YINDA INFOCOMM LIMITED
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YINDA INFOCOMM

ENVISIONING CHANGE

ANNUAL REPORT 2021

OUR VISION

To be a leading digital identity management solutions provider while delivering best in class competence in biometric technology and to continue to lead in infocommunication services

OUR MISSION

To lead, deliver quality services and create innovative solutions that enhance the quality of our customers' experience and ensure seamless connectivity in the region.

This annual report has been reviewed by the Company's sponsor, SAC Capital Private Limited ("Sponsor"). This annual report 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 annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

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

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CORPORATE PROFILE

Yinda Infocomm Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is a regional integrated solutions and services provider in digital identity management technology and telecommunications.

In January 2021, the Group embarked on a business transformation exercise, having identified growth opportunities in the digital identity management space. By early April 2021, the Group completed the acquisition of a 51% controlling stake in International Biometrics Pte. Ltd. ("**InterBIO**") and an investment in TECH5 SA ("**TECH5**"), marking the Group's official entry and diversification into the field of developing and providing digital identity management and biometric solutions.

Leveraging on its strong execution experience and the robust technology platforms from strategic technology partners, the Group's Digital Identity and Biometrics business unit currently serves mainly ministries and government agencies, such as Indonesia's national identity database of approximately 200 million enrolled citizens.

The Group's platforms are based on core, multimodal technologies, such as face, finger and iris biometrics, which are listed in the top tier of the National Institute of Standards and Technology ("**NIST**") benchmarks. The Group is looking to expand its coverage to medical insurance, healthcare, banking electronic payments, transport, and telecommunications-related applications in the commercial sector.

The Group's Telecommunications business unit provides innovative solutions, consistent and reliable services in the implementation of indoor and outdoor mobile network infrastructures, installation and commissioning radio base transceiver stations, and planning, optimisation and maintenance of networks.

The Company was listed in August 2015 on the Catalist Board of the SGX-ST.

LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board, we are pleased to present the annual report of Yinda Infocomm Limited ("**Yinda**" or the "**Group**") for the financial year ended 31 May 2021 ("**FY2021**").

FY2021 BUSINESS REVIEW

The COVID-19 pandemic continued to weigh heavily on the global economy in FY2021 with the emergence of new variants and the reimposition of lockdown measures across major markets to contain the spread of the virus. While vaccination programmes worldwide started to gain momentum, the gradual easing of strict social distancing restrictions has only just begun, curtailing the pace of recovery in our primary markets.

With our sights set on positioning Yinda for the pending recovery and long-term growth, we conducted a strategic business review of our business during the year and announced our commitment to focus on building our presence in the digital identity and biometrics industry.

On this front, we established our Digital Identity and Biometrics division in April 2021 to deliver immediate and sustainable revenue streams in the relatively nascent and fast-growing digital identity space. Driven in part by the global push for digital transformation, as well as the surge in global demand for advanced contactless biometric technologies for use in safe and secure pandemic-related solutions, the future growth and prospects of the biometrics industry looks promising.

We are in the process of right-sizing our telecommunications business and expect contributions from this segment to decline given the muted outlook for the sector. Due to the prolonged loss-making positions of our Malaysia and Philippines subsidiaries, the Group completed the disposal of the two subsidiaries and exited the respective markets in January 2021.

Singapore

With the various lockdown measures implemented by the Singapore Government since the second quarter of 2020, our Singapore operations was affected and projects were delayed as a consequence. For its operations in Singapore, the Group continues to adhere to the prevailing social distancing measures to safeguard the well-being of our employees and work closely with operators and the Government to deliver quality network services to the Group's customers.

Thailand

Exacerbated by the pandemic and political unrest, economic activity in Thailand continued to be weak and sluggish since early 2021. In July 2021, the Thai government extended the Emergency Decree for the thirteenth consecutive time, affecting the pace of recovery. To ensure the safety of our employees, for its operations in Thailand, the Group continues to implement social distancing measures in the office.

"Together, we will continue to work tirelessly to pursue growth, create value and increase returns for the Company and all our shareholders"

Despite the impact of the pandemic on our operations, delays in completion of existing projects and the rollout plans of 5G networks by local operators due to the continued enforcement of work-from-home and work-in-shifts arrangements by the Group's customers, Yinda Technology (Thailand) Co., Ltd. remains in a healthy asset position.

Indonesia

On 6 April 2021, we acquired a 51% interest in InterBIO, a Singapore-based company with significant experience and expertise in the biometrics related technologies and applications. InterBIO actively introduces its capabilities and participates in various international tenders, such as passport projects, face and finger verification system projects in Africa and Southeast Asia.

InterBIO owns and manages, PT International Biometrics Indonesia ("**InterBIO ID**"), which operates a robust biometric business in Indonesia. InterBIO ID provides technical support services to Indonesia's Ministry of Home Affairs and maintains Indonesia's current biometric national identity system with a database of more than 200 million citizens. In addition, InterBIO ID has also successfully integrated the biometric e-KYC platform with the DBS digital banking application in Indonesia.

InterBIO ID has received strong interest from several prospective clients for the implementation and integration of its biometric technology solutions. InterBIO ID is currently in various phases of commercial engagement with companies in the banking, fintech, and law enforcement industries, as well as government ministries and healthcare institutions overseeing vaccination programmes.

LETTER TO SHAREHOLDERS

FINANCIAL PERFORMANCE

For the financial year ended 31 May 2021, the Group recorded revenue from continuing operations of S$6.1 million compared to S$9.9 million for the financial year ended 31 May 2020, representing a decline of S$3.8 million or 38.4%. This decline was primarily due to lower contribution from the Group's telecommunications business as market conditions remained challenging, intensified by government measures that led to project delays in Singapore and Thailand. However, the drop in revenue was partially offset by two months of revenue contribution from recently-acquired InterBIO. Amounting to S$1.0 million, InterBIO's two-month contribution accounted for approximately 16.4% of the Group's FY2021 revenue demonstrating the potential of its future contribution to the Group.

During the period under review, legal and professional fees paid or payable to professional firms increased by S$3.8 million to S$4.1 million for FY2021 from S$0.3 million in FY2020. This was mainly due to one-off fees due to various corporate exercises undertaken during the financial year, including acquisition and disposal of subsidiaries, and investments in TECH5 and PT. Pattra Aksa Jaya ("**PAJ**"). On the other hand, administrative staff cost increased by S$1.0 million to S$2.6 million year-on-year mainly due to the hiring of more senior management employees and directors in FY2021.

As a result, the Group recorded a net loss of S$7.9 million from continuing operations. Notwithstanding the Group's overall losses, InterBIO contributed S$0.2 million operating loss to the Group.

TRANSFORMING INTO A DIGITAL IDENTITY MANAGEMENT TECHNOLOGY SOLUTIONS PROVIDER

In October 2020, the Group had identified business opportunities in the digital identity space. To realise this objective, Yinda completed the diversification into the field of development and provision of identity management and biometric technology solutions through the acquisition of InterBIO and investment in TECH5.

InterBIO ID has provided the Group access to a plethora of platforms based on core technologies licensed from strategic technology partners, including but not limited to TECH5, such as face, finger and iris biometrics listed in the top tier of the NIST benchmarks.

In April 2021, the Group made a strategic investment in TECH5 via a US$2.5 million convertible loan and subsequently entered into a second investment agreement to acquire new TECH5 shares amounting to US$8.0 million in May 2021.

TECH5 is an international technology company focused on the development of disruptive biometric and digital identity solutions through the application of artificial intelligence ("**AI**") and machine learning technologies. The investment in TECH5 will allow the Group to tap into proven biometrics technologies which will be synergistic to InterBIO's operations.

To further strengthen the Group's biometrics technology offering, Yinda entered into a term sheet with The Institute of Machine Learning GmbH ("**IML**") in July 2021, along with IML's founders, to acquire the assets and business of IML. IML is an Austrian company that provides a digital onboarding platform that combines biometric authentication and fraud prevention with the aim of offering developers easy e-KYC integration and end users a seamless user onboarding experience.

This acquisition will provide the Group immediate access to complementary biometric platforms and technologies with clear market demand, as well as a proven team of biometrics technology developers that will bolster the Group's standing as a one-stop digital identity management technology provider. The respective definitive agreements have been entered into with IML on 11 September 2021.

In August 2021, we exercised a convertible note of S$370,000 into shares in PAJ, providing Yinda with a stake of approximately 8.0% in PAJ. PAJ has a joint project with Bank DKI, a regional development bank owned by the Provincial Government of Jakarta, to digitalise all methods of transaction in Jakarta's traditional markets. The project aims to develop digital payment solutions fronted by Bank DKI between the markets' tenants and landlords and between buyers and sellers, leveraging on PAJ's proprietary systems and solutions.

During the year, the Group also signed a memorandum of understanding ("**MoU**") with Vision Group's equity arm, TriVentures Capital Pte Ltd ("**TriVentures**"), a technology solutions and deployment company specializing in blockchain technology. Under the MoU, the Group is exploring to broaden its identity management customer use cases within the blockchain technologies industry as well as strategic investment in TriVentures and its portfolio of companies.

These quality acquisitions and value-accretive partnerships are a reflection of the Group's strategy to create a vertically integrated value chain for digital identity management and build a credible and sustainable suite of digital identity management technology solutions. This will allow the Group to solidify a position of leadership in the industry and create value for shareholders over the longer term.

To that end, during the financial year under review, we raised a total net proceeds of S$29.4 million via equity financing and share placements to fund investments and build our digital identity management business.

FUTURE PROSPECTS

According to a report from MarketsandMarkets, the identity verification market is projected to grow by 15.6% compound annual growth rate ("**CAGR**") from US$7.6 billion in 2020 to US$15.8 billion in 2025, with biometric technology solutions growing at a higher rate than non-biometric platforms[1]. In addition, the wider biometric system market is expected to grow from US$36.6 billion in 2020 to US$68.6 billion by 2025, a CAGR of 13.4%.

The major factors driving growth in these biometric markets include the increasing use of biometrics in consumer electronic devices for authentication and identification purposes, the growing need for surveillance and security with the heightened threat of terrorist attacks, and the surging adoption of biometric technology in automotive applications[2].

To capture the business opportunities in this growing industry, the Group will continue to build on our foothold in the digital identity management industry and increase our access to advanced biometrics technologies and digital identity management solutions. Identity management will be a key growth driver for the Group given the high demand by both the public and private sectors to innovate digital identification as an enabler of secure economic and social activities.

We are proactively building our sales pipeline and bidding for medium to large-scale end-to-end digital identity projects to further expand the Group's presence in the identity management industry. On the operational front, we will continue to manage expenses and streamline business processes to achieve cost efficiency.

ACKNOWLEDGEMENTS

On behalf of the Board, we are delighted to welcome our new Chief Executive Officer and Executive Director, Mr Pierre Prunier, to the Company. Mr Prunier will be steering the direction of the Group's transformation efforts going forward. With his wealth of experience, we are confident that he can bring the Group to its next stage of growth – in the digital identity management space.

We would also like to welcome Mr Tan Chee Bun Gordon and Mr Ngo Yit Sung on board as Executive Directors. Mr Tan will be responsible for overseeing the Group's financial and corporate matters while Mr Ngo will be responsible for the Group's overall corporate communications, investor relations, as well as marketing for the Group.

During the year, we bade farewell to our outgoing Independent Directors, Mr Henry Tan Song Kok and Ms Tang Qun, and we wish them all the best in their future endeavours. Simultaneously, we have strengthened our board bench with Mr Cheam Heng How, Howard, taking over as Lead Independent Director and by welcoming Mr Aw Eng Hai, Mr Chua Hoe Sing and Mr Low Chai Chong as Independent Directors. We believe that we can tap on their accumulated expertise and vast industry experience as we chart our way ahead.

We would also like to express our heartfelt gratitude to all members of our staff for their resilience and dedication during these exceptional times. Last but not least, we would like to thank our Board of Directors, customers, business associates and shareholders for your unwavering support and faith as we evolve into a one-stop identity management and biometrics technology solutions provider.

[1] *https://www.biometricupdate.com/202011/biometrics-to-lead-identity-verification-market-growth-to-15-8b-by-2025*
[2] *https://www.biometricupdate.com/202012/biometric-systems-market-to-grow-by-over-30b-in-next-five-years-report-says*

REGIONAL PRESENCE

Our presence in these markets nurtures our ability to adapt to diverse operating conditions, enabling us to respond quickly to the changing needs and requirements of our customers and secure projects on providing solutions and services beyond Singapore. Through our regional business networks, we are able to enjoy economies of scale which allows us to provide cost-effective solutions and services to our customers.

** Yinda's subsidiaries in Malaysia and Philippines were disposed during FY2021*

FINANCIAL HIGHLIGHTS

FOR THE YEAR ($'000)	2021	2020 (Restated)
Revenue	**6,072**	9,859
Loss before earnings, interest, tax, depreciation & amortisation (EBITDA)	**(6,104)**	(1,057)
Loss before tax	**(7,843)**	(1,976)
Loss for the year from continuing operations	**(7,938)**	(2,141)
Loss for the year from discontinued operations, net of tax	**(469)**	(1,015)
	(8,407)	(3,156)
Loss attributable to owners of the company	**(7,847)**	(2,141)

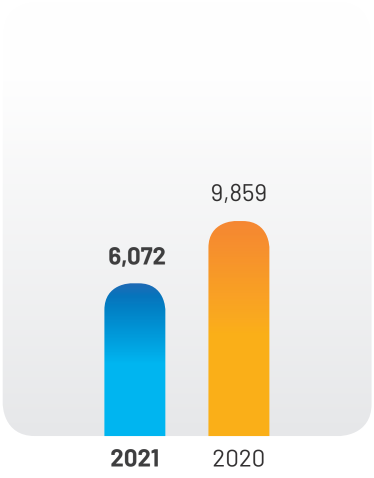
AT YEAR END ($'000)		
Current assets	**24,647**	12,156
Total assets	**74,733**	13,556
Current liabilities	**15,854**	12,393
Total liabilities	**22,248**	13,147
Total debt (Including shareholder's loan)	**5,740**	6,314
Equity attributable to owners of the company	**40,632**	409
Total equity	**52,485**	409
Number of shares as at 31 May	**647,266,333**	152,000,000

PROFITABILITY RATIOS		
Return on shareholders' equity (%)	**(16.0)**	(771.6)
Return on total assets (%)	**(11.2)**	(23.3)

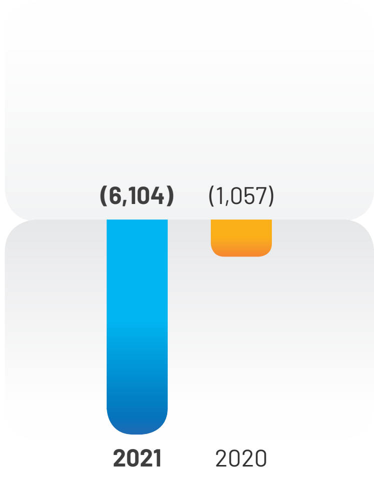
LEVERAGE RATIOS		
Long-term debt to equity ratio (times)	**0.03**	0.64
Total debt to equity ratio (times)	**0.11**	15.44

LIQUIDITY ANALYSIS RATIOS		
Current ratio (times)	**1.55**	0.98
Net asset value per share (cents)	**8.11**	0.27

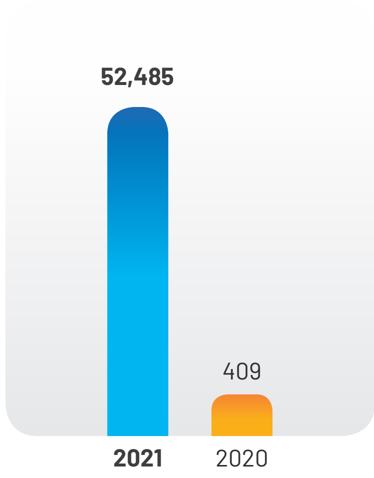
REVENUE ($'000)



EBITDA ($'000)



TOTAL EQUITY ($'000)



FINANCIAL REVIEW

INCOME STATEMENT

The Group's revenue decreased by S$3.8 million or 38.4% to S$6.1 million for the financial year ended 31 May 2021 ("**FY2021**") as compared to S$9.9 million for the financial year ended 31 May 2020 ("**FY2020**").

Revenue contributed from InterBIO amounted to S$1.0 million since the completion of the acquisition on 6 April 2021.

Revenue from the telecommunications business decreased by S$4.8 million to S$5.1 million in FY2021, from S$9.9 million in FY2020. The decrease in revenue recorded in Singapore and Thailand, representing the continuing operations, was mainly due to the (i) decrease in the Telecommunication Implementation ("**TI**") projects of S$0.5 million and S$0.6 million respectively; (ii) decrease in Networking Planning Optimisation ("**NPO**") projects of S$0.2 million and S$0.4 million respectively, and (iii) decrease in In-Building Construction ("**IBC**") projects of approximately S$2.0 million and S$1.1 million respectively. Since the onset of the COVID-19 pandemic in the beginning of 2020, the Group's telecommunications business in Singapore and Thailand continues to be disrupted as projects undertaken at work sites cannot be carried out as a result of government measures imposed and completion is therefore delayed.

Other income mainly consist of net fair value gain on our convertible loans provided to TECH5 and PAJ, government grant and sales of scraps. The increase in other income by S$0.9 million was mainly from fair value gain on other investments of approximately S$0.5 million, and government grants and rebates from Covid-19 related measures received, totalling approximately S$0.4 million.

The changes in inventories, material consumed and subcontractor cost represent the cost related to our projects and these costs decreased by approximately S$1.9 million or 52.8% to S$1.7 million in FY2021 from S$3.6 million in FY2020. The decrease is mainly due to fewer operating activities resulting in reduction of direct costs and this was also in line with the decrease in revenue.

The employee benefits expenses for both project and admin represent represent the staff costs incurred during the year. Employee benefit expenses for project staff decreased slightly by 2.8% to S$3.5 million from S$3.6 million which was in line with the reduction of operating activities for the telecommunications business, while maintaining sufficient workforce for the projects. Staff cost for administrative staff increased by 62.5% to S$2.6 million from S$1.6 million. This was mainly due to more hiring of senior management employees and directors during the financial year.

The increase in depreciation of property plant and equipment was mainly due to an additional lease entered into for the new office space in the CBD area since January 2021 and right-of-use assets from PT International Biometric Indonesia. The increase in amortisation of intangibles was mainly resulting from the amortisation for intangibles arising from acquisition of InterBIO.

Legal and professional fees paid or payable to professional firms increased by S$3.8 million to S$4.1 million in FY2021 from S$0.3 million in FY2020 due to various corporate exercises undertaken during the year, including the acquisition and disposal of subsidiaries and convertible loans provided to TECH5 and PAJ.

Other expenses decreased by approximately S$0.4 million or 28.6% to S$1.0 million in FY2021 from S$1.4 million in FY2020. This was mainly due to a decrease in overheads such as travelling as a result of COVID-19 travelling restrictions of approximately S$0.4 million, as well as fewer operating activities resulting in reduction of indirect costs.

Finance cost comprised interest expenses from borrowings and shareholder's loan.

Income tax expenses mainly due to provision of current tax and deferred tax for the financial year.

The results of discontinued operations were contributed by Yinda Philippines and Yinda Malaysia with approximately S$1.8 million losses recorded in FY2021 and offset with the gain on disposal of investments in subsidiaries, Yinda Philippines and Yinda Malaysia during the year amounting to S$1.4 million.

BALANCE SHEET

Overall, total assets and total liabilities were reduced by S$1.2 million and S$4.1 million respectively as result of disposal of Yinda Philippines and Yinda Malaysia.

Non-current assets increased by approximately S$48.7 million to S$50.1 million as at 31 May 2021 from S$1.4 million as at 31 May 2020 as a result of the following:

i) The Group recorded approximately S$20.3 million and S$23.6 million of goodwill and intangible assets respectively. These were mainly arising from the Purchase Price Allocation ("**PPA**") exercise carried on the acquisition of InterBIO, where fair value adjustments were made on intangibles such as technology and customer relationship.
ii) Convertible loans amounting to S$4.2 million arose from the investment in TECH5 amounting to US$2.5 million (approximately S$3.38 million) and the investment of S$0.37 million in PAJ by way of a convertible note.
iii) The increase in property, plant and equipment is due to the recognition of right-of-use assets pursuant to the recognition of a right-of-use asset for a new office premise at CBD area which the Group leased from January 2021 as well as right-of-use assets from PT International Biometric Indonesia.
iv) Non-current other receivables and deposits increased by S$0.4 million from S$0.1 million as at 31 May 2020 to S$0.5 million as at 31 May 2021 due to increase in creditable withholding tax receivables in Thailand and long-term deposits.

Current assets increased by S$12.5 million to S$24.7 million as at 31 May 2021 from S$12.2 million as at 31 May 2020 as a result of the following:

i) Inventories decreased by 45.5% to S$0.6 million as at 31 May 2021 from S$1.1 million as at 31 May 2020 due to utilisation of materials on hand with fewer purchases to keep lower inventory levels as a result of a slowdown in operating activities in the telecommunications business.
ii) Contract assets which primarily relate to the Group's right to consideration for work completed but not yet billed has increased to S$9.6 million as at 31 May 2021 from S$6.3 million in as at 31 May 2020. This was due to the newly acquired business of InterBIO which recorded S$5.7 million of contract assets for projects in Indonesia, partially offset by decrease of S$2.4 million for the telecommunication business due to a slowdown in projects. These decreases were reflected by the decrease in revenue, where lesser projects are completed during the year.
iii) Trade and other receivables decreased by 61.4% to S$1.7 million as at 31 May 2021 from S$4.4 million as at 31 May 2020 due to better collection efforts on trade receivables.
iv) Cash and cash equivalents balances were increased by S$12.3 million to S$12.7 million from S$0.4 million as a result of respective share subscription exercises undertaken during the financial year.

The increase in total equity is mainly due issue of shares from various corporate exercises, and offsets with the increases in accumulated losses during the year.

Non-current liabilities increased by S$5.6 million to S$6.4 million as at 31 May 2021 from S$0.8 million as at 31 May 2020, mainly due to increase in deferred taxation arising from PPA exercise on acquisition of InterBIO of S$4.6 million in respect of those acquired intangible assets, and increase in lease liabilities (non-current) amounting to S$1.0 million was due to new office premises in the CBD area and right-of-use assets in Indonesia.

Current liabilities increased by approximately S$3.5 million or 28.2% to S$15.9 million as at 31 May 2021 from S$12.4 million 31 May 2020. This was mainly due to the accruals made in trade and other payables, for the second tranche payment in respect of the 51.0% acquisition of InterBIO amounting to approximately S$6.7 million that was recorded under trade and other payables. This increase was partially offset by a debt conversion of loans owing to Yinda Pte. Ltd. approximately S$1.5 million which was completed in January 2021 which reduced the loans and borrowings. In addition, there were also decreases in contract liabilities and tax payable totalling S$1.1 million, which was mainly due to deconsolidation of Yinda Phillippines.

STATEMENT OF CASH FLOWS

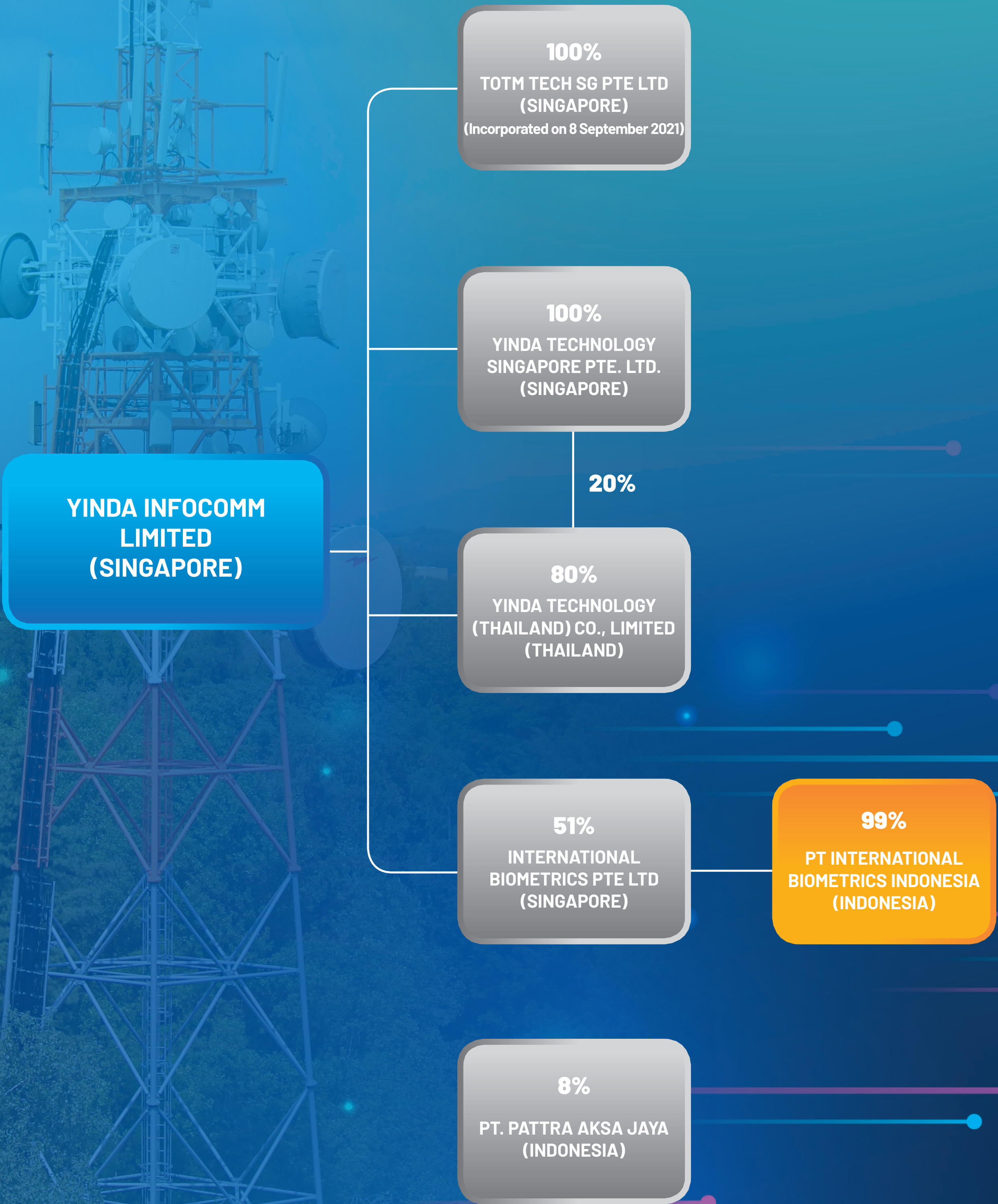
In FY2021, net cash flows used in operating activities amounted to S$2.0 million. This includes operating cash outflow before movement in working capital of S$3.9 million, with further cash outflow from contract assets of S$0.5 million, contract liabilities of S$0.2 million, and trade and other payables of S$0.4 million, partially offset with cash inflow from inventories of S$0.4 million and trade and other receivables of S$2.8 million.

Net cash flows used in investing activities amounted to approximately S$12.5 million was mainly due to the acquisition of subsidiaries and convertible loans of S$6.6 million and S$3.7 million, and transaction costs paid on acquisition of S$2.1 million.

Net cash flows from financing activities amounted to approximately S$26.7 million, mainly due to proceeds from respective placements made during the year for our business diversification, partially offset by share issuance expenses of S$1.6 million.

As a result of the above, there was a net increase of S$12.2 million in cash and cash equivalents. As at 31 May 2021, the Group's cash and cash equivalents amounted to S$12.6 million

CORPORATE STRUCTURE



BOARD OF DIRECTORS AND KEY MANAGEMENT

MR PIERRE PRUNIER
Executive Director and CEO

MR TAN CHEE BUN GORDON
Executive Director

MR NGO YIT SUNG
Executive Director

MR FREDERICK LAU
Deputy Chief Financial Officer

MR CHEAM HENG HAW, HOWARD
Lead Independent Director

MR AW ENG HAI
Independent Director

MR CHUA HOE SING
Independent Director

MR LOW CHAI CHONG
Independent Director

BOARD OF DIRECTORS AND KEY MANAGEMENT

MDM SONG XINGYI

Non-Executive and Non-Independent Chairwoman
Bachelor's Degree in Electrical Engineering, Hefei University of Technology, 1975

Mdm. Song Xingyi is our Non-Executive and Non-Independent Chairwoman and was appointed to our Board on 30 September 2017. Mdm. Song is the Chairwoman of Shanghai Yinda Technology Group Co., Ltd and sits in the Shanghai Communications Industry Association Council.

After graduation, Mdm. Song was appointed as project leader of the high voltage laboratory, providing technical support for Anhui Electric Power Plant in Anhui Electric Power Research Institute from 1975 to 1988, and was responsible for the first 500 KV transmission line commissioning in Anhui Province.

In 1988, Mdm. Song was appointed as General Manager in Anhui Diantong Communication Engineering Co., Ltd ("**Anhui Diantong**") (formerly known as Diantong Institute). Anhui Diantong was one of the pioneers to be engaged in public wireless communication network construction, mainly undertaking professional network construction and maintenance of public security, banking, transportation. Anhui Diantong was also involved in wireless train controlling system, BB machine connection network, and public network which was activated in the 90s. During 1995, the contribution of Anhui Diantong was significant in the Global System for Mobile communications ("**GSM**") field when GSM was just starting out in China.

In 2001, Mdm. Song founded Shanghai Yinda Science and Technology Industrial Co., Ltd where she was General Manager until 2010. After the establishment of Shanghai Yinda Technology Group Co., Ltd. in 2010, Mdm. Song was appointed as Chairwoman from then till date.

MR PIERRE PRUNIER

Executive Director and CEO
Bachelor of Arts, Economics, Boston University, 2003
Mastering Alternative Investments, INSEAD Singapore, 2006

Mr. Pierre Prunier is our Executive Director and Chief Executive Officer and was appointed on 6 April 2021.

He is also the Director and Chief Strategy Officer of InterBIO, overseeing the strategic planning of InterBIO. Prior to this, Mr. Prunier was President Director and CEO of PT Manambang Muara Enim, a thermal coal producing company with mining concessions in South Sumatra, Indonesia. Mr. Prunier also concurrently held the title of Head of Strategic Planning and Business Development for PT Central Proteina Prima Tbk, a global leader in aquaculture with farms. based in Indonesia and listed on the Jakarta stock exchange.

Mr. Prunier has over eighteen years of working experience in the investment management industry. He was previously Head of Direct Investments at Oclaner Asset Management Pte Ltd, a Singapore based multi-family office. At Oclaner, Mr. Prunier was in charge of sourcing real estate investment opportunities and also responsible for the launch of Oclamon Real Estate Fund, a S$20 million real estate fund. Prior to this, Mr. Prunier was the Executive Director of Seekers Advisors Pte Ltd, a hedge fund manager with offices in Hong Kong and Singapore. Mr. Prunier's responsibilities included identifying and evaluating suitable investment themes and sourcing for investment targets. Prior to joining Seekers Advisors, Mr. Prunier was a Director and Corporate Officer for the CME Group, the world's largest derivatives exchange. Mr. Prunier led their Hedge Fund business for Asia-Pacific. Mr. Prunier currently sits on the board of several private investment firms. and has substantive experience in private equity, venture capital and real estate.

MS SHAO LIFANG

Executive Director
Diploma in Accounting and Statistics, Hefei University of Technology, 1998

Ms. Shao Lifang is our Executive Director and was appointed to our Board on 1 November 2018.

After graduation in 1998, Ms. Shao started her career with Anhui Diantong as an accountant and was responsible for its daily accounting practice.

In 2000, she participated in the formation of Shanghai Yinda Science and Technology Industrial Co., Ltd where she was appointed as Finance Manager and oversaw financial and legal matters relating to the group.

In 2011, she was promoted as Group Finance Manager of Shanghai Yinda Technology Group Co. Ltd and has been responsible for the financial health of the entire organisation till date.

MR TAN CHEE BUN GORDON

Executive Director
D*egree in Accountancy, National University of Singapore, 1990*
Fellow Chartered Accountant of Singapore

Mr. Tan Chee Bun, Gordon is our Executive Director and was appointed to our Board on 16 September 2020. He is responsible for overseeing the Group's financial and corporate matters.

Mr. Tan began his career at Ernst & Young LLP, an international accounting firm where he undertook the audit of various companies. Between February 1993 and June 1996, Mr. Tan worked in Wepco Ltd as Group Accountant and subsequently, as Finance Manager of its subsidiaries. In July 1996, Mr. Tan became the Financial Controller of Omni Mold Ltd where he was responsible for the financial, taxation and management accounting functions. In August 2000, Mr. Tan joined Fischer Tech Ltd as Financial Controller and was one of the key management personnel who assisted the Company in obtaining a Main Board listing on the Singapore Stock Exchange in July 2001. In January 2004, he was promoted to the position of Chief Financial Officer. In November 2017, he oversaw the divestment of Fischer Tech Ltd to a private equity fund and its subsequent delisting. Between August 2018 and November 2019, Mr. Tan worked in Rigel Technology (S) Pte Ltd as its Group Chief Financial Officer, responsible for the full spectrum of financial reporting, taxation, treasury and regulatory function of the Group, including information technology and evaluation of potential business opportunities.

Mr. Tan holds a Bachelor of Accountancy Degree from the National University of Singapore and is a Fellow of the Institute of Singapore Chartered Accountants.

MR NGO YIT SUNG

Executive Director
Bachelor of Engineering in Electrical – Mechatronics (First Class Honours), Universiti Teknologi Malaysia, 2005
Ph.D. in Electrical and Computer Engineering, National University of Singapore, 2012

Mr. Ngo is our Executive Director and was appointed to our Board on 15 April 2021. He is responsible for the Group's overall corporate communications, investor relations, as well as marketing for the Group. He was the Business Development Manager of the Company and was responsible for researching and pursuing new business leads for the growth of the Company.

Mr. Ngo was a Director at Sino-Lion Communications Pte. Ltd., a financial communications advisory firm, from 2012 to 2021. He was an Investor Relations Manager of Dukang Distillers Holdings Limited from 2008 to 2012. Prior to that, he was a product engineer at Altera Corporation (Malaysia) Sdn Bhd.

Mr. Ngo holds a Bachelor of Engineering (First Class Honours) in Electrical (Mechatronics) from Universiti Teknologi Malaysia and a Ph.D. degree in Electrical and Computer Engineering from the National University of Singapore.

MR CHEAM HENG HAW, HOWARD

Lead Independent Director
Bachelor's Degree of Law from King's College, University of London, 1999
Member of the Law Society of Singapore

Mr. Howard Cheam is our Lead Independent Director and was appointed to our Board on 30 September 2017. He is currently a member of the Audit Committee, Nominating Committee and Remuneration Committee. Mr. Cheam is an equity partner at Rajah & Tann Singapore LLP. He currently practices in the specialised field of Capital Markets and Mergers and Acquisitions. He has been involved in many initial public offerings and reverse takeovers.

He has also been involved in both public and private M&A transactions within and outside of Singapore. His experience includes various fund-raising exercises for listed and unlisted companies such as the issue of bond instruments, convertible instruments and placements. In addition, he also handles general corporate and advisory work, such as joint ventures, trade transactions and investments.

BOARD OF DIRECTORS AND KEY MANAGEMENT

MR AW ENG HAI

Independent Director
Bachelor of Business Administration (Honours), National University of Singapore, 1992 Fellow Chartered Accountant of Singapore

Mr. Aw Eng Hai is our Independent Director and was appointed to our Board on 29 October 2020. He currently chairs the Audit Committee and is a member of the Nominating Committee.

Mr. Aw is a public accountant and a partner of Foo Kon Tan LLP where he is in charge of the various departments providing specialist advisory services. He has more than 19 years of experience providing business advisory services to companies. Prior to joining the commercial sector, Mr. Aw was an investigator in the Commercial Affairs Department (CAD) where he was involved in complex commercial fraud investigation.

Mr. Aw is a practising member of the Institute of Singapore Chartered Accountants (ISCA), a Fellow of the Association of Chartered Certified Accountants (ACCA), a Fellow of Insolvency Practitioners Association of Singapore (IPAS) and a member of INSOL International.

MR CHUA HOE SING

Independent Director
Master of Business Administration (Accountancy), Nanyang Technological University, 1994
Bachelor of Electrical & Electronics Engineering (First Class Honors), National University of Singapore, 1986

Mr. Chua Hoe Sing is our Independent Director and was appointed to our Board on 12 November 2020. He is currently the member of the Audit Committee and Remuneration Committee.

Mr. Chua is the Managing Director of HSC Glaston Pte. Ltd. and GS Packaging & Design Pte Ltd. He has more than 34 years of industrial experience covering various aspects of corporate governance, company structuring and restructuring, merger and acquisition, and human capital management for multi-national corporations, as well as family and privately held organizations across various industries. He has held various senior corporate roles in the past including Regional Director for Prudential Corporation Asia, Chief Human Resource Officer for Citic-Prudential China, Group Executive Vice President of Corporate Services & HR for Mediacorp, Asia Pacific Regional Director for Citigroup, Divisional Director for Cathay Organisation. He was also a Board Remuneration Committee member for Singapore National Kidney Foundation from 2006 to 2017, President of Singapore Swimming Club from 2012 to 2016, and was a lecturer on Strategic Management for Nanyang Technological University from 2014 to 2016.

Mr. Chua is also a member of Singapore Institute of Directors since 2021

MR LOW CHAI CHONG

Independent Director
Bachelor of Laws (Honours), National University of Singapore, 1986
Advocate and solicitor of the Supreme Court of Singapore, 1987

Mr. Low Chai Chong is our Independent Director and was appointed to our Board on 1 July 2021. He is the Chairman of Nominating Committee and Remuneration Committee as well as a member of Audit Committee.

Mr. Low is an advocate and solicitor of the Supreme Court of Singapore. He joined Dentons Rodyk & Davidson LLP in 1986, and has been with the same firm his entire career. He has many years of legal experience, representing MNCs, financial institutions and listed companies in a wide array of commercial and corporate matters regionally, including dispute resolution.

MR FREDERICK LAU

Deputy Chief Financial Officer
Bachelor's of Degree of Accountancy, University of Hertfordshire, 2001
Fellow member of the Association of Chartered Certified Accountants
Member of the Institute of Singapore Chartered Accountants

Mr. Frederick Lau is our Deputy Chief Financial Officer. He joined our Group in April 2018 and is in charge of managing the accounting and finance function of our Group including supervising the preparation of accounts as well as consolidation of financial results and reporting. Prior to joining our Group, Mr. Lau was an auditor with more than 15 years' experience in various international firms. including audit senior in Arthur Andersen and Ernst & Young Malaysia (after business combination up to 2005), audit manager in Deloitte & Touche LLP Singapore (2012) and audit senior manager in BDO LLP Singapore (2018).

Mr. Lau is also a fellow member of the Association of Chartered Certified Accountants and member of the Institute of Singapore Chartered Accountants.

Yinda Infocomm Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance. The Company understands that good corporate governance is an integral element of a sound corporation and enables it to be more transparent and forward-looking. In addition, sound corporate governance is an effective safeguard against fraud and dubious financial engineering, and hence helps to protect shareholders' interests. This also helps the Company to create long-term value and returns for its shareholders.

The Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Catalist Rules**") requires all listed companies to describe in their annual reports, their corporate governance practices, with specific reference to each of the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**") pursuant to Rule 710 of the Catalist Rules.

Statement of Compliance

The Board of Directors of the Company (the "**Board**" or "**Directors**") confirms that for the financial year ended 31 May 2021 ("**FY2021**"), the Company has generally adhered to the framework outlined in the Code. Where there were any deviations from any provisions of the Code, appropriate disclosures and explanations are provided.

BOARD MATTERS

THE BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Provision 1.1: Directors are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board is collectively responsible for the long-term success of the Group and is accountable to its shareholders. The principal functions of the Board, in addition to carrying out its statutory responsibilities, inter alia, are as follows:

- overseeing and approving the formulation of the Group's overall long-term strategic objectives and directions as well as providing entrepreneurial leadership, taking into consideration sustainability issues and ensuring the necessary financial and human resources are in place for the Company to meet its objectives;

- overseeing and reviewing the management of the Group's business affairs and financial controls, performance and resource allocation;

- establishing a framework of prudent and effective controls to assess and manage risks and safeguard shareholders' interests and the Group's assets;

- reviewing Management's performance;

- identify the key stakeholder groups and recognise that their perceptions affect the Group; and

- setting the Group's values and standards (including ethical standards) and ensuring that obligations to shareholders and other stakeholders are understood and met.

All Directors exercise due diligence and independent judgement and are obliged to act in good faith and consider at all times as fiduciaries in the interests of the Group. Although the Board has yet to adopt a Code of Conduct and Ethics, all Board members recognise the importance of conducting themselves and carrying out their duties in the best interest of the Company and to avoid placing themselves in any situation where conflict of interest may arise. All Board members are expected to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. When an actual, potential and/or perceived conflict of interest situation arises, the concerned Director must disclose such interest, recuse himself/herself from discussions and decisions involving the matter, and abstain from voting on resolutions regarding the matter and refrains from exercising any influence over other members of the Board, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. On an annual basis, each Director is also required to submit details of his/her associates for the purpose of monitoring interested person transactions.

Provision 1.2: Directors understand the Company's business as well as their directorship duties (including their roles as Executive, Non-Executive and Independent Directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. The induction, training and development provided to new and existing Directors are disclosed in the Company's annual report.

The Board comprises the following members, all of whom have the appropriate core competencies and diversity of experience needed to enable them to effectively contribute to the Group. The composition of the Board as at the date of this Annual Report is as follows:

Name of Directors	
Mdm Song Xingyi	(Non-Executive and Non-Independent Chairman of the Board)
Mr Pierre Prunier	(Executive Director and Chief Executive Officer ("**CEO**"))
Ms Shao Lifang	(Executive Director)
Mr Tan Chee Bun Gordon	(Executive Director)
Mr Ngo Yit Sung	(Executive Director)
Mr Cheam Heng Haw, Howard	(Lead Independent Director)
Mr Aw Eng Hai	(Independent Director)
Mr Chua Hoe Sing	(Independent Director)
Mr Low Chai Chong	(Independent Director)

The duties and obligations of the Director are set out in writing upon his/her appointment. Apart from keeping the Board informed of all relevant new laws and regulations, the Company has an orientation programme for new Directors to ensure that the incoming Director is familiar with the Company's business and governance practices. The new Director will be given briefings by the Management on the business structure and activities of the Group, its strategic and growth directions, corporate governance practices, and an overview of the more significant business risks, issues and challenges it faces. Corporate materials and documents such as the latest Annual Report, and upon request by the Director, minutes of recent Board and Board Committee meetings and the Constitution of the Company, will also be given to him/her to facilitate his/her understanding of the structure and operations of the Group.

In accordance with Rule 406(3)(a) of the Catalist Rules, the Nominating Committee will ensure that any new Director appointed to the Board, who has no prior experience as a director of a listed company will undergo mandatory training in the roles and responsibilities of a director as prescribed by the SGX-ST. Mr Chua Hoe Sing, Mr Pierre Prunier and Mr Ngo Yit Sung who were appointed as Directors of the Company in 2020 and 2021 respectively, had no prior experience as a director of a listed issuer.

Mr Chua Hoe Sing and Mr Ngo Yit Sung have completed the relevant prescribed mandatory training as specified in Schedule 1 of the Practice Note 4D of the Catalist Rules (the "**Mandatory Training**") while Mr Pierre Prunier who was appointed to the Board on 6 April 2021 had undertaken to attend and complete the relevant Mandatory Training within one year from the date of his appointment to the Board as prescribed in the Catalist Rules.

To keep the Directors abreast of the latest development in the Company and the Group, the Board is briefed by the Management on the development and progress of the Group's key operations. During FY2021, outside of the mandatory full and half-yearly Board meetings, the Board had communications with the Management via teleconferences and emails and were provided with periodic updates on the Group's operations and business.

Where necessary, the Directors regularly update themselves on their duties and responsibilities as directors, changes to any relevant laws and regulations such as the Catalist Rules, the Code, the Companies Act (Chapter 50) of Singapore (the "**Companies Act**"), etc. and changing commercial risks.

If regulatory changes have a material impact on either the Group or the Directors, the Management will update the Directors during the Board meetings. The Company Secretary, Ms Sim Yok Teng (and/or her representative) and the Company's sponsor, SAC Capital Private Limited also brief the Directors on key regulatory changes, while Baker Tilly TFW LLP, the Company's external auditors (the "**External Auditors**" or "**Baker Tilly**") briefs the Audit Committee on key amendments to the accounting standards.

The Board recognises the importance of ongoing training and development for the Directors so as to enable them to serve effectively and contribute to the Board. Every Director is provided with opportunities to attend additional training to further enhance their skills in performing their duties as a director, including attending appropriate courses and/or seminars at the Company's expense.

Trainings and/or seminars attended by the Directors during FY2021 are listed below:

Name of Director	Title of Training Session / Seminar
● Chua Hoe Sing	LED 1 – Listed Entity Director Essentials LED 2 – Board Dynamics LED 3 – Board Performance LED 4 – Stakeholder Engagement LED 5 – Audit Committee Essentials LED 6 – Board Risk Committee Essentials LED 7 – Nominating Committee Essentials LED 8 – Remuneration Committee Essentials
● Ngo Yit Sung*	LED 1 – Listed Entity Director Essentials LED 4 – Stakeholder Engagement
● Tan Chee Bun Gordon	– Directors' Duties and the Relationship with Ethics – Financial Due Diligence for Merger and Acquisition (M&A) Transactions – Financial Reporting Standards (FRS) 110, FRS111, FRS112, FRS113: Framework on Consolidated Financial Statements and Fair Value Measurement

* Mr Ngo Yit Sung has attended and completed LED 2 (Board Dynamics) and LED 3 (Board Performance) in 2018.

Provision 1.3: The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the Company's annual report.

The Board has adopted a set of guidelines on matters that requires its approval. The following types of material transactions are specifically reserved for the Board:

1. Approval of corporate strategies, business plans and budgets of the Group;

2. Approval of material acquisitions and disposal of assets;

3. Approval of capital related matters including corporate or financial restructuring, investment or expenditure exceeding certain threshold limits;

4. Approval and authority to issue new shares in the capital of the Company that effect changes in the capital structure;

5. Approval of financial statements and financial results announcement;

6. Declaration of dividends and other returns to shareholders; and

7. Authorisation of interested person transactions.

Provision 1.4: Board Committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the Committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each Committee's activities, are disclosed in the Company's annual report.

To assist in the execution of its responsibilities, the Board has established three Board Committees, comprising an Audit Committee (the "**AC**"), a Nominating Committee (the "**NC**") and a Remuneration Committee (the "**RC**"). These Board Committees function within clearly defined written terms of reference and operating procedures. While these Board Committees have the authority to examine particular issues and report to the Board with their decisions and recommendations, the ultimate responsibility on all matters lie with the Board.

All Board Committees are chaired by Independent Directors and each of the Board Committees has its own terms of reference setting out the scope of its duties and responsibilities, the rules and regulations and procedures governing the manner in which it is to operate and how decisions are to be taken.

The Board Committees are actively engaged and play an important role in ensuring good corporate governance of the Group. All recommendations of the Board Committees are subsequently reviewed and approved by the Board.

More details on each of the Board Committees, including the names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions and a summary of their activities, are set out in the further sections of this Corporate Governance Report.

Provision 1.5: Directors attend and actively participate in Board and Board Committee meetings. The number of such meetings and each individual Director's attendances at such meetings are disclosed in the Company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

The Board meets regularly and at least on a half-yearly basis. Ad-hoc Board or Board Committee meetings are convened from time to time when they are deemed necessary. The Constitution of the Company provides for meetings of the Board to be held by way of telephone conference or other simultaneous communication methods in the event when Directors are unable to attend the meetings in person. The Board and Board Committees may also make decisions by way of written resolutions.

Dates of Board, Board Committees' meetings and shareholders' general meetings (i.e. annual general meeting and extraordinary general meeting) are scheduled in advance in consultation with all of the Directors. For those Directors who are unable to attend the scheduled meeting in person, they are invited to participate in the meeting via telephone or video conference. During FY2021, the Board, Board Committee Meetings and shareholders' general meetings were held by electronic means in line with the safe-distancing measures and regulations imposed by the Singapore Government to mitigate the transmission of COVID-19. Even as the measures are progressively eased, the Company may continue to hold or conduct its meetings via electronic means, depending on the prevailing situation.

The number of Board, Board Committees and shareholders' general meetings held in FY2021 (for the financial period from 1 June 2020 to 31 May 2021) as well as the record of attendance of each Director during their terms Directors and members of the respective Board Committees of the Company are set out below:

Board of Directors and Board Committees' Meetings

	Board of Directors		Board Committees: Audit Committee		Remuneration Committee		Nominating Committee	
	No. of Meetings held	No. of Meetings attended	No. of Meetings held while as a Member	No. of Meetings attended	No. of Meetings held while as a Member	No. of Meetings attended	No. of Meetings held while as a Member	No. of Meetings attended
Name of Current Director								
Song Xingyi (1)	3	1	N/A	N/A	1	1	1	1
Pierre Prunier (2)	–	–	N/A	N/A	N/A	N/A	N/A	N/A
Shao Lifang	3	3	N/A	N/A	N/A	N/A	N/A	N/A
Tan Chee Bun Gordon (3)	2	2	N/A	N/A	N/A	N/A	N/A	N/A
Ngo Yit Sung (4)	–	–	N/A	N/A	N/A	N/A	N/A	N/A
Cheam Heng Haw, Howard (5)	3	3	3	3	2	2	–	–
Aw Eng Hai (6)	2	2	1	1	N/A	N/A	–	–
Chua Hoe Sing (7)	2	2	1	1	1	1	N/A	N/A
Low Chai Chong (8)	–	–	–	–	–	–	–	–
Name of Former Director								
Henry Tan Song Kok (9)	1	1	2	2	N/A	N/A	1	1
Tang Qun (10)	1	1	2	2	1	1	1	1

N/A - Not applicable as he or she is not a member of the respective Board Committees.

Shareholders' General Meetings

	Annual General Meeting held on 29 October 2020	Extraordinary General Meeting held on 30 December 2020	Extraordinary General Meeting held on 31 March 2021
Name of Current Director			
Song Xingyi (1)	X	X	X
Pierre Prunier (2)	–	–	–
Shao Lifang	✓	✓	✓
Tan Chee Bun Gordon (3)	✓	✓	✓
Ngo Yit Sung (4)	–	–	–
Cheam Heng Haw, Howard (5)	✓	✓	✓
Aw Eng Hai (6)	–	✓	✓
Chua Hoe Sing (7)	–	✓	✓
Low Chai Chong (8)	–	–	–
Name of Former Director			
Henry Tan Song Kok (9)	✓	–	–
Tang Qun (10)	✓	✓	X

Notes:

(1) Mdm Song Xingyi ceased to be a member of the Nominating and Remuneration Committees on 12 November 2020.

(2) Mr Pierre Prunier was appointed as Executive Director and CEO of the Company on 6 April 2021.

(3) Mr Tan Chee Bun Gordon was appointed as Executive Director of the Company on 16 September 2020.

(4) Mr Ngo Yit Sung was appointed as Executive Director of the Company on 15 April 2021.

(5) Mr Cheam Heng Haw, Howard was appointed as Lead Independent Director on 29 October 2020 and a member of the Nominating Committee on 12 November 2020.

(6) Mr Aw Eng Hai was appointed as Independent Director of the Company, Chairman of the Audit Committee, and member of Nominating Committee on 29 October 2020.

(7) Mr Chua Hoe Sing was appointed as Independent Director of the Company and member of the Audit Committee and Remuneration Committee on 12 November 2020.

(8) Mr Low Chai Chong was appointed as Independent Director of the Company and Chairman of the Remuneration Committee and Nominating Committee and member of Audit Committee of the Company on 1 July 2021.

(9) Mr Henry Tan Song Kok retired as Independent Director of the Company at the conclusion of the Company's last Annual General Meeting held on 29 October 2020. Upon his retirement, he ceased to be the Chairman of the Audit Committee and member of Nominating Committee of the Company.

(10) Ms Tang Qun ceased to be a member of the Audit Committee on 12 November 2020 and subsequently ceased to be Independent Director of the Company, Chairman of the Nominating Committee and member of Remuneration Committee on 31 May 2021.

Provision 1.6: Management provides Directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

The Management plays a pivotal role in providing Board members with complete, adequate and timely information to assist the Board in the fulfilment of its responsibilities for the long-term success of the Group.

Prior to each Board and Board Committees' meeting, the members of the Board and Board Committees are each provided with complete, adequate and timely information for them to comprehensively understand the matters to be discussed and deliberated during the meetings and allow them to make informed decisions thereon.

The Management will also inform the Board of all significant events as and when they occur and circulate Board papers and supporting information on significant transactions or corporate actions to facilitate a robust discussion before the transactions are entered into or the corporate actions take place. Management personnel, if required, will attend Board and/or Board Committee meetings to address queries from the Directors. The Directors also have unrestricted access to the Management. Requests for the Company's information by the Board are dealt with promptly. As a general rule, notices and Board papers are sent to the Directors as soon as possible in advance of Board and Board Committees' meetings, in order for the Directors to be adequately prepared for the meetings.

The Board also receives regular updates from the Management on any significant developments on business initiatives, and industry developments concerning the Group's business. Additional information, documents and materials are provided to the Directors as and when required to enable them to make informed decisions and discharge their duties and responsibilities.

Provision 1.7: Directors have separate and independent access to Management, the Company Secretary, and external advisers (where necessary) at the Company's expense. The appointment and removal of the Company Secretary is a decision of the Board as a whole.

The Board has separate and independent access to the Management and the Company Secretary at all times. The Company Secretary (and/or her representative) attends all Board and Board Committee meetings and ensures that all Board procedures are followed. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

The Directors may seek independent professional advice, as and when necessary in furtherance of their duties, either individually or as a group. Any cost of obtaining such professional advice will be borne by the Company.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provision 2.1: An "independent" Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

As set out under the Catalist Rules and the Code, an Independent Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. The NC is responsible for reviewing the independence of each Director based on the guidelines set out in both the Catalist Rules and the Code. The NC assesses and reviews annually the independence of a Director bearing in mind the salient factors as set out under the Code, the Catalist Rules as well as all other relevant circumstances and facts.

Each Independent Director is required to complete a Director's Independence Checklist annually to confirm his independence based on the guidelines provided in the Catalist Rules and the Code. The Directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code. Based on the confirmation of independence submitted by the Independent Directors of the Company, the NC is of the view that Mr Cheam Heng Haw, Howard, Mr Aw Eng Hai, Mr Chua Hoe Sing and Mr Low Chai Chong are independent on the following basis:

(a) The Independent Directors: (i) are not employed by the Company or any of its related corporations for the current or any of the past three financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the RC.

(b) None of the Independent Directors have served on the Board beyond nine years as at 31 May 2021 since their initial appointment as Director of the Company.

(c) None of the Independent Directors and their immediate family member had in the current or immediate past financial year (i) provided or received significant payments or material services aggregated over any financial year in excess of S$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organization which provided or received significant payments or material services aggregated over any financial year in excess of S$200,000 for services rendered.

(d) None of the Independent Directors are directly associated with a substantial shareholder of the Company.

Provision 2.2: Independent Directors make up a majority of the Board where the Chairman is not independent.

As at the date of this Annual Report, the Board comprises one Non-Executive and Non-Independent Chairman of the Board, four Executive Directors, and four Independent Directors, namely:

Mdm Song Xingyi	(Non-Executive and Non-Independent Chairman of the Board)
Mr Pierre Prunier	(Executive Director and CEO)
Ms Shao Lifang	(Executive Director)
Mr Tan Chee Bun Gordon	(Executive Director)
Mr Ngo Yit Sung	(Executive Director)
Mr Cheam Heng Haw, Howard	(Lead Independent Director)
Mr Aw Eng Hai	(Independent Director)
Mr Chua Hoe Sing	(Independent Director)
Mr Low Chai Chong	(Independent Director)

As the Chairman of the Board is not an Independent Director, the current Board composition where Independent Directors make up less than half of the Board does not satisfy Provision 2.2 of the Code which requires Independent Directors to make up a majority of the Board.

The NC noted that the current board composition had fluctuated throughout FY2021 due to the need to add additional capabilities pursuant to various acquisitions undertaken by the Company during the year and the Group's diversification into the development and provision of identity management biometric technology solutions as approved by shareholders on 31 March 2021.

Having considered that the current board composition was essential to ensure business continuity, as well as the following factors, the Board and NC are of the view that the current composition of the Board is consistent with the intent of Principle 2 of the Code:

(i) The Non-Executive Directors, i.e. five out of the nine Directors, make up a majority of the Board. This satisfies the requirement of Provision 2.3 of the Code. The current Board composition is also in compliance with Rule 406(3)(c) of the Catalist Rules, which requires the Independent Directors to make up at least one-third of the Board.

(ii) There is a strong independent element on the Board and no individual or groups of individuals dominate the Board's decision-making process.

(iii) The Board has appointed a Lead Independent Director who plays an additional facilitative role within the Board, and where necessary, he also facilitates communication between the Board and shareholders or other stakeholders of the Company.

(iv) All members of Board Committees including the Chairman are Independent Directors.

(v) The executive directors maintain oversight of different aspects of the Group's business, as follows:

- Ms Shao Lifang is responsible for the overall telecommunications business of the Group.

- Mr Tan Chee Bun Gordon is responsible for overseeing the Group's financial and corporate matters.

- Mr Ngo Yit Sung is responsible for the corporate communications, investor relations, as well as marketing for the Group.

- Mr Pierre Prunier is responsible for the overall business, strategic direction and planning, investment, acquisition, partnership, as well as the daily operations of the Group.

As such, the Company is of the opinion that the Board has an appropriate level of independence and is able to exercise independent judgement on corporate affairs and ensure that the decision making process are not dominated by one individual or groups of individuals. The NC and the Board will continue to assess its independence, Board composition and diversity to ensure the decisions made are in the best interests of the Company and shareholders.

Provision 2.3: Non-Executive Directors make up a majority of the Board

Five out of nine members of the Board are Non-Executive Directors, which satisfies the requirements of Provision 2.3 of the Code.

Provision 2.4: The Board and Board Committees are of an appropriate size, and comprise Directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The Board Diversity Policy and progress made towards implementing the Board Diversity Policy, including objectives, are disclosed in the Company's annual report.

The current members of the Board and their membership on the Board Committees are as follows: -

Name of Director	Board of Directors	Audit Committee	Nominating Committee	Remuneration Committee
Song Xingyi	Non-Executive and Non-Independent Chairman of the Board	–	–	–
Pierre Prunier	Executive Director and CEO	–	–	–
Shao Lifang	Executive Director	–	–	–
Tan Chee Bun Gordon	Executive Director	–	–	–
Ngo Yit Sung	Executive Director	–	–	–
Cheam Heng Haw, Howard	Lead Independent Director	Member	Member	Member
Aw Eng Hai	Independent Director	Chairman	Member	–
Chua Hoe Sing	Independent Director	Member	–	Member
Low Chai Chong	Independent Director	Member	Chairman	Chairman

The composition of the Board is reviewed on an annual basis by the NC and the Board to ensure that it has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Board as a group comprises members with core competencies in legal, accounting and finance, business and management experience, industry knowledge, strategic planning and customer-based experience and knowledge. This enables the Management to benefit from the external and expert perspectives of the Directors who collectively possess the core competencies relevant to the direction and growth of the Group. The profiles of our Directors such as academic professional qualification, background are set out in the "Board of Directors and Key Management" section on pages 12 to 14 of this Annual Report.

The Board concurred with the NC that the existing board size and composition is adequate for effective debate and decision making, taking into account the scope and nature of the current operations of the company and the business requirements. The NC with the concurrence of the Board, is of the opinion that the Board composition provide an appropriate balance and diversity of skills, experience and gender to discharge its responsibilities.

The Company currently does not have a formal Board Diversity Policy. However, the Company recognises the benefits of having an effective and diverse Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. In reviewing the Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including functional and domain skills, knowledge, experience, cultural and educational background, gender, age, tenure and other relevant aspects of diversity of perspectives appropriate to its business, so as to avoid groupthink, foster constructive debate, and enable the Board to make decisions in the best interests of the Company. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments will be based on merit, in the context of the skills, knowledge, experience and independence which the Board as a whole requires to be effective, having due regard for the benefits of diversity on the Board.

Provision 2.5: Non-Executive Directors and/or Independent Directors, led by the Independent Chairman or other Independent Director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

Where necessary or appropriate, the Non-Executive Directors (including the Independent Directors) will meet without the presence of the Management so as to facilitate a more effective check on Management.

During FY2021, the Non-Executive Directors (including the Independent Directors) communicated regularly to discuss matters related to the Group, including the performance of the Management and the direction and growth of the Group.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1: The Chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

Provision 3.2: The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

The positions of Non-Executive and Non-Independent Chairman of the Board and CEO are held by separate individuals, who are not immediate family members, to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for objective decision-making.

Mdm Song Xingyi is the Non-Executive, Non-Independent Chairman of the Board and oversees the overall strategic directions and expansion plans for the growth and development of the Group. With the assistance of the Company Secretary, she is also responsible for, *inter alia*, ensuring that (i) Board meetings are held as and when required and sets the agenda for the Board meetings, (ii) ensuring the quality, quantity and timeliness of the flow of information between the Management, the Board and the shareholders and (iii) ensuring effective communication with shareholders as well as promotes high standards of corporate governance.

Mr Pierre Prunier was appointed as Executive Director and CEO of the Company on 6 April 2021, following the resignation of Mr Qian Zimin as the Acting CEO of the Company on 16 November 2020. He is responsible for the Group's strategic direction and oversees the overall business and activities of the Group.

The Non-Executive and Non-Independent Chairman of the Board is not related to the (a) former Acting CEO and (b) current Executive Director and CEO in FY2021.

The Board is of the view that with the current executive management team and the establishment of the three Board Committees, as well as having Non-Executive Directors making up the majority of the Board, there are adequate safeguards in place to ensure unfettered decision-making, as well as to prevent an uneven concentration of power and authority in a single individual.

Provision 3.3: The Board has a Lead Independent Director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The Lead Independent Director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

In view that the Chairman of the Board is not an Independent Director, Mr Cheam Heng Haw, Howard has been appointed as the Lead Independent Director. He is available to shareholders where they have concerns or issues which communication with the Company's Chairman, and/or the Management has failed to resolve or where such communication is inappropriate.

Led by the Lead Independent Director, the Independent Directors will meet, where necessary, without the presence of the other Directors and the Lead Independent Director will provide feedback to the Non-Executive and Non-Independent Chairman of the Board after such meetings as deemed appropriate.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for the progressive renewal of the Board.

Provision 4.1: The Board establishes a NC to make recommendations to the Board on relevant matters relating to:

(a) the review of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(b) the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;

(c) the review of training and professional development programmes for the Board and its directors; and

(d) the appointment and re-appointment of Directors (including alternate directors, if any).

Provision 4.2: The NC comprises at least three Directors, the majority of whom, including the NC Chairman, are independent. The Lead Independent Director, if any, is a member of the NC.

The NC is responsible for making recommendations on all Board appointments and re-nominations, having regard to the contribution and performance of the Director seeking re-election.

The NC currently comprises of three members, all of whom, including the NC Chairman, are Independent Directors. The Lead Independent Director, Mr Cheam Heng Haw, Howard, is a member of the NC.

<u>**Name of Current Member**</u>	
Low Chai Chong (1)	(Chairman, Independent)
Cheam Heng Haw, Howard (2)	(Member, Independent)
Aw Eng Hai (3)	(Member, Independent)

<u>**Name of Former Member**</u>	
Tang Qun (4)	(Chairman, Independent)
Henry Tan Song Kok (5)	(Member, Independent)
Song Xingyi (6)	(Member)

Notes:

(1) Mr Low Chai Chong was appointed as Independent Director of the Company and Chairman of the NC of the Company on 1 July 2021.

(2) Mr Cheam Heng Haw, Howard was appointed as member of the NC of the Company on 12 November 2020.

(3) Mr Aw Eng Hai was appointed as member of the NC of the Company on 29 October 2020.

(4) Ms Tang Qun resigned as Independent Director of the Company and ceased to be member of the NC of the Company on 31 May 2021.

(5) Mr Henry Tan Song Kok retired as Independent Director of the Company at the conclusion of the Company's last Annual General Meeting held on 29 October 2020. Upon his retirement, he ceased to be member of the NC of the Company.

(6) Mdm Song Xingyi ceased to be member of the NC of the Company on 12 November 2020.

The written terms of reference of the NC include the following:

(a) developing and maintaining a formal and transparent process and making recommendations to the Board for the appointment and nomination for the re-election of Directors (including alternate Directors, if any), having regard to their competencies, contribution, performance and ability to commit time and attention to the affairs of the Group, taking into account their respective commitments outside the Group including their principal occupation and board representations in other companies, if any;

(b) reviewing Board succession plans for the Directors;

(c) determining the composition of the Board, taking into account the future requirements of the Company, as well as the need for directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Group, and other considerations such as those set out in the Code;

(d) reviewing and approving any new employment of related persons and the proposed terms of their employment;

(e) determining on an annual basis whether or not a Director is independent having regard to the Code and any other salient factors;

(f) review and decide, in respect of a Director who has multiple board representations on other companies (if any), whether or not such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Directors serving on multiple boards and discharging his duties towards other principal commitments;

(g) reviewing training and professional development programs for the Board; and

(h) developing a process for evaluating the performance of the Board, its committees and the individual Directors and propose objective performance criteria, as approved by the Board, that allows comparison with its industry peers, and address how the Board has enhanced long-term shareholders' value.

The NC reviews the succession plans for Directors, CEO and key management personnel and where appropriate, review contingency arrangements for any unexpected and sudden and unforeseen changes relating to the key management team in charge of the business operations.

Provision 4.3: The Company discloses the process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new Directors and channels used in searching for appropriate candidates in the Company's annual report.

The Company does not have a formal selection criteria for the appointment of new Directors to the Board. When an existing Director chooses to retire or the need for a new Director arises, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the NC, in consultation with the Board, will determine the selection criteria and will identify candidates with the appropriate expertise and experience for the position. In its search and nomination process for new Directors, the NC may rely on search companies, personal contacts and recommendations for the right candidates. The NC will interview the shortlisted candidates and assess them based on objective criteria approved by the Board such as integrity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and effort to carry out his/her responsibilities, effective decision making track record, relevant experience and financial expertise. The NC then nominates the most suitable candidate to the Board for approval.

Pursuant to the Constitution of the Company and Rule 720(4) of the Catalist Rules, each Director is required to retire at least once every three years by rotation. Newly appointed Directors who are appointed by the Board are required to retire at the next annual general meeting following their appointment. The retiring Directors are eligible to offer themselves for re-election. In the NC's review and recommendation of the selection, appointment and re-appointment of directors, the NC also takes into consideration the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour).

As at the date of this Annual Report, the dates of initial appointment and last re-election of the Directors, together with their directorships in other listed companies, are set out below:

Director	Position	Date of Initial Appointment	Date of Last Re-election	Current Directorships in other Listed Companies	Past Directorships in other Listed Companies (in Last Five Years)	Shareholding in the Company and/ or related corporations
Song Xingyi	Non-Executive and Non-Independent Chairman of the Board	30 September 2017	26 September 2019	–	–	–
Pierre Prunier	Executive Director and CEO	6 April 2021	–	–	–	Deemed interested in 50,166,500 ordinary shares of the Company (1)
Shao Lifang	Executive Director	1 November 2018	26 September 2019	–	–	–
Tan Chee Bun Gordon	Executive Director	16 September 2020	29 October 2020	–	–	–
Ngo Yit Sung	Executive Director	15 April 2021	–	–	–	–
Cheam Heng Haw, Howard	Lead Independent Director	30 September 2017	29 October 2020	–	–	–
Aw Eng Hai	Independent Director	29 October 2020	–	Tritech Group Limited	Capital World Limited	–
Chua Hoe Sing	Independent Director	12 November 2020	–	–	–	–
Low Chai Chong	Independent Director	1 July 2021	–	1 Eneco Energy Limited 2 Moya Holdings Asia Limited 3 Capital World Limited	1 OIO Holdings Limited 2 Pollux Properties Ltd	–

Note:

(1) Mr Pierre Prunier is deemed to be interested in 50,166,500 ordinary shares (representing 5.96%) of the Company, registered in the name of a nominee account of DBS Nominees Pte. Ltd.

At the forthcoming annual general meeting ("**AGM**"), the following Directors who will be subject to retirement ("**Retiring Directors**") in accordance with Regulations 104 and 114 of the Company's Constitution are as follows:

(1)	Mdm Song Xingyi	-	Regulation 104 of the Constitution
(2)	Ms Shao Lifang	-	Regulation 104 of the Constitution
(3)	Mr Aw Eng Hai	-	Regulation 104 of the Constitution
(4)	Mr Chua Hoe Sing	-	Regulation 114 of the Constitution
(5)	Mr Pierre Prunier	-	Regulation 114 of the Constitution
(6)	Mr Ngo Yit Sung	-	Regulation 114 of the Constitution
(7)	Mr Low Chai Chong	-	Regulation 114 of the Constitution

Please refer to Disclosure of Information on Directors seeking Re-election set out on pages 48 to 57 of this Annual Report for details.

Each member of the NC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his/her performance and independence or re-nomination as Director. Accordingly, Mr Aw Eng Hai and Mr Low Chai Chong have abstained from deliberating and recommending on his own re-election.

Provision 4.4: The NC determines annually, and as and when circumstances require, if a Director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such Directors are independent notwithstanding the existence of such relationships, the Company discloses the relationships and its reasons in its annual report.

As set out in the Company's practices in Principle 2 above, the NC determines, on an annual basis, the independence of Directors. Each Independent Director is required to complete a checklist annually to confirm his independence. Further, an Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company.

Following its annual review, the NC has assessed and affirmed that the Independent Directors, namely, Mr Cheam Heng Haw, Howard, Mr Aw Eng Hai, Mr Chua Hoe Sing and Mr Low Chai Chong are independent (within the meaning of the Code and the Catalist Rules).

Provision 4.5: The NC ensures that new Directors are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his or her duties as a Director of the Company. The Company discloses in its annual report the listed company directorships and principal commitments of each Director, and where a Director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the Director to diligently discharge his or her duties.

When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his/her duties as a Director of the Company. The NC is satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations. The NC is of the view that the matter relating to multiple board representations should be left to the judgement of each Director given that time requirements for different board representations vary. As such, the NC and the Board have decided that there is no necessity to determine the maximum number of listed company board representations which a Director may hold.

The Board provides for appointment of alternate directors only in exceptional cases such as when a Director has a medical emergency. The alternate director bears all the duties and responsibilities of a Director. The Board will take into consideration the same criteria applied to the selection of directors to the appointment of alternate directors, taking into account, amongst others, his qualifications and competencies. There is currently no alternate Director on the Board.

Key information regarding the Directors, including their shareholdings in the Company, is set out on page 27 of this Annual Report.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of its Board Committees and individual Directors.

Provision 5.1: The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the Board.

Provision 5.2: The Company discloses in its annual report how the assessments of the Board, its Board Committees and each Director have been conducted, including the identity of any external facilitator and its connection, if any, with the Company or any of its Directors.

The Board's performance is linked to the overall performance of the Group. The Board ensures that the Company is in compliance with the applicable laws, and members of the Board are required to act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

The NC is responsible for assessing the effectiveness of the Board as a whole and the Board Committees, and for assessing the contribution of the Chairman and each individual Director to the effectiveness of the Board. The NC has established a review process and has proposed objective performance criteria set out in assessment checklists which are approved by the Board. The NC assesses the Board's effectiveness as a whole by completing a Board Assessment Checklist, which takes into consideration factors such as the Board's structure, conduct of meetings, corporate strategy and planning, risk management and internal control, measuring and monitoring performance, recruitment and evaluation, compensation, financial reporting, communicating with shareholders and the Board's relationship with the Management as well as the effectiveness of the respective Board Committees. The NC also assesses the Board and Board Committee's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance. The NC assesses the individual Directors' performance by completing an Individual Director Assessment Checklist, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors. The assessment of the Board as a whole and the individual Directors are conducted annually. No external facilitator was engaged by the Board for this purpose in FY2021.

Following the review of the assessment checklists of the Board as a whole, Board Committees and each Director for FY2021, the NC with the concurrence of the Board, is of the view that the performance of the Board as a whole and the respective Board Committees are overall satisfactory and that each member of the Board has effectively and efficiently contributed to the Board and the Group during the year.

The performance criteria are not subject to changes from year to year. Nonetheless, where circumstances deem it necessary for any of the criteria to be changed, the Board will justify such changes.

The Board and the NC have endeavoured to ensure that Directors appointed to the Board possess the background, experience, business knowledge, finance and management skills critical to the Group's business. They have also ensured that each Director, with his special contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

REMUNERATION MATTERS

PROCEDURE FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.

Provision 6.1: The Board establishes a RC to review and make recommendations to the Board on:

(a) a framework of remuneration for the Board and key management personnel; and

(b) the specific remuneration packages for each Director as well as for the key management personnel.

Provision 6.2: The RC comprises at least three Directors. All members of the RC are Non-Executive Directors, the majority of whom, including the RC Chairman, are independent.

The RC currently comprises of three members, all of whom, including the RC Chairman, are Independent Directors.

Name of Current Member	
Low Chai Chong (1)	(Chairman, Independent)
Cheam Heng Haw, Howard (2)	(Member, Independent)
Chua Hoe Sing (3)	(Member, Independent)

Name of Former Member	
Song Xingyi (4)	(Member)
Tang Qun (5)	(Member, Independent)

Notes:

(1) Mr Low Chai Chong was appointed as Independent Director of the Company and Chairman of the RC of the Company on 1 July 2021.

(2) Mr Cheam Heng Haw, Howard ceased to be Chairman of the RC and remained a member of the RC of the Company on 1 July 2021.

(3) Mr Chua Hoe Sing was appointed as Independent Director of the Company and member of the RC of the Company on 12 November 2020.

(4) Mdm Song Xingyi ceased to be member of the RC of the Company on 12 November 2020.

(5) Ms Tang Qun resigned as Independent Director of the Company and ceased to be member of the RC of the Company on 31 May 2021.

The RC will meet at least once a year. The RC carries out its duties in accordance with a set of terms of reference which includes the following:

(a) reviewing and recommending for endorsement by the entire Board a framework of remuneration for the Directors and Executive Officers and determining specific remuneration packages of each Executive Director and key management personnel. The RC shall cover all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;

(b) reviewing annually the remuneration, bonuses, pay increase and/or promotions of employees who are related to the Directors or substantial shareholders of the Company to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;

(c) reviewing the Company's obligations arising in the event of termination of service contracts entered into between the Group and its Executive Directors or key management personnel, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly onerous to the Group;

(d) if necessary, seeking expert advice within and/or outside the Company on remuneration matters, ensuring that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants; and

(e) reviewing annually the remuneration package in order to maintain their attractiveness to retain and motivate the Directors and key management personnel and to align the interests of the Directors and Executive Officers with the long-term interests of the Company.

Provision 6.3: The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

The RC considers all aspects of remuneration, including but not limited to, Directors' fees, salaries, allowances, bonuses, options, share-based incentives, awards and benefits-in-kind in the review of remuneration packages for the Directors and the key management personnel with an aim to be fair and to avoid rewarding poor performance, before making any recommendation to the Board. The RC also reviews the fairness and reasonableness of the termination clauses of the service agreements of the Executive Director and key management personnel. The RC's recommendations will be submitted for endorsement by the Board. No Director is involved in deciding remuneration, compensation or any form of benefit to be granted to himself, his associates or employees who are related to him.

As part of its review, the RC ensures that the Directors and key management personnel are adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies. This is also to ensure that the compensation is suitable to attract, retain and motivate Directors and key management personnel to successfully manage the Group in the long-term success.

The members of the RC are familiar with executive compensation matters as they manage their own businesses and/or are holding other directorships. The RC has access to expert advice regarding executive compensation matters, if required, and shall ensure that any relationship between the appointed consultant and any of its Director or the Company will not affect the independence and objectivity of the remuneration consultant.

Provision 6.4: The Company discloses the engagement of any remuneration consultants and their independence in the Company's annual report.

The Board did not engage any external remuneration consultant to advise on remuneration matters for FY2021.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Provision 7.1: A significant and appropriate proportion of Executive Directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and key management personnel. The remuneration package is designed to allow the Company to better align the interests of the Executive Director and key management personnel with those of shareholders and link rewards to corporate and individual performance.

Provision 7.2: The remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The fees of the Independent and Non-Executive Directors are determined by the Board according to the level of contribution, and taking into account factors such as the effort and time spent, and their respective responsibilities. The Independent Directors shall not be over-compensated to the extent that their independence may be compromised. Payments of Directors' fees are subject to shareholders' approval at each AGM. Except as disclosed, the Independent and Non-Executive Directors do not receive any other remuneration from the Company and do not have any service agreements with the Company.

Provision 7.3: Remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

The review of the remuneration of the Executive Directors and key management personnel takes into consideration the performance and the contributions of the officer to the Company and gives due regard to the financial and business performance of the Group. The Group seeks to offer a competitive level of remuneration to attract, motivate and retain senior management of the required competency to run the Group successfully.

The Company has entered into service agreements with Ms Shao Lifang, Mr Tan Chee Bun Gordon, and Mr Ngo Yit Sung, the Executive Directors of the Company, and Mr Pierre Prunier, the Executive Director and CEO of the Company. The notice period of the said service agreements ranges from two months to six months. The service agreement of the CEO includes contractual provisions that would allow the Company to reclaim incentive components of remuneration from the CEO. In exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company and the Group, the Company believes that there are alternative legal avenues that will enable the Company to recover financial losses arising from such exceptional events from the other Executive Directors and key management personnel. The RC would review such contractual provisions as and when necessary. The RC aims to be fair and avoid rewarding poor performance.

The Company currently does not have any employee share option scheme and long-term incentive schemes.

The Company will put forth an employee share option scheme and employee share performance plan for shareholder's approval at the Company's forthcoming extraordinary general meeting. More details can be found in the Company's circular dated 8 September 2021 released on SGXNet.

DISCLOSURE OF REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedures for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1: The Company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual Director and the CEO; and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than $250,000 and in aggregate the total remuneration paid to these key management personnel.

The Board is of the view that full disclosure of the specific remuneration of each individual Director and Management is not in the best interests of the Company, taking into account the sensitive nature of remuneration, the competitive business environment the Group operates in and the potential negative impact such disclosure will have on the Group. Regarding the Code's recommendation to fully disclose the remuneration amount and breakdown of each individual Director and Management, the Company believes that disclosing their remuneration in the bands of S$250,000 provides a sufficient overview of the Directors' and Management's remuneration.

The level and mix of remuneration paid or payable to the Directors and key management personnel for FY2021 are set out as follows:

(a) Remuneration bands of Directors and CEOs of the Company

Name of Directors	Salary & CPF (%)	Bonus & CPF (%)	Director's Fee (%)	Other Benefits (%)	Total (%)
Below $250,000					
Executive Directors and CEO					
Pierre Prunier [(1)]	79.1	–	–	20.9	100
Shao Lifang	100	–	–	–	100
Tan Chee Bun Gordon [(2)]	79.0	–	–	21.0	100
Ngo Yit Sung [(3)]	91.7	–	–	8.3	100
Non-Executive Directors					
Song Xingyi	–	–	100	–	100
Cheam Heng Haw, Howard	–	–	100	–	100
Aw Eng Hai [(5)]	-	–	100	–	100
Chua Hoe Sing [(6)]	–	–	100	–	100
Henry Tan Song Kok [(7)]	–	–	100	–	100
Tang Qun [(8)]	–	–	100	–	100

Notes:

(1) Mr Pierre Prunier was appointed as Executive Director and CEO on 6 April 2021.

(2) Mr Tan Chee Bun Gordon was appointed as Executive Director on 16 September 2020.

(3) Mr Ngo Yit Sung was appointed as Executive Director on 15 April 2021.

(5) Mr Aw Eng Hai was appointed as Independent Director of the Company on 29 October 2020.

(6) Mr Chua Hoe Sing was appointed as Independent Director of the Company on 12 November 2020.

(7) Mr Henry Tan Song Kok retired as Independent Director of the Company at the conclusion of the Company's last Annual General Meeting held on 29 October 2020.

(8) Ms Tang Qun resigned as Independent Director of the Company on 31 May 2021.

(b) Remuneration bands of Key Management Personnel of the Company

Name of Key Management Personnel [(1)]	Salary & CPF (%)	Bonus & CPF (%)	Director's Fee (%)	Other Benefits (%)	Total (%)
Below $250,000					
Qian Zimin [(2)]	100	–	–	–	100
Frederick Lau	89.8	11.2	–	–	100
Chong Kong Yew [(3)]	100	–	–	–	100

Notes:

(1) The Company had only two key management personnel (who are not Directors or CEO) in FY2021.

(2) Mr Qian Zimin resigned as Acting CEO of the Company on 16 November 2020.

(3) Mr Chong Kong Yew resigned as Deputy Chief Marketing Officer of the Company on 27 July 2020.

The aggregate remuneration paid to the above key management personnel of the Group (excluding the current CEO and the former Acting CEO) in FY2021 amounted to S$157,100.

There are no termination, retirement or post-employment benefits that are granted to the Directors, CEO and the key management personnel of the Group.

Provision 8.2: The Company discloses the names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant Director or the CEO or substantial shareholder.

There were no employees of the Company or its subsidiaries who were immediate family members of any Director, CEO or the then Acting CEO and whose remuneration exceeded S$100,000 during FY2021.

Provision 8.3: The Company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to Directors and key management personnel of the Company. It also discloses details of employee share schemes.

Please refer to the table disclosing the breakdown of all forms of remuneration and other payments and benefits of Directors and key management personnel in Provision 8.1. The Company does not have any employee share schemes in effect for FY2021.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensure that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Provision 9.1: The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board, assisted by the AC, reviews annually and ensures that a sound system of risk management and internal controls is maintained by the Group to safeguard shareholders' interests and the Group's assets and determines the nature and extent of the significant risks which the Group is willing to take in achieving its strategic objectives. The Group has implemented a system of internal controls designed to provide reasonable but not absolute assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board, with the assistance of the AC, oversees the Management in the design, implementation and monitoring of the risk management and internal control systems, and reviews the adequacy and effectiveness of such systems at least annually.

The Company appoints internal auditors to conduct annual reviews, based on the internal audit plan approved by the AC, of the effectiveness of the Group's key risk management and internal control systems, including financial, operational, compliance and information technology controls. Any material non-compliance or lapses in internal controls, together with recommendations for improvement, are reported to the AC and the Board. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

The External Auditor, during the conduct of their normal audit procedures, will also report on matters relating to internal controls relevant to the audit. Any material non-compliance and recommendation for improvement will be reported to the AC.

Provision 9.2: The Board requires and discloses in the Company's annual report that it has received assurance from: (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The Board has received assurance from the Executive Directors, and Deputy CFO, Mr Frederick Lau that (a) the financial records have been properly maintained and the financial statements for FY2021 give a true and fair view of the Company's operations and finances; and (b) the Company's risk management and internal control systems are satisfactory and needs improvement.

Based on the internal controls established and maintained by the Group, work performed by the Internal Auditors and External Auditors of the Company, the reviews performed by the Management, and the various Board Committees, the Board, with the concurrence of the AC, was of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems were satisfactory with room for improvement.

The Board concurred with the AC's opinion that risk management and internal controls systems should be further enhanced with the expansion of the Group's business and will endeavour to enhance and improve the Company's internal controls and risk management systems at the relevant time.

More details on the Group's risk management is set out on pages 34 to 39 of this Annual Report.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Provision 10.1 The duties of the AC include:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(b) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of independent auditors; and (ii) the remuneration and terms of engagement of the independent auditors;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function; and

(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

Provision 10.2: The AC comprises at least three Directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

Provision 10.3: The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The AC currently comprises four members, all of whom, including the AC Chairman, are Non-Executive and Independent Directors.

Name of Current Member	
Aw Eng Hai (1)	(Chairman, Independent)
Cheam Heng Haw, Howard	(Member, Independent)
Chua Hoe Sing (2)	(Member, Independent)
Low Chai Chong (3)	(Member, Independent)

Name of Former Member	
Henry Tan Song Kok (4)	(Chairman, Independent)
Tang Qun (5)	(Member, Independent)

Notes:

(1) Mr Aw Eng Hai was appointed as Independent Director of the Company and Chairman of the AC of the Company on 29 October 2020.

(2) Mr Chua Hoe Sing was appointed as Independent Director of the Company and member of the AC of the Company on 12 November 2020.

(3) Mr Low Chai Chong was appointed as Independent Director of the Company and member of the AC of the Company on 1 July 2021.

(4) Mr Henry Tan Song Kok retired as Independent Director of the Company at the conclusion of the Company's last Annual General Meeting held on 29 October 2020. Upon his retirement, he ceased to be Chairman of the AC of the Company.

(5) Ms Tang Qun ceased to be member of the AC of the Company on 12 November 2020.

No former partner or director of the Company's existing audit firm or auditing corporation is a member of the AC. The members of the AC have sufficient accounting or financial management expertise, as interpreted by the Board in its business judgement, to discharge the AC's functions. The Board is of the view that the AC members are appropriately qualified and have sufficient accounting and/or related financial management expertise and experience to discharge the AC's responsibilities.

The AC meets on a half-yearly basis. The written terms of reference of the AC have been approved and adopted. The main duties and powers of the AC include, amongst others:

(a) reviewing the audit plans and scope of work of the external auditors and the internal auditors, including the results of the external and internal auditors' review and evaluation of the Group's system of internal controls, the Management letters on the internal controls and the Management's response;

(b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management system (such review may be carried out internally or with the assistance of any competent third parties) prior to the incorporation of such results in the Company's Annual Report;

(c) reviewing the annual consolidated financial statements and the external auditors' report on those financial statements, and discussing any significant adjustments, major risk areas, changes in accounting policies and practices, significant financial reporting issues and judgements, compliance with Singapore Financial Reporting Standards as well as compliance with the Catalist Rules and other statutory or regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management to ensure the integrity of the financial statements of the Group and any announcements relating to the Company's financial performance, where necessary, before submission to the Board for approval;

(d) reviewing and discussing with the external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;

(e) reviewing and ensuring the co-ordination between internal auditors, external auditors and the Management, including the assistance given by the Management to the auditors;

(f) considering the appointment and re-appointment of the external auditors, including their independence and objectivity, taking into account the non-audit services provided by the external auditors;

(g) reviewing any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules, and approving interested person transactions where the value thereof amount to 3% or more of the latest audited net tangible assets of the Group (either individually or as part of a series or are aggregated with other transactions involving the same interested person during the same financial year), or any agreement or arrangement with an interested person that is not in the ordinary course of business of the Group, prior to the Group's entry into the transaction, agreement or arrangement;

(h) making recommendations to the Board on the proposals to the shareholders with regard to the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

(i) reviewing and approving the Group's foreign exchange hedging policies (if any), and conducting periodic reviews of foreign exchange transactions and hedging undertaken by the Group;

(j) reviewing the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time; and

(k) ensuring that the internal audit function is adequately resourced and has appropriate standing within the Group and reviewing the adequacy and effectiveness of the internal audit function at least annually.

The AC has full authority to investigate any matter within its terms of reference, full access to and cooperation from the Management, and full discretion to invite any Director, Executive Officer or other employee of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly and effectively.

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

There were no whistle-blowing reports received during FY2021.

In the selection of suitable audit firms, the AC takes into account several considerations such as the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the audit. The selected auditing firm based in Singapore is engaged as auditors for the Company as well as Singapore-incorporated subsidiary corporations of the Company. The Group's significant subsidiary corporations are audited by the same auditing firm of the Company, Baker Tilly and its member firms. The engagement partner-in-charge from Baker Tilly is Mr Lim Kok Heng. He was appointed since the financial year ended 31 May 2020. Accordingly, the Company is in compliance with Rules 712, 713 and 715 of the Catalist Rules.

The external auditors update the AC on any changes in accounting standards impacting the financial statements of the Group before an audit commences.

The AC considered the report from the external auditors, including their findings on the key areas of audit focus. Significant matters that were discussed with the Management and external auditors have been included as key audit matters ("**KAMs**") in the external auditors' report for the financial year ended 31 May 2021 on pages 61 to 63 of this Annual Report. In assessing each KAM, the AC considered the approach and methodology applied in the Acquisition of InterBIO – Purchase Price Allocation and impairment assessment of trade receivables and contract assets, including the estimates and key assumptions used. The AC concluded that management's accounting treatment and estimates adopted in each of the KAMs were appropriate.

Significant matters	How does the Audit Committee address the matter
Acquisition of International Biometrics Pte. Ltd. and its subsidiary - Purchase Price Allocation	The Audit Committee had reviewed relevant documentation relating to the acquisition and management's approach of how the Group recognised and measured the identifiable assets (including intangible assets) acquired, the liabilities assumed and any non-controlling interest in the acquiree at the date of acquisition. The Audit Committee, with the Group's engagement with external professional valuers to perform the purchase price allocation exercise, was satisfied that the Management's approach was appropriate. The independent auditor has included this item as a key audit matter in the audit reporting for FY2021. Please refer to pages 61 to 63 of this Annual Report.
Impairment assessment of trade receivables and contract assets	The Audit Committee had reviewed Management's approach and judgement in assessing collectability of trade receivables and contracts assets, which included estimating the expected credit loss rate for each category of past due status of the debtors based on credit loss experience. The Audit Committee was satisfied that the approach was appropriate and provision is adequate. The independent auditor has included this item as a key audit matter in the audit reporting for FY2021. Please refer to pages 61 to 63 of this Annual Report.

In compliance with Rule 1204(6)(b) of the Catalist Rules, the AC undertook the annual review of the independence and objectivity of the External Auditor by reviewing the non-audit services provided and the fees paid to them. It is the opinion of the AC that the nature and extent of non-audit services provided by the External Auditors do not affect the independence and objectivity of the External Auditor.

The aggregate amount of fees paid or payable to the External Auditors of the Company, broken down into audit and non-audit services during FY2021 are as follows:

(i) Audit Fees : S$106,000
(ii) Non-Audit Fee : NIL

The AC is satisfied with the independence and objectivity of Baker Tilly and has recommended to the Board that Baker Tilly be nominated for re-appointment as External Auditors of the Company at the Company's forthcoming AGM.

Provision 10.4: The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Company.

The Board recognises the importance of maintaining a system of internal controls to safeguard the shareholders' investments and the Group's assets. The Company outsources the internal audit ("**IA**") function to the internal auditors to perform the review and test of controls of the Group's processes. The AC approves the appointment, removal, evaluation and compensation of the internal auditors. The internal auditors report directly to the AC Chairman and has unfettered access to the Company's documents, records, properties and personnel, including access to the AC. The internal auditors assist the AC in ensuring that the Company maintains a sound system of internal controls through regular monitoring of key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC, and conducting regular audits of high-risk areas.

The internal auditors plan its internal audit schedules in consultation with, but independent of the Management. The IA plan is submitted to the AC for approval prior to the commencement of the IA. The AC will review the activities of the internal auditors, including overseeing and monitoring of the implementation of improvements required on internal control weaknesses identified. Improvements implemented to address control weaknesses are further reviewed by the internal auditors based on implementation dates agreed with Management.

The Company appointed BDO Advisory Pte Ltd (the "**Internal Auditor**"), an external risk advisory consultancy firm to undertake the IA functions of the Group. BDO Advisory Pte Ltd is an international auditing firm and they perform their work based on the BDO Internal Audit Methodology which references to the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors ("**IIA**"). The BDO Advisory Pte Ltd engagement team comprises four members and is headed by a Risk Advisory Partner who has more than twenty years of experience in audit and advisory services and is a Chartered Accountant of the Institute of Singapore Chartered Accountants and Certified Internal Auditor of the IIA. Members of the IA team also have relevant academic qualifications and internal audit experience. The AC is hence satisfied that the outsourced IA function is adequately staffed by suitably qualified and experienced professionals based on the IA conducted in FY2021.

For FY2021, the scope of internal audit comprised a review of the internal controls over Cash Management, Human Resource and Payroll Management, IT General Controls and PDPA Compliance. The Company is working on implementing the material matters highlighted by the agreed target implementation date.

The AC reviewed the independence, adequacy and effectiveness of the Internal Auditors as required under Rule 1204(10C) of the Catalist Rules and determined that the Internal Auditors are independent, effective and adequately resourced and accordingly the internal audit function has the appropriate standing within the Group and is able to perform its functions effectively and objectively.

The AC reviews, at least annually, the adequacy and effectiveness of the IA function.

Provision 10.5: The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually

The AC meets with the external and internal auditors without the presence of the Management, at least annually, so that any concern and/or issue can be raised directly and privately.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHT AND CONDUCT OF SHAREHOLDER MEETINGS

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions 11.1: The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

The Company recognizes and accepts the principle that all shareholders are treated fairly and equitably and that they have been accorded certain rights under the Companies Act and the Company's Constitution. Information to all shareholders is disclosed in a timely and transparent manner and in compliance with SGX-ST disclosure requirements.

Shareholders are given ample opportunity to attend, participate and vote at the Company's general meetings. Shareholders are also informed of the voting procedures prior to the commencement of voting by poll at such general meetings.

The Company strives for timeliness and consistency in its disclosures to shareholders. It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNet. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable. Shareholders are informed of general meetings through reports or circulars sent to all shareholders. The Company encourages shareholders' participation during the general meetings.

However, in line with the safe-distancing measures and regulations imposed by the Singapore Government amidst the current COVID-19 situation, the Company strongly encourages shareholder's participation at the forthcoming AGM for FY2021 which to be held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Alternative Arrangements Order**").

Instead of the regulatory requirements for the physical delivery of the notice of general meeting of shareholders, i.e. AGM and Extraordinary General Meeting ("**EGM**") (including where the notice of AGM / EGM is published in local newspapers) and the accompanying annual report / circular and proxy form, the notice of AGM/EGM are sent by electronic means under the Alternative Arrangements Order (i.e. no physical copies of the Notice of AGM/EGM and accompanying annual report / circular and proxy form will be mailed to shareholders).

The Company has specified in the Notice of AGM / EGM the detailed information on attending the AGM / EGM by electronic means, such as instructions to shareholders on how they may (i) participate to observe and/or listen to the AGM / EGM proceedings (ii) access the annual report / circular and proxy form, (iii) submit their questions in advance of the AGM / EGM electronically, and (iv) vote by appointing the Chairman of the AGM / EGM as proxy and indicate how he wishes to vote for or vote against (or abstain from voting on) the resolutions.

Provision 11.2: The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

Resolutions are passed through a process of voting and shareholders are entitled to vote in accordance with established voting rules and procedures. The Company appoints an independent external party as scrutineer ("**Scrutineer**") for the poll voting process at the general meetings of the Company. The Scrutineer will explain the poll voting procedures to shareholders at the general meetings of the Company before the resolutions are put to vote. The Company also ensures that there are separate resolutions at general meetings on each distinct issue.

The Company will put all resolutions to vote by poll and announce the detailed results, including the number of votes cast for and against each resolution and the respective percentages, after the conclusion of the AGM.

Provision 11.3: All Directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the Company's annual report.

The Directors have been and will be present at the AGMs and EGMs to answer queries raised by shareholders at these meetings. The external auditors are invited to attend the AGMs to address any shareholders' queries during general meetings, including queries on the conduct of audit and the preparation and content of the auditors' report.

The Board welcomes the view of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad-hoc basis. The Directors have been and will be present at the AGMs and EGMs to answer queries raised by shareholders at these meetings. The independent auditors are invited to attend the AGMs to address any shareholders' queries during general meetings, including queries on the conduct of audit and the preparation and content of the auditors' report.

Due to the safe-distancing measures and regulations imposed by the Singapore Government amidst the COVID-19 situation in the mid-year of 2020, the Company has since then conducted the AGM / EGM by electronic means under the Alternative Arrangements Order and the shareholders are able to attend the AGM / EGM by observing and listening to the proceedings of the AGM / EGM by electronic means. In light of the Alternative Arrangements Order, shareholders may submit questions relating to the business of the AGM / EGM to the Company in advance and the responses to questions from shareholders will then be posted on the SGXNet.

A table showing a list of the Directors and the number of Board and Board Committees meetings and the general meetings of shareholders held during FY2021 along with the record of attendance of each Director during their terms as Directors and members of the respective Board Committees of the Company are set out on pages 19 to 20 of this Annual Report.

Provision 11.4: The Company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

Shareholders (other than a shareholder who is a relevant intermediary) may vote in person or by appointing up to two proxies to attend and vote on their behalf at the general meetings of the Company. A shareholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the general meetings of the Company. All shareholders have the opportunity to participate effectively in and vote at general meetings.

The Company has not amended its Constitution to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of shareholders' identities through the web are not compromised. The Company will employ electronic polling if necessary.

Due to the safe-distancing measures and regulations imposed by the Singapore Government amidst the COVID-19 situation in the mid-year of 2020, the Company has since then conducted the AGM / EGM by electronic means under the Alternative Arrangements Order and the shareholders are able to attend the AGM / EGM by observing and listening to the proceedings of the AGM / EGM by electronic means. In light of the Alternative Arrangements Order, shareholders who wish to vote at the AGM / EGM must submit a proxy form to appoint the Chairman of the AGM / EGM to cast votes on their behalf and indicate how he wishes to vote for or vote against (or abstain from voting on) the resolutions.

Similarly, this year's forthcoming AGM in respect of FY2021 will be held by electronic means under the Alternative Arrangements Order. For more information on attending the AGM in respect of FY2021 by electronic means, voting and submission of questions, please refer to the Company's Notice of the AGM dated 15 September 2021.

Provision 11.5: The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The proceedings of AGM and EGM of the Company are properly recorded and detailed in the minutes of general meetings, including relevant substantial comments or queries from shareholders relating to the agenda of the meeting and responses from the Board or the Management, are available to shareholders upon their request.

The Company does not publish minutes of general meetings of shareholders on its corporate website as anticipated by Provision 11.5 as there are potential adverse implications for the Company if the minutes of general meetings are published to the public at large, including risk of disclosure of sensitive information to the Group's competitors. The Company is of the view that its position is consistent with the intent of Principle 11 as shareholders have a right to attend general meetings either in person or by proxy, including those who did not attend the relevant general meeting, have a statutory right to be furnished copies of minutes of general meetings in accordance with the Companies Act. The Company is therefore of the view that, consistent with the intent of Principle 11, as between themselves, shareholders are treated fairly and equitably by the Company.

Notwithstanding the foregoing, the minutes of all shareholders' general meeting(s) of the Company held since the enactment of the Alternative Arrangements Order are posted on the SGXNet within one month after the date of the general meeting(s).

Provision 11.6: The Company has a dividend policy and communicates it to shareholders.

The Company does not have a formal dividend policy. The form, frequency and amount of dividends will depend on the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate. The Board has not recommended any dividend for FY2021 due to the subdued financial position of the Group and the Board wishes to conserve cash for working capital purposes.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its shareholders and facilities the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1: The Company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

The Company recognises that effective communication leads to transparency and enhances accountability. The Company regularly conveys pertinent information, gathers views or input, and addresses shareholders' concerns. In this regard, the Company provides timely information to its shareholders via SGXNet announcements and news releases and ensures that price-sensitive information is publicly released and is announced within the mandatory period. The Company does not practice selective disclosure of material information.

Provision 12.2: The Company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

Provision 12.3: The Company's investor relations policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

The Company currently does not have an investor relations policy in place. With the assistance of the external Investor Relations consultant, Mr Ngo Yit Sung takes the lead and is responsible for the Company's investor relations function such as facilitating communications with shareholders and analysts and attending to their queries or concerns. Accordingly, the Board is of the view that the current communication channels are sufficient and cost-effective.

The Board's policy is that all shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, which is in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Companies Act. The Company's half-yearly financial results, annual reports, and sustainability report are announced on the SGXNet within the stipulated period.

Shareholders, investors or analysts may also send their queries or concerns to the Management, via the Company's contact details which can be found on the Company's website and press releases. The Company will consider use of other forums as and when applicable.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interest of the Company are served.

Provision 13.1: The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

The Company recognises the importance of close collaboration with its key stakeholders such as employees, investors and media, suppliers and service providers, customers, and etc, in order to achieve sustainable business goals.

The Company has in place a process to identify its various stakeholders and understand their viewpoints as well as actively communicating with them to align the Company's expectation and goals. The Group engages with the key stakeholders through various platforms.

Provision 13.2: The Company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

Details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholder, including frequency of engagement by type and by stakeholder group and key feedback or issues that have been raised though stakeholder engagement can be found in the Company's Sustainability Report 2021, which will be published as a standalone report by 31 October 2021. The Company ensures that all material information relating to the Company and its financial performance is disclosed in a timely manner via SGXNet and the Company's corporate website.

Provision 13.3: The Company maintains a current corporate website to communicate and engage with stakeholders.

The Company maintains its corporate website, at https://www.yinda.com.sg, providing information about the Company such as Board of Directors and Key Executives, product or services, as well as announcements of the Company released on the SGXNet.

OTHER CORPORATE GOVERNANCE MATTERS

1. **Material Contracts**
[Rule 1204(8) of the Catalist Rules]

Save as set out, there were no other material contracts entered into by the Company and its subsidiaries involving the interests of the chief executive officer, each director or controlling shareholder, either still subsisting at the end of the financial year 31 May 2021 or if not then subsisting, entered into since the end of the previous financial year.

(a) On 8 November 2020, the Company entered into a conditional debt conversion deed for the conversion of shareholders' loans owing to Yinda Pte. Ltd. ("**YPL**") which is an associate of Madam Song Xingyi, the Non-Executive and Non-Independent Chairman of the Company, of S$1,500,000 into 20,833,333 new ordinary shares in the capital of the Company, fractional entitlements to be disregarded, at the issue price of S$0.072 per share (the "**Proposed Debt Conversion**").

(b) On 29 January 2021, the Group completed the disposal of Yinda Technology Malaysia Sdn. Bhd. and Yinda Communications (Philippines), Inc to YPL for an aggregate consideration of S$501.

(c) On 4 June 2021, the Company renewed a loan agreement in relation to unsecured interest-bearing loans of S$2,226,252.59 and US$511,179.76 (collectively, the "**Loans**") extended by YPL to the Company for working capital purposes. The Loans which were intially repayable on 31 May 2021 were extended to be repayable on 31 May 2022 or such earlier dates as mutually agreed by YPL and the Company and is subject to an interest rate of 3.25% per annum. The total interest payable in respect of the Loans during the extended period is less than S$100,000.

(d) On 6 April 2021, the Company acquired 51.0% interest in International Biometrics Pte. Ltd. ("**InterBIO**") for an aggregate consideration of S$35,000,000 (fair value of S$32,621,000). Mr Pierre Prunier was a 35.0% shareholder of InterBIO before the completion of the acquisition. Subsequent to the acquisition, Mr Pierre Prunier was appointed Executive Director and CEO of the Company.

2. **Interested Person Transactions**
[Rule 1204(17) of the Catalist Rules]

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC, and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

The information required pursuant to Catalist Rule 920 regarding interested person transactions during FY2021 exceeding S$100,000 are set out below:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Yinda Pte. Ltd.	Associate of Madam Song Xingyi, Yinda Pte. Ltd. is wholly owned by Shanghai Yinda Science and Technology Industrial Co Ltd ("**Shanghai Yinda**"). Shanghai Yinda is in turn held by Shanghai Yinda Technology Group Co Ltd ("**Shanghai Yinda Group**") (66.64%), Song Xingyi (31.36%), Yang Xulan (2%). Shanghai Yinda Group is in turn held by Song Xingyi (51.48%), Wang Hua (33.66%), Wang Zhijun (13.86%), Shao Lifang (1%). Song Xingyi is the spouse of Wang Zhijun and mother of Wang Hua.	S$1,500,000[1]	Nil

Note:

(1) This relates to the Proposed Debt Conversion for which specific shareholders' approval was sought at the Company's extraordinary general meeting held on 30 December 2020.

3. **Dealings in Securities**
[Rule 1204(19) of the Catalist Rules]

The Company has adopted policies in line with the requirements of Rule 1204(19) of the Catalist Rules on dealings in the Company's securities.

The Company prohibits its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company shall not deal in and shall prohibit dealings in its shares by its Directors, officers and employees during the period commencing one month before the announcement of the Company's half-year and full-year financial statements, and ending on the date of the announcement of the results. Directors and employees of the Company are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods.

4. **Non-Sponsor Fees**
[Rule 1204(21) of the Catalist Rules]

For FY2021, there were no non-sponsor fees paid to the Company's sponsor, SAC Capital Private Limited.

5. **Update on Use of Proceeds**
[Rule 1204(22) of the Catalist Rules]

Update on use of proceeds from placements

The following are the respective subscription and placement exercises: -

(a) share subscription of 76,000,000 Shares that was completed on 16 October 2020 (the "**October 2020 Subscription Exercise**");

(b) share subscription of 81,200,000 Shares of which 72,700,000 Shares were issued on 27 November 2020 while the remaining 8,500,000 Shares were issued on 6 January 2021 (the "**November 2020 Subscription Exercise**");

(c) share subscription of 41,300,000 Shares that was completed on 23 December 2020 (the "**December 2020 Subscription Exercise**");

(d) share subscription of 132,600,000 Shares of which 99,000,000 Shares were issued on 15 February 2021 while the remaining 33,600,000 Shares were issued on 6 April 2021 ("**January 2021 Subscription Exercise**"); and

(e) share subscription of 195,000,000 Shares that was completed on 25 June 2021 ("**June 2021 Subscription Exercise**").

As at the date of this Annual Report, the use of net proceeds from the Subscriptions are as follows:-

S$'000	**October 2020 Subscription Exercise**	**November 2020 Subscription Exercise**	**December 2020 Subscription Exercise**	**January 2021 Subscription Exercise**	**June 2021 Subscription Exercise**
Net proceeds allocated for working capital pursuant to the Subscription Exercises	1,131 – 1,508	1,163 – 1,745	157 – 315	1,984 – 2,976[(1)]	2,543 – 5,085
Net proceeds utilised for working capital as at the date of this Annual Report	(1,508)	(1,163)	(157)	(2,976)	(211)
Net proceeds remaining for working capital as at the date of this Annual Report	–	–	–	–	2,332 – 4,874

S$'000	October 2020 Subscription Exercise	November 2020 Subscription Exercise	December 2020 Subscription Exercise	January 2021 Subscription Exercise	June 2021 Subscription Exercise
Net proceeds allocated for new business opportunities pursuant to the Subscription Exercises	2,262 – 2,639	4,071 – 4,653	2,835 – 2,993	13,559 – 14,551	20,340 – 22,882
Net proceeds utilised for new business opportunities as at the date of this Annual Report	(1,752)(1)	(4,653)(1)(3)	(2,993)(4)	(11,749)(4)(5)	–
Net proceeds remaining for new business opportunities as at the date of this Annual Report	510(2)	–	–	1,810 – 2,802(6)	20,340 – 22,882(7)

Notes:

(1) The introducer fee in relation to the Company's acquisition of International Biometrics Pte Ltd, (the "**IBPL Acquisition**") totalling S$2,100,000 is funded partially from the net proceeds of the October 2020 Subscription Exercise and the November 2020 Subscription Exercise. Of the S$2,100,000, S$825,000 has been funded from the October 2020 Subscription Exercise while S$1,275,000 has been funded from the November 2020 Subscription Exercise.

(2) The investment amount of S$510,000 in respect of the joint venture with International Biometrics Pte. Ltd. will be funded from the net proceeds from the October 2020 Subscription Exercise. Please refer to the 2 December 2020 announcement by the Company for defined terms and more details.

(3) The TECH5 loan amount (approximately S$3,378,000 based on the spot rate of 1.351 against United States Dollar upon payment) has been funded from the net proceeds of the November 2020 Subscription Exercise. Please refer to the 26 January 2021 announcement by the Company for defined terms and more details.

(4) The cash consideration of S$13,500,000 for the IBPL Acquisition has been funded from the December 2020 Subscription Exercise and the January 2021 Subscription Exercise.

(5) The subscription of a convertible note issued by PT. Pattra Aksa Jaya of S$0.37 million, as announced by the Company on 11 May 2021 and S$0.60 million in relation to professional fees for the IBPL Acquisition.

(6) While the Company had originally intended for the remaining net proceeds from the January 2021 Subscription Exercise to be used to fund future working capital for the identity management biometric technology solutions businesses and remaining professional fees amounting to approximately S$0.1 million in relation to the IBPL Acquisition as mentioned in the circular dated 4 June 2021, in view of the recent announcement made by the Company on 5 July 2021 relating to the term sheet with The Institute of Machine Learning GmbH ("**IML**") and its founders Mr Adam Hegedüs and Mr Roland Trimmel ("**IML Founders**"), it is intended for the remaining net proceeds amounting to S$1.8 million to S$2.8 million from the January 2021 Subscription Exercise to be used to fund the proposed transactions with IML and the IML Founders. Please refer to the 12 September 2021 announcement by the Company for more details.

(7) It is intended for the net proceeds from the June 2021 Placement Exercise to be used to fund the TECH5 Equity Investment as well as the relevant professional fees and introducer fees in relation to the TECH5 Equity Investment, amounting to an aggregate of approximately S$11.84 million. Please refer to the 14 May 2021 announcement by the Company for more details.

A breakdown of the net proceeds from the October 2020 Subscription Exercise, November 2020 Subscription Exercise, December 2020 Subscription Exercise, January 2021 Subscription Exercise and June 2021 Placement Exercise that were utilised for working capital are:

Summary of expenses:	**Working capital (S$'000)**
Listing Fees	69
Staff Cost and Director Fees	1,593
Finance Cost or Bank Charges	6
Professional Fees	3,447
Administrative Expenses	757
Rental Deposit	143
Total	6,015

The net proceeds raised from the October 2020 Subscription Exercise, November 2020 Subscription Exercise, December 2020 Subscription Exercise, January 2021 Subscription Exercise and June 2021 Placement Exercise were used for their intended purposes as stated in the respective announcements.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mdm Song Xingyi, Ms Shao Lifang, Mr Aw Eng Hai, Mr Chua Hoe Sing, Mr Pierre Prunier, Mr Ngo Yit Sung and Mr Low Chai Chong are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 30 September 2021 ("**AGM**") (collectively, the "**Directors**" and each a "**Director**"). Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating to the Directors as set out in Appendix 7F of the Catalist Rules of the SGX-ST is disclosed below:

	Song Xingyi	**Shao Lifang**	**Aw Eng Hai**	**Chua Hoe Sing**	**Pierre Prunier**	**Ngo Yit Sung**	**Low Chai Chong**
Date of Appointment	30 September 2017	1 November 2018	29 October 2020	12 November 2020	6 April 2021	15 April 2021	1 July 2021
Date of last re-appointment	26 September 2019	26 September 2019	–	–	–	–	–
Age	72	44	53	59	41	39	59
Country of principal residence	China	China	Singapore	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mdm Song Xingyi as the Non-Executive and Non-Independent Chairman of the Board of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration her qualifications, expertise, past experience and overall contribution since she was appointed as a Director of the Company.	The re-election of Ms Shao Lifang as the Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration her qualifications, expertise, past experience and overall contribution since she was appointed as a Director of the Company.	The re-election of Mr Aw Eng Hai as the Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Chua Hoe Sing as the Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Pierre Prunier as the Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Ngo Yit Sung as the Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Low Chai Chong as the Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive. Ms Shao Lifang is responsible for the overall telecommunication business of the Group.	Non-Executive	Non-Executive	Executive. Mr Pierre Prunier is responsible for the Group's overall business, strategic direction and planning, investment, acquisition, partnership, as well as the daily operations.	Executive. Mr Ngo Yit Sung is responsible for the Group's overall corporate communications, investor relations, as well as marketing for the Group.	Non-Executive

	Song Xingyi	Shao Lifang	Aw Eng Hai	Chua Hoe Sing	Pierre Prunier	Ngo Yit Sung	Low Chai Chong
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Non-Independent Chairman of the Board	Executive Director	■ Independent Director ■ Chairman of the Audit Committee ■ Member of the Nominating Committee	■ Independent Director ■ Member of the Audit Committee ■ Member of the Remuneration Committee	Executive Director and Chief Executive Officer	Executive Director	■ Independent Director ■ Chairman of the Remuneration Committee ■ Chairman of the Nominating Committee ■ Member of the Audit Committee
Professional qualifications	Bachelor's degree in Electrical Engineering, Hefei University of Technology	Diploma in Accounting and Statistics, Hefei University of Technology	■ Bachelor of Business Administration, National University of Singapore ■ Fellow of the Association of Chartered Certified Accountants (ACCA) ■ Member of the Institute of Singapore Chartered Accountants (ISCA) ■ Fellow of Insolvency Practitioner Association of Singapore (IPAS) ■ Member of Singapore Institute of Directors (SID) ■ Member of INSOL International	■ Master of Business Administration (Accountancy), Nanyang Technological University ■ Bachelor of Electrical Engineering (First Class Honors), National University of Singapore ■ Member of Singapore Institute of Directors (SID)	Bachelor of Arts, Boston University, United States of America	■ Ph.D. in Electrical and Computer Engineering, National University of Singapore ■ Bachelor of Engineering in Electrical – Mechatronics (First Class Honours), Universiti Teknologi Malaysia ■ Member of Singapore Institute of Directors (SID)	Bachelor of Laws (Honours) from the National University of Singapore

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Song Xingyi	Shao Lifang	Aw Eng Hai	Chua Hoe Sing	Pierre Prunier	Ngo Yit Sung	Low Chai Chong
Working experience and occupation(s) during the past 10 years	■ 2010 to Present: Chairman of Shanghai Yinda Technology Group Co., Ltd	■ Nov 2018 to Present: Executive Director of Yinda Infocomm Limited ■ 2011 to October 2018: Group Finance Manager of Yinda Group Ltd ■ 2000 to 2011: Finance Manager of Shanghai Yinda Technology Industrial Co. Ltd	2003 to Present: Partner in Foo Kon Tan LLP	■ Jul 2010 to Present: Managing Director of GS Packaging & Design Pte Ltd ■ Apr 2010 to Present: Managing Director of HSC Glaston Pte. Ltd.	■ Apr 2021 to Present: Executive Director and Chief Executive Officer: Yinda Infocomm Limited ■ Nov 2019 to Present: International Biometrics Pte. Ltd. - Director and Chief Strategy Officer ■ Feb 2015 to Dec 2018: PT Manambang Muara Enim - President Director and Chief Executive Officer ■ Feb 2014 to Dec 2018: PT Centralproteina Prima TBK - Head of Strategic Planning ■ Mar 2013 to Feb 2014: Oclaner Asset Management Pte Ltd - Head of Direct Investments ■ Apr 2012 to Mar 2013: Seekers Advisors Pte. Ltd. - Singapore - Executive Director ■ Dec 2009 to Apr 2012: CME GROUP - Singapore - Director and Corporate Officer - Hedge Funds Asia	■ Apr 2021 to Present: Executive Director of Yinda Infocomm Limited ■ Dec 2020 to Apr 2021: Yinda Infocomm Limited - Business Development Manager ■ Oct 2012 to Feb 2021: Sino-Lion Communications Pte Ltd – Director ■ Aug 2008 to Sep 2012: Dukang Distillers Holdings Limited - Investor Relations Manager ■ Apr 2005 - Dec 2007: Altera Corporation (Malaysia) Sdn Bhd. - Advanced Product Engineer	1986 to Present: Advocate and solicitor of the Supreme Court of Singapore and a Senior Partner at Dentons & Rodyk Davidson LLP

	Song Xingyi	Shao Lifang	Aw Eng Hai	Chua Hoe Sing	Pierre Prunier	Ngo Yit Sung	Low Chai Chong
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil	Nil	Yes. Mr Pierre Prunier is a substantial shareholder of the Company. He holds 50,166,550 ordinary shares through DBS Nominee representing 5.96% of the total issued shares of the Company.	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Other Principal Commitments (Including Directorships)							
Past (for the last 5 years)	<u>Directorship</u> Nil	<u>Directorship</u> ■ Yinda Pte. Ltd. ■ Yinda Communications (Philippines), Inc	<u>Directorship</u> Capital World Limited	<u>Directorship</u> ■ AB Technology Holdings Pte. Ltd. ■ AB Capital International Limited (Mauritius) ■ Adamas Technology Engineering Pte. Ltd.	<u>Directorship</u> ■ Alectrona Pte. Ltd. (Non-Executive) ■ Epione Research and Development Institute Ltd, Singapore Branch (Non-Executive) ■ IZY Fook Pte Ltd (Non-Executive)	<u>Directorship</u> ■ Netlink VJ Pte. Ltd. ■ Solaris Technology Sdn Bhd	<u>Directorship</u> ■ OIO Holdings Limited ■ Pollux Properties Ltd. ■ Fleur Growth Fund Limited

	Song Xingyi	Shao Lifang	Aw Eng Hai	Chua Hoe Sing	Pierre Prunier	Ngo Yit Sung	Low Chai Chong
Other Principal Commitments (Including Directorships) (cont'd)							
Past (for the last 5 years) *(cont'd)*				■ E-Smart Marine Singapore Pte. Ltd ■ JSM Restaurant International Pte. Ltd ■ Kusang Lanka Pte. Ltd ■ Kyros Technologies Pte. Ltd. ■ KD Sports Co Pte. Ltd. ■ Lornie International Limited (BVI) ■ Oro Negro International Pte. Ltd. ■ Oro Negro Impetus Pte. Ltd. ■ Oro Negro Vastus Pte. Ltd. ■ Oro Negro Decus Pte. Ltd. ■ Oro Negro Fortius Pte. Ltd. ■ Oro Negro Offshore Drilling Pte. Ltd. ■ Oro Negro Laurus Pte. Ltd. ■ Oro Negro Primus Pte. Ltd. ■ Oro Negro Drilling Pte. Ltd.	■ Licker and Sake Pte. Ltd. (Non-Executive) ■ Rhea Pharmaceutical Sciences Pte. Ltd. (Non-Executive)		
	Other Principal Commitments Nil	Other Principal Commitments Nil	Other Principal Commitments Nil	Other Principal Commitments Nil	Other Principal Commitments Nil	Other Principal Commitments Nil	Other Principal Commitments Nil

	Song Xingyi	Shao Lifang	Aw Eng Hai	Chua Hoe Sing	Pierre Prunier	Ngo Yit Sung	Low Chai Chong
Present	Directorship Yinda Pte. Ltd.	Directorship ■ Yinda Technology Singapore Pte Ltd ■ Yinda Technology (Thailand) Co., Ltd	Directorship ■ Airtrust (Singapore) Pte Limited (under Members' Voluntary Winding up) ■ Century Master Pte. Ltd. (under Creditors' Voluntary Winding up) ■ Foo Kon Tan Advisory Services Pte. Ltd. ■ Foo Kon Tan Transaction Services Pte. Ltd. ■ Hunting Airtrust Tubulars Pte Ltd ■ Tritech Group Limited ■ TXZ Tankers Pte. Ltd. (under Creditors' Voluntary Winding up)	Directorship ■ Ba Feng Trading Limited (HK) ■ GS Packaging and Design Pte Ltd ■ Glastonbury Productions Pte. Ltd. ■ HSC Glaston Pte. Ltd. ■ Ismart Synergy Pte. Ltd. ■ Quinnteus Pte. Ltd ■ Topchain Capital Pte. Limited	Directorship ■ Chew & Cheng Pte. Ltd. (Non-Executive) ■ Duta Holdings Pte. Ltd. (Non-Executive) ■ Duta Holdings LLC (Non-Executive) ■ GenesisPro Pte. Ltd. (Non-Executive) ■ International Biometrics Pte. Ltd. (Executive) ■ IZY Dining and Bar Pte. Ltd. (Non-Executive) ■ IZY Sushi Pte. Ltd. (Non-Executive) ■ Plum and Toro Pte. Ltd. (Non-Executive) ■ Prundjaya Capital Pte. Ltd. (Non-Executive) ■ Totm Tech SG Pte. Ltd.	Directorship International Biometrics Pte. Ltd.	Directorship ■ Capital World Limited ■ Eneco Energy Limited ■ Dentons Rodyk & Davidson LLP ■ Rodyk Services Private Limited ■ Rodyk & Davidson I.P. Services Sdn Bhd ■ Moya Holdings Asia Limited ■ Moya Indonesia Holdings Pte Ltd
	Other Principal Commitments Nil	Other Principal Commitments Nil	Other Principal Commitments ■ FKT International ■ Foo Kon Tan LLP	Other Principal Commitments Nil	Other Principal Commitments International Biometrics Pte. Ltd.	Other Principal Commitments Nil	Other Principal Commitments Dentons Rodyk & Davidson LLP

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Song Xingyi	Shao Lifang	Aw Eng Hai	Chua Hoe Sing	Pierre Prunier	Ngo Yit Sung	Low Chai Chong
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.							
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No	No	No	No

	Song Xingyi	Shao Lifang	Aw Eng Hai	Chua Hoe Sing	Pierre Prunier	Ngo Yit Sung	Low Chai Chong
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Song Xingyi	Shao Lifang	Aw Eng Hai	Chua Hoe Sing	Pierre Prunier	Ngo Yit Sung	Low Chai Chong
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: –							
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No	No	No	Yes. See Explanatory Notes set out on page 57 of this Annual Report for details.
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	Yes. See Explanatory Notes set out on page 57 of this Annual Report for details.	No	No	No	No

	Song Xingyi	Shao Lifang	Aw Eng Hai	Chua Hoe Sing	Pierre Prunier	Ngo Yit Sung	Low Chai Chong
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	Yes. See Explanatory Notes set out on page 57 of this Annual Report for details.	No	No	No	No
Disclosure applicable to the appointment of Director only							
Any prior experience as a director of a listed company?	Not applicable, as this relates to the re-appointment of Mdm Song Xingyi as a Director of the Company.	Not applicable, as this relates to the re-appointment of Ms Shao Lifang as a Director of the Company.	Not applicable, as this relates to the re-appointment of Mr Aw Eng Hai as a Director of the Company.	Not applicable, as this relates to the re-appointment of Mr Chua Hoe Sing as a Director of the Company.	Not applicable, as this relates to the re-appointment of Mr Pierre Prunier as a Director of the Company.	Not applicable, as this relates to the re-appointment of Mr Ngo Yit Sung as a Director of the Company.	Not applicable, as this relates to the re-appointment of Mr Low Chai Chong as a Director of the Company.

Explanatory Notes:

(1) Aw Eng Hai

On 27 August 2015, Mr. Aw Eng Hai ("**Mr Aw**") was issued a warning letter by Monetary Authority of Singapore ("**Authority**") for a breach of Section 133 of the Securities and Futures Act ("**SFA**") in relation to his late notification on 22 April 2014 to Tritech Group Limited ("**Tritech**") following the issuance of bonus warrants to him by Tritech on 31 March 2014. Mr Aw has been an Independent Director of Tritech from 4 September 2009 to date.

Tritech was issued a warning letter ("**Tritech Warning Letter**") by the Authority on 13 February 2017 for a breach of Section 136 of the SFA for Tritech's late notification dated 24 June 2016 to the Company following the completion of the placement of shares in the Company on 21 April 2016, which resulted in a change in percentage of Tritech's shareholding interests in the Company. The Authority has informed Tritech that no further regulatory action will be taken against Tritech in respect of such breach. Neither Mr Aw nor any of the directors of Tritech were the subject of the Tritech Warning Letter.

(2) Low Chai Chong

Mr Low Chai Chong ("**Mr Low**") was appointed to the Board of Eneco Energy Limited ("**Eneco**") (formerly known as Ramba Energy Limited) on 14 December 2018. On 10 June 2019, the Audit Committee of Eneco, which is chaired by Mr Low, commissioned an independent review in relation to a payment made by a subsidiary of Eneco to a broker in connection with the issuance of a bank guarantee ("**Investigated Payment**"). The Investigated Payment occurred in November 2018 prior to Mr Low's admission to the Board of Eneco. Mr Low, together with the other members of the Audit Committee, are overseeing the independent review.

DIRECTORS' STATEMENT

The directors hereby present their statement to the members together with the audited consolidated financial statements of Yinda Infocomm Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 May 2021.

In the opinion of the directors:

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 66 to 138 are properly drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2021 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are:

Song Xingyi	
Shao Lifang	
Tan Chee Bun Gordon	(Appointed on 16 September 2020)
Cheam Heng Haw, Howard	
Aw Eng Hai	(Appointed on 29 October 2020)
Chua Hoe Sing	(Appointed on 12 November 2020)
Prunier Pierre Olivier Marc Yves	(Appointed on 6 April 2021)
Ngo Yit Sung	(Appointed on 15 April 2021)
Low Chai Chong	(Appointed on 1 July 2021)

Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act except as follows:

	Number of ordinary shares					
	Direct interest			Deemed interest		
Name of directors	At 1.6.2020/ date of appointment	At 31.5.2021	At 21.6.2021	At 1.6.2020/ date of appointment	At 31.5.2021	At 21.6.2021
The Company						
Song Xingyi	–	–	–	120,437,180	–	–
Prunier Pierre Olivier Marc Yves	–	–	–	–	50,166,550	50,166,550

Directors' interest in shares or debentures (cont'd)

Yinda Pte. Ltd. (former immediate holding company) is wholly-owned by Shanghai Yinda Science and Technology Industrial Co Ltd ("Shanghai Yinda"). Shanghai Yinda is in turn held by Shanghai Yinda Technology Group Co Ltd ("Shanghai Yinda Group") (68%) and Song Xingyi (32%). Shanghai Yinda Group is in turn held by Song Xingyi (52%), Wang Hua (34%) and Wang Zhijun (14%). Song Xingyi is the spouse of Wang Zhijun and mother of Wang Hua. Accordingly, the director, Song Xingyi is deemed to have an interest in 120,437,180 shares held by Yinda Pte. Ltd. in the Company and all the subsidiaries to the extent of the equity interest that is held directly or indirectly by the Company as at 1 June 2020 by virtue of Section 7 of the Act.

Prunier Pierre Olivier Marc Yves is deemed to have an interest in 50,166,550 shares registered in the name of a nominee account of DBS Nominees Pte. Ltd..

Except as disclosed in this statement, no director of the Company who held office at the end of the financial year had interests in shares, share options or debentures of the Company or related corporations, either at the beginning or at the end of the financial year.

Share options

No options to take up unissued shares of the Company or its subsidiary corporations were granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

Audit Committee

The Audit Committee comprises four members, all of whom are independent directors. The members of the Audit Committee at the date of this statement are:

Aw Eng Hai
Cheam Heng Haw, Howard
Chua Hoe Sing
Low Chai Chong

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act, the Singapore Exchange Limited ("SGX") Listing Manual and the Code of Corporate Governance. Their functions are detailed in the Report on Corporate Governance in the Annual Report 2021.

In performing its functions, the Audit Committee met with the Company's independent and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- Reviewed the audit plans of the internal and independent auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Group's and the Company's system of internal accounting controls and the assistance given by the Group's and the Company's management to the independent and internal auditors;

- Reviewed the announcements and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;

Audit Committee (cont'd)

The Audit Committee also reviewed the following (cont'd):

- Reviewed effectiveness of the Group's and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;

- Met with internal and independent auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

- Reviewed the cost effectiveness and the independence and objectivity of the independent auditor;

- Reviewed the nature and extent of non-audit services provided by the independent auditor;

- Recommended to the Board of Directors the independent auditor to be nominated, approved the compensation of the independent auditor, and reviewed the scope and results of the audit;

- Reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considered appropriate; and

- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual Section B: Rules of Catalist.

The Audit Committee, having reviewed all non-audit services provided by the independent auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the independent auditor. The Audit Committee is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board of Directors that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Prunier Pierre Olivier Marc Yves
Director

Tan Chee Bun Gordon
Director

14 September 2021

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Yinda Infocomm Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 66 to 138, which comprise the statements of financial position of the Group and the Company as at 31 May 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 May 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. *Acquisition of International Biometrics Pte. Ltd. and its subsidiary - Purchase Price Allocation*

   In April 2021, the Group completed the acquisition of a 51% equity interest in International Biometrics Pte. Ltd. and its subsidiary ("InterBio group") at total purchase consideration of $32,621,000. SFRS(I) 3 *Business Combinations* requires the Group to recognise and measure the identifiable assets (including intangible assets) acquired, the liabilities assumed and any non-controlling interest in the acquiree at their fair values at the date of acquisition. Any excess of the fair value of the consideration transferred and the amount of the non-controlling interest in the acquiree, over the fair value of the net identifiable assets acquired is recorded as goodwill.

   The Group engaged an external professional valuer to perform the purchase price allocation exercise, which involves the fair valuation of assets acquired and liabilities assumed and the identification and valuation of intangible assets. The Group's disclosure of the business combination accounting for the acquisition of the InterBio group is disclosed in Note 15(ii) to the financial statements.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

1. *Acquisition of International Biometrics Pte. Ltd. and its subsidiary - Purchase Price Allocation (cont'd)*

   As disclosed in Note 3 to the financial statements, the identification of such assets acquired and liabilities assumed and their measurement at fair value and the determination of the resulting goodwill is inherently judgemental and require significant amount of management estimation. Thus, this is considered a key audit matter.

   Our procedures to address the key audit matter:

   We reviewed the sale and purchase agreement to obtain an understanding of the transactions and the key terms and conditions of the acquisition. We evaluated the management's assessment to determine the acquisition is a business combination in accordance with SFRS(I) 3 *Business Combinations* and management's classification of the acquisition as a subsidiary.

   We assessed the competence, capabilities and objectivity of the external professional valuer ("valuer") engaged by the Group. Together with our internal valuation specialists, we:

   - Evaluated the identification of intangible assets by the valuer, and the reasonableness of the valuer's findings and conclusions on the valuation of the intangible assets acquired and the resulting goodwill arising from the acquisition of InterBio group;

   - Held discussions with the valuer to obtain an understanding of the valuation methodology adopted by the valuer and performed assessment on the appropriateness of the methodology adopted; and

   - Assessed reasonableness and appropriateness of key assumptions and inputs applied by the valuer in the valuation report.

   We have also assessed the adequacy and appropriateness of the disclosures made in the financial statements.

2. *Impairment assessment of trade receivables and contract assets*

   As disclosed in Notes 21 and 19 to the financial statements, the carrying amounts of the Group's trade receivables and contract assets amounting to $649,000 and $9,611,000 respectively as at 31 May 2021, which represented 2.63% and 38.99% of the Group's current assets.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

2. *Impairment assessment of trade receivables and contract assets (cont'd)*

The Group applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets. Trade receivables and contract assets that shared the same credit risk characteristics and days past due are grouped together in measuring the expected credit losses. The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience, adjusted as appropriate to reflect current conditions and forecasts of future economic conditions as well as the implications of the COVID-19 pandemic on the assumptions. Full allowance for ECL is made for debtors regarded as credit-impaired where one or more credit impairment events have occurred.

The measurement of allowance for ECL of trade receivables and contract assets is considered a key audit matter as it requires management to exercise judgement and make assumptions with respect to past events, current conditions and forecasts of future economic conditions as disclosed in Notes 3 and 31 to the financial statements.

Our procedures to address the key audit matter:

We obtained an understanding of the Group's credit policy and credit assessment procedures, and the Group's ECL assessment for trade receivables and contract assets.

We tested the aging of trade receivables and contract assets at the end of the reporting period on a sample basis and evaluated and challenged the reasonableness of management's estimates and judgements applied in the ECL model including management's determination of historical credit loss rates and management's consideration of forward-looking information and the assessment of the impact of COVID-19 pandemic and how these conditions will affect the Group's ECL assessment.

We have also assessed the adequacy and appropriateness of the disclosures made in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2021 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lim Kok Heng.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

14 September 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 May 2021

		Group	
			(Restated)
		2021	2020
Continuing operations	Note	**$'000**	$'000
Revenue	4	**6,072**	9,859
Other income	5	**1,165**	233
Expenses			
Changes in inventories, materials consumed and sub-contractor costs		**(1,708)**	(3,625)
Staff costs			
- Project related	6	**(3,503)**	(3,604)
- Administrative	6	**(2,635)**	(1,635)
Reversal/(allowance) for expected credit loss of financial and contract assets		**1**	(583)
Contract assets written off		**(372)**	–
Depreciation and amortisation expenses		**(1,561)**	(772)
Legal and professional expenses		**(4,131)**	(292)
Other expenses	7	**(993)**	(1,410)
Finance costs	8	**(178)**	(147)
Loss before tax	9	**(7,843)**	(1,976)
Income tax expense	10	**(95)**	(165)
Loss for the year from continuing operations, net of tax		**(7,938)**	(2,141)
Discontinued operations			
Loss for the year from discontinued operations, net of tax	11	**(469)**	(1,015)
Loss for the year		**(8,407)**	(3,156)
Other comprehensive loss:			
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences arising on consolidation		**(20)**	(133)
Item that will not be reclassified subsequently to profit or loss			
Currency translation differences arising on consolidation		**4**	–
Actuarial loss on measurement of post-employment benefit plan, net of tax		**(4)**	(3)
Other comprehensive loss for the year, net of tax		**(20)**	(136)
Total comprehensive loss for the year		**(8,427)**	(3,292)
Loss for the year attributable to:			
Equity holders of the Company		**(8,316)**	(3,156)
Non-controlling interests		**(91)**	–
		(8,407)	(3,156)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 May 2021

	Note	Group 2021 $'000	(Restated) 2020 $'000
Loss for the year attributable to equity holders of the Company			
Loss from continuing operations		**(7,847)**	(2,141)
Loss from discontinued operations		**(469)**	(1,015)
		(8,316)	(3,156)
Total comprehensive loss for the year attributable to:			
Equity holders of the Company		**(8,338)**	(3,292)
Non-controlling interests		**(89)**	–
		(8,427)	(3,292)
Loss per share for loss attributable to equity holders of the Company			
From continuing and discontinued operations			
Basic and diluted (cents per share)	12	**(2.58)**	(2.08)
From continuing operations			
Basic and diluted (cents per share)		**(2.44)**	(1.41)
From discontinued operations			
Basic and diluted (cents per share)		**(0.14)**	(0.67)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 May 2021

		Group		Company	
		2021	2020	**2021**	2020
	Note	**$'000**	$'000	**$'000**	$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	**2,137**	1,236	**1,328**	1
Intangible assets	14	**43,208**	49	**–**	–
Investments in subsidiaries	15	**–**	–	**33,957**	2,336
Financial assets at fair value through profit or loss	16	**4,208**	–	**4,208**	–
Deferred tax assets	17	**37**	–	**–**	–
Trade and other receivables	21	**496**	115	**–**	–
Total non-current assets		**50,086**	1,400	**39,493**	2,337
Current assets					
Inventories	18	**641**	1,088	**–**	–
Contract assets	19	**9,611**	6,288	**–**	–
Amounts due from subsidiaries	20	**–**	–	**570**	4,530
Trade and other receivables	21	**1,739**	4,354	**209**	27
Cash and cash equivalents	22	**12,656**	426	**12,220**	91
Total current assets		**24,647**	12,156	**12,999**	4,648
Total assets		**74,733**	13,556	**52,492**	6,985
EQUITY AND LIABILITIES					
Equity					
Share capital	23	**63,003**	14,542	**63,003**	14,542
Other reserves	24	**(8,388)**	(8,468)	**–**	–
Accumulated losses		**(13,983)**	(5,665)	**(22,866)**	(13,218)
Equity attributable to equity holders of the Company		**40,632**	409	**40,137**	1,324
Non-controlling interests		**11,853**	–	**–**	–
Total equity		**52,485**	409	**40,137**	1,324
Non-current liabilities					
Lease liabilities	26	**1,407**	262	**1,060**	–
Employee benefit liabilities	27	**397**	272	**–**	–
Deferred tax liabilities	17	**4,590**	220	**–**	–
Total non-current liabilities		**6,394**	754	**1,060**	–
Current liabilities					
Contract liabilities	19	**179**	779	**–**	–
Trade and other payables	28	**11,342**	5,039	**8,026**	706
Amounts due to subsidiaries	20	**–**	–	**–**	165
Borrowings	25	**3,714**	5,485	**2,903**	4,790
Lease liabilities	26	**619**	567	**366**	–
Tax payable		**–**	523	**–**	–
Total current liabilities		**15,854**	12,393	**11,295**	5,661
Total liabilities		**22,248**	13,147	**12,355**	5,661
Total equity and liabilities		**74,733**	13,556	**52,492**	6,985

The accompanying notes form an integral part of these financial statements.

	Attributable to equity holders of the Company					
	Share capital $'000	**Other reserves $'000**	**Accumulated losses $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Group						
Balance at 1.6.2019	14,542	(8,335)	(2,506)	3,701	–	3,701
Loss for the year	–	–	(3,156)	(3,156)	–	(3,156)
Other comprehensive loss:						
Currency translation differences arising on consolidation	–	(133)	–	(133)	–	(133)
Actuarial loss on measurement of post-employment benefit plan, net of tax	–	–	(3)	(3)	–	(3)
Total comprehensive loss for the year	–	(133)	(3,159)	(3,292)	–	(3,292)
Balance at 31.5.2020	14,542	(8,468)	(5,665)	409	–	409
Loss for the year	–	–	(8,316)	(8,316)	(91)	(8,407)
Other comprehensive loss:						
Currency translation differences arising on consolidation	–	(20)	–	(20)	4	(16)
Actuarial loss on measurement of post-employment benefit plan, net of tax	–	–	(2)	(2)	(2)	(4)
Total comprehensive loss for the year	–	(20)	(8,318)	(8,338)	(89)	(8,427)
Issue of ordinary shares (Note 23)	50,108	–	–	50,108	–	50,108
Shares issue expenses (Note 23)	(1,647)	–	–	(1,647)	–	(1,647)
Acquisition of a subsidiary (Note 15(ii))	–	–	–	–	11,942	11,942
Disposal of subsidiaries	–	100	–	100	–	100
Balance at 31.5.2021	**63,003**	**(8,388)**	**(13,983)**	**40,632**	**11,853**	**52,485**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 May 2021

	Share capital $'000	Accumulated losses $'000	Total equity $'000
Company			
Balance at 1.6.2019	14,542	(8,087)	6,455
Loss and total comprehensive loss for the year	–	(5,131)	(5,131)
Balance at 31.5.2020	14,542	(13,218)	1,324
Loss and total comprehensive loss for the year	–	(9,648)	(9,648)
Issue of ordinary shares (Note 23)	50,108	–	50,108
Shares issue expenses (Note 23)	(1,647)	–	(1,647)
Balance at 31.5.2021	**63,003**	**(22,866)**	**40,137**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 May 2021

	Group	
	2021	2020
	$'000	$'000
Cash flows from operating activities		
Loss before tax from continuing operations	**(7,843)**	(1,976)
Loss before tax from discontinued operations	**(490)**	(893)
Adjustments for:		
Depreciation and amortisation expenses	**1,601**	862
(Reversal)/allowance for expected credit loss of financial and contract assets	**(1)**	625
Contract assets written off	**1,746**	–
Impairment loss on property, plant and equipment	**159**	–
Gain on disposal of subsidiaries	**(1,355)**	–
Fair value gain on financial assets at fair value through profit or loss	**(459)**	–
Loss on disposal of property, plant and equipment	**7**	3
Loss on foreign exchange	**43**	62
Defined benefits plans	**65**	57
Reversal of retirement benefit obligation	**(34)**	–
Rent concession from lessor	**(35)**	–
Interest expenses	**180**	156
Interest income	**(2)**	(2)
Transaction costs on acquisition of a subsidiary	**2,516**	–
Operating cash flows before movements in working capital	**(3,902)**	(1,106)
Changes in working capital:		
Inventories	**447**	126
Contract assets	**(533)**	(162)
Trade and other receivables	**2,780**	1,481
Contract liabilities	**(226)**	106
Trade and other payables	**(359)**	341
Cash (used in)/generated from operations	**(1,793)**	786
Interest received	**2**	2
Income tax paid	**(169)**	(34)
Net cash (used in)/generated from operating activities	**(1,960)**	754
Cash flows from investing activities		
Purchase of property, plant and equipment (Note 13(b))	**(51)**	(134)
Acquisition of a subsidiary, net of cash acquired (Note 15(ii)(a))	**(6,607)**	–
Transaction costs paid on acquisition of a subsidiary (Note 15(ii)(b))	**(2,111)**	–
Disposal of subsidiaries, net of cash disposed (Note 11(iii))	**(6)**	–
Proceeds from disposal of property, plant and equipment	**–**	8
Purchase of financial assets at fair value through profit or loss	**(3,749)**	–
Net cash used in investing activities	**(12,524)**	(126)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 May 2021

	Group	
	2021	2020
	$'000	$'000
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	**29,402**	–
Shares issue expenses	**(1,647)**	–
Proceeds from borrowings	**2,617**	1,181
Proceeds from former shareholder's loan	**248**	560
Repayment of former shareholder's loan	**(342)**	–
Repayment of lease liabilities	**(485)**	(456)
Repayment of borrowings	**(2,921)**	(1,089)
Proceeds from factoring	**–**	3,989
Repayment of factoring	**(102)**	(4,669)
Interest paid	**(54)**	(63)
Net cash generated from/(used in) financing activities	**26,716**	(547)
Net increase in cash and cash equivalents	**12,232**	81
Cash and cash equivalents at beginning of financial year	**326**	249
Effect of exchange rate fluctuations on cash and cash equivalents	**(2)**	(4)
Cash and cash equivalents at end of financial year (Note 22)	**12,556**	326

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Corporate information

Yinda Infocomm Limited (the "Company") (Co. Reg. No. 201506891C) is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The address of the registered office and principal place of business of the Company is at 20 Collyer Quay, #09-02, Singapore 049319.

The principal activity of the Company is that of investment holding. The principal activities of the significant subsidiaries are disclosed in Note 15.

2 Summary of significant accounting policies

a) Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are expressed in Singapore dollar ("$"), which is the Company's functional currency and all financial information presented in Singapore dollar are rounded to the nearest thousand ("$'000") except when otherwise indicated. The financial statements have been prepared in accordance with the provisions of the Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

2 Summary of significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards that are adopted

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year. In addition, the Group has also early adopted the Amendment to SFRS(I) 16 *COVID-19 - Related Rent Concessions*. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company except as disclosed below.

During the financial year, the Group has elected to early adopt the Amendment to SFRS(I) 16 *COVID-19 - Related Rent Concessions* which provided practical relief for lessees in accounting for rent concessions. Under the practical expedient, the lessees are not required to assess whether a rent concession is a lease modification and instead are permitted to account for them as if they were not lease modifications, if all of the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
(c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all leases. As a result of applying the practical expedient, rent concessions of $35,000 was recognised as other income in the Group's profit or loss during the financial year. The Amendment has no impact on accumulated profits at 1 June 2020.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 May 2021 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

2 Summary of significant accounting policies (cont'd)

b) Basis of consolidation (cont'd)

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2(d). In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Contingent consideration transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration (other than measurement period adjustment) are recognised in profit or loss.

Non-controlling interests ("NCI") are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition date fair value or, when applicable, on the basis specified in another standard.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (ie transactions with equity holders in their capacity as equity holders). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to equity holders of the Company.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to accumulated profits if required by a specific SFRS(I).

2 Summary of significant accounting policies (cont'd)

b) Basis of consolidation (cont'd)

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

d) Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combinations. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

e) Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to the customer.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue from telecommunication business

The Group is in the business of:
- Provision of full turnkey services from planning and designing to construction and implementation of customer's outdoor and indoor mobile network infrastructure.
- Provision of telecommunication implementation work for the installation and commissioning of radio base transceiver stations.

2 Summary of significant accounting policies (cont'd)

e) Revenue recognition (cont'd)

Revenue from telecommunication business (cont'd)

The Group principally operates fixed price contracts. Revenue is recognised over time by measuring the progress towards complete satisfaction of performance obligations. The Group has determined that the output method reflects the over-time transfer of control to customers as the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

The Group recognises revenue over time from contracts by reference to the stage of completion of each individual contract at the end of each reporting period, when the outcome of the contract can be estimated reliably. The stage of completion is measured by reference to assessment of actual work completed to-date based on internal survey of performance completed to-date or milestones reached and customer's acknowledgement of work completed.

Management has determined that an activity-based output method provides a faithful depiction of the Group's performance in transferring control of the goods delivered and services performed to customers, as it reflects the value of the activities performed to-date, relative to the total value of the activities promised in the contracts. The related costs are recognised in profit or loss when they are incurred, unless they relate to future performance obligations.

Payments are due from customers based on the agreed billing milestone stipulated in the contracts or based on the amount certified by the customers.

A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

The period between the transfer of the promised service and advance payment by the customer may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the performing entity from the customers' failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Revenue from biometrics business

The Group is in the business of development and provision of identity management biometrics technology solutions. The Group is compensated for its services through a monthly fee earned based on the promised consideration in the relevant agreements. Revenue from these services are recognised as a performance obligation satisfied over time as the customers simultaneously receives and consumes the benefits of the services as the Group performs.

A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

2 Summary of significant accounting policies (cont'd)

e) Revenue recognition (cont'd)

Revenue from maintenance services

The Group provides corrective and preventive maintenance services to ensure network reliability and minimal network disruption.

Maintenance revenue is recognised at point in time when the services are performed.

Interest income

Interest income is recognised using the effective interest method.

f) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments. Alternatively, the grant may be presented in the statements of financial position by deducting the grant in arriving at the carrying amount of the asset.

Where the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

g) Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

Such state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefits plans

Philippines

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of pension plan remains with the Group, even if plan assets for funding the defined benefit plan have been acquired. The Group accrues the post-employment benefits under a defined benefit plan using the projected unit credit method as computed by an independent actuary covering all regular full-time employees.

The liability recognised in the statement of financial position for a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using a discount rate derived from the interest rates of zero coupon government bonds as published by Philippines Dealing and Exchange Corporation, that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability.

2 Summary of significant accounting policies (cont'd)

g) Employee benefits (cont'd)

Defined benefits plans (cont'd)

Philippines (cont'd)

Remeasurements comprising of actuarial gains and losses from experience adjustments and changes in actuarial assumptions are reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they arise. Interest cost is calculated by applying the discount rate at the beginning of the period, taking account of any changes in the net defined benefit liability and is included as part of finance costs or finance income in the consolidated statement of profit or loss and other comprehensive income.

Past service costs are recognised immediately in profit or loss in the period of a plan amendment or curtailment.

Thailand

The subsidiary in Thailand operates an unfunded benefit scheme, Legal Severance Pay Plan ("LSP"), for qualifying employees.

The LSP scheme is a defined benefit plan which pays employees a lump sum benefit computed based on their number of years of service and their basic salary upon retirement or early termination of their employment contracts.

The benefit schemes are assessed using the projected unit credit actuarial valuation method. The cost of providing for the employee benefits are charged to the profit or loss so as to spread the service cost over the service lives of employees in accordance with the actuarial valuation carried out during the financial year. The provision for the employee benefits is measured as the present value of the estimated future cash outflows by reference to the interest rates of government bonds in Thailand that have terms to maturity approximating the terms of the related liabilities. Actuarial gains and losses arising from LSP are recognised in other comprehensive income. The employee benefit expenses are included as part of employee benefit expenses.

The unvested past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested, immediately following the introduction of, or changes to, a scheme, past service costs are recognised immediately.

Indonesia

Post-employment benefits, such as pension, severance pay, service pay and other benefits, are calculated in accordance with the "Company Regulation" which is in line with Labor Law No. 13/2003 ("Law 13/2003").

The obligation for post-employment benefits recognised in the Statement of Financial Position is calculated at present value of estimated future benefits that the employees have earned in return for their services in the current and prior years. The calculation is performed by an independent actuary using the Projected Unit Credit method. Past service cost is recognised immediately in profit or loss.

Actuarial gains and losses from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income as incurred.

Employee leave entitlement

Employee entitlements to annual leave and long-service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the end of the reporting period.

2 Summary of significant accounting policies (cont'd)

h) Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in profit or loss using the effective interest method.

i) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity in the consolidated financial statements. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Translation of Group entities' financial statements

The financial performance and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting period;
(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
(iii) All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the foreign currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

2 Summary of significant accounting policies (cont'd)

j) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred tax liability is provided on all taxable temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

k) Property, plant and equipment

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment initially recognised includes its purchase price, and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

2 Summary of significant accounting policies (cont'd)

k) Property, plant and equipment (cont'd)

Depreciation is calculated on a straight-line basis to allocate the depreciable amounts of all property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	Years
Tools and testing equipment	5
Computer equipment	3 - 5
Office equipment	3 - 5
Motor vehicles	4
Leasehold properties	2 - 5
Renovation	5

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

l) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a Group entity is the lessee

The Group applies a single recognition and measurement approach for leases, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2 Summary of significant accounting policies (cont'd)

l) Leases (cont'd)

When a Group entity is the lessee (cont'd)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement date, initial direct costs, less any lease incentives received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within "property, plant and equipment" in the statements of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(n).

As a practical expedient, SFRS(I) 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has applied this practical expedient to all its leases.

m) Intangible assets

(i) Goodwill (see Note 2(d))

(ii) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets are not capitalised and the expenditure is recognised in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

2 Summary of significant accounting policies (cont'd)

m) Intangible assets

(ii) Other intangible assets (cont'd)

Intangible assets with finite lives are amortised over the economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. Amortisation for intangible assets with finite lives is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

The estimated useful lives are as follows:

	Years
Customer relationships	7.7 - 10
Technology	4.7

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

n) Impairment of non-financial assets excluding goodwill

At the end of each reporting period, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

2 Summary of significant accounting policies (cont'd)

o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs, other direct costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

p) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss ("FVTPL").

The classification is based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income ("FVOCI"), it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2 Summary of significant accounting policies (cont'd)

p) Financial assets (cont'd)

Classification and measurement (cont'd)

Debt instruments include cash and cash equivalents, trade and other receivables (excluding prepayments, creditable withholding tax and input value-added tax, advance payment to suppliers and JSS grant receivable) and amounts due from subsidiaries. The debt instruments are measured as follows:

Amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Fair value through profit or loss

Debts instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movements in fair values and interest income are recognised in profit or loss in the period in which it arises and presented in "other income".

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

2 Summary of significant accounting policies (cont'd)

p) Financial assets (cont'd)

Offset

Financial assets and liabilities are offset and the net amount presented on the statements of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

q) Cash and cash equivalents in the consolidated statement of cash flows

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to insignificant risk of change in value and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and excludes pledged fixed deposits.

r) Financial liabilities

Financial liabilities include trade and other payables (excluding indirect tax payable and deferred grant income), borrowings, lease liabilities and amounts due to subsidiaries.

Financial liabilities are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at FVTPL, directly attributable transaction costs.

Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value. Other financial liabilities (except for the financial guarantees) are measured at amortised cost using the effective interest method.

For financial liabilities other than FVTPL, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of financial liabilities at FVTPL are recognised in profit or loss. Net gains or losses on derivatives include exchange differences. A financial liability is derecognised when the obligation under the liability is extinguished.

s) Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognised at their fair values.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the amount initially recognised less cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 *Revenue from Contracts with Customers* and the amount of expected loss computed using the impairment methodology under SFRS(I) 9 *Financial Instruments*.

2 Summary of significant accounting policies (cont'd)

t) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of reporting period. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

u) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

v) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

w) Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and

(a) represents a separate major line of business or geographical area of operations; or
(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
(c) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

3 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Purchase price allocation

As disclosed in Note 15(ii), the Group acquired a 51% equity interest in International Biometrics Pte. Ltd. and its subsidiary ("InterBio group") at total purchase consideration at fair value of $32,621,000 during the financial year. SFRS(I) 3 *Business Combinations* requires the Group to recognise and measure the identifiable assets (including intangible assets) acquired, the liabilities assumed and any non-controlling interest in the acquiree at their fair values at the date of acquisition. Any excess of the fair value of the consideration transferred and the amount of the non-controlling interest in the acquiree, over the fair value of the net identifiable assets acquired is recorded as goodwill.

The Group engaged an external professional valuer to perform the purchase price allocation exercise, which involves the fair valuation of assets acquired and liabilities assumed and the identification and valuation of intangible assets. The identification of such assets acquired and liabilities assumed and their measurement at fair value and the determination of the resulting goodwill is inherently judgemental and require significant amount of management estimation. The fair values of the identifiable assets acquired and liabilities assumed of the InterBio group and the resulting goodwill are disclosed in Notes 15(ii) and 14.

Impairment of non-financial assets (other than goodwill and other indefinite-life intangible assets)

At the end of each reporting period, the Group and the Company assess whether there are any indications of impairment for all non-financial assets. If any such indication exists, the Group and the Company estimate the recoverable amount of that asset. An impairment loss exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

Where value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate in order to determine the present value of the cash flows. The carrying values of the Group's and the Company's property, plant and equipment are disclosed in Note 13. The carrying values of the Group's intangible assets with finite lives are disclosed in Note 14.

Impairment assessment of goodwill

Management performs an annual impairment assessment of goodwill or more frequently if there are indications that goodwill might be impaired. Valuation model based on discounted cash flow analysis of the cash-generating unit is used by management to determine the value in use for the purposes of the impairment assessment.

Forecasting and discounting future cash flows for the impairment assessment involves an element of judgement and requires management to make certain assumptions and apply estimates. Details of the impairment assessment and the carrying values of the Group's goodwill at the end of the reporting period are disclosed in Note 14. Any changes in the assumptions made and discount rate applied could affect the impairment assessment.

Allowance for expected credit losses of trade receivables and contract assets

The Group applies the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets. Trade receivables and contract assets that shared the same credit risk characteristics and days past due are grouped together in measuring the expected credit losses.

3 Key sources of estimation uncertainty (cont'd)

Allowance for expected credit losses of trade receivables and contract assets (cont'd)

The provision matrix is initially based on the Group's historical observed default rates. The Group will assess the historical credit loss experience by considering current and forecast economic conditions with consideration on the impact of COVID-19 pandemic and how these conditions will affect the Group's ECL assessment. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 31(b).

The carrying amounts of the Group's trade receivables and contract assets as at 31 May 2021 amounted to $649,000 (2020: $2,826,000) and $9,611,000 (2020: $6,288,000) respectively.

Impairment of investment in subsidiaries

At the end of each reporting period, the Company assesses whether there are any indications of impairment for investment in subsidiaries. The Company also assesses whether there is any indication that an impairment loss recognised in prior periods for investment in subsidiaries may no longer exist or may have decreased.

If any such indication exists, the Company estimates the recoverable amount of that asset. An impairment loss exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. An impairment loss recognised in prior periods shall be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate in order to determine the present value of the cash flows. The value in use calculation involves significant judgement in the forecast projection of sales and operating cash flows for the next five years including the consideration on the implications of the COVID-19 pandemic. Details of the key assumptions applied in the Company's impairment assessment of its investments in subsidiaries and the carrying amounts of the investments in subsidiaries are disclosed in Note 15. Changes in assumptions made and discount rate applied could affect the carrying values of these assets.

4 Revenue

The following table provides a disaggregation disclosure of the Group's revenue by primary geographical market, major service lines and timing of revenue recognition.

	Group	
		(Restated)
	2021	2020
	$'000	$'000
Primary geographical market		
Singapore	**2,014**	4,666
Thailand	**3,042**	5,193
Indonesia	**1,016**	–
	6,072	9,859
Major service lines		
Telecommunication business	**4,965**	9,462
Biometrics business	**1,016**	–
Maintenance services	**91**	397
	6,072	9,859

4 Revenue (cont'd)

	Group	
		(Restated)
	2021	2020
	$'000	$'000
Timing of revenue recognition		
Over time	**5,981**	9,462
At a point in time	**91**	397
	6,072	9,859
Amounts recognised during the financial year from:		
Amounts included in contract liabilities at the beginning of the financial year	**214**	673

Transaction price allocated to the remaining performance obligations

The Group applies the practical expedient in SFRS(I) 15 and does not disclose information about its remaining performance obligation if:

- The performance obligation is part of a contract that has an original expected duration of one year or less; or
- The Group has a right to invoice a customer in an amount that corresponds directly with its performance to-date, and it recognises revenue in that amount.

5 Other income

	Group	
		(Restated)
	2021	2020
	$'000	$'000
Government grants*	**462**	240
Interest income	**1**	1
Fair value gain on financial assets at fair value through profit or loss	**459**	–
Rent concession from lessor (Note 26)	**35**	–
Others	**208**	(8)
	1,165	233

* Included within government grants are grant income of $366,000 (2020: $97,000) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). Under the JSS, the Singapore Government will co-fund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees during the period of economic uncertainty. In determining the recognition of the JSS grant income, management has evaluated and concluded that the period of economic uncertainty commenced in April 2020 when the COVID-19 pandemic started affecting the Group's operations.

6 Staff costs

	Group	
		(Restated)
	2021	2020
	$'000	$'000
Wages and salaries	**5,164**	4,719
Contribution to defined contribution plans	**408**	234
Defined benefits plans	**16**	38
Other short-term benefits	**550**	248
	6,138	5,239

Employee benefits expenses allocated by function are as follows:

Project related	**3,503**	3,604
Administrative	**2,635**	1,635
	6,138	5,239

Included in employee benefits expenses of the Group are directors' fee amounting to $197,000 (2020: $164,000)

7 Other expenses

	Group	
		(Restated)
	2021	2020
	$'000	$'000
Transport and travelling	**117**	219
Rental of office premises, warehouse and equipment	**231**	231
Rental of motor vehicle	**1**	48
Administrative expenses	**202**	236
Subscription	**36**	175
Others	**406**	501
	993	1,410

8 Finance costs

	Group	
		(Restated)
	2021	2020
	$'000	$'000
Interest expense:		
- Former shareholder's loans	**68**	93
- Lease liabilities	**36**	45
- Others	**74**	9
	178	147

9 Loss before tax

Loss before tax is arrived at after charging/(crediting):

	Group	
	2021	(Restated) 2020
	$'000	$'000
Audit fees payable to:		
- auditor of the Company	**106**	75
- other auditors*	**20**	15
Fees for non-audit services payable to:		
- auditor of the Company	**–**	–
- other auditors*	**–**	–
(Reversal)/allowance for expected credit loss of financial and contract assets (Note 31(b))	**(1)**	583
Amortisation of intangible assets (Note 14)	**744**	48
Depreciation of property, plant and equipment	**817**	725
Foreign exchange gain, net	**(17)**	(34)
Loss on disposal of property, plant and equipment	**7**	3
Impairment loss on property, plant and equipment	**159**	–
Inventories written down	**9**	216
Operating lease expense - short-term leases	**70**	74
Rental expenses	**162**	205

* Include independent member firms of the Baker Tilly International network.

10 Income tax expense/(credit)

	Group	
	2021	(Restated) 2020
	$'000	$'000
Tax expense attributable to profits is made up of:		
<u>From continuing operations</u>		
Current tax:		
- current year	**122**	–
- underprovision in respect of prior years	**67**	30
	189	30
Deferred tax:		
- current year	**(94)**	231
- overprovision in respect of prior years	**–**	(96)
	(94)	135
	95	165
<u>From discontinued operations (Note 11)</u>		
Current tax:		
- current year	**–**	5
Deferred tax:		
- current year	**(21)**	117
	(21)	122
	74	287

10 Income tax expense/(credit) (cont'd)

The income tax expense/(credit) on the results of the financial year differs from the amount of income tax determined by applying the domestic rates applicable to profit/(loss) in the countries where the Group operates due to the following factors:

	Group	
		(Restated)
	2021	2020
	$'000	$'000
Loss before tax		
- Continuing operations	**(7,843)**	(1,976)
- Discontinued operations	**(490)**	(893)
	(8,333)	(2,869)
Tax at the domestic rates applicable to profit/(loss) in the countries where the Group operates	**(1,659)**	(554)
Income not subject to tax	**(380)**	–
Expenses not deductible for tax purposes	**1,555**	58
Deferred tax assets not recognised	**615**	877
Utilisation of deferred tax assets not recognised in prior years	**(124)**	(27)
Under/(over)provision of taxation in respect of prior years	**67**	(66)
Others	**–**	(1)
	74	287

The above tax reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

The statutory income tax rate applicable is 17% (2020: 17%) for companies incorporated in Singapore. The income tax rates applicable to foreign subsidiaries are as follows:

	Group	
	2021	2020
	%	%
Thailand	**20**	20
Philippines	**30**	30
Malaysia	**24**	24
Indonesia	**22**	–

11 Discontinued operations

(i) The analysis of the loss from discontinued operations are as follows:

During the financial year, the Company disposed its 100% equity interest in subsidiaries, Yinda Communications (Phillipines), Inc. ("YCP") and Yinda Technology Malaysia Sdn. Bhd. ("YTM") to Yinda Pte. Ltd. (former immediate holding company). The financial performance of YCP and YTM were presented in a single amount separately on the consolidated statement of profit or loss and other comprehensive income as "Discontinued Operations". In addition, the Group has re-represented the financial performance of YCP and YTM as "Discontinued Operations" for the financial year ended 31 May 2020 and the comparative figures have been restated accordingly.

11 Discontinued operations (cont'd)

(i) The analysis of the loss from discontinued operations are as follows (cont'd):

	Group	
	2021	2020
	$'000	$'000
Revenue	**287**	1,652
Other income	**37**	41
Gain on disposal of subsidiaries	**1,355**	–
Expenses		
Changes in inventories, materials consumed and sub-contractor costs	**(20)**	(159)
Staff costs		
- Project related	**(135)**	(1,049)
- Administrative	**(179)**	(493)
Allowance for expected credit loss of financial and contract assets	**–**	(42)
Contract assets written off	**(1,374)**	–
Depreciation and amortisation expenses	**(40)**	(90)
Legal and professional expenses	**(85)**	(137)
Other expenses	**(334)**	(607)
Finance costs	**(2)**	(9)
Loss before tax	**(490)**	(893)
Income tax credit/(expense)	**21**	(122)
Loss for the year from discontinued operations, net of tax	**(469)**	(1,015)

(a) Revenue

	Group	
	2021	2020
	$'000	$'000
Revenue from telecommunication business – over time	**287**	1,652

(b) Other income

	Group	
	2021	2020
	$'000	$'000
Interest income	**1**	1
Others	**36**	40
	37	41

11 Discontinued operations (cont'd)

(i) The analysis of the loss from discontinued operations are as follows (cont'd):

(c) Staff costs

	Group	
	2021	2020
	$'000	$'000
Wages and salaries	**277**	1,425
Defined benefits plans	**3**	19
Other short-term benefits	**34**	98
	314	1,542

Employee benefits expenses allocated by function are as follows:

	Group	
	2021	2020
	$'000	$'000
Project related	**135**	1,049
Administrative	**179**	493
	314	1,542

(d) Other expenses

	Group	
	2021	2020
	$'000	$'000
Transport and travelling	**9**	194
Rental of office premises, warehouse and equipment	**17**	49
Rental of motor vehicle	**8**	–
Administrative expenses	**18**	120
Subscription	**8**	10
Others	**274**	234
	334	607

(e) Finance costs

	Group	
	2021	2020
	$'000	$'000
Interest expense:		
- Lease liabilities	**2**	6
- Others	**–**	3
	2	9

11 Discontinued operations (cont'd)

(i) The analysis of the loss from discontinued operations are as follows (cont'd):

(f) Loss before tax

Loss before tax is arrived at after charging/(crediting):

	Group	
	2021	2020
	$'000	$'000
Audit fees payable to other auditor*	**12**	12
Contract assets written off	**1,374**	–
Depreciation of property, plant and equipment	**40**	90
Allowance for expected credit loss of financial and contract assets	**–**	42
Foreign exchange (gain)/loss, net	**(14)**	39
Operating lease expense - short-term leases	**25**	32

* Include independent member firms of the Baker Tilly International network.

(ii) The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group	
	2021	2020
	$'000	$'000
Operating cash flows	**(40)**	(401)
Investing cash flows	–	–
Financing cash flows	**(2)**	363
Total cash flows	**(42)**	(38)

11 Discontinued operations (cont'd)

(iii) The effects of the disposal of subsidiaries on the cash flows of the Group are as follows:

	YCP $'000	YTM $'000	Group $'000
Property, plant and equipment	93	–	93
Trade and other receivables	824	1	825
Contract assets	269	–	269
Cash and cash equivalents	6	1	7
Total assets	1,192	2	1,194
Trade and other payables	(1,285)	(15)	(1,300)
Amounts due to related parties	(1,510)	(109)	(1,619)
Contract liabilities	(372)	–	(372)
Tax payable	(533)	–	(533)
Deferred tax liabilities	(259)	–	(259)
Employee benefit liabilities	(47)	–	(47)
Total liabilities	(4,006)	(124)	(4,130)
Net liabilities disposed of	(2,814)	(122)	(2,936)
Amount due to holding company	1,361	121	1,482
Reclassified from currency translation reserve	101	(1)	100
Gain on disposal of subsidiaries	1,353	2	1,355
Proceeds from disposal of subsidiaries	1	–*	1
Net cash outflow arising on disposal of subsidiaries:			
Proceeds from disposal (as above)	1	–*	1
Less: cash and cash equivalents in subsidiaries disposed of	(6)	(1)	(7)
Net cash outflow arising on disposal of subsidiaries	(5)	(1)	(6)

* Amount less than $1,000

12 Loss per share

Basic loss per share is calculated based on the Group's loss for the year attributable to equity holders of the Company divided by the weighted average number of ordinary shares outstanding.

	2021	2020
Loss for the year attributable to equity holders of the Company ($'000)	**(8,316)**	(3,156)
Weighted average number of ordinary shares outstanding for basic and diluted loss per share ('000)	**322,255**	152,000
Basic and diluted loss per share (cents per share)	**(2.58)**	(2.08)

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to equity holders of the Company is based on the following data.

	Group	
	2021	2020
	$'000	$'000
Loss for the year attributable to equity holders of the Company	**(8,316)**	(3,156)
Loss for the year from discontinued operations	**(469)**	(1,015)
Loss for the purpose of basic loss per share from continuing operations	**(7,847)**	(2,141)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

From discontinued operations

Basic and diluted loss per share for the discontinued operations is based on the loss for the year from discontinued operations of $469,000 (2020: loss of $1,015,000) and the denominators detailed above for both basic and diluted loss per share.

Diluted loss per share is same as basic loss per share as there were no potential dilutive ordinary shares for the financial years ended 31 May 2020 and 31 May 2021.

13 Property, plant and equipment

	Tools and testing equipment $'000	Computer and office equipment $'000	Motor vehicles $'000	Leasehold properties $'000	Total $'000
Group					
Cost					
At 1.6.2019	1,067	1,110	537	1,191	3,905
Additions	202	19	16	55	292
Disposals	–	–	(17)	–	(17)
Currency translation differences	20	4	–	12	36
At 31.5.2020	1,289	1,133	536	1,258	4,216
Acquisition of a subsidiary (Note 15(ii))	–	319	–	109	428
Additions	20	51	2	1,653	1,726
Modification of lease liabilities	–	–	–	82	82
Disposals	–	(10)	–	–	(10)
Disposal of subsidiaries	(242)	(316)	–	(228)	(786)
Derecognition of right-of-use assets	–	(3)	–	(843)	(846)
Currency translation differences	(11)	(21)	–	(6)	(38)
At 31.5.2021	**1,056**	**1,153**	**538**	**2,025**	**4,772**
Accumulated depreciation and impairment losses					
At 1.6.2019	885	832	132	281	2,130
Depreciation charge	95	113	134	472	814
Disposals	–	–	(6)	–	(6)
Currency translation differences	18	19	–	5	42
At 31.5.2020	998	964	260	758	2,980
Acquisition of a subsidiary (Note 15(ii))	–	123	–	62	185
Depreciation charge	97	98	130	532	857
Disposals	–	(3)	–	–	(3)
Disposal of subsidiaries	(230)	(312)	–	(151)	(693)
Derecognition of right-of-use assets	–	(2)	–	(812)	(814)
Currency translation differences	(10)	(21)	–	(5)	(36)
Impairment loss	58	73	28	–	159
At 31.5.2021	**913**	**920**	**418**	**384**	**2,635**
Representing:					
Accumulated depreciation	855	847	390	384	2,476
Accumulated impairment losses	58	73	28	–	159
	913	**920**	**418**	**384**	**2,635**
Net carrying value					
At 31.5.2021	**143**	**233**	**120**	**1,641**	**2,137**
At 31.5.2020	291	169	276	500	1,236

13 Property, plant and equipment (cont'd)

	Leasehold properties $'000	Computer and office equipment $'000	Total $'000
Company			
2021			
Cost			
At 1.6.2020	–	7	7
Additions	1,429	39	1,468
At 31.5.2021	**1,429**	**46**	**1,475**
Accumulated depreciation			
At 1.6.2020	–	6	6
Depreciation charge	138	3	141
At 31.5.2021	**138**	**9**	**147**
Net carrying value			
At 31.5.2021	**1,291**	**37**	**1,328**
2020			
Cost			
At 1.6.2019 and 31.5.2020	–	7	7
Accumulated depreciation			
At 1.6.2019 and 31.5.2020	–	6	6
Net carrying value			
At 31.5.2020	–	1	1

(a) Included in the Group's and the Company's property, plant and equipment are right-of-use assets of $1,917,000 (2020: $910,000) and $1,311,000 (2020: $Nil) respectively (Note 26).

(b) Net cash outflows for purchase of property, plant and equipment

	Group	
	2021 $'000	2020 $'000
Aggregate cost of property, plant and equipment acquired	**1,726**	292
Less: Additions under new leases (Note 26)	**(1,675)**	(158)
Net cash outflows for purchase of property, plant and equipment	**51**	134

(c) Impairment

During the financial year, a subsidiary carried out a review of the recoverable amount of its property, plant and equipment because the subsidiary incurred net loss for the year. The recoverable amount of the property, plant and equipment of $258,000 was determined on the basis of its fair value less cost of disposal. The fair value of the property, plant and equipment was determined by reference to current market prices of similar assets. This fair value measurement is categorised in Level 3 of the fair value hierarchy. As a result of the review, an impairment loss of $159,000 was recognised in the Group's profit or loss for the financial year ended 31 May 2021.

14 Intangible assets

	Goodwill $'000	Software $'000	Technology $'000	Customer relationships $'000	Total $'000
Group					
2021					
Cost					
At 1.6.2020	–	–	–	9,027	9,027
Acquisition of a subsidiary (Note 15(ii))	20,255	2	13,709	9,937	43,903
Currency translation differences	–	–	–	(24)	(24)
At 31.5.2021	**20,255**	**2**	**13,709**	**18,940**	**52,906**
Accumulated amortisation					
At 1.6.2020	–	–	–	8,978	8,978
Amortisation charge	–	–	481	263	744
Currency translation differences	–	–	–	(24)	(24)
At 31.5.2021	–	–	**481**	**9,217**	**9,698**
Net carrying value					
At 31.5.2021	**20,255**	**2**	**13,228**	**9,723**	**43,208**
2020					
Cost					
At 1.6.2019	–	–	–	9,011	9,011
Currency translation differences	–	–	–	16	16
At 31.5.2020	–	–	–	9,027	9,027
Accumulated amortisation					
At 1.6.2019	–	–	–	8,916	8,916
Amortisation charge	–	–	–	48	48
Currency translation differences	–	–	–	14	14
At 31.5.2020	–	–	–	8,978	8,978
Net carrying value					
At 31.5.2020	–	–	–	49	49

Composition of intangible assets

(i) Goodwill arising on the acquisition of InterBio group.

(ii) Software refers to the Windows software purchased by InterBio group.

14 Intangible assets (cont'd)

Composition of intangible assets (cont'd)

(iii) Technology refers to in-house developed software technology that has been copyrighted and know-how (i.e. experience in building and maintaining the Indonesia National ID Database) in relation to biometrics business.

The useful lives of the technology are estimated to be 4.7 years, which is in line with the useful life of biometrics authentication technology. The amortisation of intangible assets is included in depreciation and amortisation expenses in the consolidated statement of profit or loss and other comprehensive income.

(iv) Customer relationships refer to the economic benefits that are expected to be derived from non-contractual existing and recurring relationships of the following cash-generating units and their existing customers:
i) Yinda Technology Singapore Pte. Ltd. ("YTS")
ii) Yinda Technology (Thailand) Co., Ltd. ("YTT")
iii) InterBio group

The useful lives of these customer relationships are estimated to be 7.7 to 10 years (2020: 10 years), which is the period of expected benefits. The amortisation of intangible assets is included in depreciation and amortisation expenses in the consolidated statement of profit or loss and other comprehensive income.

The customer relationships for YTS and YTT had been fully depreciated during the financial year.

Impairment test for intangible assets

Goodwill and other intangible assets acquired in a business combination are allocated to the cash generating units (CGUs) that are expected to benefit from that business combination. The Group recognised goodwill, technology and customer relationships arising from acquisition of InterBio group amounted to $20,255,000, $13,709,000 and $9,937,000 respectively. These goodwill and intangible assets have been allocated to a CGU, being biometrics business.

Key assumptions used in value-in-use calculation

The recoverable amounts of the CGUs are determined from value-in-use calculations, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGU. The key assumptions used in the estimation of value-in-use calculations were as follows:

	Group 2021 %
Forecast revenue growth rate (compound annual growth rate over next five years)	**49.8**
Terminal growth rate	**2**
Pre-tax discount rate	**30.5**

The Group's value-in-use calculations used cash flow forecasts derived from the most recent financial budgets approved by management covering a five years period. Forecast revenue for the next five years was projected taking into account the average growth levels experienced over the past years, the impact arising from COVID-19 pandemic and the anticipated changes in the business and economic environment for the next five years. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and which is adjusted for the risks specific to the CGU.

At 31 May 2021, the estimated recoverable amount of the CGU is higher than its carrying amount. A decrease in the forecast revenue growth rate by 3.6% or an increase in pre-tax discount rate by 1.5% would result in the recoverable amount being equal to the carrying amount of the CGU.

15 Investments in subsidiaries

	Company 2021 $'000	Company 2020 $'000
Unquoted equity shares		
Cost		
At beginning of financial year	**11,121**	11,121
Acquisition	**32,621**	–
Disposals	**–***	–
At end of financial year	**43,742**	11,121
Less: Impairment losses	**(9,785)**	(8,785)
	33,957	2,336

* amount less than $1,000

Movements in impairment losses during the financial year are as follows:

	Company 2021 $'000	Company 2020 $'000
At beginning of financial year	**8,785**	4,996
Allowance made	**1,000**	3,789
At end of financial year	**9,785**	8,785

(i) Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Group's equity holding 2021 %	Group's equity holding 2020 %
Held by the Company				
Yinda Technology Singapore Pte. Ltd. ("YTS") (1)	Singapore	Investment holding, supply and installation of machinery equipment and tools for telecommunication	**100**	100
Yinda Technology (Thailand) Co., Ltd. ("YTT") (2), (5)	Thailand	Providing telecommunication network services	**100**	100
Yinda Technology Malaysia Sdn. Bhd. ("YTM") (4), (6)	Malaysia	Providing telecommunication network services	**–**	100
International Biometrics Pte. Ltd. (3), (7)	Singapore	Investment holding, information technology consultancy	**51**	–

15 Investments in subsidiaries (cont'd)

(i) Details of the subsidiaries are as follows (cont'd):

Name of subsidiary	Country of incorporation	Principal activities	Group's equity holding 2021 %	2020 %
<u>**Held by Yinda Technology Singapore Pte. Ltd.**</u>				
Yinda Communications (Philippines), Inc. ("YCP") [(2), (6)]	Philippines	Design development installation, implementation and maintenance of telecommunication equipment and system for commercial and industrial applications as well as related activities	–	100
<u>**Held by International Biometrics Pte. Ltd.**</u>				
PT International Biometrics Indonesia [(2), (7)]	Indonesia	Providing information technology consulting, computer and computer facility management services	**99**	–

(1) Audited by Baker Tilly TFW LLP.
(2) Audited by overseas independent member firms of the Baker Tilly International network.
(3) Audited by Baker Tilly TFW LLP for the purpose of preparation of the consolidated financial statements of the Group.
(4) Not required to be audited by law of country of incorporation.
(5) 20% of the equity interest in YTT is held by YTS.
(6) Disposed during the financial year.
(7) Acquired during the financial year.

YTT has an issued share capital comprising 765,000 preference shares and 735,000 ordinary shares. Under the articles of association of YTT, holders of preference shares are entitled to one vote for every ten preference shares while holders of ordinary shares are entitled to one vote for every one ordinary shares. The Company and YTS collectively hold all the ordinary shares while a Thai national hold all the preference shares for the statutory requirement. As such, the Group holds 90.57% of the voting rights in YTT. The Group accounts for YTT's entire financial results and net assets by virtue of its effective interest in YTT and control over its financial and operating policies as the Thai holder of the preference shares has appointed Madam Song Xingyi as her proxy to attend and vote for her and on her behalf at all the shareholders' meeting of YTT and at any adjournment thereof, if any. No dividend will also be attributable to the holder of the preference shares in this aspect.

(ii) Acquisition of a subsidiary

On 6 April 2021 (the "acquisition date"), the Company acquired a 51% equity interest in International Biometrics Pte. Ltd. and its subsidiary ("InterBio group") in order to diversify the Group's principal activities and to expand into the business of development and provision of identity management biometrics technology solution.

15 Investments in subsidiaries (cont'd)

(ii) Acquisition of a subsidiary (cont'd)

(a) *The fair value of the identifiable assets and liabilities of the InterBio group acquired as at the acquisition date were:*

	2021 $'000
Property, plant and equipment	**243**
Intangible assets	**23,648**
Contract assets	**4,661**
Trade and other receivables	**1,707**
Cash and bank balances	**143**
	30,402
Employee benefit liabilities	**(146)**
Trade and other payables	**(306)**
Loan from shareholder	**(286)**
Lease liabilities	**(45)**
Deferred tax liabilities	**(4,697)**
Tax payable	**(614)**
	(6,094)
Total identifiable net assets at fair value	**24,308**
Less: Non-controlling interest measured at the non-controlling's proportionate share of subsidiary's net assets	**(11,942)**
Net identifiable assets acquired	**12,366**
Goodwill (Note 14)	**20,255**
Total purchase consideration	**32,621**
Share consideration (Note 23)	**(19,207)**
Cash consideration	**13,414**

The fair value of the share consideration was derived from $0.134 per ordinary share based on the listed share price of the Company at 6 April 2021.

	2021 $'000
Effect of the acquisition of the subsidiary on cash flows	
Total purchase consideration	**32,621**
Less: Deferred cash consideration	**(6,664)**
Less: Share consideration	**(19,207)**
Consideration settled in cash	**6,750**
Less: Cash and bank balances of the subsidiary acquired	**(143)**
Acquisition of a subsidiary, net of cash acquired	**6,607**

15 Investments in subsidiaries (cont'd)

(ii) Acquisition of a subsidiary (cont'd)

(b) *Impact of the acquisition on profit or loss*

InterBio group contributed revenue of $1,016,000 and net loss of $188,000 to the Group for the two months ended 31 May 2021. If the acquisition had occurred on 1 June 2020, the Group's revenue would have been $11,152,000 and the net loss would have been $8,878,000. The transaction costs related to the acquisition of $2,516,000 have been included in "legal and professional expenses" in the Group's profit or loss for the current financial year. The transaction costs of $2,111,000 were paid during the current financial year and remaining amount of $405,000 was accrued under trade and other payables (Note 28).

(c) *Deferred cash consideration*

In accordance with the Sale and Purchase agreement ("SPA"), 50% of the cash consideration which amounted to $6,750,000, shall be payable, free of any interest, 3 months after the acquisition date. The fair value of the deferred cash consideration at the acquisition date was $6,664,000, which was computed by discounting the payment of cash consideration from the payment date using the discount rate of 5.25% per annum. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

The amortised cost of the deferred cash consideration as at 31 May 2021 is $6,721,000 (Note 28), which is approximate its fair value due to its short-term nature and where the effect of discounting is immaterial.

(d) *Goodwill*

The goodwill arising from the acquisition of $20,255,000 is attributable to new business opportunities expected to be provided to the Group and also additional and recurring revenue streams expected from the acquisition of InterBio group.

(iii) Summarised financial information of subsidiary with material non-controlling interests ("NCI")

The Group has the following newly acquired subsidiary that has NCI that is considered by management to be material to the Group:

Name of subsidiary	**Principal place of business/ Country of incorporation**	**Ownership held by NCI 2021**
International Biometrics Pte. Ltd.	Singapore	**49%**

The following are the summarised financial information of the Group's subsidiary with NCI that is considered by management to be material to the Group. The financial information includes consolidation adjustments but before inter-company eliminations.

	InterBio group 2021 $'000
Summarised Statement of Financial Position	
Non-current assets	**23,408**
Current assets	**6,330**
Non-current liabilities	**(4,757)**
Current liabilities	**(859)**
Net assets	**24,122**
Net assets attributable to NCI	**11,853**

15 Investments in subsidiaries (cont'd)

(iii) Summarised financial information of subsidiary with material non-controlling interests ("NCI") (cont'd)

	InterBio group 2021 $'000
Summarised Statement of Profit or Loss and Other Comprehensive Income	
Revenue	**1,016**
Loss before tax	**(209)**
Income tax credit	**22**
Loss after tax	**(188)**
Other comprehensive income	**4**
Total comprehensive loss	**(184)**
Loss allocated to NCI	**(91)**
Total comprehensive loss allocated to NCI	**(89)**
Summarised Cash Flows	
Cash flows from operating activities	**99**
Cash flows from investing activities	**–**
Cash flows used in financing activities	**(21)**
Net increase in cash and cash equivalents	**78**

(iv) Company level - impairment review of investment in subsidiaries

During the financial year, management performed an impairment review for the Company's investments in subsidiaries as certain subsidiaries incurred net losses during current financial year. An impairment loss of $1,000,000 (2020: $3,789,000) was recognised in the Company's profit or loss for the financial year ended 31 May 2021 to write down the cost of investment in YTT (2020: YTS) to its recoverable amount of $1,336,000 (2020: $Nil). The recoverable amounts of the investments were determined based on value-in-use calculations using cash flow projections from forecast approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projection and the terminal growth rate used to extrapolate cash flow projections beyond the five-year period are 11.83% (2020: 12.40%) and 4.00% (2020: 1.70%) respectively.

Sensitivity to changes in key estimates

If the following key estimates change, the impairment loss recognised in the Company's profit or loss will decrease as follows:

	Impairment charge decreased by	
	2021 $'000	2020 $'000
An increase in forecast revenue by 1%	**201**	549
An increase in gross profit margin by 1%	**523**	777
An increase in terminal growth rate by 1%	**141**	404
A decrease in discount rate by 1%	**567**	760

16 Financial assets at fair value through profit or loss ("FVTPL")

	Group and Company	
	2021	2020
	$'000	$'000
Investments measured at FVTPL		
Convertible bond investment in Indonesia	**369**	–
Convertible bond investment in Switzerland	**3,839**	–
	4,208	–

Convertible bond investment in Indonesia

On 10 May 2021, the Group has entered into convertible loan arrangement with PT Pattra Aksa Jaya ("PAJ") whereby the Group agreed to subscribe for a convertible loan with principal amount of $370,000 at 2.75% interest rate. The convertible loan has a maturity date of 3 months from the agreement date. In accordance with the convertible loan arrangement, the Group may elect to require PAJ to automatically issue 261 ordinary shares to the Group on the maturity date by giving PAJ at least 7 days prior notice in writing of such election.

The Group has classified the investment as financial assets at fair value through profit or loss at initial recognition and at the end of the reporting period. The Group has determined the fair value of the investment based on the valuation performed by an external professional valuer using the discounted cash flow method. The key inputs to the discounted cash flow method mainly include the discount rate, time to maturity, coupon rate and probability of conversion. Management considered the appropriateness of the valuation technique and assumptions applied by the external valuer. The fair value measurement is categorised in Level 3 of the fair value hierarchy.

On 19 August 2021, 261 ordinary shares in PAJ, which is equivalent to approximately 8% of the enlarged issued shares capital of PAJ, has been allotted and issued to the Group.

Convertible bond investment in Switzerland

On 26 January 2021, the Group has entered into First Investment Agreement and Loan Agreement with TECH5 SA ("TECH5") and the founders of TECH5 to grant TECH5 an interest-free loan of US$ 2.50 million ("TECH5 Loan"). The loan has been disbursed to TECH5 on 1 April 2021 upon receiving the written request from TECH5 on 31 March 2021. Upon the full disbursement of the TECH5 Loan, the TECH5 Investment Agreement had come into effect on 1 April 2021. The repayment date is 36 months from 1 April 2021 if the early repayment option and conversion option included in the Loan Agreement were not exercised by the Group.

With the early repayment option included in the Loan Agreement, the Group has an option to request TECH5 to repay the loan (i) starting from the date falling 18 months from 1 April 2021 by giving 6 months prior written notice; or (ii) TECH5 completes an issuance of shares resulting in net proceeds of not less than US$ 7 million (the "Qualified Financing Round"). The right to early repayment is akin to a call option granted to the Group.

In accordance with the Investors' Agreement, the Group may exercise its right to convert the loan amount in full into TECH5 ordinary shares at the date of (i) Qualified Financing Round; or (ii) starting from the date falling 18 months from 1 April 2021 and ending on the maturity date of the Loan Agreement subject giving 6 months prior written notice. The number of TECH5 shares to be issued on conversion is determined by dividing the TECH5 Loan amount by the conversion price, which is at 12% discount to the fair market value of TECH5's ordinary share at the date of conversion.

On 14 May 2021, the Group had entered into an investment agreement with TECH5 and the founders of TECH5 whereby the Company will be subscribing 1,627,900 new shares in TECH5 and intends to exercise its rights to convert the TECH5 Loan into 578,089 new shares in TECH5. Subsequent to the said transactions, the Company will hold an 18.07% stake in TECH5. This transaction has not completed as at 31 May 2021.

The Group has classified the investment as financial assets at fair value through profit or loss at initial recognition and at the end of the reporting period. The Group has determined the fair value of the investment based on the valuation performed by an external professional valuer by using Binomial model. The key inputs to the Binomial model is the market value of the share and conversion price. Management considered the appropriateness of the valuation technique and assumptions applied by the external valuer. The fair value measurement is categorised in Level 3 of the fair value hierarchy.

17 Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movements in the deferred tax account are as follows:

	Group	
	2021	2020
	$'000	$'000
Balance at beginning of financial year	**(220)**	167
Acquisition of subsidiary (Note 15(ii))	**(4,697)**	–
Tax credited/(charged) to profit or loss (Note 10)	**115**	(252)
Disposal of subsidiaries (Note 11(iii))	**259**	–
Currency translation differences	**(10)**	(135)
Balance at end of financial year	**(4,553)**	(220)
Representing:		
Non-current		
Deferred tax assets	**37**	–
Deferred tax liabilities	**(4,590)**	(220)
	(4,553)	(220)

Deferred tax (liabilities)/assets arising from:

	2021	2020
Fair value of intangible assets	**(4,590)**	–
Provisions	**–**	30
Employees benefits	**37**	22
Contract assets	**–**	(257)
Others	**–**	(15)
	(4,553)	(220)

Unrecognised tax losses

At the end of the reporting period, the Group has unutilised tax losses of approximately $4,749,000 (2020: $4,568,000) and deductible temporary differences of $1,373,000 (2020: $670,000) that are available for offsetting against future taxable profits of the companies in which the tax losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. Included within the unrecognised tax losses as at 31 May 2020 are losses of $1,240,000 attributable to discontinued operations that will expire in Year 2021 to 2023. Included in unrecognised deferred tax assets during the financial year is an additional tax losses of $413,000 attributable to discontinued operations. Other losses do not expire under current tax legislation.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is $1,621,000 (2020: $236,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

18 Inventories

	Group 2021 $'000	Group 2020 $'000
Equipment and raw materials	**641**	1,088

During the financial year ended 31 May 2021, inventories recognised as an expense in the consolidated statement of profit or loss and other comprehensive income under line item "Changes in inventories, materials consumed and sub-contractor costs" for the Group amounted to $1,383,000 (2020: $3,761,000).

19 Contract assets and liabilities

The Group receives payments from customers based on the agreed billing milestone stipulated in the contracts or based on the amount certified by the customers. Contract assets relate to the Group's rights to consideration for work completed but not billed at the end of the reporting period on the Group's telecommunication and biometrics businesses. Contract liabilities relate to advance consideration received from customers, billings in excess of revenue recognised to-date and deferred revenue. Contract liabilities are recognised as revenue as (or when) the Group satisfies the performance obligations under its contracts.

The following table provides information about contract assets and contract liabilities from contracts with customers:

	Group		
	31.5.2021	31.5.2020	1.6.2019
	$'000	$'000	$'000
Trade receivables and retention amounts from contracts with customers (Note 21)	**967**	3,288	4,343
Contract assets	**9,611**	6,288	6,482
Contract liabilities	**179**	779	673

Significant changes in the contract assets and contract liabilities balances during the financial year are as follows:

	Group			
	Contract assets		**Contract liabilities**	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Contract assets reclassified to trade receivables	**3,848**	7,530	**–**	–
Services performed ahead of milestone payments	**3,151**	7,692	**–**	–
Increases due to advances received, excluding amounts recognised as revenue during the financial year	**–**	–	**–**	779
Disposal of a subsidiary	**269**	–	**372**	–
Acquisition of a subsidiary (Note15(ii))	**4,661**	–	**–**	–
Impairment loss on contract assets	**–**	356	**–**	–
Contract assets written off	**1,746**	–	**–**	–

20 Amounts due from/to subsidiaries

The amounts due from/to subsidiaries are non-trade in nature, unsecured, interest-free, repayable on demand.

21 Trade and other receivables

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Non-current:				
Deposits	**177**	115	**–**	–
Creditable withholding tax	**319**	–	**–**	–
	496	115	**–**	–
Current:				
Trade receivables - third parties	**943**	3,260	**–**	–
Retention amounts due from customers	**24**	28	**–**	–
	967	3,288	**–**	–
Less: Allowance for expected credit losses	**(318)**	(462)	**–**	–
	649	2,826	**–**	–
Deposits	**244**	292	**145**	–
Sundry receivables	**155**	94	**9**	9
Staff advances	**3**	34	**–**	–
Prepayments	**105**	98	**55**	18
Creditable withholding tax and input value added tax	**329**	824	**–**	–
Advance payment to suppliers	**164**	186	**–**	–
JSS grant receivable	**84**	–	**–**	–
Amounts due from related parties	**6**	–	**–**	–
	1,090	1,528	**209**	27
	1,739	4,354	**209**	27

As at 31 May 2021, trade receivables amounting to $Nil (2020: $102,000) have been factored to a bank with recourse to the Group. The corresponding cash received is recorded as borrowings (Note 25).

The amounts due from related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

22 Cash and cash equivalents

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**12,556**	316	**12,220**	81
Short-term deposits	**–**	10	**–**	10
Fixed deposits	**100**	100	**–**	–
	12,656	426	**12,220**	91
Less: pledged fixed deposits	**(100)**	(100)	**–**	–
Cash and cash equivalents per consolidated statement of cash flows	**12,556**	326	**12,220**	91

Short-term deposits are withdrawable on one-month notice, depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates.

Fixed deposits are pledged as security with one of the subsidiary's banker's guarantee. The weighted average effective interest rate of these fixed deposits at the end of the reporting period is 0.05% (2020: 0.10%) per annum.

23 Share capital

	Group and Company			
	Number of shares			
	2021	2020	**2021**	2020
	'000	'000	**$'000**	$'000
Issued and fully paid ordinary shares				
At beginning of financial year	**152,000**	152,000	**14,542**	14,542
Issue of ordinary shares	**495,266**	–	**50,108**	–
Shares issue expenses	**–**	–	**(1,647)**	–
At end of financial year	**647,266**	152,000	**63,003**	14,542

All issued shares are fully paid ordinary shares with no par value.

The Company had, on 6 January 2021, issued 20,833,333 new ordinary shares in the capital of the Company ("Shares") to Yinda Pte. Ltd. pursuant to a debt conversion deed. Pursuant to the debt conversion deed, Yinda Pte. Ltd. agreed to convert an amount of $1.50 million owing by the Company into 20,833,333 Shares (Note 25).

The Company had conducted the following share subscription exercises (the "Subscription Exercises") during the financial year:

(i) share subscription of 76,000,000 Shares that was completed on 16 October 2020 (the "October 2020 Subscription Exercise"). The October 2020 Subscription Exercise raised gross proceeds of $3.80 million;

(ii) share subscription of 81,200,000 Shares of which 72,700,000 Shares were issued on 27 November 2020 while the remaining 8,500,000 Shares were issued on 6 January 2021 (the "November 2020 Subscription Exercise"). The November 2020 Subscription Exercise raised gross proceeds of approximately $5.85 million;

23 Share capital (cont'd)

(iii) share subscription of 41,300,000 Shares that was completed on 23 December 2020 (the "December 2020 Subscription Exercise"). The December 2020 Subscription Exercise raised gross proceeds of approximately $3.18 million; and

(iv) share subscription of 132,600,000 Shares of which 99,000,000 Shares were issued on 15 February 2021 while the remaining 33,600,000 Shares were issued on 6 April 2021 ("January 2021 Subscription Exercise"). The January 2021 Subscription Exercise raised gross proceeds of approximately $16.57 million.

The Company issued 143,333,000 Shares to the shareholders of International Biometrics Pte. Ltd. ("InterBio") on 6 April 2021 as satisfaction of partial consideration amounting to $19.21 million in respect of the Company's acquisition of 51.0% of InterBio group (Note 15(ii)(a)).

The newly issued shares rank pari passu in all respects with the previously issued shares.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

24 Other reserves

	Group	
	2021	2020
	$'000	$'000
Foreign currency translation reserve	**64**	(16)
Capital reserve	**1,890**	1,890
Merger reserve	**(10,397)**	(10,397)
Statutory reserve	**49**	49
Others	**6**	6
	(8,388)	(8,468)

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of subsidiaries whose functional currencies are different from that of the Group's presentation currency.

Capital reserve

Capital reserve comprises the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attributed to the equity holders of the Company.

Merger reserve

Merger reserve represents the difference between the nominal value of shares issued by the Company in exchange for the nominal value of shares and capital reserve of subsidiaries acquired which is accounted for under the "pooling-of-interest" method.

Statutory reserve

Statutory reserve represents the fund set aside on the appropriation of net profit by the subsidiary in Thailand, in accordance with regulations governed in that country. Statutory reserve cannot be used for dividend payment.

25 Borrowings

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Former shareholder's loans	**3,151**	4,790	**2,903**	4,790
Loan from a shareholder of a subsidiary	**286**	–	**–**	–
Short-term loan	**277**	593	**–**	–
Factoring	**–**	102	**–**	–
	3,714	5,485	**2,903**	4,790

Former shareholder's loans

<u>Former shareholder's loan 1</u>

Former shareholder's loan from Yinda Pte. Ltd. is unsecured and repayable within a year. Interest is payable at the rate of 3.25% per annum (2020: 3.25% per annum). On 4 June 2021, loan amount of $2,903,000 has extended for a year. As at 31 May 2021, the Group and the Company had an outstanding balance of $2,903,000 (2020: $4,790,000) under the loan. In 2020, the former shareholder has agreed to waive the interest charged from 6 December 2019 to 5 December 2020.

<u>Former shareholder's loan 2</u>

Former shareholder's loan from Yinda Pte. Ltd. is unsecured and repayable by 30 September 2021. Interest is payable at the rate of 2.50% per annum. As at 31 May 2021, the Group had an outstanding balance of $200,000 (2020: $Nil) under the loan. During the financial year, the former shareholder has agreed to waive the interest charged.

<u>Former shareholder's loan 3</u>

Former shareholder's loan from Yinda Pte. Ltd. is unsecured and repayable on demand. Interest is payable at the rate of 3.25% per annum. As at 31 May 2021, the Group had an outstanding balance of $48,000 (2020: $Nil) under the loan.

Loan from a shareholder of a subsidiary

Shareholder's loan from non-controlling shareholder of International Biometrics Pte. Ltd., Professional Calibre Limited which was subsisting prior to the Company's acquisition of InterBio group. The amount is unsecured, interest-free and repayable by 5 December 2021.

Short-term loan

Short-term loan relates to a baht denominated short-term loan which bears fixed interest rates ranging from 4.45% to 5.10% per annum (2020: 4.45% to 5.00% per annum).

Factoring

Factoring represent cash proceed received from a bank for trade receivables factored to the bank with recourse (Note 21).

25 Borrowings (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Former shareholder's loans $'000	Short-term loan $'000	Factoring $'000	Lease liabilities (Note 26) $'000	Loan from shareholder of a subsidiary $'000	Total $'000
Group						
2021						
At beginning of financial year	4,790	593	102	829	–	6,314
Acquisition of subsidiary (Note 15(ii)(a))	–	–	–	45	286	331
Changes from financing cash flows:						
- Proceeds	248	2,617	–	–	–	2,865
- Repayments	(342)	(2,921)	(102)	(485)	–	(3,850)
- Interest paid	–	(16)	–	(38)	–	(54)
Non-cash changes:						
- Interest expense	68	16	–	38	–	122
- New leases	–	–	–	1,675	–	1,675
- Modification of lease liabilities	–	–	–	82	–	82
- Rent concession from lessor	–	–	–	(35)	–	(35)
- Conversion to ordinary shares (Note 23)	(1,500)	–	–	–	–	(1,500)
- Derecognition of lease liabilities	–	–	–	(100)	–	(100)
- Unpaid interest included in amount due to shareholder	(68)	–	–	–	–	(68)
Effect of changes in foreign exchange rates	(45)	(12)	–	15	–	(42)
At end of financial year	**3,151**	**277**	**–**	**2,026**	**286**	**5,740**

25 Borrowings (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Former shareholder's loans $'000	Short-term loan $'000	Factoring $'000	Lease liabilities (Note 26) $'000	Amounts due to related parties (Note 28) $'000	Total $'000
Group						
2020						
At beginning of financial year	4,200	489	782	1,120	5	6,596
Changes from financing cash flows:						
- Proceeds	560	1,181	3,989	–	–	5,730
- Repayments	–	(1,089)	(4,669)	(456)	(5)	(6,219)
- Interest paid	–	–	(12)	(51)	–	(63)
Non-cash changes:						
- Interest expense	93	–	12	51	–	156
- New leases	–	–	–	158	–	158
- Unpaid interest included in amount due to shareholder	(93)	–	–	–	–	(93)
Effect of changes in foreign exchange rates	30	12	–	7	–	49
At end of financial year	4,790	593	102	829	–	6,314

26 Lease liabilities

The Group's leasing activities comprise the following:

(a) The Group leases office, warehouse, staff accommodation, motor vehicles, computer and office equipment from non-related parties. The leases have an average tenure of between two to five years; and

(b) The Group leases certain office equipment and motor vehicles with contractual terms of 6 months to three years. These leases are either short-term and/or low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The maturity analysis of the lease liabilities is disclosed in Note 31(b).

Information about leases for which the Group is a lessee is presented below:

Amounts recognised in statement of financial position

	Group		**Company**	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Carrying amount of right-of-use assets				
Leasehold properties	**1,641**	500	**1,291**	–
Computer and office equipment	**162**	190	**20**	–
Motor vehicles	**114**	220	**–**	–
	1,917	910	**1,311**	–
Carrying amount of lease liabilities				
Current	**619**	567	**366**	–
Non-current	**1,407**	262	**1,060**	–
	2,026	829	**1,426**	–
Additions to right-of-use assets	**1,675**	158	**1,450**	–

Amounts recognised in profit or loss

	Group	
	2021	2020
	$'000	$'000
Depreciation charge for the financial year		
Leasehold properties	**531**	473
Computer and office equipment	**36**	15
Motor vehicles	**107**	107
	674	595

26 Lease liabilities (cont'd)

The Group as a lessee (cont'd)

Information about leases for which the Group is a lessee is presented below (cont'd):

Amounts recognised in profit or loss (cont'd)

	Group	
	2021	2020
	$'000	$'000
Lease expense not included in the measurement of lease liabilities:		
Lease expense - short-term leases (Notes 9 and 11)	**95**	106
Rent concession from lessor (Note 5)	**(35)**	–
Interest expense arising from lease liabilities (Notes 8 and 11)	**38**	51

Total cash flows for leases during the financial year amounted to $618,000 (2020: $613,000).

As at 31 May 2021, the Group is committed to $28,000 (2020: $80,000) for short-term leases.

Leases contracted for but yet to commence

On 28 May 2021, the Group and the Company entered into a 3-year lease to rent an office premise, of which the lease period will only commence in June 2021. The aggregate future cash outflows to which the Group and the Company is exposed is fixed payment of $264,000 per year, for the next three years.

On 19 May 2021, the Group and the Company entered into a 2-year lease to rent a motor vehicle, of which the lease period will only commence in June 2021. The aggregate future cash outflows to which the Group and the Company is exposed is fixed payment of $42,000 per year, for the next two years.

27 Employee benefits liabilities

As at 31 May 2021 and 31 May 2020, the Group has recorded estimated employee benefit liabilities based on the actuarial calculations prepared by independent firms of actuaries using the "Projected Unit Credit" method.

The subsidiary in Thailand operates an unfunded benefit scheme, Legal Severance Pay Plan ("LSP"), for qualifying employees.

The subsidiary in Indonesia's estimated liabilities for employee benefit is determined based on Labour Law No. 13 Year 2003, dated March 2003.

	Group	
	2021	2020
	$'000	$'000
Net benefit expense		
Current service cost	**56**	48
Interest cost on benefit liabilities	**9**	9
	65	57
Net actuarial loss recognised in the other comprehensive income	**4**	3

27 Employee benefits liabilities (cont'd)

Movements in employee benefits liabilities are as follows:

	Group 2021 $'000	Group 2020 $'000
At beginning of financial year	**272**	204
Balance through acquisition of subsidiary (Note 15(ii)(a))	**146**	–
Current service cost	**56**	48
Past service cost	**(35)**	–
Interest cost on benefit liabilities	**9**	9
Actuarial loss on obligation	**4**	3
Income tax effect	**–**	1
Disposal of subsidiary (Note 11(iii))	**(47)**	–
Currency translation differences	**(8)**	7
At end of financial year	**397**	272

The principal assumptions used in determining the Group's employee benefits are as follows:

	Group 2021	Group 2020
Discount rates	**1.57% - 7.15%**	1.57% - 4.22%
Expected rate of salary increases	**5.00 - 9.00%**	5.00%
Mortality rates	**3.00%**	3.00%
Price inflation	**2.50%**	2.50%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation at the end of the reporting period, assuming if all other assumptions were held constant:

	% Increase/ (decrease)	Group 2021 $'000 (Decrease)/ increase in net employee benefit liabilities	Group 2020 $'000 (Decrease)/ increase in net employee benefit liabilities
Discount rate	1.0	**(32)**	(20)
	(1.0)	**27**	32
Salary increase rate	1.0	**31**	15
	(1.0)	**(31)**	(22)

28 Trade and other payables

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Trade payables - third parties	**1,745**	2,237	**–**	–
Other payables	**406**	502	**50**	260
Indirect tax payable	**290**	832	**29**	4
Accrued liabilities	**1,109**	1,142	**560**	247
Accrued transaction cost on acquisition of a subsidiary (Note 15(ii)(b))	**405**	–	**405**	–
Amount due to shareholder	**272**	221	**261**	195
Amount due to related party	**310**	–	**–**	–
Deferred cash consideration (Note 15(ii)(c))	**6,721**	–	**6,721**	–
Deferred grant income	**84**	105	**–**	–
	9,597	2,802	**8,026**	706
	11,342	5,039	**8,026**	706

The amounts due to shareholder and related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

Deferred grant income relates to "Job Support Scheme" ("JSS") provided by Singapore Government to help businesses retain their local employees during the period of economic uncertainly affected by the COVID-19 pandemic. Under the JSS, the Singapore Government will co-fund between 25% to 75% of the first $4,600 of gross monthly wages paid to each local employee in a ten-month period (up to August 2021) and 10% of the same in the subsequent seven-month period (September 2021 to March 2022) through cash subsidies. There are no unfulfilled conditions or contingencies attached to these grants. The deferred grant income will be recognised as grant income in financial year ending 31 May 2022.

29 Contingent liabilities (unsecured)

The Company has provided corporate guarantees of $5,569,000 (2020: $5,837,000) to banks for banking facilities of $277,000 (2020: $695,000) drawn down by subsidiaries at the end of the reporting period (Note 25).

Corporate guarantees given by the Company will become due and payable on demand when an event of default occurs. No liability was recognised from the issuance of the corporate guarantees to a subsidiary as management has assessed the risk of default to be remote and therefore, the fair value of the corporate guarantee to be immaterial.

30 Related party transactions

(a) In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties, who are not members of the Group during the financial year on terms agreed by the parties concerned:

	Group	
	2021	2020
	$'000	$'000
Purchases of raw materials from a related party	**90**	53
Interest expense on former shareholder's loans	**68**	93
Technical service fee	**4**	–
Conversion of former shareholder's loan to ordinary shares	**1,500**	–
Disposal of subsidiaries to former immediate holding company	**1**	–

30 Related party transactions (cont'd)

(b) Key management personnel

Total key management personnel compensation is analysed as follows:

	Group	
	2021	2020
	$'000	$'000
Salaries and remuneration	**595**	481
Employer's contribution to defined contribution plans	**29**	33
Fees and other benefits	**197**	164
	821	678
Comprise amounts paid to:		
Directors of the Company	**636**	164
Other key management personnel	**185**	514
	821	678

31 Financial instruments

(a) Categories of financial instruments

Financial instruments at their carrying amounts at the end of the reporting period are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Financial assets				
Financial assets at fair value through profit or loss	**4,208**	–	**4,208**	–
Financial assets at amortised cost	**13,890**	3,787	**12,944**	4,630
	18,098	3,787	**17,152**	4,630
Financial liabilities				
Financial liabilities at amortised cost	**16,708**	10,416	**12,326**	5,657

(b) Financial risks management

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, liquidity risk and credit risk. The Group's overall risk management strategy seeks to minimise adverse effects from these financial risks on the Group's financial performance.

The directors provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk and credit risk. Such written policies are reviewed annually.

31 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

There has been no change to the Group's exposure to these financial risks or the way in which it manages and measures credit risk and liquidity risk exposures are measured using sensitivity analysis indicated below.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group's trades only with recognised and creditworthy third parties. For customers who wish to trade on credit terms, the Group will take into account the quantity of the customer order, background and creditworthiness of the customer, payment history of the customer and relationship with the customer.

Maximum exposure and concentration of credit risk

At the end of the reporting period, 78% (2020: 68%) of the Group's trade receivables were due from 5 major debtors. The Company has no significant concentration of credit risk except for the amounts due from subsidiaries as disclosed in Note 20.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position and the amount of $277,000 (2020: $695,000) relating to corporate guarantees given by the Company to banks for the subsidiaries' bank borrowings (Note 29).

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	**Basis for recognition and measurement of ECL**
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 365 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as future economic and industry outlook, that is available without undue cost or effort.

31 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Credit risk (cont'd)

Significant increase in credit risk (cont'd)

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- Actual or expected significant change in the operating results of the customer;
- Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the Group and changes in operating results of the customer.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers information developed internally or obtained from external sources that indicates that the customer is unlikely to pay its creditor, including the Group as constituting an event of default for internal credit risk management purpose. Based on historical experience, it indicates that receivables that meet the criteria are generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

31 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Credit risk (cont'd)

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

Movements in credit loss allowance

Movements in allowance for expected credit losses are as follows:

	Trade receivables $'000	Contract assets $'000	Total $'000
Group			
Balance at 1 June 2020	462	356	818
Loss allowance measured/(reversed):			
Lifetime ECL			
- simplified approach	(1)	–	(1)
Disposal of subsidiary	(143)	–	(143)
Balance at 31 May 2021	**318**	**356**	**674**
Balance at 1 June 2019	186	–	186
Loss allowance measured:			
Lifetime ECL			
- simplified approach	269	356	625
Currency translation differences	7	–	7
Balance at 31 May 2020	462	356	818

Trade receivables and contract assets

The Group has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets. The contract assets relate to unbilled work-in-progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. Trade receivables and contract assets that shared the same credit risk characteristics and days past due are grouped together in measuring the expected credit losses.

Under the simplified approach, for trade receivables and contract assets that do not contain a significant financing component, the loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL.

31 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions affecting the ability of the customers to settle the receivables. In view of the current COVID-19 pandemic, the Group has considered the impact of the pandemic on the performance and liquidity of its trade receivables and in particular, whether there are significant decline in the repayment ability of its debtors. There has been no change in the estimation techniques or significant assumptions made during the current financial year except for reassessments made of the current COVID-19 pandemic effects on the historical default rates of each past due category of its trade receivables and contract assets.

The Group has recognised a loss allowance of 100% against all credit-impaired trade receivables. A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor.

The Group's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 at the reporting date are set out in the provision matrix below:

2021	**Not past due $'000**	**Within 180 days $'000**	**More than 180 days $'000**	**Credit-impaired $'000**	**Total $'000**
Singapore					
Weighted average expected loss rate	0%	0%	44.5%	100%	
Gross receivables	1,447	256	182	593	2,478
Loss allowance	–	–	81	593	674
Indonesia					
Weighted average expected loss rate	0%	0%	0%	100%	
Gross receivables	5,651	–	–	–	5,651
Loss allowance	–	–	–	–	–
Thailand					
Weighted average expected loss rate	0%	0%	0%	100%	
Gross receivables	2,758	47	–	–	2,805
Loss allowance	–	–	–	–	–
Total					
Weighted average expected loss rate	0%	0%	44.5%	100%	
Gross receivables	9,856	303	182	593	10,934
Loss allowance	–	–	81	593	674

31 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

The Group's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 at the reporting date are set out in the provision matrix below (cont'd):

2020	Not past due $'000	Within 180 days $'000	More than 180 days $'000	Credit-impaired $'000	Total $'000
Singapore					
Weighted average expected loss rate	0%	0%	39%	100%	
Gross receivables	2,509	1,141	236	583	4,469
Loss allowance	–	–	92	583	675
Philippines					
Weighted average expected loss rate	0%	5%	90%	100%	
Gross receivables	1,696	139	111	36	1,982
Loss allowance	–	7	100	36	143
Thailand					
Weighted average expected loss rate	0%	0%	0%	100%	
Gross receivables	3,288	193	–	–	3,481
Loss allowance	–	–	–	–	–
Total					
Weighted average expected loss rate	0%	0%	55%	100%	
Gross receivables	7,493	1,473	347	619	9,932
Loss allowance	–	7	192	619	818

Other financial assets at amortised cost

The table below details the credit quality of the Group's and the Company's other financial assets at amortised cost at the reporting date:

Group

2021	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Sundry receivables, deposits and staff advances	12-month ECL	**579**	–	**579**
Amounts due from related parties	12-month ECL	**6**	–	**6**
Cash and cash equivalents with financial institutions	N.A. Exposure limited	**12,656**	–	**12,656**

31 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Credit risk (cont'd)

Other financial assets at amortised cost (cont'd)

The table below details the credit quality of the Group's and the Company's other financial assets at amortised cost at the reporting date (cont'd):

Group

2020	**12-month or lifetime ECL**	**Gross carrying amount $'000**	**Loss allowance $'000**	**Net carrying amount $'000**
Sundry receivables, deposits and staff advances	12-month ECL	535	–	535
Cash and cash equivalents with financial institutions	N.A. Exposure limited	426	–	426

Company

2021	**12-month or lifetime ECL**	**Gross carrying amount $'000**	**Loss allowance $'000**	**Net carrying amount $'000**
Sundry receivables and deposits	12-month ECL	**154**	**–**	**154**
Amounts due from subsidiaries	12-month ECL	**570**	**–**	**570**
	Lifetime ECL	**3,368**	**(3,368)**	**–**
Cash and cash equivalents with financial institution	N.A. Exposure limited	**12,220**	**–**	**12,220**
2020				
Sundry receivables	12-month ECL	9	–	9
Amounts due from subsidiaries	12-month ECL	4,530	–	4,530
	Lifetime ECL	1,384	(1,384)	–
Cash and cash equivalents with financial institution	N.A. Exposure limited	91	–	91

Credit risk exposure in relation to financial assets at amortised cost (other than trade receivables and contract assets and amounts due from subsidiaries) are insignificant, and accordingly no credit loss allowance is recognised as at 31 May 2021 and 31 May 2020.

31 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Credit risk (cont'd)

Other financial assets at amortised cost (cont'd)

Amounts due from subsidiaries

For the amounts due from subsidiaries where impairment loss allowance is measured using 12-month ECL, the Company assessed the latest performance and financial position of the respective subsidiaries, adjusted for COVID-19 pandemic impact consideration and the future outlook of the industry in which the subsidiaries operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

For the amounts due from subsidiaries where impairment loss allowance is measured using lifetime ECL, the subsidiary is considered credit-impaired, hence 100% allowance is provided on the outstanding amount due from this subsidiary as at 31 May 2021 and 31 May 2020.

Financial guarantee

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have sufficient financial capacity to meet the contractual cash flow obligations and does not expect significant credit losses arising from these guarantees.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of the financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

In managing its liquidity, management monitors and reviews the Group's and the Company's forecasts of liquidity reserves (comprise cash and cash equivalents and available credit facilities) based on expected cash flows of the respective operating companies of the Group.

The table below summarises the maturity profile of the Group's and the Company's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	Within 1 year $'000	1 to 5 years $'000	After 5 years $'000	Total $'000
Group				
2021				
Trade and other payables	10,997	–	–	10,997
Borrowings	3,823	–	–	3,823
Lease liabilities	642	1,538	–	2,180
	15,462	**1,538**	–	**17,000**

31 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Liquidity risk (cont'd)

	Within 1 year $'000	1 to 5 years $'000	After 5 years $'000	Total $'000
Group				
2020				
Trade and other payables	4,102	–	–	4,102
Borrowings	5,581	–	–	5,581
Lease liabilities	587	287	16	890
	10,270	287	16	10,573
Company				
2021				
Trade and other payables	8,055	–	–	8,055
Borrowings	2,997	–	–	2,997
Lease liabilities	374	1,169	–	1,543
Financial guarantee contracts (Note 29)	277	–	–	277
	11,703	**1,169**	**–**	**12,872**
2020				
Trade and other payables	702	–	–	702
Amounts due to subsidiaries	165	–	–	165
Borrowings	4,883	–	–	4,883
Financial guarantee contracts (Note 29)	695	–	–	695
	6,445	–	–	6,445

Foreign currency risk

The Group has currency exposures arising from transactions, assets and liabilities that are denominated in other than the respective functional currencies of entities in the Group. The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are mainly in USD and PHP.

31 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Foreign currency risk (cont'd)

At the end of the reporting period, the Group's and the Company's foreign currency exposure based on information provided by key management is as follows:

	USD $'000	PHP $'000	Total $'000
Group			
2021			
Financial assets			
- Trade and other receivables	**165**	**–**	**165**
- Financial assets at FVTPL	**3,839**	**–**	**3,839**
- Cash and cash equivalents	**30**	**–**	**30**
	4,034	**–**	**4,034**
Financial liabilities			
- Trade and other payables	**(726)**	**(177)**	**(903)**
Net financial assets/(liabilities) denominated in foreign currencies	**3,308**	**(177)**	3,131
2020			
Financial assets			
- Trade and other receivables	301	–	301
- Cash and cash equivalents	7	–	7
	308	–	308
Financial liabilities			
- Trade and other payables	(129)	–	(129)
Net financial assets denominated in foreign currencies	179	–	179

	2021 USD $'000	2020 USD $'000
Company		
Financial assets		
- Financial assets at FVTPL	**3,839**	–
- Cash and cash equivalents	**–**	1
	3,839	1
Financial liabilities		
- Trade and other payables	**(707)**	–
Net financial assets denominated in foreign currencies	**3,132**	1

31 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of a reasonably possible change in the USD and PHP exchange rates against Singapore dollar ("SGD"), with all other variables held constant, of the Group's and the Company's loss net of tax:

	Group		**Company**	
	(Decrease)/increase		**(Decrease)/increase**	
	Loss net of tax 2021 $'000	Loss net of tax 2020 $'000	**Loss net of tax 2021 $'000**	Loss net of tax 2020 $'000
USD/SGD				
- strengthened 10%	**(275)**	(15)	**(260)**	**–***
- weakened 10%	**275**	15	**260**	**–***
PHP/SGD				
- strengthened 10%	**15**	–	**–**	**–**
- weakened 10%	**(15)**	–	**–**	**–**

* amount less than $1,000

32 Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(i) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

32 Fair value of assets and liabilities (cont'd)

(b) Fair value measurements of assets and liabilities that are measured at fair value

The following table presents the level of fair value hierarchy for each class of assets and liabilities measured at fair value on the statements of financial position at the end of the reporting period:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Recurring fair value measurements				
Group and Company				
2021				
Financial assets				
Financial assets at FVTPL	–	–	**4,208**	**4,208**

The basis to determine fair values of the financial assets at FVTPL are disclosed in Note 16.

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of financial assets and financial liabilities recorded in the financial statements of the Group and the Company approximate their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period or that there are no significant changes in the interest borrowing rates available to the Group at the end of the reporting period.

(d) Valuation process applied by the Group

The fair values of unquoted investments are determined by an external professional valuer having appropriate professional qualifications and experience in valuing such investments. For valuation performed by external valuers, management considers the appropriateness of the valuation technique and assumptions applied by the external valuers. The measurement of fair values of other assets and liabilities within Level 3 fair value hierarchy is performed by the Group's finance team on annual basis. If third party quotes or pricing information are used to measure fair value, the valuation team assesses the evidence obtained from the third parties to assess if such valuations meet the SFRS(I) and the fair value level hierarchy the measurement should be classified in. The valuation reports and changes in fair value measurements are analysed and reported to the Group's Deputy Chief Financial Officer and directors regularly. Significant valuation issues are reported to the Audit Committee.

33 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents.

	Group	
	2021	2020
	$'000	$'000
Borrowings (Note 25)	**3,714**	5,485
Lease liabilities (Note 26)	**2,026**	829
Less: Cash and cash equivalents	**(12,656)**	(426)
Net debt	**(6,916)**	5,888
Total equity	**52,485**	409
Total capital	**45,569**	6,297
Gearing ratio	**N.M**	93.50%

34 Segment information

The Group is in telecommunication and biometrics businesses. The telecommunication business is further organised into business units based on its geographical locations in Singapore, Thailand, Philippines and Malaysia. Biometrics business is in Indonesia. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

As disclosed in Note 11, the Company disposed its 100% equity interest in subsidiaries, YCP and YTM during the financial year. Accordingly, information about the profit or loss, assets and liabilities relating to YCP and YTM were presented under "Discontinued Operations". In addition, the Group has re-represented the information about the profit or loss, assets and liabilities relating to YCP and YTM as "Discontinued Operations" for the financial year ended 31 May 2020.

34 Segment information (cont'd)

The segment information provided to management for the reportable segments are as follows:

	Continuing operations			Discontinued operations			
	Singapore $'000	**Thailand $'000**	**Indonesia $'000**	**Philippines $'000**	**Malaysia $'000**	**Adjustments and eliminations $'000**	**Group $'000**
2021							
Revenue from external customers	2,014	3,042	1,016	287	–	–	6,359
Intersegment sales	–	–	–	–	–	–	–
Total revenue	2,014	3,042	1,016	287	–	–	6,359
Operating (loss)/profit	(11,586)	(375)	485	(1,834)	(10)	5,165	(8,155)
Interest income	87	–	–	1	–	(86)	2
Finance costs	(230)	(33)	(2)	(2)	–	87	(180)
(Loss)/profit before tax	(11,729)	(408)	483	(1,835)	(10)	5,166	(8,333)
Income tax expense							(74)
Loss for the year							(8,407)
Other significant non-cash items							
Depreciation and amortisation expenses	732	29	33	40	–	767	1,601
(Reversal)/allowance for expected credit loss of financial and contract assets	4,367	–	–	–	–	(4,368)	(1)
Contract assets written off	372	–	–	1,374	–	–	1,746
Impairment loss on property, plant and equipment	159	–	–	–	–	–	159
Inventories written down	9	–	–	–	–	–	9
Gain on disposal of subsidiaries	–	–	–	1,353	2	–	1,355
Fair value gain on financial assets at fair value through profit or loss	459	–	–	–	–	–	459
Assets							
Segment assets	56,370	3,402	7,181	–	–	7,780	74,733
Segment assets includes							
Additions to non-current assets	1,674	10	470	–	–	43,903	46,057
Liabilities							
Segment liabilities	19,289	1,748	733	–	–	478	22,248

34 Segment information (cont'd)

The segment information provided to management for the reportable segments are as follows (cont'd):

	Continuing operations		Discontinued operations			
	Singapore $'000	Thailand $'000	Philippines $'000	Malaysia $'000	Adjustments and eliminations $'000	Group $'000
2020						
Revenue from external customers	4,666	5,193	1,652	–	–	11,511
Intersegment sales	–	–	83	–	(83)	–
Total revenue	4,666	5,193	1,735	–	(83)	11,511
Operating (loss)/profit	(7,979)	611	(584)	(22)	5,259	(2,715)
Interest income	162	1	1	–	(162)	2
Finance costs	(248)	(20)	(47)	–	159	(156)
Profit/(loss) before tax	(8,065)	592	(630)	(22)	5,256	(2,869)
Income tax expense						(287)
Loss for the year						(3,156)
Other significant non-cash items						
Depreciation and amortisation expenses	647	42	90	–	83	862
Allowance for expected credit loss of financial and contract assets	583	–	42	–	–	625
Inventories written down	216	–	–	–	–	216
Assets						
Segment assets	22,206	4,874	3,247	2	(16,773)	13,556
Segment assets includes						
Additions to non-current assets	278	–	14	–	–	292
Liabilities						
Segment liabilities	13,416	2,057	4,338	113	(6,777)	13,147

Segment results

Performance of each segment is evaluated based on segment profit or loss which is measured in a manner that is consistent with the net profit or loss before tax in the consolidated statement of profit or loss and other comprehensive income. Sales between operating segments are on terms agreed by Group entities concerned. Inter-segment revenues are eliminated on consolidation.

34 Segment information (cont'd)

Segment assets

The amounts provided to management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments.

Inter-segment assets as included in the respective reportable segments are eliminated to arrive at the total assets reported in the consolidated statement of financial position.

Segment liabilities

The amounts provided to management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments.

Inter-segment liabilities as included in the respective reportable segments are eliminated to arrive at the total liabilities reported in the consolidated statement of financial position.

Information about major customer

Revenue is derived from 3 (2020: 4) external customer who individually contributed 10% or more of the Group's revenue.

		Group	
		2021	2020
	Attributable segments	**$'000**	$'000
Customer 1	Singapore	**716**	1,766
Customer 2	Singapore	–	1,298
Customer 3	Thailand	**898**	1,661
Customer 4	Philippines	–	1,445
Customer 5	Indonesia	**982**	–
		2,596	6,170

35 Events after the reporting period

(i) On 25 June 2021, the Company has allotted and issued 195,000,000 placement shares pursuant to proposed placement announced on 11 May 2021. The placement shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects pari passu with the then existing issued shares at the time of the issue except that the placement shares will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of the issue of the placement shares. Following the allotment and issue of the 195,000,000 placement shares, the share capital of the Company has increased from 647,266,333 ordinary shares to 842,266,333 ordinary shares.

(ii) On 5 July 2021, the Company has entered into a term sheet with The Institute of Machine Learning GmbH ("IML") and the founders of IML ("IML Founders"), in respect of the following transactions:

(a) Incorporation of a Singapore company (the "Newco") by the IML Founders;
(b) Subscription of new shares in the Newco by the Company;
(c) Acquisition of business from IML by the Newco;
(d) Provision by the Company to the Newco of a convertible loan; and
(e) Grant of option by the IML Founders in favour of the Company to acquire all of the shares held in Newco by the IML Founders.

On 11 September 2021, the Company has entered into definitive agreements with IML and IML Founders to acquire all intellectual property and software relating to Facial Liveness Detection, Age Classification and KYC Platform and contracts with key customers and resellers.

35 Events after the reporting period (cont'd)

(iii) On 31 July 2021, the Company has entered into a non-binding Memorandum of Understanding with TriVentures Capital Pte Ltd ("TriVentures") for:

(a) the proposed strategic partnership to:
  i) recommend each other's expertise and technologies to their respective clients (including technology services beyond identity management and blockchain capabilities);
  ii) have an exclusive arrangement to offer each other's capabilities and technologies in its projects and opportunities;
  iii) have a trade partnership to jointly pursue clients who have a scope requirement for identity management, blockchain and system integration; and
  iv) jointly develop products and/or patented approaches to further widen their combined existing pipeline opportunities and endorse or participate in industry events or publications, where appropriate.

(b) the proposed strategic investment into TriVentures and/or its portfolio companies.

(iv) On 8 September 2021, the Company has incorporated a wholly-owned subsidiary in Singapore, namely Totm Tech SG Pte. Ltd., comprising 10,000 ordinary shares at $1.00 per ordinary share, and with principal activity of provision of identity management biometric technology solutions.

(v) On 8 September 2021, the Company has given notice of extraordinary general meeting for the following resolutions:-

(a) Special Resolution - The proposed change of name of the Company from Yinda Infocomm Limited to Totm Technologies Limited.
(b) Ordinary Resolutions - The proposed adoption of performance share plan and grant of authority to grant awards and to allot and issue shares under the performance share plan.
(c) Ordinary Resolutions - The proposed adoption of employee share option scheme and grant of authority to grant option and to allot and issue shares under the employee share option scheme.
(d) Ordinary Resolutions - The proposed grant of authority to offer and grant options at a discount of up to 20% of market price under the employee share option scheme.

36 Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 May 2021 were authorised for issue in accordance with a resolution of the directors on 14 September 2021.

STATISTICS OF SHAREHOLDINGS

As at 1 September 2021

Issued and Fully Paid-Up Capital	:	S$93,691,668
Number of Issued Shares	:	842,266,333
Class of Shares	:	Ordinary Shares
Voting Rights	:	1 Vote Per Share
Treasury Shares and Subsidiary Holdings	:	Nil

There are no treasury shares held by the Company as at 1 September 2021.

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 1 September 2021, approximately 71.60% of the issued ordinary shares of the Company was held by the public. Accordingly, Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited has been complied with.

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	1	0.14	20	0.00
100 - 1,000	35	4.71	25,400	0.00
1,001 - 10,000	265	35.67	1,519,200	0.18
10,001 - 1,000,000	380	51.14	49,825,600	5.92
1,000,001 & above	62	8.34	790,896,113	93.90
Total	**743**	**100.00**	**842,266,333**	**100.00**

STATISTICS OF SHAREHOLDINGS

As at 1 September 2021

TWENTY LARGEST SHAREHOLDERS

S/No.	Name of Shareholder	Number of Shares	%
1	UOB KAY HIAN PTE LTD	116,155,300	13.79
2.	DBS NOMINEES PTE LTD	67,923,350	8.07
3.	RAHUL GANPAT PARTHE	60,149,693	7.14
4.	ESW MANAGE PTE LTD	48,806,530	5.79
5.	MAYBANK KIM ENG SECURITIES PTE. LTD	38,765,700	4.60
6.	CHEE TUCK HONG	36,760,000	4.36
7.	CHEE TAI CHIEW	29,500,000	3.50
8.	RAFFLES NOMINEES (PTE) LIMITED	28,906,500	3.43
9.	CHAN HIANG NGEE	25,840,000	3.07
10.	TAN KIM SING	25,000,000	2.97
11.	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	23,806,513	2.83
12.	IFAST FINANCIAL PTE LTD	23,791,000	2.83
13.	TAN AH EE	21,000,000	2.49
14.	WONG HONG ENG	19,150,000	2.27
15.	PEDRO FLAMES OMARREMENTERIA	17,966,791	2.13
16.	PHILLIP SECURITIES PTE LTD	17,279,800	2.05
17.	CITIBANK NOMINEES SINGAPORE PTE LTD	14,733,600	1.75
18.	LIM AND TAN SECURITIES PTE LTD	12,345,900	1.47
19.	WONG YONG CHYE	10,835,000	1.29
20.	GAN HUAI SHEN	9,010,700	1.07
	Total	**647,726,377**	**76.90**

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Name of Substantial Shareholder	**Number of Shares**	**%**	**Number of Shares**	**%**
Pierre Prunier (1)	–	–	50,166,550	5.96
Hing Chow Yuen (2)	–	–	80,104,800	9.51
Rahul Ganpat Parthe	60,149,693	7.14	–	–
ESW Manage Pte. Ltd.	48,806,530	5.79	–	–

Notes:

(1) Mr Pierre Prunier is deemed to be interested in 50,166,550 ordinary shares of the Company registered in the name of a nominee account of DBS Nominees Pte. Ltd.

(2) Mr Hing Chow Yuen is deemed to be interested in 80,104,800 ordinary shares of the Company registered in the name of a nominee account of UOB Kay Hian Pte. Ltd.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Yinda Infocomm Limited (the "**Company**") will be held by way of electronic means on Thursday, 30 September 2021 at 10.00 a.m. (the "**AGM**") to transact the following businesses: -

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 May 2021 together with the Independent Auditor's Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$264,750 for the financial year ending 31 May 2022, payable quarterly in arrears. **(Resolution 2)**

3. To re-elect the following Directors retiring pursuant to Regulation 104 of the Company's Constitution.

   (a) Mdm Song Xingyi **(Resolution 3)**
   (b) Ms Shao Lifang **(Resolution 4)**
   (c) Mr Aw Eng Hai **(Resolution 5)**

   [See Explanatory Notes (i) to (iii)]

4. To re-elect the following Directors retiring pursuant to Regulation 114 of the Company's Constitution.

   (a) Mr Chua Hoe Sing **(Resolution 6)**
   (b) Mr Pierre Prunier **(Resolution 7)**
   (c) Mr Ngo Yit Sung **(Resolution 8)**
   (d) Mr Low Chai Chong **(Resolution 9)**

   [See Explanatory Notes (iv) to (vii)]

5. To re-appoint Messrs Baker Tilly TFW LLP as the Auditors of the Company to hold office until the next AGM of the Company, and to authorise the Directors to fix their remuneration. **(Resolution 10)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. <u>Authority to allot and issue shares</u> **(Resolution 11)**

   That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") - Section B: Rules of Catalist (the "**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue and allot new shares ("**Shares**") in the capital of the Company whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

(b) (notwithstanding that this authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this authority (including the Shares to be issued in pursuance of Instruments, made or granted pursuant to this authority), shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), and provided further that where shareholders of the Company ("**Shareholders**") are not given the opportunity to participate in the same on a *pro-rata* basis, then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments, made or granted pursuant to this authority) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the issued Shares (excluding treasury shares and subsidiary holdings) at the time this authority was conferred, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from the exercise of share options or the vesting of share awards; and

(c) any subsequent bonus issue, consolidation or sub-division of the Shares;

Adjustments in accordance with (i) or (ii) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution of the Company for the time being; and

(4) (unless revoked or varied by the Company in a general meeting) this authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law and the Catalist Rules to be held, whichever is earlier.

[See Explanatory Note (viii)]

By Order of the Board

Sim Yok Teng
Company Secretary

Singapore,
15 September 2021

Explanatory Notes:

(i) Mdm Song Xingyi will, upon re-election as Director of the Company, remain as Non-Executive and Non-Independent Chairman of the Board of the Company. Detailed information required on Mdm Song Xingyi pursuant to Rule 720(5) of the Catalist Rules set out on pages 48 to 57 in the Company's Annual Report 2021.

(ii) Ms Shao Lifang will, upon re-election as Director of the Company, remain as Executive Director of the Company. Detailed information required on Ms Shao Lifang pursuant to Rule 720(5) of the Catalist Rules set out on pages 48 to 57 in the Company's Annual Report 2021.

(iii) Mr Aw Eng Hai will, upon re-election as a Director of the Company, remain as Independent Director of the Company, Chairman of the Audit Committee and member of the Nominating Committee. He is considered independent by the Board of Directors of the Company for the purpose of Rule 704(7) of the Catalist Rules. Detailed information required on Mr Aw Eng Hai pursuant to Rule 720(5) of the Catalist Rules set out on pages 48 to 57 in the Company's Annual Report 2021.

(iv) Mr Chua Hoe Sing will, upon re-election as a Director of the Company, remain as Independent Director of the Company and member of the Audit Committee and Remuneration Committee. He is considered independent by the Board of Directors of the Company for the purpose of Rule 704(7) of the Catalist Rules. Detailed information required on Mr Chua Hoe Sing pursuant to Rule 720(5) of the Catalist Rules set out on pages 48 to 57 in the Company's Annual Report 2021.

(v) Mr Pierre Prunier will, upon re-election as a Director of the Company, remain as Executive Director and Chief Executive Officer of the Company. Detailed information required on Mr Pierre Prunier pursuant to Rule 720(5) of the Catalist Rules set out on pages 48 to 57 in the Company's Annual Report 2021.

(vi) Mr Ngo Yit Sung will, upon re-election as a Director of the Company, remain as Executive Director of the Company. Detailed information required on Mr Ngo Yit Sung pursuant to Rule 720(5) of the Catalist Rules set out on pages 48 to 57 in the Company's Annual Report 2021.

(vii) Mr Low Chai Chong will, upon re-election as a Director of the Company, remain as Independent Director of the Company, Chairman of the Remuneration Committee and Nominating Committee and member of the Audit Committee. He is considered independent by the Board of Directors of the Company for the purpose of Rule 704(7) of the Catalist Rules. Detailed information required on Mr Low Chai Chong pursuant to Rule 720(5) of the Catalist Rules set out on pages 48 to 57 in the Company's Annual Report 2021.

(viii) Ordinary Resolution 11 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is carried or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares in the Company and/or the Instruments (as defined above). The aggregate number of Shares (including Shares to be made in pursuance of Instruments, made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which the total number of Shares and convertible securities other than on a *pro-rata* basis to existing Shareholders, shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company.

NOTICE OF
ANNUAL GENERAL MEETING

NOTES:

The AGM will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

Due to the various control and safe distancing measures put in place in Singapore to minimise the spread of COVID-19, the Company is arranging for a live webcast of the AGM proceedings (the "**Live AGM Webcast**") which will take place on Thursday, 30 September 2021 at 10.00 a.m. **Members will be able to watch the AGM proceedings through the Live AGM Webcast, and the Company will not accept any physical attendance by Members. Any Member seeking to attend the AGM physically in person will be turned away.**

Members will be able to participate in the AGM in following manner set out in the paragraphs below.

Registration

1. Members are entitled to watch the AGM proceedings via your mobile phones, tablets or computers.

2. Members will need to register at https://yinda.conveneagm.sg/agm2021 ("**AGM Webcast Registration and Q&A Link**") for the Company to verify your status prior to the AGM.

3. Members must register via the AGM Webcast Registration and Q&A Link by no later than 10.00 a.m. on 27 September 2021 ("**Registration Deadline**").

4. Following the verification, authenticated Members will receive an email by 5.00 p.m. on 28 September 2021, containing a unique link, which you can click on to access the Live AGM Webcast.

5. Members must not forward the unique link to other persons who are not Members and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast.

6. Members who have registered by the Registration Deadline (being 10.00 a.m. on 27 September 2021) but do not receive an email response by 28 September 2021, 5.00 p.m. may contact the Company's Share Registrar, B.A.C.S. Private Limited, for assistance at 8 Robinson Road, Singapore 048544, or (65) 6593 4848.

7. Person who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50), including CPF and SRS investors, and who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings via live audio- visual webcast or live audio-only stream; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM should contact the relevant intermediary (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares by 21 September 2021, 10.00 a.m. in order to make the necessary arrangement for them to participate in the AGM

Submission of Proxy Form to Vote

1. Members (whether individual or corporate) may only exercise their voting rights at the AGM via proxy voting and will not be able to vote during the Live AGM Webcast on the resolutions to be tabled for approval at the AGM.

2. A Member who wishes to vote at the AGM must submit an instrument appointing the Chairman of the AGM as his/her/its proxy ("**Proxy Form**") to cast votes on his/her/its behalf at the AGM.

3. Where a Member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

4. The Chairman of the AGM, as proxy, need not be a member of the Company.

5. The Proxy Form, duly completed and signed, must be deposited to the Company in the following manner:

   (i) If submitted by post (mail), be lodged at 20 Collyer Quay #09-02 Singapore 049319 or

   (ii) If submitted electronically by email, be sent to the Company at proxy@yinda.com.sg,

   in either case, at least 72 hours before the time appointed for holding of the AGM.

6. A Member who wishes to submit a proxy form via email must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

7. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM, no later than 5.00 p.m. on Tuesday, 21 September 2021.

8. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to access the Live AGM Webcast and attend and vote by appointing the Chairman of the AGM as proxy at the AGM.

9. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

Submission of Questions

1. Members will not be able to raise questions during the Live AGM Webcast and therefore it is important for Members to pre-register and submit their questions in advance of the AGM.

2. Members must submit your questions related to the AGM via the AGM Webcast Registration and Q&A Link by the Registration Deadline (being no later than 10.00 a.m. on 27 September 2021)

3. The Company will endeavour to address the substantial questions received prior to the AGM, if any. The responses to such questions from members will be posted on the SGXNet and the Company's website before the date of the AGM.

4. The Company will publish the minutes of the AGM within 1 month after the date of AGM on SGXNet and on the Company's website.

Documents

The Annual Report, Notice of AGM and accompanying Proxy Form are sent to Members by electronic means via publication on the Company's website and the SGX Website. Printed copies of this Notice and Annual Report 2021 (including Proxy Form) will not be mailed to Members. These documents can be assessed and downloaded from the Company's website at the URL http://yinda.com.sg/investorrelations/ and the SGX Website at the URL https://www.sgx.com/securities/company.

IMPORTANT REMINDER:

As the COVID-19 situation is constantly evolving, the Company may be required to change its AGM arrangements at short notice. Members are advised to closely monitor announcements made by the Company on SGX website for updates on the AGM.

The Company would like to thank all Members for their patience and co-operation in enabling us to hold our AGM with the optimum safe distancing measures amidst the current COVID-19 situation.

PERSONAL DATA PRIVACY:

By (a) submitting a form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via the Live AGM Webcast or the Live AGM Audio Feed, or (c) submitting any question prior to the AGM in accordance with this notice, a Member of the Company consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);

(ii) processing of the registration for purpose of granting access to Members (or their corporate representatives in the case of Members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;

(iii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and

(iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

NOTICE OF ANNUAL GENERAL MEETING

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

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.

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

IMPORTANT
1. The Annual General Meeting (the "**AGM**") is being convened, and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM will not be sent to members. Instead, it will be sent to members by electronic means via announcement on the SGXNet at the URL https://www.sgx.com/securities/company-announcements.
2. Due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID-19, members will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF/SRS investors should contact their respective Agent Banks/SRS Operations if they have any queries regarding their appointment as proxies.

PROXY FORM
ANNUAL GENERAL MEETING

I/We*, ________________________________ (Full Name)

NRIC/Passport/ Company Registration* No. ________________________________

of ________________________________ (Address)

being a member/members* of Yinda Infocomm Limited (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting ("**AGM**") of the Company as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the AGM of the Company to be held by way of electronic means on Thursday, 30 September 2021 at 10.00 a.m. and at any adjournment thereof to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.**

No.	Ordinary Resolutions	For**	Against**	Abstain**
Ordinary Business				
1.	To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 May 2021 together with the Independent Auditors' Report thereon.			
2.	To approve the Directors' fees of S$264,750 for the financial year ending 31 May 2022, payable quarterly in arrears.			
3.	To re-elect Mdm Song Xingyi as Director pursuant to Regulation 104 of the Company's Constitution.			
4.	To re-elect Ms Shao Lifang as Director pursuant to Regulation 104 of the Company's Constitution.			
5.	To re-elect Mr Aw Eng Hai as Director pursuant to Regulation 104 of the Company's Constitution.			
6.	To re-elect Mr Chua Hoe Sing as Director pursuant to Regulation 114 of the Company's Constitution.			
7.	To re-elect Mr Pierre Prunier as Director pursuant to Regulation 114 of the Company's Constitution.			
8.	To re-elect Mr Ngo Yit Sung as Director pursuant to Regulation 114 of the Company's Constitution.			
9.	To re-elect Mr Low Chai Chong as Director pursuant to Regulation 114 of the Company's Constitution.			
10.	To re-appoint Messrs Baker Tilly TFW LLP as Auditor of the Company and to authorise the Directors to fix their remuneration.			
Special Business				
11.	To authorise Directors to allot and issue shares pursuant to Section 161 of the Companies Act, Chapter 50.			

* Delete where inapplicable.

** Please indicate your vote "For", "Against" or "Abstain" with a tick [√] within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing the Chairman of the AGM not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this ________ day of ________________ 2021

Total number of Shares in	Number of Shares
(a) Depository Register	
(b) Register of Members	

____
Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Notes:

1. Due to the various control and safe distancing measures put in place in Singapore to minimise the spread of COVID-19, members will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. This proxy form may be accessed at the Company's website at the URL http://yinda.com.sg/investor-relations, and will also be made available on the SGXNet at the URL https://www.sgx.com/securities/company-announcements.

2. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

3. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM, no later than 5.00 p.m. on Tuesday, 21 September 2021.

4. The Chairman of the AGM, as proxy, need not be a member of the Company.

5. The Proxy Form, duly completed and signed, must be deposited to the Company in the following manner:

   (i) If submitted by post (mail), be lodged at 20 Collyer Quay #09-02 Singapore 049319 or

   (ii) If submitted electronically by email, be sent to the Company at proxy@yinda.com.sg,

   in either case, at least 72 hours before the time appointed for holding of the AGM.

6. A Member who wishes to submit a proxy form via email must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email**.

7. The instrument appointing a proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

9. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to access the Live AGM Webcast and attend and vote by appointing the Chairman of the AGM as proxy at the AGM.

Personal Data Privacy:

By submitting this instrument appointing the Chairman of the AGM as proxy, the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of AGM of the Company dated 15 September 2021.