the first financial year after the completion of the mandatory unconditional cash offer by Yinda Pte. Ltd. which brought about an entirely new management team and Board of Directors.

Amidst the challenges of restructuring the Group which included the realignment of work processes and procedures under the new management team, adapting to local work cultures, as well as working towards the new strategic direction imposed by the new Board, the Group has done relatively well in terms of achieving a revenue growth of 17.3% in FY2018.

For detailed financial results, please refer to our FY2018 Annual Report, pages 41 to 93.

ANTI-CORRUPTION

We do not tolerate corruption in any form. This has been made clear to all of the Group's directors, officers, employees, and external suppliers and business partners. Our whistleblowing email was set up so that anyone wanting to report any issue on corruption can do so confidentially. Any report of corruption will be escalated to the attention of the Audit Committee ("**AC**").

There has been no reported incidents of corruption during the reporting period.

Whistle-blowing Policy

The Group has implemented a whistle-blowing policy. The policy aims to provide an avenue for employees and external parties to raise concerns about misconduct or improprieties in the Group and at the same time assure them that they will be protected from victimisation for whistle-blowing in good faith. Cases that are significant are reviewed by the AC for adequacy of investigation actions and resolutions. The Company has provided the email address - whistleblow@yinda.com.sg which is accessible by the Lead Independent Director on the Company's website to allow external parties to raise any concerns they may have.

Environmental

Yinda Infocomm endeavors to minimise the potential impact of our operations on the environment. We are committed to reducing any carbon footprint and consumption of natural resources in all possible aspects of business operations. We encourage the use of renewable materials and resources, and where possible, reduce waste through re-using and recycling. We avoid any unnecessary use of hazardous materials and products and take all reasonable steps to protect the environment when such materials must be used, stored or disposed of.

ENVIRONMENTAL COMPLIANCE

Here at Yinda Infocomm, we view compliance with relevant codes and regulations on environmental issues as mandatory. The Group has implemented policies and procedures designed to ensure compliance with the relevant laws and regulations and prevent environmental pollution and resource depletion with due diligence. We have compiled a Legal & Other Requirements Register for relevant legal and other requirements that the Group needs to comply with. For example, we are in compliance with the Environmental Public Health Act and Regulations and Smoking Act. We have taken steps at all work sites to ensure the requirements are met throughout the duration of the projects.

In FY2018, there were zero incidence of non-compliance with laws and regulations resulting in significant fines or sanctions.

SUPPLIER ENVIRONMENTAL ASSESSMENT

Yinda Infocomm will continue to reduce its environmental impact and to encourage its stakeholders, such as suppliers and trading partners, to meet the same expectations. The Group also performs an assessment when screening new vendors to check that they are providing high quality and green products. The procurement team is responsible for gathering and verifying information on new suppliers in terms of quality of products and services, having resources to meet requirements, responsiveness of the vendor or subcontractors, product certification and records, et cetera.

The Group aspires to continuously promote and integrate sustainability in our business operations and taking stakeholders' interest in our considerations. EESG factors are integrated in our value and supply chain as our sustainability efforts progressively mature. Moreover, Yinda Infocomm pledges to sustainable business practices across its supply chain, from our subsidiaries to suppliers. The Group trusts that sustainable supply chain management drives organizational excellence and delivers desirable business results to the stakeholders. This includes completion of "Supplier Evaluation Procedure" to reduce the risk that a supplier's products do not meet the Company's requirements. We will make an annual assessment for the key suppliers to ensure that there are multiple suppliers for important telecommunications equipment or materials and to ensure the stability of the supply of goods to further reduce the procurement risks.

Going forward, our target is to ensure that all new suppliers will be screened and selected in accordance to their conduct which can be evaluated against an environmental assessment.

Social

The employees of the Group are one of the most important assets to the Group. Their contributions and support are valued at all times. As such, we conduct regular reviews on compensations and benefit policies according to industry benchmark, financial results as well as individual performance of employees. Other fringe benefits and pension funds contributions are provided to retain loyal employees with the aim to form a professional staff and management team that can bring the Group to new levels of success. Staff satisfaction is evident with the recently lowered staff turnover. Furthermore, the Group places great emphasis on the training and development of employees and regards excellent employees as a key factor in remaining competitive.

We respect human rights and support the elimination of all forms of forced and compulsory labour, especially child labour. The Group does not tolerate any discrimination in respect of employment and occupation.

DIVERSITY AND EQUAL OPPORTUNITY

A diverse workforce is an asset in today's ever-changing global marketplace. We cultivate an inclusive culture where employees with wide-ranging backgrounds and qualities are highly motivated, engaged and connected. We do not discriminate one's race, age, gender, religion, ethnicity, disability or nationality.

As at 31 May 2018, we had a workforce of 113 full-time employees for our operations in Singapore. Our headcounts were distributed as follows:

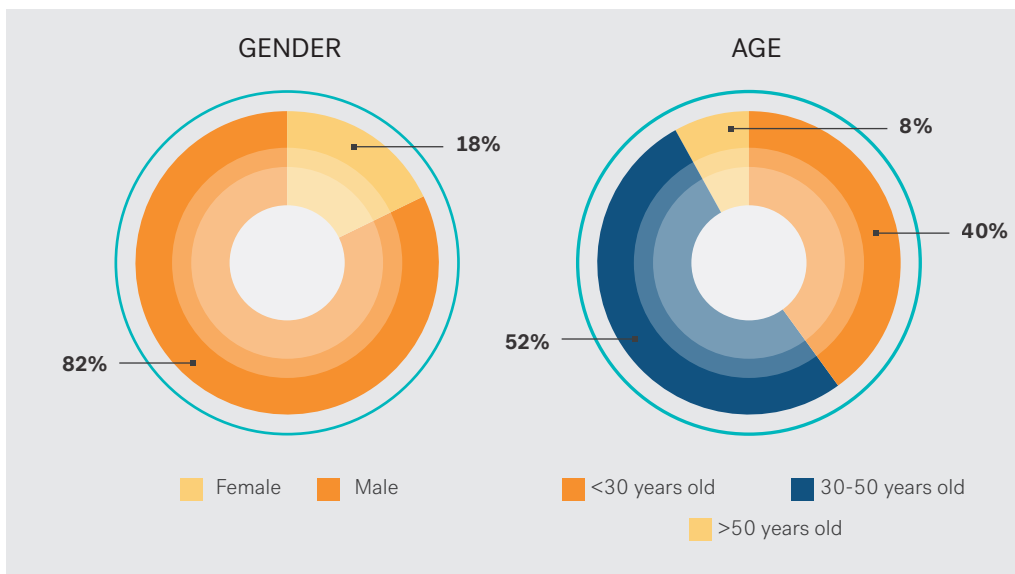


Figure A: Headcount distribution by gender

Figure B: Headcount distribution by age

Social

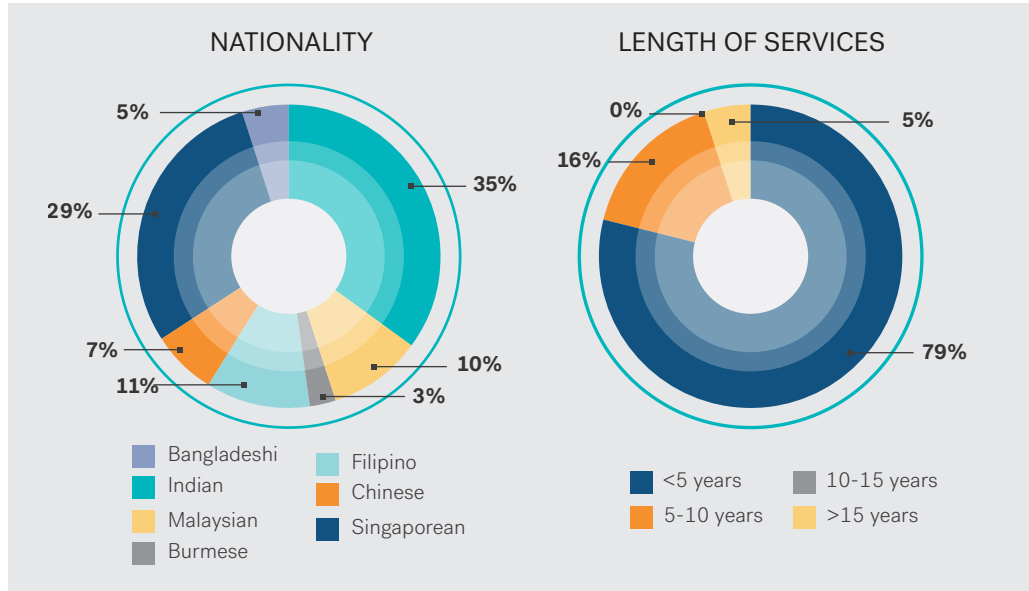


Figure C: Headcount distribution by nationality

Figure D: Headcount distribution by length of service

The ratio of female employees in the Group is relatively low but this is not unusual for our industry due to the nature of the business.

Every employee plays an essential role in our Company and we pay utmost attention to our employee’s wellbeing. On 5 May 2018, we organised a family day walk along the Southern Ridges and Labrador Reserve with 30 participants and a buffet dinner after the 2.5 hours team-bonding journey. In December 2018, we organised a Christmas dinner buffet for the employees and a karaoke session in the office with 40 participants.



Social



To promote equal opportunity, we have implemented various human resource measures as follows:

- ♣ Staff assessment is performed annually and upon completion of probation for new staff to evaluate their performance and provide them with a sense of self-awareness on their work performance and also to identify training opportunities that will improve their skills and abilities.
- ♣ Staff recruitment advertisements do not state age, race, gender or religious preferences as a requirement.
- ♣ Employment terms in the employment letter are explained to staff when they join the Group.

OCCUPATIONAL HEALTH AND SAFETY

As human resource is a major contributing factor to our organization, ensuring our employees' safety and health in the workplace is one of our top priorities, and our ultimate target is to have a zero-accident workplace. We are committed to reduce any risks to safety and health through effective risk management.

The Group recorded zero workplace fatality and zero non-fatal workplace injury in FY2018. We will continuously work towards reducing both the occurrence and severity of workplace accidents.

We have set up an Environment, Health and Safety ("EHS") Committee and established a strict set of policies and procedures. We have also developed and implemented an EHS Management System, and will continuously monitor and evaluate our EHS standards.



Environment, Health and Safety (EHS) Policy Statement

Environment, Health and Safety (EHS) is paramount and essential to all our work processes and activities so that our employees as well as our stakeholders are protected from any potential harm in the workplace and all possible environmental friendly approach are taken to protect the environment as well as to conserve the limited resources.

In **Yinda Technology Singapore Pte Ltd**, we believe and are committed to the followings:

1. Provide a safe and healthy environment for all our employees and stakeholders.
2. Prevent environmental pollution and resource depletion with due diligence.
3. Identify and manage any foreseeable workplace risk or environmental aspects and work towards zero workplace accident and to build an environmental friendly culture.
4. Comply with applicable environment, health and safety legislations and other requirements which include directives, guidelines and standards prescribed by the company.
5. Provide sufficient management support and resources for effective implementation of Environmental, Health and Safety (EHS) measures and initiatives.
6. Promote competency of employees through proper training, instruction and guidance.
7. Adopt national security initiatives such as Sg Secure to address terror threats through awareness, alertness and active participation from all employees and relevant stakeholders.
8. Strive for continual improvement in Environment, Health and Safety (EHS).
9. Ensure effective communication on Environment, Health and Safety (EHS) matters.

This policy shall be reviewed annually to ensure its relevancy and shall be made available to any interested parties.



Company Director
Qian Zimin

Reviewed date: 15 March 2018

Figure E: Yinda Technology Singapore Pte. Ltd.'s Environment, Health and Safety Policy Statement

Figure E shows the detailed EHS policy statement of Yinda Technology Singapore Pte. Ltd. while the detailed Workplace Safety and Security Clauses are stated in the EHS Management System Procedure. This covers a standard procedure to identify hazards relating to EHS, to evaluate risks associated with these hazards and to ensure that appropriate actions by the designated personnel are taken to manage the risks involved, such as incident reporting, management of incident, investigation and follow up.

Social

In FY2018, EHS performance was monitored and evaluated monthly so that we could identify and monitor the hazards, implement the control measures to mitigate the risk to as low as reasonably practicable:

No.	Description	Year	FY2018
1	Excessive noise exposure hours per year (more than 85db)		320
2	Number of fatalities per year		0
3	Number of lost time injuries per year		2
4	Number of other reportable injuries per year		0
5	Number of first aid cases per year		0
6	Number of accidental environmental release per year		0

Given that we value our employees' health and safety as a priority within our organization, achieving affirmations through certifications and implementing the framework of required systems are vital to the Company. The implementation of these frameworks have enabled us to systematically identify, reduce and mitigate risks involved in our operations.

During FY2018, we have obtained or renewed the following certificates:

- **ISO 9001:2015** (Valid from 18 August 2018 to 14 June 2019) for design, project management, implementation and maintenance for wireless telecommunication networks;
- **BizSAFE STAR** (Valid till 11 March 2021);
- **OHSAS 18001:2007** (Valid from 27 October 2018 to 26 October 2021) for design, project management, implementation and maintenance for wireless telecommunication networks;
- **OHSAS 18001:2007 – SS506 Part 1:2009** (Valid from 28 September 2018 to 11 March 2021) for design, project management, implementation and maintenance for wireless telecommunication networks.

Social



Governance

CORPORATE GOVERNANCE

The Board and the management of Yinda Infocomm is committed to maintaining a high standard of corporate governance. The Company understands that good corporate governance is an integral element of a sound corporation, enabling it to be more transparent and forward-looking. Please refer to our 2018 Annual Report, pages 13 to 31 for the Group's Corporate Governance Report.

Our overall Singapore Governance and Transparency Index ("**SGTI**") score assessed by National University of Singapore Business School has increased from 42 in FY2017 to 50 for FY2018. This placed us within the 62 percentile of the public listed companies that were assessed.

BUSINESS ETHICS AND COMPLIANCE

Yinda Infocomm takes serious considerations of any possibilities of conflict of interest during our hiring procedures. Our Code of Conduct clearly states our expectations from our staff and the consequences if any of the rules are violated or standards are not met. We also have clear and fair grievance procedures. Our target is to ensure all allegations received are promptly addressed. During the year, there were no allegations received.

Business ethics are communicated to all our heads of business units regularly and they must fully understand that compliance with rules and regulations is a key part of running a responsible business. Topics covered under the ethics training are comprised of the following:

- **HONESTY.** To act honestly and in the best interest of the Company.
- **INTEGRITY.** By doing what they think is right even when there is great pressure to do otherwise; they are principled, honorable and upright.
- **PROMISE-KEEPING & TRUSTWORTHINESS.** Make every reasonable effort to fulfill the letter and spirit of their promises and commitments.
- **ACCOUNTABILITY.** Ethical executives acknowledge and accept personal accountability for the ethical quality of their decisions and omissions to themselves, their colleagues, their companies, and their communities.

Yinda Infocomm regularly updates key staff on developments in international and local regulations. We are fully compliant with all environmental rules and regulations, confidentiality clauses, anti-competitive behaviour laws and all requirements on health and safety.

Cyber security and data privacy are not only important for compliance, but also in safeguarding both our data and that of our customers. We have taken measures to guard against cyber risks for both our internal and external stakeholders by complying with the Personal Data Protection Act Policy. This policy also applies to our employment process where the privacy of all applicants are safeguarded and access to personal data are restricted to authorised persons or senior management on a need-to-know basis.

For FY2018, there were no significant fines or non-monetary sanctions for non-compliance with laws and regulations.

Governance

ENTERPRISE RISK MANAGEMENT

The Board is responsible for overseeing risk management, ensuring that the management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets. In addition, to determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board oversees the management in its design, implementation and monitoring of the risk management and internal control systems, and reviews the adequacy and effectiveness of such systems annually. The AC is supported by the management in the review of the Group's business and operational environment in order to identify areas of significant business, financial, operational and compliance risks, as well as appropriate measures to control and mitigate these risks. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

GRI Standards Content Index

GRI Standard	Disclosure	Reference/Description	
GRI 101: Foundation 2016			
GENERAL DISCLOSURE			
GRI 102: General Disclosures	102-1	Name of organization	YINDA INFOCOMM LIMITED
	102-2	Activities, brands, products and services	Page 3
	102-3	Location of headquarters	Singapore
	102-4	Location of operations	Page 3
	102-5	Ownership and legal form	Annual Report pages 8, 48, 71-72
	102-6	Markets served	Page 3
	102-7	Scale of the organization	Pages 3 and 8
	102-8	Information on employees and other workers	Pages 8-9
	102-9	Supply chain	Page 7
	102-10	Significant changes to the organization and its supply chain	Not applicable
	102-11	Precautionary principle or approach	None
	102-12	External initiatives	None
	102-13	Membership of associations	None
	102-14	Statement from senior decision maker	Page 2
	102-16	Values, principles, standards and norms of behaviour	Pages 14
	102-18	Governance structure	Annual Report pages 13-31
	102-40	List of stakeholder groups	Page 4
	102-41	Collective bargaining agreements	None
	102-42	Identifying and selecting stakeholders	Page 4
	102-43	Approach to stakeholder engagement	Page 4
102-44	Key topics and concerns raised	To be reported in FY2019 report.	
102-45	Entities included in the consolidated financial statements	Annual Report pages 8, 71-72	
	102-46	Defining report content and topic boundaries	Page 2

GRI Standards Content Index

GRI Standard	Disclosure	Reference/Description	
	102-47	List of material topics	Page 5
	102-48	Restatement of information	Not applicable. No restatement of information.
	102-49	Changes in reporting	Not applicable. No change in reporting.
	102-50	Reporting period	1 June 2017 to 31 May 2018
	102-51	Date of most recent previous report	No applicable as this is our inaugural report.
	102-52	Reporting cycle	Annually
	102-53	Contact point for questions about the report	Page 2
	102-54	Claims if reporting in accordance with the GRI Standards	Page 2
	102-55	GRI content index	Pages 16-17
	102-56	External assurance	We may seek external assurance in the future.
MATERIAL TOPICS			
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	Page 6
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Page 6
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	Page 7
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	Page 7
GRI 403: Occupational health and safety 2018	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Pages 10-13
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	Pages 8-10



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