



Unaudited Second Quarter 2013 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 FY2013 vs 2Q FY2012)

	Group 01/04/13- 30/06/13 S\$ '000	Group 01/04/12- 30/06/12 S\$ '000	Incr/(Decr) %
Sales	129,941	139,526	(6.9%)
Cost of sales	(102,098)	(106,004)	(3.7%)
Gross profit	27,843	33,522	(16.9%)
Other gains - net	536	505	6.1%
Expenses			
- Distribution	(12,784)	(12,000)	6.5%
- Administrative	(10,626)	(11,343)	(6.3%)
- Finance	(1,291)	(1,405)	(8.1%)
Share of profit of associated companies	366	807	(54.6%)
Profit before income tax	4,044	10,086	(59.9%)
Income tax expense	(1,513)	(3,335)	(54.6%)
Net profit	2,531	6,751	(62.5%)
Attributable to:			
Equity holders of the Company	2,067	6,151	(66.4%)
Non-controlling interests	464	600	(22.6%)
	2,531	6,751	(62.5%)

NOTES TO CONSOLIDATED INCOME STATEMENT (2Q FY2013 vs 2Q FY2012)

	Group 01/04/13- 30/06/13 S\$ '000	Group 01/04/12- 30/06/12 S\$ '000	Incr/(Decr) %
Interest income	57	91	(37.2%)
Interest on borrowings	(1,291)	(1,405)	(8.1%)
Depreciation and impairment charges of property, plant and equipment	(4,375)	(3,909)	11.9%
Amortisation of intangible assets	(15)	(15)	NM
Allowance for impairment of doubtful trade receivables	(523)	(666)	(21.5%)
Write down of inventory	(755)	(637)	18.5%
Currency exchange gain - net	485	329	47.4%
Share of profit of associated companies	366	807	(54.6%)
Gain on disposal of property, plant and equipment	36	51	(29.4%)

NM – Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (2Q FY2013 vs 2Q FY2012)

	Group 01/04/13- 30/06/13 S\$ '000	Group 01/04/12- 30/06/12 S\$ '000	Incr/(Decr) %
Profit for the period	2,531	6,751	(62.5%)
Other comprehensive income, net of tax:			
- Currency translation differences	(1,579)	(962)	64.0%
Total comprehensive income for the period	952	5,789	(83.6%)
Total comprehensive income attributable to:			
Equity holders of the Company	1,601	5,432	(70.6%)
Non-controlling interests	(649)	357	NM
	952	5,789	(83.6%)

NM – Not meaningful

1(a)(ii) CONSOLIDATED INCOME STATEMENT (1H FY2013 vs 1H FY2012)

	Group 01/01/13- 30/06/13 S\$ '000	Group 01/01/12- 30/06/12 S\$ '000	Incr/(Decr) %
Sales	250,362	277,427	(9.8%)
Cost of sales	(196,521)	(212,950)	(7.7%)
Gross profit	53,841	64,477	(16.5%)
Other gains - net	1,098	928	18.3%
Expenses			
- Distribution	(24,129)	(23,068)	4.6%
- Administrative	(21,297)	(22,341)	(4.7%)
- Finance	(2,525)	(2,815)	(10.3%)
Share of profit of associated companies	450	857	(47.5%)
Profit before income tax	7,438	18,038	(58.7%)
Income tax expense	(3,063)	(5,375)	(43.0%)
Net profit	4,375	12,663	(65.4%)
Attributable to:			
Equity holders of the Company	3,532	11,675	(69.7%)
Non-controlling interests	843	988	(14.6%)
	4,375	12,663	(65.4%)

NOTES TO CONSOLIDATED INCOME STATEMENT (1H FY2013 vs 1H FY2012)

	Group 01/01/13- 30/06/13 S\$ '000	Group 01/01/12- 30/06/12 S\$ '000	Incr/(Decr) %
Interest income	138	147	(6.1%)
Interest on borrowings	(2,525)	(2,815)	(10.3%)
Depreciation and impairment charges of property, plant and equipment	(8,683)	(7,360)	18.0%
Amortisation of intangible assets	(31)	(31)	NM
Allowance for impairment of doubtful trade receivables	(614)	(871)	(29.5%)
Write down of inventory	(874)	(872)	0.2%
Currency exchange gain / (loss) - net	238	(110)	NM
Share of profit of associated companies	450	857	(47.4%)
Gain on disposal of property, plant and equipment	55	74	(25.8%)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (1H FY2013 vs 1H FY2012)

	Group 01/01/13- 30/06/13 S\$ '000	Group 01/01/12- 30/06/12 S\$ '000	Incr/(Decr) %
Profit for the period	4,375	12,663	(65.4%)
Other comprehensive income, net of tax:			
- Currency translation differences	1,185	(3,623)	NM
Total comprehensive income for the period	5,560	9,040	(38.5%)
Total comprehensive income attributable to:			
Equity holders of the Company	5,377	8,068	(33.4%)
Non-controlling interests	183	972	(81.2%)
	5,560	9,040	(38.5%)

NM – 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 30/06/13 S\$ '000	Group 31/12/12 S\$ '000	Company 30/06/13 S\$ '000	Company 31/12/12 S\$ '000
Current assets				
Cash and cash equivalents	44,930	42,470	2,584	2,112
Trade and other receivables	94,054	86,325	45,165	50,530
Inventories	122,396	134,210	-	-
Other current assets	14,116	14,786	6	13
	275,496	277,791	47,755	52,655
Non-current assets				
Investments in subsidiaries	-	-	100,122	100,122
Investments in associated companies	16,587	16,137	-	-
Transferable club membership, at cost	181	181	-	-
Property, plant and equipment	141,288	141,908	12	38
Intangible assets	3,197	3,231	-	-
Deferred income tax assets	4,266	4,157	-	-
Derivative financial instruments	-	104	-	104
	165,519	165,718	100,134	100,264
Total assets	441,015	443,509	147,889	152,919
Current liabilities				
Trade and other payables	43,971	45,505	3,426	3,682
Borrowings	88,093	86,878	6,400	6,400
Derivative financial instrument	158	23	158	23
Current income tax liabilities	1,340	2,209	319	314
	133,562	134,615	10,303	10,419
Non-current liabilities				
Borrowings	46,725	45,589	14,600	17,800
Derivative financial instrument	160	-	160	-
Deferred income tax liabilities	2,194	2,216	-	-
	49,079	47,805	14,760	17,800
Total liabilities	182,641	182,420	25,063	28,219
Net assets	258,374	261,089	122,826	124,700
Capital and reserves attributable to equity holders of the Company				
Share capital	77,001	77,001	77,001	77,001
Other reserves	(4,318)	(6,161)	-	-
Retained earnings	172,628	176,401	45,825	47,699
	245,311	247,241	122,826	124,700
Non-controlling interests	13,063	13,848	-	-
Total equity	258,374	261,089	122,826	124,700

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 30/06/13		Group As at 31/12/12	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
88,093	-	86,878	-

Amount repayable after one year

Group As at 30/06/13		Group As at 31/12/12	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
46,725	-	45,589	-

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 (2012: 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 FY2013 vs 2Q FY2012)

	Group 01/04/13- 30/06/13 S\$ '000	Group 01/04/12- 30/06/12 S\$ '000
Cash flows from operating activities		
Net profit	2,531	6,751
Adjustments for:		
Income tax	1,513	3,335
Depreciation of property, plant and equipment	4,375	3,909
Amortisation of intangible assets	15	15
Gain on disposal of property, plant and equipment	(36)	(51)
Interest expense	1,291	1,405
Interest income	(57)	(91)
Share of profit of associated companies	(366)	(807)
Fair value loss on derivative financial instrument	211	124
Unrealised currency translation differences	(3,049)	(1,282)
Operating cash flow before working capital changes	<u>6,428</u>	<u>13,308</u>
Changes in working capital, net of effects from disposal of subsidiary:		
Inventories	2,711	(9,343)
Trade and other receivables	(3,242)	3,460
Other current assets	2,693	(2,478)
Trade and other payables	(1,291)	(5,473)
Cash generated from / (used in) operations	<u>7,299</u>	<u>(526)</u>
Interest received	57	91
Income tax paid	(1,669)	(4,434)
Net cash provided by / (used in) operating activities	<u>5,687</u>	<u>(4,869)</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	550	186
Purchase of property, plant and equipment	(1,632)	(5,043)
Net cash used in investing activities	<u>(1,082)</u>	<u>(4,857)</u>
Cash flows from financing activities		
Interest paid	(1,316)	(1,521)
Proceeds from borrowings	11,994	5,539
Repayments of borrowings	(4,201)	(3,621)
Repayments of finance lease liabilities	(758)	(118)
Dividends paid to equity holders of the Company	(7,307)	(11,458)
Dividends paid to non-controlling interests	(890)	(780)
Net cash used in financing activities	<u>(2,478)</u>	<u>(11,959)</u>
Net increase / (decrease) in cash and cash equivalents held	2,127	(21,685)
Cash and cash equivalents at the beginning of the financial period	39,856	60,079
Effects of currency translation on cash and cash equivalents	(74)	(97)
Cash and cash equivalents at the end of the financial period	<u>41,909</u>	<u>38,297</u>

Explanatory Notes:-

Cash and cash equivalents comprise:-

	Group 01/04/13 - 30/06/13 S\$ '000	Group 01/04/12- 30/06/12 S\$ '000
Cash and bank balances	44,930	40,972
Less: Bank overdrafts	(3,021)	(2,675)
	<u>41,909</u>	<u>38,297</u>

1(c)(ii) CONSOLIDATED STATEMENT OF CASH FLOWS (1H FY2013 vs 1H FY2012)

	Group 01/01/13- 30/06/13 S\$ '000	Group 01/01/12- 30/06/12 S\$ '000
Cash flows from operating activities		
Net profit	4,375	12,663
Adjustments for:		
Income tax	3,063	5,375
Depreciation of property, plant and equipment	8,683	7,360
Amortisation of intangible assets	31	31
Gain on disposal of property, plant and equipment	(55)	(74)
Interest expense	2,525	2,815
Interest income	(138)	(147)
Share of profit of associated companies	(450)	(857)
Fair value loss / (gain) on derivative financial instrument	400	(499)
Unrealised currency translation differences	(1,805)	(1,811)
Operating cash flow before working capital changes	16,629	24,856
Changes in working capital, net of effects from disposal of subsidiary:		
Inventories	11,813	(480)
Trade and other receivables	(7,668)	(989)
Other current assets	610	(5,470)
Trade and other payables	(222)	(13,119)
Cash generated from operations	21,162	4,798
Interest received	138	147
Income tax paid	(3,933)	(6,697)
Net cash provided by / (used in) operating activities	17,367	(1,752)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	708	213
Proceeds from disposal of financial assets, available-for-sale	-	7,824
Purchase of property, plant and equipment	(7,231)	(19,145)
Net cash used in investing activities	(6,523)	(11,108)
Cash flows from financing activities		
Interest paid	(2,494)	(2,834)
Proceeds from borrowings	11,994	47,539
Repayment of borrowings	(8,876)	(37,054)
Proceeds of finance lease liabilities	148	827
Dividends paid to equity holders of the Company	(7,307)	(11,458)
Dividends paid to non-controlling interests	(968)	(973)
Net cash used in financing activities	(7,503)	(3,953)
Net increase / (decrease) in cash and cash equivalents held	3,341	(16,813)
Cash and cash equivalents at the beginning of the financial period	38,400	55,590
Effects of currency translation on cash and cash equivalents	168	(480)
Cash and cash equivalents at the end of the financial period	41,909	38,297

Explanatory Notes:-

Cash and cash equivalents comprise:-

	Group 01/01/13 - 30/06/13 S\$ '000	Group 01/01/12- 30/06/12 S\$ '000
Cash and bank balances	44,930	40,972
Less: Bank overdrafts	(3,021)	(2,675)
	41,909	38,297

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 earnings S\$ '000	Sub-total S\$ '000	Non-controlling interests S\$ '000	Total S\$ '000
The Group						
Balance at 1 January 2013	77,001	(6,161)	176,401	247,241	13,848	261,089
Total comprehensive income for the period	-	1,843	3,534	5,377	183	5,560
Dividends relating to 2012 paid	-	-	(7,307)	(7,307)	(968)	(8,275)
Balance at 30 June 2013	77,001	(4,318)	172,628	245,311	13,063	258,374

	Share capital S\$ '000	Other reserves S\$ '000	Retained earnings S\$ '000	Sub-total S\$ '000	Non-controlling interests S\$ '000	Total 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

The Company

	Share Capital S\$ '000	Retained earnings S\$ '000	Total S\$ '000
Balance at 1 January 2013	77,001	47,699	124,700
Total comprehensive income for the period	-	5,433	5,433
Dividends relating to 2012 paid	-	(7,307)	(7,307)
Balance at 30 June 2013	77,001	45,825	122,826

The Company

	Share Capital S\$ '000	Retained earnings S\$ '000	Total S\$ '000
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

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 2012. The share capital of the Company as at 30 June 2013 was 584,591,628 ordinary shares.

1(d)(iii) 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 30/06/13	Company 31/12/12
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

Except for those as disclosed under paragraph 5, the accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements.

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

On 1 January 2013, the Group has adopted the following revised FRS:-

Amendments to FRS 1 - Presentation of items of Other Comprehensive Income

The amendment requires items presented in other comprehensive income ("OCI") to be separated into two groups, based on whether or not they may be recycled to profit or loss in the future. Items that will not be recycled such as revaluation gains on property, plant and equipment will be presented separately from items that may be recycled in the future, such as deferred gains and losses on cash flow hedges. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately.

Amendment to FRS 1, "Presentation of financial statements"

The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either:

- as required by FRS 8 "Accounting policies, changes in accounting estimates and errors"; or
- voluntarily.

Amendment to FRS 34, "Interim financial reporting"

The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements. A measure of total assets and liabilities is required for an operating segment in interim financial statements if such information is regularly provided to the CODM and there has been a material change in those measures since the last annual financial statements.

FRS 113 Fair value measurement

FRS 113, "Fair value measurement", explains how to measure fair value and aims to enhance fair value disclosures; it does not say when to measure fair value or when additional fair value measurements are required. The project converges FRS and US GAAP on how to measure fair value, but there will continue to be differences in certain respects, including when fair value measurements are required and when gains and losses can be recognised.

The adoption of the above FRS did not materially impact the financial statements of the Group.

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 01/04/13 - 30/06/13	Group 01/04/12 - 30/06/12	Group 01/01/13 - 30/06/13	Group 01/01/12 - 30/06/12
(a) Based on the number of ordinary shares on issue (cents)	0.35	1.05	0.60	2.00
(b) On fully diluted basis (cents)	0.35	1.05	0.60	2.00

- The Group earnings per share for current and preceding financial year are based on the actual number of shares in issue of 584,591,628 ordinary shares.
- 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.
- 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 30/06/13	Group 31/12/12	Company 30/06/13	Company 31/12/12
Net asset value per ordinary share (cents)	41.96	42.29	21.01	21.33

- The Group and Company net asset value per share as at 30 June 2013 and as at 31 December 2012 are based on the actual number of shares in issue of 584,591,628 ordinary shares.
- There was no material impact on prior year 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 6.9% (or \$9.6 million) decrease in turnover to \$129.9 million (2Q2013) from \$139.5 million (2Q2012) mainly due to lower demand for our products in both Distribution and Manufacturing segments as compared to the corresponding period last year.

Distribution segment, accounting for 74.1% of the Group's total turnover, recorded a decrease of 4.7% (or \$4.7 million) in turnover, from \$101.0 million (2Q2012) to \$96.3 million (2Q2013). Manufacturing segment, accounting for 25.9% of the Group's total turnover, recorded a decrease of 12.6% (or \$4.9 million) in turnover, from \$38.5 million (2Q2012) to \$33.6 million (2Q2013).

Gross Profit

Gross Profit decreased by 16.9% (or \$5.7 million) to \$27.8 million (2Q2013) from \$33.5 million (2Q2012). The lower gross profit in 2Q2013 was mainly due to lower turnover and gross profit margin reported in both distribution and manufacturing business segments. The Group's gross profit margin declined to 21.4% in 2Q2013 compared to 24.0% in 2Q2012 mainly due to lower margins from both distribution and manufacturing business segments.

Operating Expenses

Distribution expenses increased by 6.5% (or \$0.8 million) in 2Q2013 to \$12.8 million compared to \$12.0 million in 2Q2012 mainly due to higher staff costs.

Administrative expenses decreased by 6.3% (or \$0.7 million) in 2Q2013 to \$10.6 million compared to \$11.3 million in 2Q2012 mainly due to lower bonuses accrued in the period.

Financing costs decreased by 8.1% (or \$0.1 million) in 2Q2013 to \$1.3 million compared to \$1.4 million in 2Q2012. The decrease was due to lower borrowings in certain subsidiaries in the period under review.

Share of Profit of Associated Companies

Our associated company reported lower profit in 2Q2013 and consequently our share of profit was lower at \$0.4 million compared to \$0.8 million in 2Q2012.

Income Tax expense

Income tax expense decreased by 54.6% mainly due to lower profit before tax in 2Q2013.

Net Profit after Tax and Non-controlling Interests

Net profit after tax and non-controlling interests attributable to shareholders of the Company decrease by 66.4% (or \$4.1 million) to \$2.1 million in 2Q2013 from \$6.2 million in 2Q2012.

REVIEW OF SIX-MONTH YEAR-TO-DATE FINANCIAL RESULTS AND FINANCIAL POSITION (1H FY2013 VS 1H FY2012)

Turnover

The Group's turnover for the first half of FY2013 was \$250.4 million, decreased of 9.8% (or \$27.0 million) over \$277.4 million recorded in the first half of FY2012.

Both our distribution & manufacturing segments recorded lower turnover in the first half of FY2013. Distribution segment, accounting for 74.9% of the Group's total turnover, recorded a decrease of 6.7% (or \$13.5 million) in turnover, from \$201.1 million (1H2012) to \$187.6 million (1H2013). Manufacturing segment, accounting for 25.1% of the Group's total turnover, recorded a decrease of 17.8% (or \$13.4 million) in turnover, from \$76.3 million (1H2012) to \$62.7 million (1H2013).

Gross Profit

Gross Profit decreased by 16.5% (or \$10.7 million) to \$53.8 million in the first half of FY2013 compared to \$64.5 million in the corresponding period last year. The lower gross profit in 1H2013 was mainly due to lower turnover and gross profit margin reported in both distribution and manufacturing business. The Group's gross profit margin declined to 21.5% in 1H2013 compared to 23.2% in 1H2012 due to lower margins from distribution and manufacturing business segments.

Other Gains

Other gains increased from \$0.9 million to \$1.1 million mainly due to the increase in the amount received from warranty claims on buggy parts.

Operating Expenses

Distribution expenses increased by 4.6% (or \$1.0 million) in 1H2013 to \$24.1 million compared to \$23.1 million in 1H2012 mainly due to higher staff costs.

Administrative expenses decreased by 4.7% (or \$1.0 million) in 1H2013 to \$21.3 million compared to \$22.3 million in 1H2012 mainly due to lower bonuses accrued in the period

Financing costs decreased by 10.3% (or \$0.3million) to \$2.5 million (1H2013) from \$2.8 million (1H2012). The decrease was due to lower borrowings in certain subsidiaries in the period under review.

Share of Profit of Associated Companies

Share of profit of associated companies were \$0.5 million in 1H2013 compared to \$0.8 million in 1H2012 due to lower profit reported by our associated company.

Net Profit after Tax and Non-controlling Interests

Net profit after tax and non-controlling interests attributable to shareholders of the Company decrease by 69.7% (or \$8.1 million) to \$3.5 million in 1H2013 from \$11.7 million in 1H2012.

STATEMENT OF FINANCIAL POSITION REVIEW

As at 30 June 2013, total assets amounted to about \$441.0 million comprising \$275.5 million of current assets and \$165.5 million of non-current assets. Total liabilities amounted to about \$182.6 million comprising current liabilities of \$133.6 million and non-current liabilities of \$49.1 million. Shareholders' equity including non-controlling interests amounted to \$258.4 million.

The substantial changes in the statement of financial position compared to 31 December 2012 are as follows:

Trade and other receivables

Trade and other receivables increased from \$86.3 million to \$94.1 million mainly due to higher sales. Most of these trade receivables remained outstanding at the end of June 2013 but they were still within the acceptable credit terms.

Inventories

Inventories decreased from \$134.2 million to \$122.4 million mainly due to better inventory management.

Property, plant and equipment

Property, plant and equipment ("PPE") decreased by \$0.6 million to \$141.3 million from \$141.9 million mainly due to additions of PPE offset by depreciation charged for the quarter ended 30 June 2013.

Trade and other payables

Trade and other payables decreased from \$45.5 million to \$43.9 million mainly due to trade payments to suppliers and settlement of PPE payable in 1H2013.

Borrowings (current & non-current)

Borrowings increased from \$132.5 million to \$134.8 million due to additional bank borrowings for capital expenditure in property, plant and equipment during the 6 months ended 30 June 2013.

Other reserves

Other reserves increased by \$1.8 million mainly due to translation gain of our investments in China and offset with translation loss of investments in Australia. Exchange rate of RMB against SGD has strengthened and AUD against SGD has weakened as at end June 2013 from end December 2012.

STATEMENT OF CASH FLOWS REVIEW

\$17.4 million was generated by operating activities in first half of 2013. The Group utilized \$6.5 million in the investing activities mainly for the purchase of plant and equipment. A total of \$7.5 million was used in the financing activities mainly for the repayment of bank borrowings and payment of dividends. Cash and cash equivalents amounted to \$41.9 million at the end of June 2013 compared to \$38.4 million reported at end of December 2012.

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

The global economic outlook remains uncertain. China has reported slowing growth and demand from Europe remains weak. The Group is cautious over its business prospects and expects volatility in raw materials prices such as aluminum and currencies to continue in 2013.

The operating environment of our manufacturing business is expected to remain challenging and operating margins to remain under pressure. However, we will continue to develop the USA & Asia markets and focus on better product mix. We will continue to focus on brand building, product innovation & design and improvements in our production systems to enhance quality, productivity and reduce operating costs.

The recent collaboration with Mercedes AMG Petronas Formula One ("F1") team covering 2013, 2014 and 2015 is our latest effort in the Group's marketing strategy to elevate YHI's wheels to become a global and recognized brand name in an international market. The latest win by Mercedes driven by Lewis Hamilton at the Hungarian Grand Prix has elevated YHI's image and brand value of our proprietary wheels, Advanti Racing. The Group will continue to work with our partners and distributors to be the trend setter and market leader of alloy wheel designs and quality.

Our marketing strategy to grow our After-Market and Original Equipment Manufacturing ("OEM") businesses in Malaysia and other regional markets has won the Group an OEM contract from Proton for the supply of alloy wheels to Proton for its three popular car models, namely, Satroa Meo R3, Global Small Cars and Saga FLX. This order of alloy wheels will be manufactured at the Group's Malaysia plant.

New machines for our phase 2 expansion at Malacca factory had been fully installed and trial production had started in June. With the phase 2 installation, the Malacca factory now has an annual production capacity of 600,000 wheels per annum.

We will continue to develop business opportunities for our distribution business executing the multi-product, multi-brand and multi-category ("3M") marketing strategies. With the recent addition of Otani and Double Coin tyres to our portfolio of premium and proprietary brands, we will accelerate our business development plans through the existing sales network as well as developing new sales channels to increase our commercial tyres business.

As for our proprietary brand Neuton Tyres, we are finalizing the details on the additional 10 sizes of 4x4 range and 2 sizes of passenger cars range and expect to launch the new sizes by 4Q2013.

The Group is mindful of the challenging business environment and will focus on improving its competitive edge, offering wider range of products and expanding more sales channels. We will continue to explore new business opportunities that are compatible with our 3M growth strategies. The Group expects 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 2013.

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, please make a statement to that effect

No general mandate was obtained from shareholders for IPTs.

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 two of the 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 2013 to be false or misleading in any material aspect.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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/> -

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
06/08/2013

Submitted by Tay Tian Hoe Richard, Executive Chairman and Group Managing Director on 06/08/2013 to the SGX.