

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

PROPOSED SUBSCRIPTION OF 81,200,000 NEW ORDINARY SHARES IN THE CAPITAL OF YINDA INFOCOMM LIMITED AT A SUBSCRIPTION PRICE OF S\$0.072 PER SHARE

1. INTRODUCTION

1.1 The Board of Directors (the “**Board**” or the “**Directors**”) of Yinda Infocomm Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 15 November 2020 entered into the following subscription agreements for the allotment and issue of new ordinary shares in the capital of the Company (the “**Subscription Shares**”) (the “**Subscription Agreements**”) (the “**Proposed Subscription**”). The details of the Proposed Subscription are as follows:

A. Proposed Subscription by 8 Subscribers

S/N	Name of Subscriber	Proportion of Aggregate Consideration (S\$)	Number of Subscription Shares	Number of Subscription Shares as a percentage of the existing share capital of the Company ⁽¹⁾ (%)	Number of Subscription Shares as a percentage of the enlarged share capital of the Company ⁽²⁾ (%)
1.	Ng Siew Kee	648,000	9,000,000	3.95	2.91
2.	Goh Jee Mui	936,000	13,000,000	5.70	4.20
3.	Wong Hong Eng	396,000	5,500,000	2.41	1.78
4.	Wong Yong Chye	216,000	3,000,000	1.32	0.97
5.	Chan Hiang Ngee	1,008,000	14,000,000	6.14	4.53
6.	Dennis Lee Tuck Wing	720,000	10,000,000	4.39	3.23
7.	Lee Loi Sing	1,008,000	14,000,000	6.14	4.53
8.	Ken Tan Khim Sing	302,400	4,200,000	1.84	1.36
	Sub-total	5,234,400	72,700,000	31.88	23.51

B. Proposed Subscription by Substantial Shareholder

1.	Chee Tai Chiew	612,000	8,500,000	3.73	2.75
	TOTAL	5,846,400	81,200,000	35.61	26.26

Notes:

- (1) Based on the number of Subscription Shares divided by the existing issued and paid-up share capital of the Company of 228,000,000 Shares before the Proposed Subscription.
 - (2) Based on the number of Subscription Shares divided by the enlarged issued and paid-up share capital of the Company of 309,200,000 Shares after the Proposed Subscription.
- 1.2 The Subscribers have agreed to subscribe for the Subscription Shares, at an issue price of S\$0.072 per Subscription Share ("**Subscription Price**"), amounting to an aggregate consideration of approximately S\$5,846,400 ("**Aggregate Consideration**"), and on the terms and conditions of the Subscription Agreements.

1.3 **Exemption from Prospectus Requirement**

The Proposed Subscription is not underwritten and there is no placement agent appointed for the purpose of the Proposed Subscription. The Subscription Shares are offered to accredited investors and the Proposed Subscription is made pursuant to the exemption under Section 275 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Subscription. No commission or introducer fee is paid or payable by the Company in connection with the Proposed Subscription.

1.4 **Compliance with Catalist Rules**

Chee Tai Chiew and Wong Yong Chye were subscribers of the subscription exercise for the issue of 76,000,000 shares in the capital of the Company ("**Shares**") that was completed on 16 October 2020 ("**October Issue**").

As at the date of this announcement, Wong Yong Chye holds 6,650,000 Shares representing 2.92% of the issued and paid-up share capital of the Company while Chee Tai Chiew holds 12,000,000 Shares representing 5.26% of the issued and paid-up share capital of the Company. Subsequent to the completion of the Proposed Subscription, Wong Yong Chye will hold 9,650,000 Shares representing 3.12% of the of the Company's enlarged issued and paid-up share capital of 309,200,000 Shares while Chee Tai Chiew will hold 20,500,000 Shares representing 6.63% of the Company's enlarged issued and paid-up share capital of 309,200,000 Shares

As Chee Tai Chiew is a substantial shareholder of the Company, shareholders' approval will be sought for the issue and allotment of 8,500,000 Subscription Shares to Chee Tai Chiew at an extraordinary general meeting to be convened pursuant to Rule 812(1) of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

Save for Chee Tai Chiew, the Subscription Shares (i) will not be placed to any person who is a director or a substantial shareholder of the Company or any other person in the categories set out in Rule 812(1) of the Catalist Rules, and (ii) will not result in any transfer of controlling interest in the Company.

1.5 Additional Listing Application

The Company will apply to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") through its sponsor, SAC Capital Private Limited ("**Sponsor**"), for the dealing in, listing of and quotation for the Subscription Shares. The Company will make the necessary announcement upon receipt of the listing and quotation notice ("**LQN**") from the SGX-ST.

2. THE PROPOSED SUBSCRIPTION

2.1 The Subscription Shares

Save for the issue and allotment of 8,500,000 Subscription Shares to Chee Tai Chiew which will be subjected to shareholders' approval at an extraordinary general meeting, the remaining 72,700,000 Subscription Shares will be issued and allotted pursuant to the general share issue mandate granted by shareholders of the Company by way of an ordinary resolution ("**General Mandate**") at the annual general meeting of the Company held on 29 October 2020 ("**2020 AGM**"). The General Mandate authorises the Directors to allot and issue ordinary shares in the capital of the Company ("**Shares**") not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2020 AGM, of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company shall not exceed 50% (excluding treasury shares and subsidiary holdings).

The number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2020 AGM is 228,000,000 Shares. On this basis, the maximum number of new Shares the Company is authorised to allot and issue other than on a pro-rata basis under the General Mandate is 114,000,000 Shares. Accordingly, the proposed allotment and issuance of 72,700,000 Subscription Shares falls within the limits of the General Mandate.

The Subscription Shares represent 35.61% of the Company's existing issued and paid-up share capital of 228,000,000 Shares (excluding treasury shares and subsidiary holdings) and approximately 26.26% of the Company's enlarged issued and paid-up share capital of 309,200,000 Shares (excluding treasury shares and subsidiary holdings) after the Proposed Subscription.

The Subscription Shares, when fully paid and issued, shall rank *pari passu* with and shall carry all rights similar to the existing Shares except that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the Completion Date (as defined below).

2.2 The Subscription Price

The Subscription Price of S\$0.072 for each Subscription Share was arrived at pursuant to discussions with the Subscribers, taking into account, among others, the prevailing market price of the Shares, and represents a discount of approximately 9.55% to the volume weighted average price of S\$0.0796 for trades done on the Shares on the Catalist on 11 November 2020, being the preceding full market day on which the Shares were traded up to the time the Subscription Agreements were signed.

2.3 Conditions

Completion of the Proposed Subscription is conditional upon, among others:

- (i) the LQN being obtained from the SGX-ST for the listing of and quotation for the Subscription Shares on the Catalist;
- (ii) (if applicable) the approval of the shareholders in a general meeting for the allotment and issue of the Subscription Shares at the Subscription Price;

- (iii) the exemptions under Section 275 of the SFA being applicable to the Proposed Subscription;
- (iv) the allotment, issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreements by any legislative, executive or regulatory body or authority of Singapore or any jurisdiction which is applicable to the Company; and
- (v) the representations, warranties and undertakings in the Subscription Agreements remaining true and correct in all material respects as at the Completion Date (as defined below) and the Company having performed all of its obligations under the Subscription Agreements.

If any of the conditions set out in the Subscription Agreements has not been satisfied on or before the date falling 3 months after the date of the Subscription Agreements or such other date as the parties may mutually agree, the Subscription Agreements shall terminate and shall be of no further effect and no party thereto shall be under any liability to the other in respect of the Subscription Agreements.

2.4 Completion

The Subscribers shall pay the Aggregate Consideration to the Company within two (2) business days from the Company's receipt of the LQN or (if applicable) the approval of the shareholders of the Company in a general meeting for the allotment and issue of the Subscription Shares at the Subscription Price, whichever is later.

Completion of the Proposed Subscription will occur within three (3) business days after the Company's receipt of the Aggregate Consideration from the Subscribers ("**Completion Date**").

3. INFORMATION ON THE SUBSCRIBERS

Shareholders should note that the information relating to the Subscribers in this paragraph and elsewhere in this announcement were provided by the Subscribers. The Company and the Directors have not independently verified the accuracy and correctness of such information.

3.1 The background details of the Subscribers are set out below:

S/N	Name of Subscriber	Background of Subscriber
1.	Ng Siew Kee	Director of Car City Leasing Insurance Agency Pte Ltd
2.	Goh Jee Mui	Private Investor
3.	Chee Tai Chiew	Director of HC Auto Pte Ltd
4.	Wong Hong Eng	Private Investor
5.	Wong Yong Chye	Private Investor
6.	Chan Hiang Ngee	Private Investor
7.	Dennis Lee Tuck Wing	Private Investor

S/N	Name of Subscriber	Background of Subscriber
8.	Lee Loi Sing	Remisier of Maybank Kim Eng Securities Pte Ltd
9.	Ken Tan Khim Sing	Director of KT MGT Pte Ltd

- 3.2 Save for the Subscribers in the table below, none of the Subscribers are existing shareholders of the Company:

S/N	Name of Subscriber	Existing Shareholdings as at the Date of this Announcement ⁽¹⁾	Post-Subscription Shareholdings (%) ⁽²⁾
1.	Chee Tai Chiew	12,000,000 (5.26%)	20,500,000 (6.63%)
2.	Wong Yong Chye	6,650,000 (2.92%)	9,650,000 (3.12%)
3.	Ken Tan Khim Sing	600,000 (0.26%)	4,800,000 (1.55%)
4.	Chan Hiang Ngee	168,000 (0.07%)	14,168,000 (4.58%)

Notes:

- (1) Based on the existing issued and paid-up share capital of 228,000,000 Shares in the Company before the Proposed Subscription.
- (2) Based on the enlarged issued and paid-up share capital of 309,200,000 Shares in the Company after the Proposed Subscription.
- 3.3 The Subscribers were introduced to the Group through Mr Tan Chin Tuan, an associate of an existing shareholder of the Company. Each Subscriber had expressed interest to invest in the Company.
- 3.4 Each of the Subscribers have represented and warranted that they have entered into the Subscription Agreements for their respective financial investment purposes and will not be holding the Subscription Shares on trust or as a nominee. Each of the Subscribers have confirmed that they have entered into the Subscription Agreement purely for investment purposes only, and has no intention of influencing the management of, or exercising control over, the Company, and is not acting in concert, as defined in The Singapore Code on Takeovers and Mergers with any persons to obtain or consolidate control of the Company. No share borrowing arrangement has been entered into to facilitate the Proposed Subscription.
- 3.5 Save as disclosed, to the best of the Company's knowledge, none of the Subscribers have any connection (including business relationships) with the Company, its Directors and substantial shareholders.
- 3.6 There is no moratorium imposed on the Subscription Shares.

4. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

4.1 Bases and assumptions

The table below illustrates the financial effects of the Proposed Subscription on (a) the consolidated net tangible assets ("NTA") per Share of the Group; and (b) the loss per Share ("LPS") of the Group (based on the audited consolidated financial statements of the Group for the financial year ended 31 May 2020). The pro forma financial effects of the Proposed Subscription are for illustration only and do not reflect the actual financial effects or the future financial performance and condition of the Group after the Proposed Subscription.

The financial effects are based on the following assumptions:

- (i) the financial effects of the Proposed Subscription on the NTA per Share of the Group are computed based on the assumption that the Proposed Subscription had taken place on 31 May 2020;
- (ii) the financial effects of the Proposed Subscription on the LPS is computed based on the assumption that the Proposed Subscription were completed on 1 June 2019;
- (iii) the effects of the October Issue and the proposed issue of 20,833,333 debt conversion shares announced on 9 November 2020 are disregarded; and
- (iv) the expenses incurred in connection with the Proposed Subscription amount to S\$0.03 million.

4.2 NTA per Share

The illustrative financial effects of the Proposed Subscription on the NTA per Share of the Group as at 31 May 2020 are as follows:

	Before the Proposed Subscription (Singapore cents) ⁽²⁾	After the Proposed Subscription (Singapore cents) ⁽³⁾
NTA ⁽¹⁾ attributable to the owners of the Company	360,000	6,176,400
Number of Shares	152,000,000	233,200,000
NTA per Share	0.24	2.65

Notes:

- (1) NTA means total assets less the sum of total liabilities, non-controlling interests and Intangible assets.
- (2) Based on 152,000,000 Shares in issue as at 31 May 2020.
- (3) Based on 233,200,000 Shares following completion of the Proposed Subscription.

4.3 LPS

The illustrative financial effects of the Proposed Subscription on the NTA per Share of the Group as at 31 May 2020 are as follows:

	Before the Proposed Subscription (Singapore cents) ⁽¹⁾	After the Proposed Subscription (Singapore cents) ⁽²⁾
Loss attributable to the owners of the Company	(3,156,000)	(3,156,000)
Number of Shares	152,000,000	233,200,000
Loss per Share	(2.08)	(1.35)

Note:

- (1) Based on 152,000,000 Shares in issue as at 31 May 2020.
- (2) Based on 233,200,000 Shares following completion of the Proposed Subscription.

5. RATIONALE FOR THE PROPOSED SUBSCRIPTION AND USE OF PROCEEDS

- 5.1 Notwithstanding that the Company has yet to fully utilise the proceeds from the October Issue, the Proposed Subscription is beneficial for the Group as this will further strengthen its financial position and improve its cash flow to support the working capital requirements of the Group, given its current loss-making position. In addition, the Proposed Subscription will also provide additional resources and funding for the Group to pursue new business opportunities as and

when they arise, such as the potential acquisition of a 51% interest in International Biometrics Pte. Ltd. announced on 2 November 2020 when the terms of the same have been finalised.

- 5.2 The net proceeds to be raised by the Company from the Proposed Subscription (after deducting estimated expenses of S\$0.03 million) are approximately S\$5.82 million (“**Net Proceeds**”). The Company intends to allocate the Net Proceeds as follows:

Use of Net Proceeds	Amount (S\$'000)	Percentage Allocation (%)
Working Capital	1,163 – 1,745	20% - 30%
New Business Opportunities, including the potential acquisition of International Biometrics Pte. Ltd.	4,071 – 4,653	70% - 80%
Total	5,816	100%

- 5.3 Pending the deployment of the Net Proceeds, the Company intends to place the Net Proceeds from the Proposed Subscription with banks and/or financial institutions or use the Net Proceeds for any other purposes on a short-term basis, as the Directors may deem fit.
- 5.4 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the funds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company’s half year and full year financial statements and the Company’s annual report. Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and the annual report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

6. CONFIRMATION BY DIRECTORS

- 6.1 The Directors are of the opinion that:
- (i) after taking into consideration the Group's present bank facilities, the proceeds from the October Issue and the continued financial support from the holding company of Yinda Pte. Ltd. (which is the Company’s controlling shareholder), the working capital available to the Group is sufficient to meet its present requirements; and
 - (ii) after taking into consideration the Group's present bank facilities, the proceeds from the October Issue, the continued financial support from the holding company of Yinda Pte. Ltd. (which is the Company’s controlling shareholder) and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.
- 6.2 Notwithstanding the above, the Directors are of the view that the Proposed Subscription is beneficial for the Group for such reasons as set out in section 5 of this announcement.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for Chee Tai Chiew who is a substantial shareholder holding 5.26% of the Shares as at the date of this announcement, none of the Directors or substantial shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Subscription, other than through their shareholdings (if any) in the Company.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Subscription Agreements is available for inspection at the Company's registered office at 5008 Ang Mo Kio Avenue 5 #04-07 Techplace II Singapore 569874 during normal business hours for three months from the date of this announcement.

9. DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Subscription, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 this announcement in its proper form and context.

10. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares and should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Mdm. Song Xingyi
Non-Executive and Non-Independent Chairman
15 November 2020

This announcement 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 "SGX-ST") and the SGX-ST 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 (Tel +65 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.