



YINDA INFOCOMM LIMITED
(THE “COMPANY” AND TOGETHER WITH ITS SUBSIDIARIES, THE “GROUP”)
(Incorporated in the Republic of Singapore under Registration Number 201606891C)

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR ENDED
30 NOVEMBER 2019**

This announcement has been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “Sponsor”).

This announcement 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 announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr. Ong Hwee Li (telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

PART 1 – INFORMATION REQUIRED FOR HALF YEAR ANNOUNCEMENTS

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

Consolidated Statement of Comprehensive Income

	Group		
	30 Nov 2019	30 Nov 2018	Change
	S\$'000	S\$'000	%
		(Restated)	
Revenue	8,210	7,821	5.0
Other income	2	120	(98.3)
Interest income	-	1	N.M.
Changes in inventories, material consumed and subcontractor cost	(2,537)	(2,888)	(12.2)
Employee benefits expenses – Project	(2,545)	(2,457)	3.6
Employee benefits expenses – Admin	(985)	(1,127)	(12.6)
Depreciation and amortisation expenses	(242)	(220)	10.0
Legal and professional expenses	(264)	(347)	(23.9)
Other general and administrative expenses	(1,427)	(726)	96.6
Interest expense	(87)	(41)	112.2
Profit before tax	125	136	(8.1)
Income tax expense	(30)	(25)	20.0
Profit attributable to owners of the Company, net of tax	95	111	(14.4)
Other comprehensive (loss)/income:			
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial losses on measurements of post-employment benefit plan, net of tax	(6)	-	N.M
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences	(11)	12	N.M
Total comprehensive income for the period attributable to owners of the Company	78	123	(36.6)

N.M – Not Meaningful

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

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

	Group		
	Half Year Ended		Change
	30 Nov 2019	30 Nov 2018	
	S\$'000	S\$'000	%
Amortisation of intangible assets	24	4	N.M
Depreciation of property, plant and equipment	218	216	0.9
Employee benefit expenses	3,530	3,584	(1.5)
Foreign exchange gain	(24)	(20)	20.0
Interest expense on borrowings	87	41	112.2
Interest income	-	(1)	N.M
Loss on disposal of property, plant and equipment	4	-	N.M
Rental of office premise, warehouse and equipment	184	74	148.6

N.M – Not Meaningful

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

Statement of Consolidated Financial Position	Group		Company	
	As at		As at	
	30 Nov 2019	31 May 2019	30 Nov 2019	31 May 2019
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	809	1,031	1	1
Intangible assets	74	95	–	–
Investment in subsidiaries	–	–	6,125	6,125
Deferred tax assets	550	607	–	–
Deposits	35	43	–	–
Total non-current assets	1,468	1,776	6,126	6,126
Current assets				
Contract assets	7,818	6,098	–	–
Trade and other receivables	5,682	6,200	47	46
Inventories	1,130	1,214	–	–
Amounts due from subsidiaries	–	–	5,659	5,136
Cash and bank balances	495	349	31	43
Total current assets	15,125	13,861	5,737	5,225
Total assets	16,593	15,637	11,863	11,351
EQUITY AND LIABILITIES				
Current liabilities				
Contract liabilities	1,906	1,870	–	–
Trade and other payables	5,548	4,613	603	647
Amounts due to subsidiaries	–	–	91	49
Loan and borrowings	5,411	5,531	4,777	4,200
Provision for tax	431	392	–	–
Total current liabilities	13,296	12,406	5,471	4,896
Net current assets	1,829	1,455	266	329
Non-current liabilities				
Loan and borrowings	290	320	–	–
Employee benefit liabilities	222	204	–	–
Total non-current liabilities	512	524	–	–
Total liabilities	13,808	12,930	5,471	4,896

Statement of Consolidated Financial Position (Cont'd)

	Group		Company	
	As at		As at	
	30 Nov 2019	31 May 2019	30 Nov 2019	31 May 2019
	S\$'000	S\$'000	S\$'000	S\$'000
Net assets	2,785	2,707	6,392	6,455
Equity attributable to owners of the Company				
Share capital	14,542	14,542	14,542	14,542
Accumulated losses	(3,411)	(3,500)	(8,150)	(8,087)
Reserves	(8,346)	(8,335)	-	-
Total equity	2,785	2,707	6,392	6,455
Total equity and liabilities	16,593	15,637	11,863	11,351

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 2019	31 May 2019	30 Nov 2019	31 May 2019
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Current				
Amounts repayable in one year or less, or on demand	808 ⁽ⁱ⁾	4,603 ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	1,331 ⁽ⁱ⁾	4,200 ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾
Non-current				
Amount repayable after one year	290 ⁽ⁱⁱⁱ⁾	-	320 ⁽ⁱⁱⁱ⁾	-

Detail of collaterals

As at 30 November 2019, the Group's borrowings comprised:

- (i) hire purchase arrangements secured by respective assets for the purchase of motor vehicles, testing equipment and copiers;
- (ii) unsecured shareholder's loan from Yinda Private Limited which will be repayable 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 2019	30 Nov 2018
	S\$'000	S\$'000
Operating activities:		
Profit before tax	125	136
Adjustments for:		
Depreciation of property, plant and equipment	218	216
Loss on disposal of property, plant and equipment ("PPE")	4	-
Amortisation of intangible assets	24	4
Interest income	-	(1)
Interest expense on borrowings	87	41
Foreign exchange gain	(24)	(15)
Employee benefit liabilities	7	10
Total adjustments	316	255
Operating cash flows before changes in working capital	441	391
Changes in working capital:		
(Increase)/Decrease in contract assets	(1,720)	685
Decrease/(Increase) in trade and other receivables	526	(713)
Decrease in inventories	84	-
Increase in contract liabilities	36	-
Increase/(Decrease) in trade and other payables	735	(402)
Total changes in working capital	(339)	(430)
Cash flows generated from/(used in) operations	102	(39)
Interest received	-	1
Interest paid	(87)	(27)
Taxes refund/(paid)	66	34
Net cash flows generated from/(used in) operating activities	81	(31)
Investing activities		
Purchase of property, plant and equipment	-	(366)
Withdrawal of deposit pledged with a bank	-	85
Proceeds from disposal of PPE	8	-
Net cash flows generated from/(used in) investing activities	8	(281)
Financing activities		
Loan obtained from a shareholder ¹	603	349
(Repayment)/Proceeds from bank borrowings	(524)	637
(Repayment of)/Proceeds from hire purchase	(29)	97
Repayment of shareholder's loan ¹	-	(1,000)
Net cash flows generated from financing activities	50	83

¹ Shareholder refers to Yinda Pte. Ltd.

Consolidated Statement of Cash Flows (Cont'd)

	Group	
	Half Year Ended	
	30 Nov 2019	30 Nov 2018
	S\$'000	S\$'000
Net increase/(decrease) in cash and cash equivalents	139	(229)
Effects of exchange rate changes on cash and cash equivalents	7	1
Cash and cash equivalents at 1 June	249	487
Cash and cash equivalents at 30 November (Note A)	395	259

Notes to Consolidated Statement of Cash Flows:

A) Cash and cash equivalents comprised of the following:

Cash and bank balances	495	359
Less: Pledged bank deposits	(100)	(100)
Cash and cash equivalents	395	259

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	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 2019	14,542	(10,397)	117	(3,500)	1,945	(11,835)	2,707
Profit for the period	–	–	–	95	–	95	95
Other comprehensive losses							
Actuarial losses on measurement of post-employment benefit plan, net of tax	–	–	–	(6)	–	(6)	(6)
Currency translation differences	–	–	(11)	–	–	(11)	(11)
Total comprehensive (losses)/income for the period	–	–	(11)	89	–	78	78
At 30 November 2019	14,542	(10,397)	106	(3,411)	1,945	(11,757)	2,785
At 1 June 2018		(10,397)	3	(668)	1,945	(9,117)	5,425
Profit for the period	–	–	–	111	–	111	111
Other comprehensive income							
Currency translation differences	–	–	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)	5,548

	Attributable to owners of the Company		
	Share capital S\$'000	Retained earnings S\$'000	Total equity S\$'000
Company			
At 1 June 2019	14,542	(8,087)	6,455
Loss for the period, representing total comprehensive losses	–	(63)	(63)
At 30 November 2019	14,542	(8,150)	6,392
At 1 June 2018	14,542	(8,082)	6,460
Profit for the period, representing total comprehensive losses	–	(74)	(74)
At 30 November 2018	14,542	(8,156)	6,386

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 2019 and 30 November 2019	152,000,000	14,542,370

There have been no changes to the Company's issued and paid up share capital since 31 May 2019.

There are no outstanding convertibles, shares held as treasury shares of the Company and subsidiary holdings as at 30 November 2019 and 30 November 2018.

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 2019	As at 31 May 2019
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 2019 and 31 May 2019.

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 2019.

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 all applicable new and revised Singapore Financial Reporting Standards (International) (“**SFRS(I)**”), and interpretations of SFRS(I) (“**SFRS(I) INT**”) which are effective for the financial year beginning 1 June 2019. The comparative income statement has changed as the Group has changed its income statement presentation from by function to by nature as a result of adoption of SFRS(I)15 – Revenue from Contracts with Customers.

The adoption of the new and revised SFRS(I) and SFRS(I) INT has no material effect on the financial statements.

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 2019	30 Nov 2018
Profit attributable to owners of the Company used in the computation of basic earnings per share (S\$'000)	<u>95</u>	<u>111</u>
(a) Basic earnings per share (cents)	<u>0.06</u>	<u>0.07</u>
(b) Diluted earnings per share (cents)	<u>0.06</u>	<u>0.07</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 2019 and 30 November 2018, 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 2019	31 May 2019	30 Nov 2019	31 May 2019
Net assets (S\$'000)	2,785	2,707	6,392	6,455
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)	1.8	1.8	4.2	4.2

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 Group recorded a higher revenue of S\$8.2 million in half-year ended 30 November 2019 ("1H2020") as compared to S\$7.8 million in the half-year ended 30 November 2018 ("1H2019") or an increase of approximately S\$0.4 million or 5.0%.

The increase in revenue was mainly contributed by the In-Building Construction ("IBC") segment which increased by approximately S\$1.1 million from S\$4.3 million in 1H2019 to S\$5.4 million in 1H2020. The increase is offset by the decrease in revenue from Networking Planning Optimisation ("NPO") projects of S\$0.3 million and decrease in revenue from Telecommunications Implementation ("TI") projects of S\$0.4 million as compared to 1H2019.

The increase in revenue was mainly due to various projects being completed in 1H2020 as well as the result of the Group increasing its operational activities across the regions.

Changes in inventories, material consumed and subcontractor cost

These represent the cost related to our projects and these costs decreased by approximately 12.2% from S\$2.9 million in 1H2019 to S\$2.5 million in 1H2020. The decrease is mainly due to lesser reliance on the sub-contractor which resulted in a reduction in direct costs, which also in line with the increase in Employee benefits expenses - Project.

Employee benefits expenses – Project / Admin

These represent the total staff cost incurred during the period. Employee benefit expenses for project staff increased slightly by 3.6% to approximately S\$2.55 million in 1H2020 from S\$2.5 million in 1H2019. Employee benefit expenses for administrative staff decreased by 12.6% to S\$1.0 million in 1H2020 from \$1.1 million in 1H2019, mainly due to the streamlining of our administrative staff strength over the period.

Depreciation and amortisation expenses

There were no significant changes to depreciation and amortisation expenses in absolute terms as there is no capital expenditure during the period.

Legal and professional fees expenses

The decrease in legal and professional fees paid to professional firms by approximately 23.9% from S\$0.35 million in 1H2019 to S\$0.26 million in 1H2020 was mainly due to professional fees incurred in respect of the extraordinary general meeting held in 1H2019.

Other general and administrative expenses

Other general and administrative expenses mainly comprised of printing cost, insurance, traveling, rental and utilities. The increased by approximately 96.6% from S\$0.7 million in 1H2019 to S\$1.4 million in 1H2020 due to the increase in project activities which is in line with the overall increase in revenue.

Interest expenses

There were no significant changes to interest expenses in absolute terms, which comprised of interest expenses from bank borrowings and shareholder's loan.

Taxation

Income tax expenses was mainly due to provision in current period as well as the reversal of deferred tax asset recognised on unutilised capital allowance and losses.

Review of the Group's Statement of Consolidated Financial Position

Non-current assets

The slight decrease in non-current assets by approximately 17.3% from S\$1.8 million as at 31 May 2019 to S\$1.5 million as at 30 November 2019 was mainly due to the reversal the deferred tax assets recognised, as well as the amortisation and depreciation charge for the period.

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

Current assets

Current assets increased from S\$13.9 million as at 31 May 2019 to S\$15.1 million as at 30 November 2019.

Contract assets represents the unbilled receivables for project work-in-progress which increased from S\$6.1 million as at 31 May 2019 to S\$7.8 million as at 30 November 2019. These increases were due to the increase in revenue where projects were completed towards end of 1H2020 which have yet to be billed. Trade and other receivables decreased slightly by 8.4% from S\$6.2 million as at 31 May 2019 to S\$5.7 million as at 30 November 2019 due to collection of accounts receivables.

Cash and bank balances increased from S\$0.3 million to S\$0.5 million as at 30 November 2019 mainly due to collection from customer.

No significant changes in the inventory level with slight decrease from S\$1.2 million as at 31 May 2019 to S\$1.1 million as at 30 November 2019.

Current liabilities

Current liabilities increased by approximately 7.2% from S\$12.4 million as at 31 May 2019 to S\$13.3 million as at 30 November 2019. This was mainly due to slow repayment of trade and other payables with an increase of S\$0.9 million over 1H2020.

Non-current liabilities

No significant movement in non-current liabilities from over 1H2020 with approximately a 2.3% decrease over the period.

Equity attributable to owners of the Company

The decrease in accumulated losses and reserves were mainly due to current period profit offset by actuarial gain on measurements of post-employment benefit plans and translation reserve movements.

Review of the Group's Consolidated Statement of Cash Flows

In 1H2020, net cash flows generated from operating activities amounted to approximately S\$0.08 million. This included operating cash inflows before changes in working capital of S\$0.4 million, an inflow from trade and other receivables of S\$0.5 million and inflow from trade and other payables of S\$0.7 million as a result of tighter cash flow management, offset by an increase in contract assets of S\$1.7 million.

Net cash flows generated from financing activities amounted to approximately S\$0.05 million, mainly due increase in advances and loan from Yinda Pte. Ltd. which amounted to \$0.6 million, and offset by repayment of hire purchase and bank borrowings of S\$0.03 million and \$0.52 million respectively during the period.

Net cash flows generated from investing activities pertains to S\$8,000 of proceeds from disposal of property, plant and equipment.

As a result of the above, there was a net increase of approximately S\$0.14 million in cash and cash equivalents.

As at 30 November 2019, the Group's cash and cash equivalents amounted to approximately S\$0.4 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 remains cautious amid the prevailing economic uncertainties especially with the growing tension between the United States of America and China which will have significant impact to Telecommunication industry.

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 will also be selective in pursuing projects and investment opportunities into new and complementary businesses in Singapore, Thailand and Philippines.

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.

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 and the reason(s) for the decision.

No dividend has been declared or recommended in respect of 1H2020 as the Group is conserving cash for working capital purposes.

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 had on 3 December 2018 obtained a general mandate from shareholders for interested person transactions pursuant to Rule 902(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (“**Catalist Rules**”) for Shanghai Yinda Science and Technology Industrial Co Ltd and Anhui Diantong Communication Engineering Co., Ltd. which was subsequently renewed on 26 September 2019. The aggregate value of all interested person transactions during the financial period under review was 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 2019 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

13 January 2020