


Second Quarter Results * Financial Statement And Related Announcement

* Asterisks denote mandatory information

Name of Announcer *	YHI INTERNATIONAL LIMITED
Company Registration No.	200007455H
Announcement submitted on behalf of	YHI INTERNATIONAL LIMITED
Announcement is submitted with respect to *	YHI INTERNATIONAL LIMITED
Announcement is submitted by *	Tay Tian Hoe Richard
Designation *	Executive Chairman and Group Managing Director
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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	30-06-2012
Description	Unaudited Second Quarter 2012 Financial Statements and Press Release

Attachments

[YHIQ2FY12Result.pdf](#)
[YHIPressReleaseQ22012.pdf](#)
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Unaudited Second Quarter 2012 Financial Statements

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income , or a statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a)(i) CONSOLIDATED INCOME STATEMENT (2Q FY2012 vs 2Q FY2011)

	Group 01/04/12- 30/06/12 S\$ '000	Group 01/04/11- 30/06/11 S\$ '000	Incr/(Decr) %
Sales	139,526	134,287	3.9%
Cost of sales	(106,004)	(102,008)	3.9%
Gross profit	33,522	32,279	3.9%
Other gains - net	505	580	(12.9%)
Expenses			
- Distribution	(12,000)	(11,140)	7.7%
- Administrative	(11,343)	(11,169)	1.6%
- Finance	(1,405)	(1,104)	27.3%
Share of profit of associated companies	807	673	19.9%
Profit before income tax	10,086	10,119	(0.3%)
Income tax expense	(3,335)	(2,675)	24.7%
Total profit	6,751	7,444	(9.3%)
Attributable to:			
Equity holders of the Company	6,151	6,685	(8.0%)
Non-controlling interests	600	759	(20.9%)
	6,751	7,444	(9.3%)

NOTES TO CONSOLIDATED INCOME STATEMENT (2Q FY2012 vs 2Q FY2011)

	Group 01/04/12- 30/06/12 S\$ '000	Group 01/04/11- 30/06/11 S\$ '000	Incr/(Decr) %
Interest income	91	91	-
Interest on borrowings	(1,405)	(1,104)	27.3%
Depreciation of property, plant and equipment	(3,909)	(3,862)	1.2%
Amortisation of intangible assets	(15)	(15)	NM
Allowance for impairment of doubtful receivables and bad debts written off	(666)	(68)	NM
Write down of inventory	(637)	(225)	NM
Currency exchange gain / (loss) – net	329	(277)	18.8%
Share of profit of associated companies	807	673	19.9%
Gain on disposal of property, plant and equipment	51	42	21.4%

NM – Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (2Q FY2012 vs 2Q FY2011)

	Group 01/04/12- 30/06/12 S\$ '000	Group 01/04/11- 30/06/11 S\$ '000	Incr/(Decr) %
Profit for the period	6,751	7,444	(9.3%)
Other comprehensive income, net of tax:			
- Currency translation differences	(962)	(838)	14.8%
Total comprehensive income for the period	5,789	6,606	(12.4%)
Total comprehensive income attributable to:			
Equity holders of the Company	5,432	5,739	(5.3%)
Non-controlling interests	357	867	(58.8%)
	5,789	6,606	(12.4%)

1(a)(ii) CONSOLIDATED INCOME STATEMENT (1H FY2012 vs 1H FY2011)

	Group 01/01/12- 30/06/12 S\$ '000	Group 01/01/11- 30/06/11 S\$ '000	Incr/(Decr) %
Sales	277,427	263,238	5.4%
Cost of sales	(212,950)	(200,507)	6.2%
Gross profit	64,477	62,731	2.8%
Other gains - net	928	1,308	(29.1%)
Expenses			
- Distribution	(23,068)	(22,488)	2.6%
- Administrative	(22,341)	(21,630)	3.3%
- Finance	(2,815)	(2,098)	34.2%
Share of profit of associated companies	857	1,287	(33.4%)
Profit before income tax	18,038	19,110	(5.6%)
Income tax expense	(5,375)	(4,869)	10.4%
Total profit	12,663	14,241	(11.1%)
Attributable to:			
Equity holders of the Company	11,675	13,032	(10.4%)
Non-controlling interests	988	1,209	(18.3%)
	12,663	14,241	(11.1%)

NOTES TO CONSOLIDATED INCOME STATEMENT (1H FY2012 vs 1H FY2011)

	Group 01/01/12- 30/06/12 S\$ '000	Group 01/01/11- 30/06/11 S\$ '000	Incr/(Decr) %
Interest income	147	157	(6.4%)
Interest on borrowings	(2,815)	(2,098)	34.2%
Depreciation of property, plant and equipment	(7,360)	(6,761)	8.9%
Amortisation of intangible assets	(31)	(31)	NM
Allowance for impairment of doubtful receivables and bad debts written off	(871)	(670)	30.0%
Write down of inventory	(872)	(772)	13.0%
Currency exchange losses – net	(110)	(323)	(65.9%)
Share of profit of associated companies	857	1,287	(33.4%)
Gain on disposal of property, plant and equipment	74	70	5.7%

NM – Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (1H FY2012 vs 1H FY2011)

	Group 01/01/12- 30/06/12 S\$ '000	Group 01/01/11- 30/06/11 S\$ '000	Incr/(Decr) %
Profit for the period	12,663	14,241	(11.1%)
Other comprehensive income, net of tax:			
- Currency translation differences	(3,623)	(3,407)	6.3%
Total comprehensive income for the period	9,040	10,834	(16.6%)
Total comprehensive income attributable to:			
Equity holders of the Company	8,068	9,642	(16.3%)
Non-controlling interests	972	1,192	(18.5%)
	9,040	10,834	(16.6%)

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

STATEMENTS OF FINANCIAL POSITION

	Group 30/06/12	Group 31/12/11	Company 30/06/12	Company 31/12/11
	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Current assets				
Cash and cash equivalents	40,972	58,179	1,857	3,595
Trade and other receivables	103,003	109,838	48,546	53,630
Inventories	118,220	117,740	-	-
Other current assets	21,253	15,784	38	14
	283,448	301,541	50,441	57,239
Non-current assets				
Investments in subsidiaries	-	-	100,122	95,697
Investments in associated companies	16,355	15,498	-	-
Transferable club membership, at cost	181	181	-	-
Property, plant and equipment	129,504	118,845	62	88
Intangible assets	3,112	3,143	-	-
Deferred income tax assets	4,200	4,484	-	-
	153,352	142,151	100,184	95,785
Total assets	436,800	443,692	150,625	153,024
Current liabilities				
Trade and other payables	43,750	56,687	1,901	5,647
Borrowings	77,877	96,446	6,400	4,000
Derivative financial instrument	229	382	194	382
Current income tax liabilities	3,753	5,471	-	494
	125,609	158,986	8,495	10,523
Non-current liabilities				
Borrowings	51,764	21,618	21,000	14,000
Derivative financial instrument	290	637	202	637
Deferred income tax liabilities	1,957	1,880	-	-
	54,011	24,135	21,202	14,637
Total liabilities	179,620	183,121	29,697	25,160
Net assets	257,180	260,571	120,928	127,864
Capital and reserves attributable to equity holders of the Company				
Share capital	77,001	77,001	77,001	77,001
Other reserves	(1,952)	1,655	-	-
Retained earnings	169,908	169,691	43,927	50,863
	244,957	248,347	120,928	127,864
Non-controlling interests	12,223	12,224	-	-
Total equity	257,180	260,571	120,928	127,864

1(b)(ii) Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

Group As at 30/06/12		Group As at 31/12/11	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
77,877	-	96,446	-

Amount repayable after one year

Group As at 30/06/12		Group As at 31/12/11	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
51,764	-	21,618	-

Details of any collateral

The Group's borrowings are secured by the following:-

- (i) a first legal mortgage on certain subsidiaries' freehold and leasehold properties;
- (ii) a first legal charge on office equipment, plant and machinery of certain subsidiaries;
- (iii) a fixed and floating charge on all the assets of certain subsidiaries;
- (iv) corporate guarantee from the Company; and
- (v) banker's guarantees, up to S\$8.0 million (2011: S\$8.0 million), given as security to banks which granted banking facilities to certain subsidiaries. The banker's guarantees are in turn secured by a fixed and floating charge on all the assets of a subsidiary.

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

1(c)(i) CONSOLIDATED STATEMENT OF CASH FLOWS (2Q FY2012 vs 2Q FY2011)

	Group 01/04/12- 30/06/12 S\$ '000	Group 01/04/11- 30/06/11 S\$ '000
Cash flows from operating activities		
Net profit	6,751	7,444
Adjustments for:		
Income tax	3,335	2,675
Depreciation of property, plant and equipment	3,909	3,862
Amortisation of intangible assets	15	15
Gain on disposal of property, plant and equipment	(51)	(42)
Interest expense	1,405	1,104
Interest income	(91)	(91)
Share of profit of associated companies	(807)	(673)
Fair value loss on derivative financial instrument	124	-
Unrealised currency translation differences	(1,282)	81
Operating cash flow before working capital changes	13,308	14,375
Changes in working capital, net of effects from disposal of subsidiary:		
Inventories	(9,343)	(6,574)
Trade and other receivables	3,460	(1,777)
Other current assets	(2,478)	(5,282)
Trade and other payables	(5,473)	511
Cash generated from operations	(526)	1,253
Interest received	91	91
Income tax paid	(4,434)	(2,904)
Net cash used in operating activities	(4,869)	(1,560)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	186	623
Purchase of property, plant and equipment	(5,043)	(11,722)
Net cash used in investing activities	(4,857)	(11,099)
Cash flows from financing activities		
Interest paid	(1,521)	(1,093)
Proceeds from borrowings	5,539	31,773
Repayment of borrowings	(3,621)	(1,016)
(Repayment of) / proceeds from finance lease liabilities	(118)	2,149
Dividends paid to equity holders of the Company	(11,458)	(9,880)
Dividends paid to non-controlling interests	(780)	(751)
Net cash (used in) / provided by financing activities	(11,959)	21,182
Net (decrease) / increase in cash and cash equivalents held	(21,685)	8,523
Cash and cash equivalents at the beginning of the financial period	60,079	27,966
Effects of currency translation on cash and cash equivalents	(97)	(215)
Cash and cash equivalents at the end of the financial period	38,297	36,274

Explanatory Notes:

Cash and cash equivalents comprise:-

	Group 01/04/12- 30/06/12 S\$ '000	Group 01/04/11- 30/06/11 S\$ '000
Cash and bank balances	40,972	37,658
Less: Bank overdrafts	(2,675)	(1,384)
	38,297	36,274

1(c)(ii) CONSOLIDATED STATEMENT OF CASH FLOWS (1H FY2012 vs 1H FY2011)

	Group 01/01/12- 30/06/12 S\$ '000	Group 01/01/11- 30/06/11 S\$ '000
Cash flows from operating activities		
Net profit	12,663	14,241
Adjustments for:		
Income tax	5,375	4,869
Depreciation of property, plant and equipment	7,360	6,761
Amortisation of intangible assets	31	31
Gain on disposal of property, plant and equipment	(74)	(70)
Interest expense	2,815	2,098
Interest income	(147)	(157)
Share of profit of associated companies	(857)	(1,287)
Gain on derivative instrument	(499)	-
Unrealised currency translation differences	(1,811)	(646)
Operating cash flow before working capital changes	24,856	25,840
Changes in working capital, net of effects from disposal of subsidiary:		
Inventories	(480)	(1,538)
Trade and other receivables	(989)	(13,642)
Other current assets	(5,470)	(6,381)
Trade and other payables	(13,119)	(4,960)
Cash generated from operations	4,798	(681)
Interest received	147	157
Income tax paid	(6,697)	(4,672)
Net cash used in operating activities	(1,752)	(5,196)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	213	1,699
Purchase of property, plant and equipment	(19,145)	(14,176)
Proceeds from disposal of financial assets, available-for-sale	7,824	-
Net cash used in investing activities	(11,108)	(12,477)
Cash flows from financing activities		
Interest paid	(2,834)	(2,089)
Proceeds from borrowings	47,539	31,773
Repayment of borrowings	(37,054)	(8,544)
Proceeds from finance lease liabilities	827	1,917
Dividends paid to equity holders of the Company	(11,458)	(9,880)
Dividends paid to non-controlling interests	(973)	(895)
Net cash (used in) / provided by financing activities	(3,953)	12,282
Net decrease in cash and cash equivalents held	(16,813)	(5,391)
Cash and cash equivalents at the beginning of the financial period	55,590	42,412
Effects of currency translation on cash and cash equivalents	(480)	(747)
Cash and cash equivalents at the end of the financial period	38,297	36,274

Explanatory Notes:

Cash and cash equivalents comprise:-

	Group 01/01/12- 30/06/12 S\$ '000	Group 01/01/11- 30/06/11 S\$ '000
Cash and bank balances	40,972	37,658
Less: Bank overdrafts	(2,675)	(1,384)
	38,297	36,274

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

STATEMENT OF CHANGES IN EQUITY

←Attributable to equity holders of the Company→

	Share capital S\$ '000	Other reserves S\$ '000	Retained profits S\$ '000	Sub-total S\$ '000	Non-controlling interests S\$ '000	Total equity S\$ '000
The Group						
Balance at 1 January 2012	77,001	1,655	169,691	248,347	12,224	260,571
Total comprehensive income for the period	-	(3,607)	11,675	8,068	972	9,040
Dividends relating to 2011 paid	-	-	(11,458)	(11,458)	(973)	(12,431)
Balance at 30 June 2012	77,001	(1,952)	169,908	244,957	12,223	257,180

	Share capital S\$ '000	Other reserves S\$ '000	Retained profits S\$ '000	Sub-total S\$ '000	Non-controlling interests S\$ '000	Total equity S\$ '000
The Group						
Balance at 1 January 2011	77,001	1,275	141,623	219,899	10,164	230,063
Total comprehensive income for the period	-	(3,390)	13,032	9,642	1,192	10,834
Dividends relating to 2010 paid	-	-	(9,880)	(9,880)	(895)	(10,775)
Balance at 30 June 2011	77,001	(2,115)	144,775	219,661	10,461	230,122

STATEMENT OF CHANGES IN EQUITY

	Share capital S\$ '000	Retained profits S\$ '000	Total equity S\$ '000
The Company			
Balance at 1 January 2012	77,001	50,863	127,864
Total comprehensive income for the period	-	4,522	4,522
Dividends relating to 2011 paid	-	(11,458)	(11,458)
Balance at 30 June 2012	77,001	43,927	120,928

	Share capital S\$ '000	Retained profits S\$ '000	Total equity S\$ '000
The Company			
Balance at 1 January 2011	77,001	48,723	125,724
Total comprehensive income for the period	-	5,263	5,263
Dividends relating to 2010 paid	-	(9,880)	(9,880)
Balance at 30 June 2011	77,001	44,106	121,107

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares, excluding treasury shares 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

There was no change in the Company's number of shares since 31 December 2011. The share capital of the Company as at 30 June 2012 was 584,591,628 ordinary shares.

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

	Company 30/06/12	Company 31/12/11
Ordinary shares	584,591,628	584,591,628

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

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2011.

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

Not applicable.

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

EARNINGS PER SHARE

	Group 01/04/12 - 30/06/12	Group 01/04/11 - 30/06/11	Group 01/01/12 - 30/06/12	Group 01/01/11 - 30/06/11
(a) Based on the number of ordinary shares on issue (cents)	1.05	1.14	2.00	2.23
(b) On fully diluted basis (cents)	1.05	1.14	2.00	2.23

- (i) The Group earnings per share for current and preceding periods are based on the actual number of shares in issue of 584,591,628 ordinary shares.
- (ii) Diluted earnings per share is the same as basic earnings per share. There are no dilutive potential ordinary shares as there are no outstanding share options at the beginning and end of the financial year.
- (iii) There was no material impact on prior period EPS on adoption of the revised FRS as disclosed in paragraph 5.

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

NET ASSET VALUE PER SHARE

	Group 30/06/12	Group 31/12/11	Company 30/06/12	Company 31/12/11
Net asset value per ordinary share (cents)	41.90	42.48	20.69	21.87

- (i) The Group and Company net asset value per share as at 30 June 2012 and as at 31 December 2011 are based on the actual number of shares in issue of 584,591,628 ordinary shares.
- (ii) There was no material impact on prior period net asset value per share on adoption of the revised FRS as disclosed in paragraph 5.

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on

REVIEW OF SECOND QUARTER FINANCIAL RESULTS

Turnover

The Group reported a 3.9% (or \$5.2 million) rise in turnover to \$139.5 million (2Q2012) from \$134.3 million (2Q2011) mainly due to the successful implementation of its multi-brand, multi-category and multi-product ("3M") marketing strategies as compared to the corresponding period last year.

Both YHI's distribution and manufacturing segments recorded higher turnover in 2Q2012. Distribution segment, accounted for 72.4% of the Group's total turnover, recorded a 3.2% rise in turnover, rising from \$97.9 million (2Q2011) to \$101.0 million (2Q2012). The manufacturing segment, accounted for 27.6% of the Group's total turnover, recorded a growth of 5.8% in turnover, from \$36.4 million (2Q2011) to \$38.5 million (2Q2012).

Gross Profit

Gross Profit rose by 3.9% (or \$1.2 million) to \$33.5 million (2Q2012) from \$32.3 million (2Q2011). The increase was mainly due to higher turnover from both the distribution and manufacturing segments. The Group's gross profit margin remained at 24.0% in 2Q2012, same as in 2Q2011.

Other Gains

Other gains decreased from \$0.6 million to \$0.5 million mainly due to fee income of \$0.1 million received from an associated company that was reported in 2Q2011. However, there was no fee income received in 2Q2012.

Operating Expenses

Distribution and administrative expenses increased by 4.6% (or \$1.0 million) to \$23.3 million (2Q2012) from \$22.3 million (2Q2011) mainly due to higher delivery charges, sales related variable expenses and staff costs.

Financing costs increased by 27.3% (or \$0.3 million) to \$1.4 million (2Q2012) from \$1.1 million (2Q2011), primarily due to higher usage of bank borrowings.

Share of Profit of Associated Company

Our associated company reported better performance in 2Q2012 and consequently our share of profit was slightly higher at \$0.8 million compared to \$0.7 million in 2Q2011.

Net Profit after Tax and Non-controlling Interests

Net profit after tax and non-controlling interests attributable to shareholders of the Company decreased by 8.0% (or \$0.5 million) to \$6.2 million in 2Q2012 from \$6.7 million in 2Q2011.

REVIEW OF SIX-MONTH YEAR-TO-DATE FINANCIAL RESULTS AND FINANCIAL POSITION (1H FY2012 VS 1H FY2011)

Turnover

The Group's turnover for the first half of FY2012 was \$277.4 million, an increase of 5.4% (or \$14.2 million) over \$263.2 million recorded in the first half of FY2011.

Both YHI's distribution and manufacturing segments recorded higher turnover in the first half of FY2012. The distribution segment, accounted for 72.5% of the Group's total turnover, recorded a 4.7% (or \$9.0 million) rise in turnover to \$201.1 million. The manufacturing segment, accounted for 27.5% of the Group's total turnover, recorded a growth of 7.3% (or \$5.2 million) in turnover to \$76.3 million.

Gross Profit

Gross Profit rose by 2.8% (or \$1.8 million) to \$64.5 million in the first half of FY2012 compared to \$62.7 million in the corresponding period last year. The increase was mainly due to higher turnover from both the distribution and manufacturing segments. However, the Group's gross profit margin declined to 23.2% in 1H2012 compared to 23.8% in 1H2011 due to lower margins from the distribution business.

Other Gains

Other gains decreased from \$1.3 million to \$0.9 million mainly due to an insurance claim (\$0.4 million) relating to the devastating floods in Brisbane and fee income (\$0.1 million) received from an associated company which were reported in 1H2011. However, there were no insurance claim and fee income received in 1H2012.

Operating Expenses

Distribution and administrative expenses increased by 2.9% (or \$1.3 million) in the first half of FY2012 to \$45.4 million compared to \$44.1 million in the corresponding period last year mainly due to higher sales related variable expenses, higher staff costs, repair & maintenance and warehouse rental expenses.

Financing costs increased by 34.2% (or \$0.7million) to \$2.8 million (1H2012) from \$2.1 million (1H2011), primarily due to higher usage of bank borrowings.

Share of Profit of Associated Company

Our share of profit of associated company was \$0.9 million in 1H2012 compared to \$1.3 million in 1H2011. The lower share of profit was due to lower profit reported by our associated company in 1H2012 and the divestment of our 49% equity interest in Yokohama Tire Sales (Shanghai) Co., Ltd which ceased to be an associated company in July 2011.

Net Profit after Tax and Non-controlling Interests

Net profit after tax and non-controlling interests attributable to shareholders of the Company decreased by 10.4% (or \$1.3 million) to \$11.7 million in 1H2012 from \$13.0 million in 1H2011.

STATEMENT OF FINANCIAL POSITION REVIEW

As at 30 June 2012, total assets amounted to about \$436.8 million comprising \$283.4 million of current assets and \$153.4 million of non-current assets. Total liabilities amounted to about \$179.6 million comprising current liabilities of \$125.6 million and non-current liabilities of \$54.0 million. Shareholders' equity including non-controlling interests amounted to \$257.2 million.

The substantial changes in the statement of financial position compared to 31 December 2011 are as follows:

Trade and other receivables

Trade and other receivables decreased from \$109.8 million to \$103.0 million mainly due to the settlement of outstanding receivables from the divestment of our 49% equity interest in Yokohama Tire Sales (Shanghai) co., Ltd as at 31 December 2011.

Inventories

Inventories increased from \$117.7 million to \$118.2 million in anticipation of higher sales in 3Q2012.

Other current assets

Other current assets increased from \$15.8 million to \$21.3 million mainly due to increase of prepayments and deposits paid for purchasing of new plants and machineries.

Property, plant and equipment

Property, plant and equipment ("PPE") increased by \$10.7 million to \$129.5 million from \$118.8 million mainly due to additions of PPE offset by depreciation charged for the 6 months ended 30 June 2012.

Trade and other payables

Trade and other payables decreased from \$56.7 million to \$43.8 million mainly due to trade payments to suppliers and settlement of PPE payables in 1H2012.

Borrowings (current & non-current)

Borrowings increased from \$118.1 million to \$129.6 million due to additional bank borrowings for capital expenditures in property, plant and equipment for the 6 months ended 30 June 2012.

Other reserves

Other reserves decreased by \$3.6 million mainly due to translation loss of our investments in China and Malaysia. Exchange rate of RMB and MYR against SGD has weakened as at end June 2012 from end December 2011.

STATEMENT OF CASH FLOWS REVIEW

\$1.7 million was used in operating activities in the first half of FY2012. The Group utilised \$11.1 million in the investing activities mainly for the purchase of plant and equipment. A total of \$4.0 million was used in the financing activities mainly for the repayment of bank borrowings and payment of dividends. Cash and cash equivalents amounted to \$38.3 million at the end of June 2012 compared to \$55.6 million reported at end of December 2011.

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

There is no forecast or prospect statement previously disclosed.

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

As Eurozone continuing to struggle with the debt crisis and the slower growth in China and United States, the global economic outlook remains uncertain. We also expect volatility in raw materials such as aluminium and currencies to continue in 2012.

For YHI's manufacturing business, the business operating environment is expected to remain challenging and profitability is expected to be under pressure. The Group will strive for continual innovations and improvements in its production systems to reduce operating costs and improve productivity. The new Malacca factory is on track with its installation of machines and production is expected to start in the fourth quarter of 2012.

With regard to the distribution business, the Group will leverage on its stable of products to capitalise growth opportunities in its existing sales network and continue to seek business opportunities in the emerging markets. We expect the Distribution business to continue to be the key contributor for the Group.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect

No dividend has been recommended for the period ended 30 June 2012.

13. Aggregate value of interested person transactions entered into by the Company and/or its subsidiaries

Not applicable to Q1, Q2, & Q3 results.

14. Statement Pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited

We, Tay Tian Hoe Richard and Tay Tiang Guan, being the two executive directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the six months ended 30 June 2012 to be false or misleading in any material aspect.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

15. Segmented revenue and results for business or geographical 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

Not applicable to Q1, Q2, & Q3 results.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable to Q1, Q2, & Q3 results.

17. A breakdown of sales

A breakdown of sales:-

Not applicable to Q1, Q2, & Q3 results.

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend

	Latest Full Year S\$ '000	Previous Full Year S\$ '000
Ordinary	-	-
Preference	-	-
Total:	<hr/> - <hr/>	<hr/> - <hr/>

19. 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(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Not applicable to Q1, Q2, & Q3 results.

BY ORDER OF THE BOARD

Tay Tian Hoe Richard
Executive Chairman and Group Managing Director
08/08/2012

Submitted by Tay Tian Hoe Richard, Executive Chairman and Group Managing Director on 08/08/2012 to the SGX.