

YINDA INFOCOMM LIMITED
(Company Registration No. 201506891C)
(Incorporated in the Republic of Singapore)
(the "Company")

PROPOSED CHANGE OF AUDITORS

The board of directors (the "**Board**" or the "**Directors**") of Yinda Infocomm Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce the Company's intention to change its auditors ("**Auditors**") from Ernst & Young LLP ("**EY**") to Baker Tilly TFW LLP ("**Baker Tilly**") (the "**Proposed Change of Auditors**") for the current financial year ending 31 May 2020.

EY has served as Auditors of the Group since its listing on Catalist during the financial year ended 31 May 2016 and was re-appointed as Auditors at the last annual general meeting ("**AGM**") held on 26 September 2019, to hold office until the conclusion of the next AGM of the Company.

As part of the Group's ongoing efforts to manage its overall business costs and expenses amidst the challenging business climate, the Board is of the view that it would be an opportune time to review the appointment of the Auditors. The proposed review would provide the Group an opportunity to benchmark its audit fees and realise cost efficiencies.

Following a review of the proposals from various audit firms which have experience in auditing public listed companies in Singapore, the Board, in consultation with the audit committee of the Company ("**AC**"), and taking into consideration the requirements under Rules 712 and 715 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"), has determined that Baker Tilly is best suited to meet the existing needs and audit requirements of the Group. The AC has considered, *inter alia*, the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**"), the adequacy of the resources and experience of Baker Tilly and the audit engagement partner assigned to the audit, the other audit engagements of Baker Tilly, the size and complexity of the Group, the number and experience of supervisory and professional staff of Baker Tilly assigned to the audit, the fee structure and audit arrangements proposed by Baker Tilly, are of the opinion that Baker Tilly will be able to meet the audit requirements of the Group.

The Proposed Change of Auditors will allow the Group to save approximately S\$50,000 in audit fees in comparison to the audit fees incurred by the Group for the financial year ended 31 May 2019. The quality and scope of the audit services to be provided by Baker Tilly will be comparable to that currently provided by EY.

In connection with the above, EY had on 2 April 2020 applied to ACRA to seek ACRA's consent to resign as Auditors. On 17 April 2020, EY had received ACRA's consent to resign as Auditors and EY had subsequently provided the Company with its notice of resignation dated 17 April 2020.

Baker Tilly has by way of a letter dated 20 April 2020 given its consent to act as Auditors, subject to approval from Shareholders being obtained at an extraordinary general meeting ("**EGM**") for the Proposed Change of Auditors to be held in due course.

Pursuant to Rule 712(3) of the Catalist Rules and Section 205AF of the Companies Act, Chapter 50, the appointment of Baker Tilly as Auditors in place of EY must be specifically approved by Shareholders at a general meeting. The appointment of Baker Tilly would therefore take effect upon the approval of the same by Shareholders at the EGM and, if appointed, Baker Tilly will hold office until the conclusion of the next AGM of the Company.

In accordance with the requirements of Rule 712(3) of the Catalist Rules:

- (a) EY has confirmed by way of a letter to Baker Tilly dated 17 April 2020 that it is not aware of any professional reasons why Baker Tilly should not accept appointment as Auditors; and
- (b) the Company confirms that there were no disagreements with EY on accounting treatments within the last twelve (12) months from the date of their resignation, being 17 April 2020;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this announcement;
- (d) the Company confirms that the specific reasons for the Proposed Change of Auditors are disclosed above. The Proposed Change of Auditors is neither due to the dismissal of EY nor EY declining to stand for election; and
- (e) the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of Baker Tilly as its new Auditors.

The Directors wish to express their appreciation for the past services rendered by EY.

A circular containing further details of the proposed change of Auditors together with the notice of EGM will be dispatched to Shareholders in due course.

By Order of the Board
Yinda Infocomm Limited

Song Xingyi
Non-Executive, Non-Independent Chairman

Date: 21 April 2020

*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 +65-6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.



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ASU/YHC

17 April 2020

The Board of Directors
Yinda Infocomm Limited
Block 5008 Ang Mo Kio Avenue 5
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Singapore 569874

Attention: Mr Frederick Lau

Yinda Infocomm Limited
Yinda Technology Singapore Pte. Ltd.

Dear Sirs

We should be grateful if you would accept this letter as a formal notice of our desire to resign as auditors of Yinda Infocomm Limited and Yinda Technology Singapore Pte. Ltd. in accordance with Companies Act, Cap. 50.

We have obtained consent from the Registrar for our resignation. We therefore withdraw our consent to act in this capacity.

We take this opportunity to thank you for your co-operation and kind support accorded to us during the course of our appointment as auditors of the Company. We wish you the very best in all your future endeavours.

Yours faithfully

Ernst & Young LLP

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