

ADDENDUM DATED 11 SEPTEMBER 2019

THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

This Addendum is circulated to shareholders of Yinda Infocomm Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) together with the Company’s Annual Report 2019 (as hereinafter defined). Its purpose is to explain to shareholders of the Company the rationale and provide information relating to the renewal of the IPT General Mandates (as herein defined) to be tabled at the Annual General Meeting of the Company to be held at Orchid Country Club, Emerald Suite, 1 Orchid Club Road, Singapore 769162 on 26 September 2019, Thursday at 2 p.m.

The Notice of AGM and the accompanying Proxy Form are enclosed with the Annual Report 2019.

If you have sold or transferred all your ordinary shares in the capital of the Company (the “**Shares**”) held through The Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Addendum to the purchaser or transferee as arrangements will be made by CDP for a separate Addendum to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Addendum and the Proxy Form to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

This Addendum has been reviewed by the Company’s continuing sponsor, SAC Capital Private Limited (the “**Sponsor**”). This Addendum has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), and the SGX-ST assumes no responsibility for the contents of this Addendum, including the accuracy, completeness, or correctness of any of the statements or opinions made or reports contained in this Addendum.

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



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

ADDENDUM TO THE NOTICE OF ANNUAL GENERAL MEETING

in relation to

- (1) THE PROPOSED RENEWAL OF THE ANHUI IPT GENERAL MANDATE; AND**
- (2) THE PROPOSED RENEWAL OF THE SHANGHAI YINDA S&T IPT GENERAL MANDATE**

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DEFINITIONS

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

- “2018 Circular”** : Circular of the Company dated 16 November 2018
- “2018 EGM”** : EGM of the Company held on 3 December 2018
- “2019 AGM”** : AGM of the Company to be held on 26 September 2019
- “ACRA”** : The Accounting and Corporate Regulatory Authority of Singapore
- “Act”** : The Companies Act (Cap. 50) of Singapore, as amended, supplemented or modified from time to time
- “Addendum”** : This addendum to Shareholders dated 11 September 2019
- “AGM”** : An annual general meeting of the Company
- “Anhui Diantong”** : Anhui Diantong Communication Engineering Co., Ltd
- “Anhui IPT General Mandate”** : The general mandate for IPTs with Anhui Diantong as set out in paragraph 1 of the Appendix to this Addendum
- “Annual Report 2019”** : The annual report of the Company for the financial year ended 31 May 2019
- “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”** : means 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(s)”** : (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

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	companies taken together (directly or indirectly) have an interest of 30% or more
“associated company”	: Means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group
“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 for the time being
“Catalist”	: The Catalist Board of the SGX-ST
“Catalist Rules”	: Listing Manual Section B: Rules of Catalist of the SGX-ST, 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
“Company”	: Yinda Infocomm Limited
“control”	: Means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“controlling shareholder”	: means a person who (i) holds directly or indirectly 15% or more of the total number of issued shares in the company excluding treasury shares (the SGX-ST may determine 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 for the time being
“EGM”	: An extraordinary general meeting of the Company
“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
“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
“Interested Persons”	: Both Anhui Diantong and the Wider S&T Group
“interested person(s)”	: Means:

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- (a) a director, chief executive officer, or controlling shareholder of the issuer; or
- (b) 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 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
- “Latest Practicable Date”** : 6 September 2019, being the latest practicable date prior to the printing of this Addendum
- “Notice of AGM”** : Notice of AGM dated 11 September 2019 convening the 2019 AGM
- “NTA”** : Means the Group’s latest audited net tangible assets
- “Recommending Directors”** : The Directors (save from 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 2 of the Appendix to this Addendum
- “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 capital of the Company
- “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

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- 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

“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
“Yinda”	:	Yinda Pte. Ltd.
“YC(PH)”	:	Yinda Communications Philippines, Inc.
“YT(PH)”	:	Yinda Technology Philippines, Inc.
“YT(SG)”	:	Yinda Technology Singapore Pte. Ltd.

Currencies, Units and Others

“S\$” and “cents”	:	Singapore dollars and cents, respectively
“%” or “per cent.”	:	Percentage or per centum

The terms **“depositor”**, **“depository agent”** and **“depository register”** shall have the same meanings ascribed to them respectively in Section 81SF of the SFA or any statutory modification thereof, as the case may be.

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 gender and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Addendum to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the SFA, the Act, Catalist Rules or any statutory modification thereof and not otherwise defined in this Addendum, where applicable, shall have the same meaning ascribed to it under the SFA, the Act, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in the figures included herein between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Addendum may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Addendum shall be a reference to Singapore time unless otherwise stated and shall include such other date(s) or time(s) as may be announced from time to time or on behalf of the Company.

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

Registered Office:

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

Date: 11 September 2019

To: The Shareholders of the Company

Dear Sir/Madam,

- (1) **THE PROPOSED RENEWAL OF THE ANHUI IPT GENERAL MANDATE; AND**
(2) **THE PROPOSED RENEWAL OF THE SHANGHAI YINDA S&T IPT GENERAL MANDATE**
-

1. INTRODUCTION

- 1.1 In accordance with Chapter 9 of the Catalist Rules, the Anhui IPT General Mandate and the Shanghai Yinda S&T IPT General Mandate (collectively, the “**IPT General Mandates**”) were first approved by the Shareholders at the 2018 EGM to enable the Group to enter into certain types of recurrent transactions of a revenue or trading nature necessary for day-to-day operations with Anhui Diantong and the Wider S&T Group respectively (collectively, the “**Interested Persons**”), both of whom being interested persons.
- 1.2 Both of the IPT General Mandates will expire at the forthcoming AGM to be held on 26 September 2019 (the “**2019 AGM**”) and the Company will seek the approval of Shareholders for the proposed renewal of the IPT General Mandates at each subsequent AGM. Accordingly, the Directors propose that the IPT General Mandates be renewed at the 2019 AGM and, if approved, 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 (unless revoked or varied by the Company in a general meeting).
- 1.3 Reference is made to the (a) notice of AGM of the Company dated 11 September 2019 convening the 2019 AGM (the “**Notice of AGM**”); and (b) Resolution 7 and Resolution 8 as set out in the Notice of AGM relating to the proposed renewal of each of the respective IPT General Mandates.
- 1.4 The purpose of this Addendum is to provide Shareholders with the relevant information relating to, and to explain the rationale for, the proposed renewal of the IPT General Mandates to be tabled at the 2019 AGM.

2. THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATES

2.1 Background

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At the 2018 EGM, both of the IPT General Mandates were each approved by Shareholders for the Group to enter into transactions falling within the categories of IPTs described in the 2018 Circular, with any party who is of the class or classes of interested persons described, provided that such transactions are made on normal commercial terms in accordance with the guidelines and procedures for review and administration of the IPTs, and will not be prejudicial to the interest of the Company and its minority Shareholders.

The rationale of the IPT General Mandates, the scope of the IPT General Mandates, the benefit to Shareholders, the classes of Interested Persons, the particulars of the Interested Person Transactions and the review procedures for the IPTs in respect of which the IPT General Mandates sought to be renewed remain unchanged from that described in the 2018 Circular. Further details of the IPT General Mandates are set out in the Appendix to this Addendum.

2.2 Chapter 9 of the Catalist Rules

Under Chapter 9 of the Catalist Rules, where a listed company or any of its subsidiaries or associated companies that are defined as an “entity at risk” proposes to enter into a transaction with an “interested person”, an immediate announcement or an immediate announcement and shareholders’ approval is required in respect of that transaction if its value is equal to, or more than, certain financial thresholds.

In particular, under Rule 905 of the Catalist Rules, an immediate announcement is required where:

- (a) the transaction is of a value equal to, or more than, 3% of the group’s latest audited NTA;
or
- (b) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group’s latest audited NTA.

Further, under Rule 906 of the Catalist Rules, shareholders’ approval (in addition to an immediate announcement) is required where:

- (a) the transaction is of a value equal to, or more than, 5% of the group’s latest audited NTA;
or
- (b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, 5% of the group’s latest audited NTA.

The above requirements for immediate announcement and/or for shareholders’ approval do not apply to any transaction below S\$100,000.

For illustration purposes, based on the latest audited consolidated accounts of the Group for the financial year ended 31 May 2019, the consolidated NTA of the Group was approximately S\$2,612,000. In relation to the Group, for the purposes of Chapter 9 of the Catalist Rules, in the current financial year and until such time as the audited consolidated accounts of the Group for the financial year ending 31 May 2020 are published, 5% of the latest audited NTA of the Group would be approximately S\$130,600.

2.3 General Mandate

Rule 920 of the Catalist Rules permits a listed company to seek a general 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 in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company’s interested persons (as defined in Chapter 9 of the Catalist Rules). A general mandate is subject to annual renewal.

LETTER TO SHAREHOLDERS

2.4 Audit Committee's Statement

Pursuant to Rule 920(1)(c) of the Catalist Rules, the Audit Committee confirms that:

- (a) the review procedures for the IPTs set out in the Appendix to this Addendum ("**Review Procedures**") have not changed since Shareholders approved the IPT General Mandates at the 2018 AGM; and
- (b) the Review Procedures are sufficient to ensure that the IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

2.5 Disclosure of Interested Person Transactions to Shareholders

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:

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)

2.6 Abstention from Voting

Rule 919 of the Catalist Rules requires that at a meeting to obtain shareholder approval for IPTs, interested persons and their associates must not vote on the resolutions nor accept appointments as proxies unless specific instructions as to voting are given.

LETTER TO SHAREHOLDERS

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 relating to the proposed renewal of the IPT General Mandates at the 2019 AGM.

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 2019 AGM in respect of the resolutions relating to the proposed renewal of the IPT General Mandates 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 2019 AGM.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders (both direct and deemed) in the Shares as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders' kept by the Company are set out below:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽⁴⁾	No. of Shares	% ⁽⁴⁾	No. of Shares	% ⁽⁴⁾
Directors						
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

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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.

4. DIRECTORS' RECOMMENDATIONS

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 renewal of the IPT General Mandates.

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 renewal of the IPT General Mandates.

The Recommending Directors, having considered, among other things, the terms, rationale for and benefits of the IPT General Mandates, the review procedures of the Company for such interested person transactions and the role of the Audit Committee in relation to the IPT General Mandates, are of the view that the review procedures as set out in paragraph 3 of the Appendix to this Addendum, 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 7 and Resolution 8 set out in the Notice of AGM.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the proposed renewal of the IPT General Mandates, and the Group and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading.

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Where information in the Addendum 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 the Addendum in its proper form and context.

6. 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 AGM:

- (a) the constitution of the Company; and
- (b) the Annual Report 2019.

Yours faithfully,

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

HENRY TAN SONG KOK

Lead Independent Director

11 September 2019

APPENDIX

1. THE ANHUI IPT GENERAL MANDATE

1.1. 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. 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 renewal of the Anhui IPT General Mandate, the Group would be able to continue 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.

1.2. 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:

1.2.1. 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;

1.2.2. trading materials such as power cables, tools and instruments; and

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1.2.3. technical and professional support on the installation and maintenance of the above telecommunication materials.

1.3 Classes of Interested Persons

The Anhui IPT General Mandate will apply to transactions carried out between members of the Group and Anhui Diantong. 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).

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.

1.4. 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 3 of this Appendix below.

2. THE SHANGHAI YINDA S&T IPT GENERAL MANDATE

2.1. 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

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access to commercially competitive rates, which would allow the Group to improve its profit margin from the business operations.

Should Shareholders approve the proposed renewal of the 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.

2.2. Scope of the 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:

- 2.2.1. 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
- 2.2.2. technical and professional support on the installation and maintenance of the above telecommunication materials.

2.3. Classes of Interested Persons

The Shanghai Yinda S&T IPT General Mandate will apply to transactions, as set out in paragraph 2.2 of this Appendix 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:

- 2.3.1. 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;
- 2.3.2. 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;
- 2.3.3. such entity is in the business of the provision of telecommunication products and/or implementation services; and
- 2.3.4. such subsidiaries are not members of the Group.

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.

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As at the Latest Practicable Date, the subsidiaries of the Wider S&T Group that would fulfil the conditions in sub-paragraphs 2.3.1 to 2.3.4 (inclusive) of this Appendix 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.

2.4. 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 3 of this Appendix below.

3. GUIDELINES AND REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

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.

The Group will implement the following procedures to ensure that the transactions with Anhui Diantong and the Wider S&T Group under each of the IPT General Mandates are undertaken on an arm's length basis and on normal commercial terms:

3.1. General Guidelines

3.1.1. *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 IPT 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 IPT 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.

3.1.2. *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 3.3 of this Appendix below. All relevant non-quantitative factors and prevailing market conditions will also be taken into account and recorded accordingly.

3.2. 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:

- 3.2.1. 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.
- 3.2.2. 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.
- 3.2.3. 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.
- 3.2.4. 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.
- 3.2.5. 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.
- 3.2.6. 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.

3.3. 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

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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.

3.4. 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.

3.5. Validity Period of the IPT General Mandates

If the proposed renewal of the IPT General Mandates is approved at the forthcoming AGM, 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 AGM 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.

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

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

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- (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:

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)