



Securities Investors Association (Singapore)

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Issuer: Yinda Infocomm Limited (formerly known as CMC Infocomm Limited)

Security: Yinda Infocomm Limited (formerly known as CMC Infocomm Limited)

Meeting details:

Date: 14 September 2018

Time: 3.00 p.m.

Venue: Orchid Country Club, Emerald Suite, 1 Orchid Club Road, Singapore 769162

Company Description

NA



1. As noted in the Letter to Shareholders (page 3 of the annual report), 2018 was a watershed year for the group following the mandatory unconditional cash offer by Yinda Pte. Ltd.

Consequently, the company has put in place a new management team and a new board of directors.

While the group's vision and mission have remained the same, the new board has imposed a new strategic direction for the group and the new controlling shareholders have brought fresh perspective on the group's businesses.

- (i) For the benefit of both new and old shareholders, can the new board update shareholders in greater detail on the new strategic direction of the group?**
- (ii) Can management help shareholders understand how long will the re-design of its workflow processes take? What improvement (in terms of cost savings, manpower savings, efficiencies etc) could be achieved after the re-design?**
- (iii) As the group has reported losses every year since its listing in FY2015, would it be opportune for the board to carry out a strategic review of the group's operations, including its business model, the quality of its management team and the competitive strengths of the group so as to maximise the long term value for the benefit of all shareholders?**

2. Following the appointments of the 6 new directors on 30 September 2017, there were further changes to the board when Mr Wang Zhijun resigned as non-executive non-independent director on 9 February 2018, Mr Lim Chuan Poh resigned as non-executive non-independent director on 14 June 2018 and Mr Qian Zhongcheng resigned as executive director and CEO on 31 July 2018 All three directors were appointed on 30 September 2017.

Ms Tang Qun was subsequently appointed as an independent director of the company on 9 February 2018.

- (i) Given that there have been significant changes to the size and composition of the board, has the nominating committee (NC) reviewed the current board and assessed its size and composition?**

In addition, Mr Qian Zimin has been appointed as Acting Chief Executive Officer on 15 August 2018, and is currently responsible for the overall management of the group's business and corporate development. The company also has a Deputy Chief Financial Officer (CFO) who was appointed in April 2018.

- (ii) Given the major personnel changes to the key management team, is the current key management team suitably experienced and qualified to drive the group forward?**

- (iii) Is the company looking to appoint a CEO and a CFO? If so, can the NC help shareholders understand the progress it has made in finding suitable candidates?**
- (iv) How has the culture of the group evolved in the past year?**

3. As seen in the Financial highlights (page 5), the group's total assets slipped to \$15.1 million as at 31 May 2018 and equity attributable to owners of the company amounted to just \$5.4 million following years of continued losses. In the past three financial years, the accumulated losses amounted to \$(8.3) million.

In addition, the group received two loans amounting to \$1.5 million from the controlling shareholder of the company. The loans bear interest of 3.25% per annum, repayable every quarterly. The group had also received short-term advances of \$2.84 million from the controlling shareholder.

- (i) Has the board/management evaluated the capital required to support the long term growth plans of the group following the change in strategic direction?**
- (ii) Given that the group's equity has slipped to just \$5.4 million due to the continued losses, has the board reviewed its financial position and evaluated the optimal capital structure?**
- (iii) Would the loans from the controlling shareholder be considered an interested person transaction?**

A copy of the questions for the Annual Report for the financial years ended 31 May 2017 and 31 May 2016 (as CMC Infocomm Limited) could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=CMC%20Infocomm%20Ltd>

The company's response could be found here: -----