



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

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MAY 2020

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”).*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**Exchange**”) and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

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PART 1 – INFORMATION REQUIRED FOR HALF YEAR AND FULL-YEAR ANNOUNCEMENTS

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

Consolidated Statement of Comprehensive Income

	Group		
	Financial Year Ended		
	31 May 2020	31 May 2019	Change
	S\$'000	S\$'000	%
	(Unaudited)	(Audited)	
Revenue	12,502	17,985	-30.5
Other income	109	193	-43.5
Interest income	1	1	0.0
Changes in inventories, material consumed and subcontractor cost	(4,002)	(6,228)	-35.7
Employee benefits expenses – Project	(4,653)	(5,276)	-11.8
Employee benefits expenses - Admin	(2,118)	(2,367)	-10.5
Depreciation and amortisation expenses	(923)	(494)	86.8
Legal and professional expenses	(419)	(515)	-18.6
Other general and administrative expenses	(2,087)	(2,371)	(12.0)
Interest expense	(158)	(133)	18.8
(Loss)/profit before tax	(1,748)	795	N.M
Income tax expense	(30)	(48)	-37.5
(Loss)/profit attributable to owners of the Company, net of tax	(1,778)	747	N.M
Other comprehensive (loss)/income:			
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial gains on measurements of post-employment benefit plan, net of tax	-	7	N.M
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences	(109)	56	N.M
Total comprehensive (loss)/income for the year attributable to owners of the Company	(1,887)	810	N.M

N.M – Not Meaningful



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

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

	Group		
	Financial Year Ended		
	31 May 2020	31 May 2019	Change
	S\$'000	S\$'000	%
	(Unaudited)	(Audited)	
Amortisation of intangible assets	49	46	6.5
Depreciation of property, plant and equipment	874	448	95.1
Employee benefit expenses	6,771	7,643	-11.4
Foreign exchange gain	(61)	(74)	17.6
Interest expense	158	133	18.8
Interest income	(1)	(1)	0.0
Rental of office premise, warehouse, equipment and motor vehicles	231 ⁽ⁱ⁾	655	(64.7)
Expected credit loss allowances	678	64	>100
Write-back of allowance for doubtful debts	-	(96)	N.M
Loss on disposal of property, plant and equipment	4	-	N.M

⁽ⁱ⁾ Being short-term leases exempted from the adoption of SFRS(I) 16 Leases adjustments.

N.M – Not Meaningful



The major components of income tax expense was:

	Group		
	Financial Year Ended		
	31 May 2020	31 May 2019	Change
	S\$'000	S\$'000	%
	(Unaudited)	(Audited)	
Consolidated income statement:			
Current income tax expense			
- Current income taxation	30	53	-43.4
	<u>30</u>	<u>53</u>	<u>-43.4</u>
Deferred income tax			
- Reversal of temporary differences	-	(5)	N.M
	<u>-</u>	<u>(5)</u>	<u>N.M</u>
Income tax expense recognised in profit or loss	<u>30</u>	<u>48</u>	<u>-37.5</u>

N.M – Not Meaningful



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

Statement of Financial Position	Group		Company	
	As at		As at	
	31 May 2020	31 May 2019	31 May 2020	31 May 2019
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	1,309	1,031	1	1
Intangible assets	49	95	-	-
Investment in subsidiaries	-	-	2,525	6,125
Deferred tax assets	560	607	-	-
Deposits	115	43	-	-
Total non-current assets	2,033	1,776	2,526	6,126
Current assets				
Contract assets	6,872	6,098	-	-
Trade and other receivables	4,704	6,200	26	46
Inventories	1,227	1,214	-	-
Amounts due from subsidiaries	-	-	5,915	5,136
Cash and bank balances	338	349	91	43
Total current assets	13,141	13,861	6,032	5,225
Total assets	15,174	15,637	8,558	11,351
EQUITY AND LIABILITIES				
Current liabilities				
Contract liabilities	1,989	1,870	-	-
Trade and other payables	5,707	4,613	500	647
Lease liabilities	632	60	-	-
Amounts due to subsidiary companies	-	-	165	49
Loan and borrowings	5,485	5,471	4,985	4,200
Provision for tax	11	392	-	-
Total current liabilities	13,824	12,406	5,650	4,896
Net current (liabilities)/assets	(683)	1,455	382	329
Non-current liabilities				
Lease liabilities	272	320	-	-
Employee benefit liabilities	258	204	-	-
Total non-current liabilities	530	524	-	-
Total liabilities	14,354	12,930	5,650	4,896



	Group		Company	
	As at		As at	
	31 May 2020	31 May 2019	31 May 2020	31 May 2019
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net assets	820	2,707	2,908	6,455
Equity attributable to owners of the Company				
Share capital	14,542	14,542	14,542	14,542
Accumulated losses	(5,278)	(3,500)	(11,634)	(8,087)
Reserves	(8,444)	(8,335)	-	-
Total equity	820	2,707	2,908	6,455
Total equity and liabilities	15,174	15,637	8,558	11,351

1(b)(ii) In relation to the aggregate amount of the Group's borrowings and debts securities, specify the following at the end of the financial period reported on with comparative figures at the end of the immediately preceding financial year:

	Group			
	As at		As at	
	31 May 2020		31 May 2019	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Current				
Amounts repayable in one year or less, or on demand	1,327 ^{(i) (ii)}	4,790 ⁽ⁱⁱⁱ⁾	1,331 ^{(i) (ii)}	4,200 ⁽ⁱⁱⁱ⁾
Non-current				
Amount repayable after one year	272 ⁽ⁱ⁾	-	320 ⁽ⁱ⁾	-

Detail of any collaterals

As at 31 May 2020, the Group's borrowings comprised:

- (i) Lease liabilities relating to hire purchase taken up for the purchase of commercial vehicle, testing equipment and copiers arose due to application of SFRS(I) 16, which are secured over the right-of-use assets.
- (ii) advances from financial institutions for trade financing; and
- (iii) unsecured shareholder's loan from Yinda Pte. Ltd. which will be within one year.



1(c) A statement of cash flow (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	Group	
	Financial Year Ended	
	31 May 2020 S\$'000 (Unaudited)	31 May 2019 S\$'000 (Audited)
Operating activities:		
(Loss)/profit before tax	(1,748)	795
Adjustments for:		
Depreciation of property, plant and equipment	874	448
Amortisation of intangible assets	49	46
Expected credit loss allowances	678	64
Write-back of allowance for doubtful debts	-	(96)
Interest income	(1)	(1)
Interest expense on borrowings	158	133
Loss on disposal of property, plant and equipment	4	-
Foreign exchange loss/(gain)	(61)	55
Employee benefit liabilities	54	73
Total adjustments	1,755	722
Operating cash flows before changes in working capital	7	1,517
Changes in working capital:		
Increase in contract assets	(1,094)	(4,497)
Decrease in trade and other receivables	1,066	1,426
Decrease/(Increase) in inventory	(13)	(19)
Increase in contract liabilities	119	90
Increase/(Decrease) in trade and other payables	1,006	(20)
Total changes in working capital	1,084	(3,020)
Cash flows from/(used) in operations	1,091	(1,503)
Interest received	1	1
Interest paid	(126)	5
Taxes paid	(411)	(32)
Net cash flows generated from/(used in) operating activities	555	(1,529)
Financing activities:		
Proceeds from bank borrowings and factoring	695	1,271
Loan obtained from a shareholder ¹	590	1,992
Repayment of shareholder's loan ²	-	(1,500)
Repayment of bank borrowings	(1,271)	(108)
Repayment of lease liabilities	(550)	(80)
Decrease in amounts due to related parties	88	(7)
Net cash flows generated from financing activities	(448)	1,568

¹ Shareholder refers to Yinda Pte. Ltd.

² Shareholders' loan refers to the loan from Yinda Pte. Ltd.



Consolidated Statement of Cash Flows (Cont'd)

	Group	
	Financial Year Ended	
	31 May 2020	31 May 2019
	S\$'000	S\$'000
	(Unaudited)	(Audited)
Investing activities:		
Purchase of property, plant and equipment	(122)	(335)
Proceed from disposal of property, plant and equipment	8	-
Increase in amount due from related companies	-	(13)
Withdrawal of deposit pledged with a bank	-	85
Net cash flows used in investing activities	(114)	(263)
Net decrease in cash and cash equivalents	(7)	(224)
Effects of exchange rate changes on cash and cash equivalents	(4)	(14)
Cash and cash equivalents at 1 June	249	487
Cash and cash equivalents at 31 May (Note A)	238	249

Notes to Consolidated Statement of Cash Flows:

A) Cash and cash equivalents comprised of the following:

Cash and bank balances	338	349
Less: Pledged bank deposits	(100)	(100)
Cash and cash equivalents	<u>238</u>	<u>249</u>



1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Attributable to owners of the Company							
<u>Group</u>	Share capital S\$'000	Merger reserves S\$'000	Foreign currency translation reserve S\$'000	Other reserves S\$'000	Total reserves S\$'000	(Accumulated losses)/ Retained Earnings S\$'000	Total equity S\$'000
At 1 June 2019	14,542	(10,397)	117	1,945	(8,335)	(3,500)	2,707
Loss for the year	-	-	-	-	-	(1,778)	(1,778)
<u>Other comprehensive loss</u>							
Actuarial gains on measurement of post-employment benefit plan, net of tax	-	-	-	-	-	-	-
Currency translation differences	-	-	(109)	-	(109)	-	(109)
Total comprehensive loss for the year	-	-	(109)	-	(109)	(1,778)	(1,887)
At 31 May 2020	14,542	(10,397)	8	1,945	(8,444)	(5,278)	820
At 1 June 2018	14,542	(10,397)	61	1,945	(8,391)	(4,254)	1,897
Profit for the year	-	-	-	-	-	747	747
<u>Other comprehensive income</u>							
Actuarial gains on measurement of post-employment benefit plan, net of tax	-	-	-	-	-	7	7
Currency translation differences	-	-	56	-	56	-	56
Total comprehensive income for the year	-	-	56	-	56	754	810
At 31 May 2019	14,542	(10,397)	117	1,945	(8,335)	(3,500)	2,707



Company	Attributable to owners of the Company		
	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 June 2019	14,542	(8,087)	6,455
Loss for the year, representing total comprehensive income	–	(3,547)	(3,547)
At 31 May 2020	14,542	(11,634)	2,908
At 1 June 2018	14,542	(8,082)	6,460
Loss for the year, representing total comprehensive income	–	(5)	(5)
At 31 May 2019	14,542	(8,087)	6,455

*denotes amounts less than \$1,000

1(d)(ii) Details of any changes in the Company's share capital arising from right issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares Issued	Paid-up Capital (S\$)
As at 31 May 2020 and 31 May 2019	152,000,000	14,542,370

There have been no changes to the Company's issued and paid up share capital since 1 June 2019 up till 31 May 2020.

The Company had no outstanding convertibles, treasury shares and subsidiary holdings as at 31 May 2020 and 31 May 2019.



1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 May 2020	As at 31 May 2019
Total number of issued shares	<u>152,000,000</u>	<u>152,000,000</u>

The Company did not have any treasury shares as at 31 May 2020 and 31 May 2019.

1(d)(iv) A statement showing all sales, transfers, cancellation and / or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial year reported on.

1(d)(iv) A statement showing all sales, transfers, cancellation and / or use of subsidiary holdings as at the end of the current financial period reported on.

The Company does not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditor.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter).

Not applicable. The figures have not been audited nor reviewed by the Company's auditor.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty to going concern.

Not applicable. The latest financial statements of the Group are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. Whether the same accounting policies and methods of computation as in the Issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year compared to its most recently audited annual financial statements for the financial year ended 31 May 2019.



5. If there are any changes in the accounting policies and methods of computation including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) and SFRS(I) Interpretations (“**SFRS(I) INTs**”) that are relevant to its operations and effective for annual periods beginning on or after 1 June 2019, where applicable. The adoption of these standards from the effective date has not resulted in material adjustments to the financial position, results of operations or cash flows of the Group for the financial year ended 31 May 2020, except the adoption of SFRS(I) 16 Leases which is elaborated on below.

Adoption of SFRS(I) 16

The Group have adopted SFRS(I)16 Lease on 1 June 2019 using the modified retrospective approach in accordance with the transitional provisions, and therefore recognised leases on statement of financial position as at 1 June 2019.

SFRS (I) 16 introduces a new single lease accounting model which eliminates the current distinction between operating and finance leases for lessees. It requires lessees to capitalize all leases on the statement of financial position by recognizing a “right-of-use” asset and corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets.

The Group have not restated comparatives for the previous reporting period as permitted under the specific transition provision of SFRS(I)16. The Group capitalized its operating leases on offices, warehouse and staff quarters on the consolidated statement of financial position as “right-of-use” of approximately \$941,000, which classified under property plant and equipment, and corresponding leases liabilities for the present value of future lease payment of approximately \$941,000. Subsequently, the lease assets will be depreciated over the lease term on a straight-line basis and the lease liabilities will be measured at amortised cost.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.



6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

	Group	
	Financial Year Ended	Financial Year Ended
	31 May 2020	31 May 2019
(Loss)/Profit attributable to owners of the Company used in the computation of basic earnings per shares (S\$'000)	(1,778)	747
(a) Basic (loss)/profit per share (cents)	(1.17)	0.49
(b) Diluted (loss)/profit per share (cents)	(1.17)	0.49
Weighted average number of ordinary shares in issue for computation of basic (loss)/profit per share ('000)	152,000	152,000
Weighted average number of ordinary shares for computation of diluted (loss)/profit per share ('000)	152,000	152,000

As at 31 May 2020 and 31 May 2019, the Company did not have any dilutive instruments. Hence, the basic and diluted earnings per share for both years under review are the same.

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the Issuer at the end of the: -
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at		As at	
	31 May 2020	31 May 2019	31 May 2020	31 May 2019
Net assets (S\$'000)	820	2,707	2,908	6,455
Number of ordinary shares used in calculating net asset value per ordinary share ('000)	152,000	152,000	152,000	152,000
Net asset value per ordinary share attributable to owners of the Company (cents)	0.5	1.8	1.9	4.2



8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

Revenue

The Group recorded a lower revenue of S\$12.5 million in the financial year ended 31 May 2020 (“FY2020”) as compared to S\$18.0 million in the financial year ended 31 May 2019 (“FY2019”), representing a decrease of S\$5.5 million or 30.5%.

Revenue for FY2020 decreased mainly from (i) the Telecommunication Implementation (“TI”) projects of S\$5.6 million in Singapore, partially offset by an increase in revenue contributions from Philippines and Thailand of \$0.1 million and \$0.9 million respectively; (ii) increase in Networking Planning Optimisation (“NPO”) projects of S\$0.2 million in Singapore, partially offset by a decrease in contributions from Philippines and Thailand of \$0.5 million and \$0.2 million respectively; and decrease in In-Building Construction (“IBC”) projects in Singapore and Philippines of approximately S\$0.3 million and \$0.3 million respectively, partially offsets with the increase in Thailand of \$0.2 million.

While the Group had recorded a higher revenue of S\$8.2 million in the half year ended 30 November 2019 (“HY2020”) as compared to S\$7.8 million in the half year ended 30 November 2018 (“HY2019”) due mainly to contributions from the IBC segment, the overall revenue for FY2020 had decrease mainly due to measures implemented by respective governments in Singapore, Philippines and Thailand in an effort against the Coronavirus (“COVID-19”). Please refer to paragraph 10 for more details.

Changes in inventories, material consumed and subcontractor cost

These represents the cost related to our projects and these costs decreased by approximately S\$2.2 million or 35.7% from S\$6.2 million in FY2019 to S\$4.0 million in FY2020, which is in line with the decrease in revenue and lesser reliance on sub-contractor.

Employee benefits expenses – Project / Admin

These represent the staff costs incurred during the year. Both employee benefit expenses for project and admin decreased by 11.8% and 10.5% respectively from S\$5.3 million to S\$4.7 million, and from S\$2.4 million to S\$2.1 million respectively, in line with the decrease in the Group's revenue.

Depreciation and amortisation expenses

The increase in depreciation of property plant and equipment was mainly due to the adoption of SFRS(I) 16 Leases where the “right-of-use” assets has to be depreciation. Please refer to paragraph 5 for more details of the adoption of SFRS(I) 16 and its impact to the Group.



Legal and professional fees expenses

Legal and professional fees paid to professional firms decreased by approximately 18.6% from S\$0.5 million in FY2019 to S\$0.4 million in FY2020 mainly due to the absence of professional fees that were incurred in respect of the extraordinary general meeting held in FY2019.

Other general and administrative expenses

Other general and administrative expenses decreased by approximately of \$0.3 million or 12.0% from S\$2.4 million in FY2019 to S\$2.1 million in FY2020 mainly due to the decrease in rental expenses recognised as lease liability pursuant to the adoption of SFRS(I) 16 Leases, decrease in advertising cost of \$0.1 million, and traveling expenses of \$0.3 million, partially offset with the increase in expected credit loss on trade receivables from third parties arising from customers across the region as well as the contract assets.

Interest expenses

Interest expenses comprised interest expenses from borrowings and shareholder's loan.

Taxation

Income tax expenses mainly due to provision in current year.

Review of the Group's Consolidated Statement of Financial Position

Non-current assets

The increase in non-current assets by approximately 14.5% from S\$1.8 million as at 31 May 2019 to S\$2.0 million as at 31 May 2020 was mainly due to an increase in both deposits and property, plant and equipment. The increase in property, plant and equipment is due to the recognition of "right-of-use" assets pursuant to the adoption of SFRS(I) 16 Leases.

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

Current assets

Current assets decreased from S\$13.9 million as at 31 May 2019 to S\$13.1 million as at 31 May 2020.

Contract assets which primarily relate to the Group's right to consideration for work completed but not yet billed has increased from S\$6.1 million in FY2019 to S\$6.9 million in FY2020. These increases were due to the projects were completed during the year which have yet to be billed. Trade and other receivables decreased by 24.1% from S\$6.2 million as at 31 May 2019 to S\$4.7 million as at 31 May 2020 as a result of assessment of expected credit losses.

No significant change in year end balances of cash and cash equivalents balances.



Current liabilities

Current liabilities increased by approximately \$1.4 million or 11.4% from S\$12.4 million as at 31 May 2019 to S\$13.8 million as at 31 May 2020. This was mainly due to an increase in shareholder's loan from Yinda Pte. Ltd. of S\$0.6 million, trade and other payables of \$1.0 million lease liabilities of \$0.6 million, and contract liabilities of \$0.1 million during the year, loan and borrowings. This was partially offset by a decrease in tax liabilities by \$0.4 million and bank borrowings of S\$0.6 million during the year.

Non-current liabilities

No significant changes during the year.

Equity attributable to owners of the Company

The decrease in retained earnings and reserves were mainly due to the current year losses offset by translation reserve movements.

Review of the Group's Statement of Cash Flows

In FY2020, net cash flows generated from operating activities amounted to S\$0.6 million. This includes increase in contract liabilities of S\$0.1 million, decrease in trade and other receivables of S\$1.1 million, increase in trade and other payables of S\$1.0 million, partially offsets with increase in contract assets of S\$1.1 million and payment of taxes and interest of approximately \$0.5 million.

Net cash flows used in financing activities amounted to approximately S\$0.5 million, mainly due to proceeds of loan from Yinda Pte. Ltd. which amounted to S\$0.6 million, proceed from bank borrowings amounting to S\$0.7 million, which was offset by the repayment of bank borrowings and lease liabilities amounting to approximately S\$1.8 million.

Net cash flows used in investing activities amounted to approximately S\$0.1 million which was mainly due to the purchase of property, plant and equipment of \$0.1 million.



9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The Company's projects in Singapore, Philippines and Thailand have been delayed due to measures taken by the respective governments in their efforts to curb COVID-19.

All projects in Singapore were put on-hold due to Circuit Breaker from 7 April 2020 until 19 June 2020 when the Company obtained approval to continue providing telecommunications implementation works and the testing and maintenance of telecommunications equipment. However, the Company has yet to recommence the projects on a full-scale as the foreign workers were isolated in the dormitories and subjected to swab testing.

In Philippines, the Group's offices in Philippines, were also temporary closed from 1 April to 30 April 2020 pursuant to the "Enhanced Community Quarantine". Due to restrictions imposed by the Philippines Government, the projects have yet to recommence to-date, other than engagement with the customer on matters pertaining to site planning.

Similarly, in Thailand, all projects have also been temporarily halted due to the government declaring the "Emergency Decree" from 26 March 2020 until 30 April 2020. The projects have only recommenced on 1 May 2020.

Due to the fluidity of the COVID-19 pandemic, the Group is unable to ascertain the expected completion dates for the delayed projects in the respective countries and the corresponding impact to the Group's financial performance and operations for the next 12 months. Notwithstanding the loss incurred for FY2020 amounting to S\$1,778,000 and the net current liability position as at 31 May 2020 of S\$683,000, the Board and Management are of the view that the Group can continue to operate as a going concern on the following basis:

- (i) the Company has continued financial support from its controlling shareholders;
- (ii) the Company being able to achieve a net cash inflow from operating activities amounting to S\$0.6 million during FY2020 in spite of the challenging business environment; and

In addition, with the entrance of a fourth telecommunications operator and the transition of Singapore to a digital economy, the Group continues to look out for opportunities in the telecommunications space while at the same time, remaining cautious amid the prevailing economic uncertainties.

In addition, the Group is actively taking steps to manage its costs and streamline its business processes so as to achieve cost and operational optimization.

The Group will continue to focus its efforts in servicing its existing customers based in Singapore, Thailand and the Philippines.



11. Dividend

(a) Current Financial Period Reported on:

Any dividend declared for the current financial period reported on?

No dividends have been declared or recommended for FY2020.

(b) Corresponding Period of the Immediately Preceding Financial Year:

Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividends were declared or recommended in the previous corresponding year.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended in respect of FY2020, due to the subdued financial position of the Group as well as conserving cash for working capital purposes.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Rule 920(1)(a)(ii) - An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate (if any) for interested person transactions for the financial periods which it is required to report on pursuant to Rule 705 within the time required for the announcement of such report. The disclosure must be in the form set out in Rule 907.

The Group has obtained a general mandate from shareholders for interested person transactions pursuant to Rule 902(1)(a)(ii) of the Catalist Rules for Shanghai Yinda Science and Technology Industrial Co Ltd and Anhui Diantong Communication Engineering Co., Ltd. The resolution was passed on 3 December 2018.



Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	For the year ended 31 May 2020	For the year ended 31 May 2020
	S\$'000	S\$'000
Interest expense arising from a working capital loan extended to the Company by Yinda Pte. Ltd., a controlling shareholder of the Company	–	–
Anhui Diantong Communication Engineerings Co., Ltd	148	–
Shanghai Yinda Science & Technology Industrial Co. Ltd.	–	–

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H under Rule 720(1))

The Company hereby confirms that it has procured undertakings from all its Directors and the relevant executive officers in the format as set out in Appendix 7H in accordance with Rule 720(1) of the Catalist Rules.



PART 2 – ADDITIONAL INFORMATION REQUIRED FOR FULL-YEAR ANNOUNCEMENTS

15. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Business segment information

For management purposes, the Group is organised into operating segments based on their geographical locations in Singapore, Thailand, the Philippines and Malaysia.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.



2020

Geographical Information

	Singapore	Thailand	Philippines	Malaysia	Adjustment & Elimination	Consolidated Group Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External customers	5,498	5,192	1,893	-	(81)	12,502
Segment results						
Operating (loss)/ profit	(5,837)	617	(567)	(22)	4,218	(1,591)
Interest income						1
Finance costs						(158)
Loss before taxation						(1,748)
Income tax expense						(30)
Loss for the year						(1,778)
Other Information						
Segment assets	25,443	5,046	3,546	2	(18,863)	15,174
Segment liabilities	14,032	2,175	5,466	113	(7,432)	14,354
Net assets	11,411	2,871	(1,920)	(111)	(11,431)	820

Information about major customers

Revenue from one major customer in Singapore contributed 14.1% (FY2019: 51.73% of the total revenue of the Group).



2019

Geographical Information

	Singapore	Thailand	Philippines	Malaysia	Adjustment & Elimination	Consolidated Group Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Revenue</u>						
External customers	10,819	4,914	2,496	-	(244)	17,985
<u>Segment results</u>						
Operating (loss)/ profit	1,218	(77)	181	(32)	(363)	927
Interest income						1
Finance costs						(133)
Profit before taxation						795
Income tax expense						(48)
Profit for the year						747
<u>Other Information</u>						
Segment assets	30,098	4,217	2,902	32	(21,612)	15,637
Segment liabilities	12,812	1,914	3,918	123	(5,837)	12,930
Net assets	17,286	2,303	(1,016)	(91)	(15,775)	2,707

Information about major customers

Revenue from one major customer in Singapore contributed 51.73% (31-May-18: 51.7%) of the total revenue of the Group.



17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8.

18. A breakdown of sales and operating profit after tax are as follows:

	Group		
	Financial Year Ended		
	31 May 2020	31 May 2019	Increase/ (decrease)
	\$'000	\$'000	%
	(Unaudited)	(Audited)	
a) Revenue			
- first half year	8,210	7,821	5.0
- second half year	4,292	10,164	(57.8)
	<u>12,502</u>	<u>17,985</u>	<u>(30.5)</u>
b) Operating profit/(loss) after tax			
- first half year	95	111	(14.4)
- second half year	(1,873)	636	N.M
	<u>(1,778)</u>	<u>747</u>	<u>N.M</u>

N.M – Not Meaningful

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows: —

No dividend has been declared or paid by the Company for FY2020 and FY2019.



- 20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Not applicable.

On behalf of the Board of Directors

Song Xingyi
Non-Executive and Non-Independent Chairman
30 July 2020