

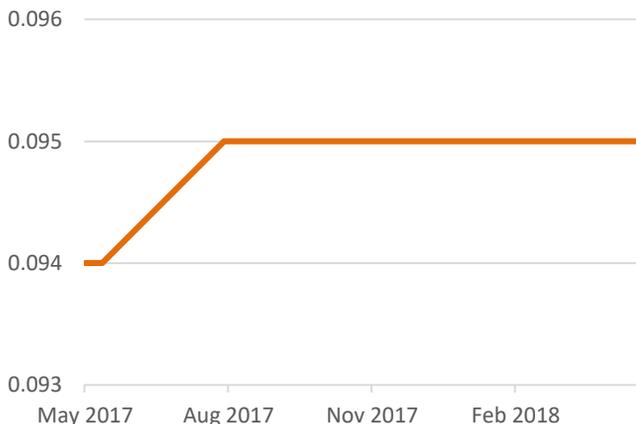
# Yinda Infocomm Limited

Date: 21 June 2018

## Non Rated

### YINDA SP

Price: S\$0.095 (as at 21<sup>th</sup> June 2018)



Share price	1M	3M	6M	1Y
Yinda Infocomm Ltd	n.m	n.m	n.m	1.1%
Catalist Index	n.m	(0.1)%	(8.9)%	(0.1)%

Market capitalisation	S\$14.44 million
Current price	S\$0.095
Shares outstanding	152,000,000
Free Float	14.6%
Major shareholders	Yinda Pte. Ltd.* 79.23%

Source: Company data, Bloomberg, SAC Advisors

\*Yinda Pte. Ltd. is wholly-owned by Shanghai Yinda Science and Technology Industrial Co Ltd ("Shanghai Yinda").

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## Key Historical Financials

Year ended 31 May (S\$'000)	FY2013	FY2014	FY2015	FY2016	FY2017
Revenue	15,532	15,859	16,321	18,217	14,238
% Growth	20%	2.1%	2.9%	11.6%	(21.8%)
Gross profit	4,084	3,684	4,269	4,650	3,374
Gross profit margin	26.3%	23.2%	26.2%	25.5%	23.7%
Loss/(profit) before tax	(11)	(628)	110	(1,465)	(4,330)
Loss/(profit) before tax margin	(0.07%)	(3.96%)	0.67%	(8.04%)	(30.4%)
Loss/(profit) attributable to owners	(262)	(668)	(186)	(1,497)	(4,322)
LPS (Singapore cents)	(0.17)	(0.44)	(0.15)	(1.02)	(2.84)
P/E (x)	n.m	n.m	n.m	n.m	n.m
Net Debt/Equity	(30.78%)	(10.80%)	(22.40%)	(25.07%)	(0.45%)

## Connecting the Wireless World

**A regional provider of integrated telecommunications solutions and services to network operators.** Yinda Infocomm Limited ("Yinda", or the "Company" and together with its subsidiaries, the "Group") is based in Singapore, with a wide scope of operations within the telecommunications infrastructure industry. Specialising in design and implementation, the Company has over 20 years of experience in the telecommunications industry. Their portfolio of customers includes communications network operators such as M1, Singtel, StarHub, AIS, DTAC, Nokia, True Move, Globe and Smart as well as communications network equipment vendors such as Ericsson, Huawei and Nokia.

**Strong reputation and working relationship with suppliers and clients.** The Company has an established track record and long standing relationships with notable customers, suppliers and communications network equipment vendors. Its abilities to adapt to technological advances enables them to meet the evolving demands of customers, making them a reliable partner with a strong competitive edge in the telecommunications industry.

**Capabilities in full turnkey services.** The Company has full capabilities to undertake projects from inception to completion. Ranging from initial project planning phase to construction, and finally implementation of customers' indoor or outdoor mobile network infrastructure in a cost-efficient manner.

**Growth plans in tandem with Smart Nation Singapore.** Since their IPO in 2015, the management have shifted their focus to grow their telecommunications servicing business within Singapore and ASEAN regions by working on increasing its capabilities and expanding resources to meet the demands of technologically advancing nations.

**Key Risks:** (i) Dependant on contracts with a small number of major network operator clients (ii) Susceptible to cost overruns and (iii) Dependant on key management personnel.

## Investment Highlights

### Business Overview:

Yinda Infocomm Limited is a telecommunications Group that provides mobile network infrastructure servicing support, from inception to installation for mobile operators and network equipment vendors. While its parent company Shanghai Shanghai Yinda Technology Group Co. Ltd is located in Shanghai, China, while Yinda Infocomm Limited has business operations spanning across Singapore, Thailand, the Philippines and Malaysia.

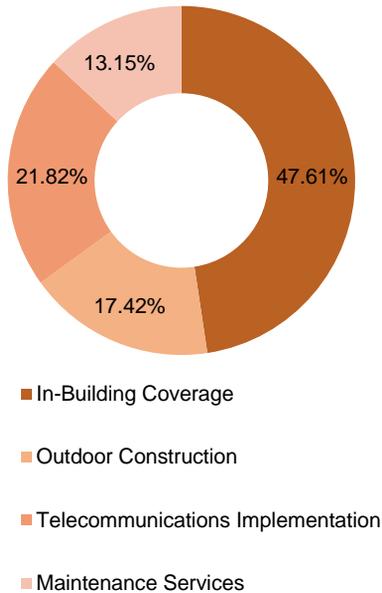
**A regional provider of integrated telecommunications solutions and services to network operators.** Yinda Infocomm Limited together with its subsidiaries is a regional integrated communications solutions and service provider, specialising in design and implementation with years of experience in the telecommunications industry. Their operations spreads across 4 business segments, (i) providing in-building coverage, (ii) outdoor construction, (iii) telecommunications implementation and (iv) maintenance services. As a well-rounded service provider, Yinda has enhanced its capabilities in offering itself as a convenient one-stop solution to network operators. They are equipped to oversee planning and design, construction and implementation of indoor and outdoor wireless network connectivity. Unlike most competitors in the telecommunications industry that only provide segmental solutions to their customers, Yinda possesses the expertise and ability to provide complete solutions and services to implement transmissions efficiently.

**Strong reputation and working relationship with suppliers and clients.** Having completed over 80 projects in Singapore, Thailand, the Philippines and Malaysia since 2011, it has built long standing relationships with its customers and suppliers. Over the years, Yinda has set a record of being consistently reliable and able to meet the evolving requirements of customers; giving them a competitive edge in the telecommunications industry. One of the hallmarks of the business is its commitment to strengthen relations with their long-term business partners and continue to maintain close working relationships. The success in achieving this is seen through Yinda's strong portfolio of loyal customers such as M1, Nokia, Globe and AIS, a reflection of their satisfaction on the Company's deliverables.

**Regional presence provides cost and operation efficiency.** Since their IPO in 2015, the management have shifted their focus to grow their telecommunications servicing business within Singapore and ASEAN regions. With a strong network of regional business contacts, the Company is able to utilize their resources when sourcing for high quality cables and components at competitive prices. This allows for cost-effective solutions and services to customers. Furthermore, their presences in various countries have increased the proximity of their operations to customers, providing them the ability to respond to customers' needs more promptly.

## Investment Highlights: Leveraging on a strong corporate parenting strategy

**Revenue Breakdown (FY2014)**



Source: Company's prospectus

Parent Company: Shanghai Yinda Science and Technology Industrial Co. Ltd

- Over 2,500 staff
- Annual Sales: More than S\$100 million
- 50,000 4G LTE base stations in 3 years
- Markets: Singapore, China, Philippines, Thailand
- Partners:
  - Nokia
  - China Telecom
  - China Unicom
  - China Mobile
  - Sinovation Ventures

Established in 1997, the parent company is a communications technology service provider in Shanghai. Its operations expands across Anhui, Jiangxi, Hunan, Yunnan, Henan, Zhejiang, Shanghai and 8 branches in Shandong. Their business segments includes configuring communication systems, networks, software and specializing in base station supervision. It is also a pioneer in the telecommunications network industry in Shanghai, servicing 3 major network operators in China (China Unicom, China Telecom, China Mobile).

Moving forward, the management is planning to combine their resources in China and Singapore, implementing a centralised provision of raw materials from China to Yinda.

## Company Background

Yinda Infocomm Limited serves as a one-stop provider for communication technology solutions. The Company has established its reputation by providing consistent and reliable solutions and services, with over 20 years of experience in the telecommunications industry. Since 2011, Yinda has completed numerous projects in Singapore, the Philippines and Thailand. It was listed in August 2015 on the Catalist Board of the SGX-ST. On 20 June 2017, the Group was acquired by Yinda Pte. Ltd. through a mandatory general offer.

## Business Segments



### In-Building Coverage

The In-Building Coverage business includes installation of indoor antennae and wiring in buildings. This would include site survey, radio frequency engineering, procurement, propagation and simulation of radio coverage using radio frequency design tools, implementation, data collection, testing and commissioning. This is done to maximize customers' mobile network coverage and optimize network performance, by offering reliable and stable signals for mobile device users within buildings and/or by suppressing interferences arising from the overlapping of signals.



*Source: Company data*

### Outdoor Construction

The Outdoor Construction business entails the installation of radio equipment and mounting of antennae on telecommunications towers, and the installation of transmission poles on the roof tops of buildings as well as steel towers in green fields to create a wireless radio signal network. Solutions and services for Outdoor Construction segment comprises of site survey, design, construction planning, procurement, implementation, testing and commissioning. In addition, Yinda provides solutions and services to maximize customers' mobile network coverage and optimize their network performance.

## Business Segments



### Telecommunications Implementation

The Telecommunications Implementation business requires the installation of cables, antennae, transmission cabinets, radio base transceiver station cabinets, radio components and modules on any cellular sites; from roof tops of buildings to open green fields. The services provided for Telecommunications Implementation includes site survey, preparation of technical proposals, implementation planning, procurement, testing, trouble-shooting and commissioning. They are also able to recommend how to best position the wireless radio equipment for optimal network performance.

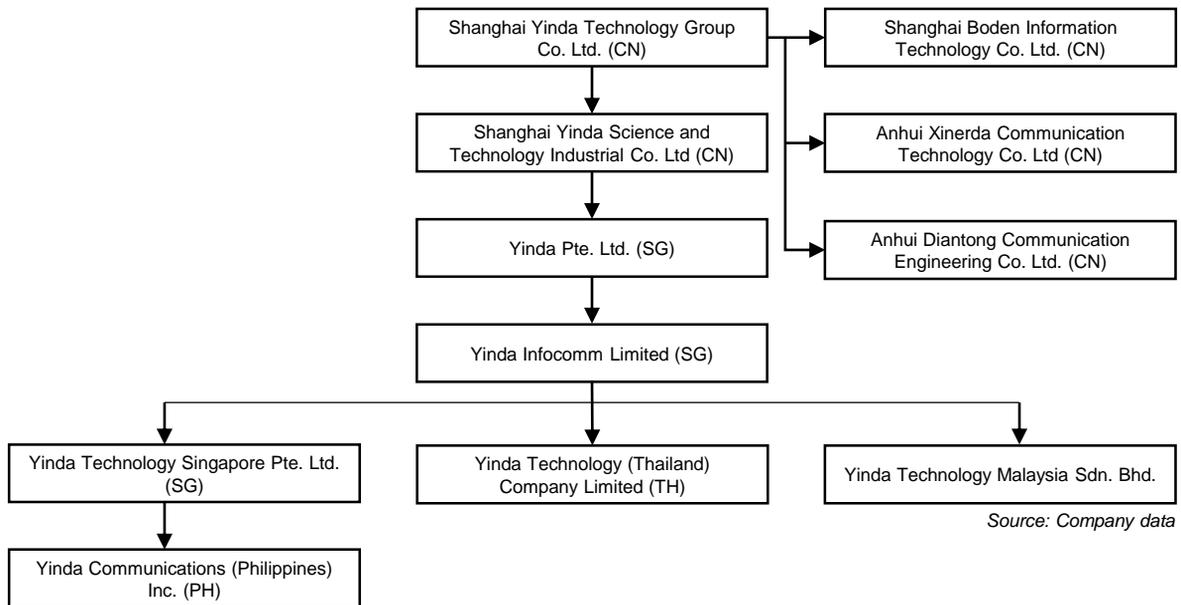


*Source: Company data*

### Maintenance Services

Maintenance Services includes both corrective and preventive maintenance services to ensure network reliability and minimal network disruptions. They provide corrective maintenance services to communications network operators in the event of systems failure due to equipment breakdown. This service is available 24 hours a day and 7 days a week. They also provide preventive maintenance services to communications network operators, where servicing is carried out on a frequent schedule to maintain equipment, minimizing hardware failures.

## Corporate Structure



## Overview on Corporate Structure

### History

In 2017, Yinda Pte. Ltd. (SG) acquired CMC Infocomm Limited renaming it “Yinda Infocomm Limited” (“**Yinda**”).

Yinda is wholly owned by Shanghai Yinda Science and Technology Industrial Co. Ltd. (“**Shanghai Yinda**”).

Yinda is a regional integrated and innovative communications solutions and services provider with operations in Singapore, Thailand and the Philippines. While it has accumulated over 20 years of experience in the telecommunications industry, Yinda also completed numerous projects in Singapore, Thailand, the Philippines and Malaysia since 2011.

Leveraging on its technical know-how and expertise in communications solutions, Yinda offers integrated and innovative communications solutions and services to communications network operators and communications network equipment vendors to suit the evolving needs of mobile device users. The Group’s comprehensive solutions and services encompass a wide spectrum of solutions and services in the telecommunications value chain to provide seamless access to wireless connectivity to mobile device users.

Yinda’s technical expertise is best seen through the division of its 4 business segments: (i) In-Building Coverage, (ii) Outdoor Construction, (iii) Telecommunications Implementation, and (iv) Maintenance Services.

The Group’s established track record and working relationships with reputable customers, suppliers and communications network equipment vendors, its ability to provide full turnkey solutions, as well as its ability to meet the evolving requirements of customers, have been the main factors that powered its success behind its operations.

## Management

Name	Year of appointment	Position
Ms. Song Xing Yi Song	2017	Non-Executive Chairman
Mr. Qian Zhong Cheng	2017	Chief Executive Officer & Executive Director
Mr. Frederick Lau	2018	Deputy Chief Financial Officer

*Source: Company data, Bloomberg, SAC Advisors*

### SONG XINGYI

(Non-Executive and Non-Independent Chairman)

Song Xingyi ("**Ms Song**") was nominated for appointment by Yinda Pte. Ltd. to the Board as the Non-Executive and Non-Independent Chairman on 30 September 2017. In 2001, Ms Song founded Shanghai Yinda Technology Industrial Co., Ltd where she served as the General Manger until 2010. After establishing Shanghai Yinda Tech (Group) Co., Ltd in 2010, Ms Song has been the Chairwoman of Shanghai Yinda Technology Group Co., Ltd to date. Ms Song also graduated from Hefei University of Technology with a Bachelor degree in Electrical Engineering.

### QIAN ZHONG CHENG

(Chief Executive Officer & Executive Director)

Mr Qian Zhongcheng ("**Mr Qian**") was nominated for appointment by Yinda, as the new controlling shareholder of the Company. Mr Qian will be providing strategic direction, formulating business and corporate policies and strategies for the continual growth of the Group. From 2010 to date, he has been the General Manager of Shanghai Yinda Science and Technology Industrial Co. Ltd. Prior to that, Mr Qian was also the Assistant General Manager of Shanghai Yinda Science and Technology Industrial Co. Ltd. On 18 April 2018, Mr Qian was officially appointed as the Group's Chief Executive Officer ("**CEO**").

## History

### Group History:

#### Yinda Pte Ltd's acquisition of CMC Infocomm Limited

The Company, then named “CMCC Thailand” was first founded by Keppel Communications after they secured a turnkey GSM network rollout contract worth S\$10 million from Nokia Philippines, Inc., who had an agreement with the Philippines’ Globe Telecom to expand the latter’s GSM-based cellular mobile telephone system for services in the Metro Manila and Luzon regions in the Philippines.

Following the acquisition by Shanghai Yinda Science and Technology Industrial Co. Ltd, the Company continued to tap on the expertise of the existing operations team. This was done by identifying the growth potential of the industry and recognizing the importance of nurturing and training the operations team. The Company has been committed to invest in team trainings, with the aim of producing a pool of trained and experienced personnel.

The Company’s abilities in providing quality integrated communications solutions and services, positioned them perfectly to retain a major customer like M1. M1 then continued to engage Yinda in its roll-out of the 4G LTE mobile network in Singapore in 2011. Yinda was one of only 2 main contractors to support M1. M1 has also been their single largest customer and accounted for approximately 34.1%, 40.2%, 36.2% and 47.2% of revenue in FY2012, FY2013, FY2014 and 9M2015 respectively, and continues to be a significant contributor of Yinda’s revenue.

#### Revenue by Geographical Segment

S\$'000	2016	2017
<b>Singapore</b>	12,927	8,727
<b>Thailand</b>	3,538	3,571
<b>Philippines</b>	1,752	1,940
<b>Total</b>	<b>18,217</b>	<b>14,238</b>

Source: Company data, SAC Advisors

## History

### Achievements to date:

2012 was a significant year when the Company was jointly awarded a contract by M1, StarHub, Singtel and Grid Communications Pte Ltd to provide hybrid solutions for Gardens By The Bay for both indoor and outdoor coverage. This project marked the first time the Group utilized active power solution, as the site was large and the existing passive technology was not capable of providing wireless coverage for the entire area. This project was one of the first few projects in Singapore to have used active power to achieve comprehensive mobile network coverage throughout the site.



Source: Company data

Through the years, the Company have played an instrumental role in developing Singapore's telecommunications infrastructure (for wireless network infrastructure), playing an integral role in rolling-out the GSM, 2G, 3G and 4G LTE infrastructure for M1 in Singapore.

In 2015, they were listed on the Catalist Board of the SGX-ST.

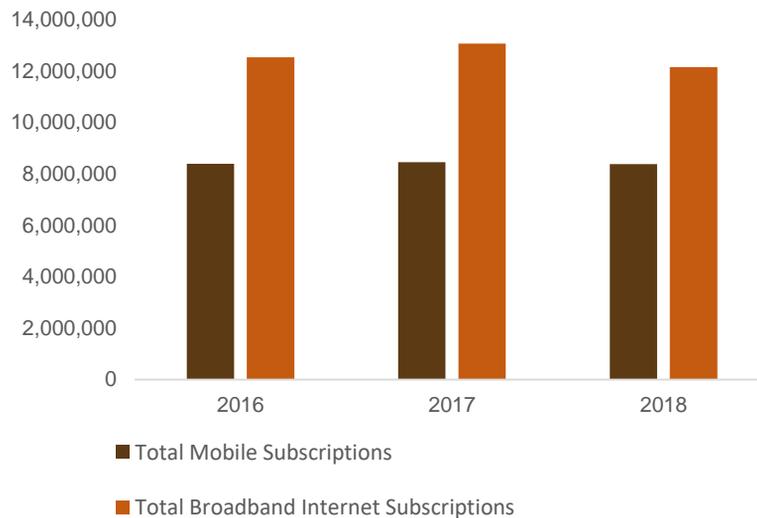
In July 2016, the Company announced that it has secured new contracts worth S\$3.8 million for cellular network engineering and maintenance projects with the leading mobile operators in the region, which are expected to complete over the next 2 years. They have also been awarded a maiden contract with the Infocomm Development Authority of Singapore ("IDA") to measure and benchmark the quality of 3G mobile services in Singapore.

## Industry Overview

### Growth in construction and maintenance revenue

A study by Info-communications Media Development Authority (“**IMDA**”) of Singapore revealed that there are a total of 8,399,700 to 8,387,100 mobile network subscriptions in Singapore between 2016 and 2018. This compares against the total population of Singapore which stands at 5,612,300. With a surplus of 2,774,800 subscriptions, which can only be explained by multiple mobile network subscriptions per person. With the high mobile penetration of Singapore’s population, Yinda sees opportunities to grow with the increase in maintenance and improvement projects in line with the ambitions of SMART Nation Singapore. With its experiences and resources from its Chinese parent company, Yinda is well-positioned to take on the developmental plans intended to further Singapore’s telecommunications network coverage.

As Singapore embarks on accelerating its construction scene through the spike in enbloc sales, construction of MRT stations and the new Changi Airport Terminal, it also opens up opportunities for Yinda to clinch new projects for in-building network coverage and outdoor network engineering.



Source: IMDA

### Growth through building a 5G network

Singtel has started working on trials last year, for some potential applications of 5G networks. This might include fleet management within the transport and logistics space. StarHub also did a trial with Nokia, and found that 5G speeds were “tens of times superior to typical 4G networks today” — delivering mobile broadband with an ultra-high speed of 4.3 Gigabits per second and latency of just one millisecond. The plan to move into the new 5G network is yet another avenue of expansion for Yinda’s portfolio.

## **Growth in ASEAN regions**

### **Increasing Opportunities with Technological Advances**

A study by Nielson revealed an exponential rate of smartphone penetration in Asia Pacific which have seen continued growth through recent years.

These are markets where Yinda has already created a corporate presence and would be well-positioned to execute regional growth plans. Asia Pacific smartphone penetration is highest in Hong Kong and Singapore at 87%, followed by Malaysia (80%), Australia (75%) and China (71%). On the other hand, developing countries are still gaining traction on smartphone usage. Thailand's smartphone penetration is at 49% followed by Indonesia (23%), India (18%) and the Philippines (15%).

While Yinda works on increasing its maintenance and upgrading projects in the developed countries, it is seeing great potential in expanding its network coverage construction within these developing countries that have a demand for implementation of network infrastructures.

With an evidently growing demand for telecommunications services, Yinda Infocomm sees an upward trajectory for growth in its future. In order for them to expand their business, it is imperative for them to be equipped with the resources to fuel the cost of taking on more projects.

## **Growth Drivers**

Over the span of 2017, the Group experienced significant corporate expansions and movements. These primary steps were taken for the Company to fuel three main growth drivers:

- 1) Securing larger-scale projects;
- 2) Strengthening regional growth; and
- 3) Expansion into new and complementary businesses

Yinda aims to continue its effort in innovating and marketing to its existing customers based in Singapore, Thailand and the Philippines, as well as delivering its existing projects expeditiously. The Group remains cautious amid the prevailing economic uncertainties and is taking on a selective stance in pursuing projects and investment opportunities as it expands into new and complementary businesses in Singapore, Thailand, Malaysia and the Philippines.

## Financial Summary

### 1H2018 versus 1H2017: Revenue affected by billing milestones

Yinda registered a lower revenue contribution mainly from In-Building Coverage (“**IBC**”) projects both in Singapore and the Philippines, as they recorded a revenue of S\$6.4 million in the financial period ended 30 November 2017 (“**1H2018**”) compared to S\$7.7 million in the financial period ended 30 November 2016 (“**1H2017**”) with a decrease of approximately 17.9%.

This was offset by a slight increase in revenue derived from Telecommunications Implementation (“**TI**”) projects in both Singapore and the Philippines of S\$18,000 and S\$4,000 respectively. The lower revenue contribution from IBC projects in Singapore is partly due to billing milestones for certain projects nearing completion not yet reached. Revenue from IBC in the Philippines decreased by approximately S\$0.6 million or 56.4% from S\$1.1 million in 1H2017 to S\$0.5 million in 1H2018 mainly due to lower revenue from IBC projects as a result of delays in the project implementation.

Gross profit decreased by approximately 49.5% from S\$2.0 million in 1H2017 to S\$1.0 million in 1H2018 while gross profit margins decreased from 26.4% in 1H2017 to 16.3% in 1H2018. This was mainly due to cost incurred for several projects nearing completion but not yet billed as mentioned above.

Overall net profit has been mostly affected by the decreased revenue, while expenses have been kept relatively constant from 1H2018 to 1H2017. The Company’s financial performance would inevitably be affected by lowered revenue recognition, due to the project-based nature of the business.

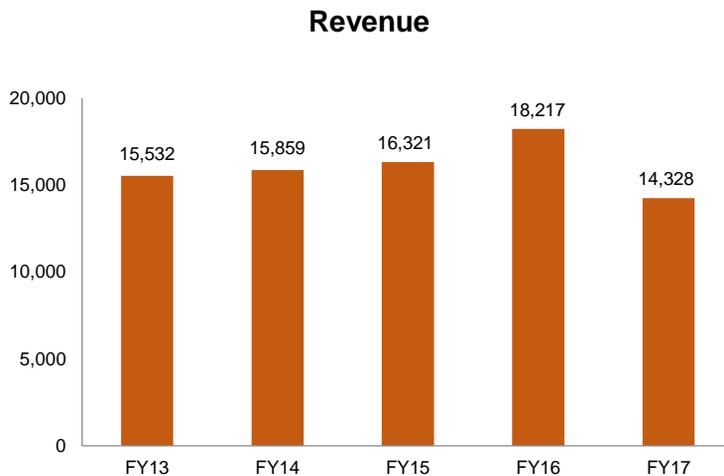
## Financial Summary

### FY2017 versus FY2016

The Group reported a 21.8% dip in revenue to S\$14.2 million mainly due to lower revenue contribution from both IBC and TI projects in Singapore. The lower revenue contribution from IBC projects in Singapore was partly attributed to billing milestones for certain projects nearing completion which have yet to be reached. However, this was partially offset by the higher revenue contribution from IBC projects in the Philippines, which increased by 10.7% to S\$1.9 million in FY2017 as the Company stepped up on marketing and operational activities in the Philippines.

Concurrently, other operating expenses rose by S\$1.5 million to S\$3.1 million mainly attributed to a S\$2.4 million impairment loss of the Group's intangible assets, which were offset against the absence of IPO-related expenses amounting to about S\$1.0 million incurred in FY2016. As a result, the Group registered a net loss of S\$4.3 million in FY2017 against S\$1.5 million in FY2016.

In 2017, Yinda boosted their order books with 3 contracts totaling S\$7.8 million. These contracts would be completed over the next 3 years, involving installation of Wi-Fi infrastructure in Singapore as well as the procurement and provision of necessary infrastructure, system and maintenance services in Thailand for leading telecommunications operators.



Source: Company data

## Forward looking

Although the Company fell short of being profit-making in the past few years, the management anticipates a turnaround in the coming years with the boost from its new leadership and parent company from China. With the restructuring of their division of labour, the Company would be able to achieve a leaner workforce by cutting down on its outsourcing, relying on its own engineers and workers for the job.

In the past years, Yinda has outsourced projects to their sub-contractors. This has resulted in an increase in costs for the Company. With the new management team in place, they are committed to fully utilizing their in-house capabilities by decreasing outsourcing frequencies. This move will enable them to streamline their total workforce and cut costs. It would take some time for Yinda to make the changes required to see a full turnaround reflected in its profits, but the management remains optimistic for the near future.

While the increase in costs has affected bottom-line in the short term, the management is confident that the results will be evident once the newly pursued pipelines have materialized. To expand their operations, the Company needs to increase its capabilities to fund the manpower and materials required to undertake more projects.

## **Key Risks**

### **Reliance on raw materials**

The Company relies heavily on suppliers for hardware and materials required for their projects. The services of sub-contractors to supply labour and services to carry out the project installation at the project sites are of equal importance as well. The Company's agreements with suppliers and sub-contractors are generally not contractually long-termed or exclusive. Hence, there are no guarantees that they will continue their supply of hardware, materials, labour and services at prices at a fixed rate.

The Company faces risks of being unable to find suitable alternative suppliers or sub-contractors in a timely manner and at comparable commercial terms, threatening the completion of the project within the contractual budget and time schedule. Any adverse changes in suppliers' and sub-contractors' conditions (financial or otherwise) and the Company's inability to find suitable replacements may result in cost overruns and project delays. As a result, they may incur liquidated damages, and financial performance will be affected.

### **May face shortage of manpower**

The Company also requires the services of sub-contractors to carry out the installation of equipment and components at various project sites. In the markets where they operate, there is generally a shortage of reliable and competent sub-contractors that are able to carry out installation work according to specifications and time schedule. In the event that they are unable to find suitable sub-contractors with the requisite technical expertise, they may be unable to complete the project within the contractual budget and time schedule. As a result, there may be cost overruns or they may incur liquidated damages, and financial performance could be affected.

## Income Statement (S\$'000)

	Fiscal Year Ended				
	FY13	FY14	FY15	FY16	FY17
<b>Revenue</b>	<b>15,532</b>	<b>15,859</b>	<b>16,321</b>	<b>18,217</b>	<b>14,238</b>
Cost of sales	(11,448)	(12,175)	(12,052)	(13,567)	(10,864)
Other operating income	-	43	91	247	112
Interest Income	6	3	4	13	15
Admin expense	(4,031)	(4,247)	(3,021)	(4,570)	(4,574)
Other operating expenses	(29)	(58)	(1,206)	(1,687)	(3,146)
Finance costs	(41)	(53)	(27)	(118)	(111)
<b>Loss/(Profit) before tax</b>	<b>(11)</b>	<b>(628)</b>	<b>110</b>	<b>(1,465)</b>	<b>(4,330)</b>
Income tax (expense)/credit	(316)	(207)	(296)	(32)	8
<b>Loss attributable to owners of company</b>	<b>(262)</b>	<b>(668)</b>	<b>(186)</b>	<b>(1,497)</b>	<b>(4,322)</b>
Minority Interest	(65)	(167)	-	-	-
<b>Loss for the year</b>	<b>(327)</b>	<b>(835)</b>	<b>(186)</b>	<b>(1,497)</b>	<b>(4,322)</b>
<b>Loss per share:</b>					
-Basic (SG cents)	<b>(0.20)</b>	<b>(0.52)</b>	<b>(0.15)</b>	<b>(1.02)</b>	<b>(2.84)</b>
-Adjusted (SG cents)	<b>(0.17)</b>	<b>(0.44)</b>	-	-	-
-Diluted (SG cents)	-	-	<b>(0.15)</b>	<b>(1.02)</b>	<b>(2.84)</b>

## Balance Sheet (S\$'000)

	Fiscal Year Ended				
	FY13	FY14	FY15	FY16	FY17
<b>FY Ended 31 May</b>					
Contract work-in-progress	3,967	3,768	3,678	4,857	7,092
Trade and other receivables	4,449	5,714	5,398	7,261	4,826
Cash and cash equivalents	3,434	1,561	2,711	5,210	2,351
Other assets	193	305	-	-	-
<b>Total current assets</b>	<b>12,043</b>	<b>11,348</b>	<b>11,787</b>	<b>17,328</b>	<b>14,269</b>
Property, plant and equipment	409	515	513	957	835
Other assets	6,113	4,535	3,894	3,348	311
Deposits	300	272	76	62	60
<b>Total non-current assets</b>	<b>6,822</b>	<b>5,322</b>	<b>4,483</b>	<b>4,367</b>	<b>1,206</b>
<b>Total assets</b>	<b>18,865</b>	<b>16,670</b>	<b>16,270</b>	<b>21,695</b>	<b>15,475</b>
Contract work-in-progress	2,418	2,358	518	794	778
Trade and other payables	2,765	2,899	4,916	6,274	4,231
Amt due to subsidiaries	679	749	-	-	-
Loans and borrowings	-	-	-	1,766	1,809
Provision for tax	239	213	381	287	376
<b>Total current liabilities</b>	<b>6,101</b>	<b>6,219</b>	<b>5,815</b>	<b>9,121</b>	<b>7,194</b>
Deferred tax liabilities	-	14	-	30	-
Bank loans	-	-	-	351	322
Employee benefit liabilities	149	97	118	194	219
<b>Total non-current liabilities</b>	<b>149</b>	<b>111</b>	<b>118</b>	<b>575</b>	<b>541</b>
Share Capital	659	804	804	14,542	14,542
Retained earnings	-	-	7,512	5,986	1,673
Reserves	8,464	9,536	2,021	(8,529)	(8,475)
Non-controlling interests	3,492	-	-	-	-
<b>Total Equity</b>	<b>12,615</b>	<b>10,340</b>	<b>10,337</b>	<b>11,999</b>	<b>7,740</b>

## Cash Flow Statement (S\$'000)

	Fiscal Year Ended				
	FY13	FY14	FY15	FY16	FY17
<b>(Loss)/profit before tax</b>	<b>(11)</b>	<b>(628)</b>	<b>110</b>	<b>(1,465)</b>	<b>(4,330)</b>
Depreciation & amortization	1,689	1,684	873	891	999
Change in working capital	(1,435)	(1,050)	226	(145)	(1,663)
Others	(29)	(279)	645	(44)	2,627
<b>Net Cash from/(used in) operations</b>	<b>214</b>	<b>(273)</b>	<b>1,854</b>	<b>(763)</b>	<b>(2,367)</b>
Purchase of PPE	(112)	(312)	(220)	(535)	(194)
Others	(78)	(1,157)	215	40	(22)
<b>Net Cash (used in)/ from investing</b>	<b>(190)</b>	<b>(1,469)</b>	<b>(5)</b>	<b>(495)</b>	<b>(216)</b>
Net increase in equity	-	-	-	6,000	-
Net increase/(decrease) in debt	362	(41)	(48)	(851)	(270)
Others	-	-	(696)	(1,411)	(100)
<b>Net Cash from/(used in) financing</b>	<b>362</b>	<b>(41)</b>	<b>(744)</b>	<b>3,738</b>	<b>(370)</b>

## Ratios

	Fiscal Year Ended				
	FY13	FY14	FY15	FY16	FY17
<b>Profitability (%)</b>					
Gross profit margin	26.3%	23.2%	26.2%	25.5%	23.7%
Operating profit margin	0.15%	(3.64%)	0.81%	(7.47%)	(29.74%)
Loss before tax margin (continuing ops)	(0.07%)	(3.96%)	0.67%	(8.04%)	(30.41%)
<b>Liquidity (x)</b>					
Current ratio	1.97	1.82	2.03	1.90	1.98
Quick ratio	1.32	1.22	1.39	1.37	1.00
Interest coverage ratio	n.m.	10.91	n.m.	11.53	38.14
Net Debt to Equity	(30.78%)	(10.80%)	(22.40%)	(25.07%)	(0.45%)
<b>Valuation (x)</b>					
P/S	0.93	0.91	0.88	0.79	1.01
P/E	n.m.	n.m.	n.m.	n.m.	n.m.
Core P/E at target price	n.m.	n.m.	n.m.	n.m.	n.m.
P/B	1.14	1.40	1.40	1.20	1.87
P/NTA	2.18	2.46	2.22	1.64	1.91
<b>Cash Conversion Cycle</b>					
Trade receivable days	223.4	117.0	124.3	126.8	154.9
Inventory days	270.1	115.9	112.8	114.8	200.7
Trade payable days	237.9	84.9	118.3	150.5	176.5
CCC days	255.6	148.0	118.7	91.1	179.2

n.m.: not meaningful

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