



Unaudited Third 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 (3Q FY2013 vs 3Q FY2012)

	Group 01/07/13- 30/09/13 S\$ '000	Group 01/07/12- 30/09/12 S\$ '000	Incr/(Decr) %
Sales	138,863	136,735	1.6%
Cost of sales	(109,855)	(106,073)	3.6%
Gross profit	29,008	30,662	(5.4%)
Other gains - net	503	591	(14.9%)
Expenses			
- Distribution	(12,685)	(11,583)	9.5%
- Administrative	(11,856)	(11,238)	5.5%
- Finance	(1,216)	(1,382)	(12.0%)
Share of profit/(loss) of associated companies	28	(20)	NM
Profit before income tax	3,782	7,030	(46.2%)
Income tax expense	(1,375)	(2,351)	(41.5%)
Net profit	2,407	4,679	(48.6%)
Attributable to:			
Equity holders of the Company	2,014	3,902	(48.4%)
Non-controlling interests	393	777	(49.4%)
	2,407	4,679	(48.6%)

NOTES TO CONSOLIDATED INCOME STATEMENT (3Q FY2013 vs 3Q FY2012)

	Group 01/07/13- 30/09/13 S\$ '000	Group 01/07/12- 30/09/12 S\$ '000	Incr/(Decr) %
Interest income	71	65	9.2%
Interest on borrowings	(1,216)	(1,382)	(12.0%)
Depreciation and impairment charges of property, plant and equipment	(4,460)	(3,759)	18.6%
Amortisation of intangible assets	(16)	(16)	NM
Allowance for impairment of doubtful trade receivables	(487)	(20)	NM
Allowance for inventory obsolescence	(535)	(21)	NM
Currency exchange gain/(loss) - net	(662)	(482)	37.3%
Share of profit/(loss) of associated companies	28	(20)	NM
Gain on disposal of property, plant and equipment	17	77	(77.9%)

NM – Not meaningful

**YHI INTERNATIONAL LIMITED**

(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (3Q FY2013 vs 3Q FY2012)

	Group 01/07/13- 30/09/13 S\$ '000	Group 01/07/12- 30/09/12 S\$ '000	Incr/(Decr) %
Profit for the period	2,407	4,679	(48.6%)
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss			
- Currency translation differences	(1,216)	(3,955)	(69.3%)
Total comprehensive income for the period	1,191	724	64.5%
Total comprehensive income attributable to:			
Equity holders of the Company	655	(202)	NM
Non-controlling interests	536	926	(42.1%)
	1,191	724	64.5%



YHI INTERNATIONAL LIMITED
 (Company Registration No. 200007455H)
 (Incorporated In the Republic of Singapore)

1(a)(ii) CONSOLIDATED INCOME STATEMENT (YTD SEP FY2013 vs YTD SEP FY2012)

	Group 01/01/13- 30/09/13 S\$ '000	Group 01/01/12- 30/09/12 S\$ '000	Incr/(Decr) %
Sales	389,225	414,162	(6.0%)
Cost of sales	(306,376)	(319,023)	(4.0%)
Gross profit	82,849	95,139	(12.9%)
Other gains - net	1,601	1,519	5.4%
Expenses			
- Distribution	(36,814)	(34,651)	6.2%
- Administrative	(33,153)	(33,579)	(1.3%)
- Finance	(3,741)	(4,197)	(10.9%)
Share of profit of associated companies	478	837	(42.9%)
Profit before income tax	11,220	25,068	(55.2%)
Income tax expense	(4,438)	(7,726)	(42.6%)
Net profit	6,782	17,342	(60.9%)
Attributable to:			
Equity holders of the Company	5,546	15,577	(64.4%)
Non-controlling interests	1,236	1,765	(30.0%)
	6,782	17,342	(60.9%)

NOTES TO CONSOLIDATED INCOME STATEMENT (YTD SEP FY2013 vs YTD SEP FY2012)

	Group 01/01/13- 30/09/13 S\$ '000	Group 01/01/12- 30/09/12 S\$ '000	Incr/(Decr) %
Interest income	209	212	(1.4%)
Interest on borrowings	(3,741)	(4,197)	(10.9%)
Depreciation and impairment charges of property, plant and equipment	(13,143)	(11,119)	18.2%
Amortisation of intangible assets	(47)	(47)	NM
Allowance for impairment of doubtful trade receivables	(1,101)	(891)	23.6%
Allowance for inventory obsolescence	(1,409)	(893)	57.8%
Currency exchange gain/(loss) - net	(424)	(592)	(28.4%)
Share of profit of associated companies	478	837	(42.9%)
Gain on disposal of property, plant and equipment	72	151	(52.3%)

NM – Not meaningful

**YHI INTERNATIONAL LIMITED**

(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (YTD SEP FY2013 vs YTD SEP FY2012)

	Group 01/01/13- 30/09/13 S\$ '000	Group 01/01/12- 30/09/12 S\$ '000	Incr/(Decr) %
Profit for the period	6,782	17,342	(60.9%)
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss			
- Currency translation differences	(31)	(7,578)	(99.6%)
Total comprehensive income for the period	6,751	9,764	(30.9%)
Total comprehensive income attributable to:			
Equity holders of the Company	6,032	7,866	(23.3%)
Non-controlling interests	719	1,898	(62.1%)
	6,751	9,764	(30.9%)



YHI INTERNATIONAL LIMITED
 (Company Registration No. 200007455H)
 (Incorporated In the Republic of Singapore)

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 30/09/13 S\$ '000	Group 31/12/12 S\$ '000	Company 30/09/13 S\$ '000	Company 31/12/12 S\$ '000
Current assets				
Cash and cash equivalents	53,019	42,470	3,057	2,112
Trade and other receivables	96,285	86,325	43,816	50,530
Inventories	127,701	134,210	-	-
Other current assets	14,206	14,786	4	13
	291,211	277,791	46,877	52,655
Non-current assets				
Investments in subsidiaries	-	-	100,122	100,122
Investments in associated companies	16,615	16,137	-	-
Transferable club membership, at cost	181	181	-	-
Property, plant and equipment	137,474	141,908	-	38
Intangible assets	3,190	3,231	-	-
Deferred income tax assets	4,416	4,157	-	-
Derivative financial instruments	-	104	-	104
	161,876	165,718	100,122	100,264
Total assets	453,087	443,509	146,999	152,919
Current liabilities				
Trade and other payables	43,947	45,505	4,017	3,682
Borrowings	103,490	86,878	6,400	6,400
Derivative financial instrument	157	23	157	23
Current income tax liabilities	799	2,209	241	314
	148,393	134,615	10,815	10,419
Non-current liabilities				
Borrowings	42,773	45,589	13,000	17,800
Derivative financial instrument	158	-	158	-
Deferred income tax liabilities	2,198	2,216	-	-
	45,129	47,805	13,158	17,800
Total liabilities	193,522	182,420	23,973	28,219
Net assets	259,565	261,089	123,026	124,700
Capital and reserves attributable to equity holders of the Company				
Share capital	77,001	77,001	77,001	77,001
Other reserves	(5,675)	(6,161)	-	-
Retained earnings	174,640	176,401	46,025	47,699
	245,966	247,241	123,026	124,700
Non-controlling interests	13,599	13,848	-	-
Total equity	259,565	261,089	123,026	124,700

**YHI INTERNATIONAL LIMITED**

(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)

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 30/09/13		Group As at 31/12/12	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
103,490	-	86,878	-

Amount repayable after one year

Group As at 30/09/13		Group As at 31/12/12	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
42,773	-	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.

**YHI INTERNATIONAL LIMITED**

(Company Registration No. 200007455H)

(Incorporated In the Republic of Singapore)

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 (3Q FY2013 vs 3Q FY2012)**

	Group 01/07/13- 30/09/13 S\$ '000	Group 01/07/12- 30/09/12 S\$ '000
Cash flows from operating activities		
Net profit	2,407	4,679
Adjustments for:		
Income tax	1,375	2,351
Depreciation of property, plant and equipment	4,460	3,759
Amortisation of intangible assets	16	16
Gain on disposal of property, plant and equipment	(17)	(77)
Interest expense	1,216	1,382
Interest income	(71)	(65)
Share of (profit)/loss of associated companies	(28)	20
Fair value loss on derivative financial instrument	(3)	(562)
Unrealised currency translation differences	285	(1,127)
Operating cash flow before working capital changes	<u>9,640</u>	<u>10,376</u>
Changes in working capital, net of effects from disposal of subsidiary:		
Inventories	(5,304)	(9,689)
Trade and other receivables	(2,292)	4,762
Other current assets	(29)	(544)
Trade and other payables	(1,390)	(751)
Cash generated from operations	<u>625</u>	<u>4,154</u>
Interest received	71	65
Income tax paid	(2,007)	(3,710)
Net cash (used in) / provided by operating activities	<u>(1,311)</u>	<u>509</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	357	343
Purchase of property, plant and equipment	(990)	(5,304)
Net cash used in investing activities	<u>(633)</u>	<u>(4,961)</u>
Cash flows from financing activities		
Interest paid	(1,206)	(1,318)
Proceeds from borrowings	14,385	13,297
Repayments of borrowings	(2,990)	(2,773)
Repayments of finance lease liabilities	(557)	(325)
Net cash provided by financing activities	<u>9,632</u>	<u>8,881</u>
Net increase in cash and cash equivalents held	7,688	4,429
Cash and cash equivalents at the beginning of the financial period	41,909	38,297
Effects of currency translation on cash and cash equivalents	(206)	(498)
Cash and cash equivalents at the end of the financial period	<u>49,391</u>	<u>42,228</u>
Consolidated cash and cash equivalents are represented by:		
Cash and bank balances	53,019	45,931
Less: Bank overdrafts	(3,628)	(3,703)
Cash and cash equivalents as per consolidated statement of cash flows	<u>49,391</u>	<u>42,228</u>



YHI INTERNATIONAL LIMITED
 (Company Registration No. 200007455H)
 (Incorporated In the Republic of Singapore)

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

	Group 01/01/13- 30/09/13 S\$ '000	Group 01/01/12- 30/09/12 S\$ '000
Cash flows from operating activities		
Net profit	6,782	17,342
Adjustments for:		
Income tax	4,438	7,726
Depreciation of property, plant and equipment	13,143	11,119
Amortisation of intangible assets	47	47
Gain on disposal of property, plant and equipment	(72)	(151)
Interest expense	3,741	4,197
Interest income	(209)	(212)
Share of profit of associated companies	(478)	(837)
Fair value (gain)/loss on derivative financial instrument	397	(1,061)
Unrealised currency translation differences	(1,520)	(2,938)
Operating cash flow before working capital changes	<u>26,269</u>	<u>35,232</u>
Changes in working capital, net of effects from disposal of subsidiary:		
Inventories	6,509	(10,169)
Trade and other receivables	(9,960)	3,773
Other current assets	581	(6,014)
Trade and other payables	(1,612)	(13,870)
Cash generated from operations	<u>21,787</u>	<u>8,952</u>
Interest received	209	212
Income tax paid	(5,940)	(10,407)
Net cash provided by / (used in) operating activities	<u>16,056</u>	<u>(1,243)</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	1,065	556
Purchase of property, plant and equipment	(8,221)	(24,449)
Proceeds from disposal of financial assets, available-for-sale	-	7,824
Net cash used in investing activities	<u>(7,156)</u>	<u>(16,069)</u>
Cash flows from financing activities		
Interest paid	(3,700)	(4,152)
Proceeds from borrowings	26,379	60,836
Repayments of borrowings	(11,866)	(39,827)
(Repayments of) / proceeds from finance lease liabilities	(409)	502
Dividends paid to equity holders of the Company	(7,307)	(11,458)
Dividends paid to non-controlling interests	(968)	(973)
Net cash provided by financing activities	<u>2,129</u>	<u>4,928</u>
Net increase / (decrease) in cash and cash equivalents held	11,029	(12,384)
Cash and cash equivalents at the beginning of the financial period	38,400	55,590
Effects of currency translation on cash and cash equivalents	(38)	(978)
Cash and cash equivalents at the end of the financial period	<u>49,391</u>	<u>42,228</u>
Consolidated cash and cash equivalents are represented by:		
Cash and bank balances	53,019	45,931
Less: Bank overdrafts	(3,628)	(3,703)
Cash and cash equivalents as per consolidated statement of cash flows	<u>49,391</u>	<u>42,228</u>


YHI INTERNATIONAL LIMITED

 (Company Registration No. 200007455H)
 (Incorporated In the Republic of Singapore)

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	-	486	5,546	6,032	719	6,751
Dividends relating to 2012 paid	-	-	(7,307)	(7,307)	(968)	(8,275)
Balance at 30 September 2013	77,001	(5,675)	174,640	245,966	13,599	259,565

	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	-	(7,711)	15,577	7,866	1,898	9,764
Dividends relating to 2011 paid	-	-	(11,458)	(11,458)	(973)	(12,431)
Balance at 30 September 2012	77,001	(6,056)	173,810	244,755	13,149	257,904

	Share Capital S\$ '000	Retained earnings S\$ '000	Total S\$ '000
The Company			
Balance at 1 January 2013	77,001	47,699	124,700
Total comprehensive income for the period	-	5,633	5,633
Dividends relating to 2012 paid	-	(7,307)	(7,307)
Balance at 30 September 2013	77,001	46,025	123,026

	Share Capital S\$ '000	Retained earnings S\$ '000	Total S\$ '000
The Company			
Balance at 1 January 2012	77,001	50,863	127,864
Total comprehensive income for the period	-	4,596	4,596
Dividends relating to 2011 paid	-	(11,458)	(11,458)
Balance at 30 September 2012	77,001	44,001	121,002

**YHI INTERNATIONAL LIMITED**

(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)

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 September 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 30/09/13	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:-



YHI INTERNATIONAL LIMITED

(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)

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 01/07/13 - 30/09/13	Group 01/07/12 - 30/09/12	Group 01/01/13 - 30/09/13	Group 01/01/12 - 30/09/12
(a) Based on the number of ordinary shares on issue (cents)	0.35	0.67	0.95	2.66
(b) On fully diluted basis (cents)	0.35	0.67	0.95	2.66

- (i) 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.
- (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.

**YHI INTERNATIONAL LIMITED**

(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)

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 30/09/13	Group 31/12/12	Company 30/09/13	Company 31/12/12
Net asset value per ordinary share (cents)	42.07	42.29	21.04	21.33

- (i) The Group and Company net asset value per share as at 30 September 2013 and as at 31 December 2012 are based on the actual number of shares in issue of 584,591,628 ordinary shares.
- (ii) There was no material impact on prior year net asset value per share on adoption of the revised FRS as disclosed in paragraph 5.



YHI INTERNATIONAL LIMITED

(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)

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 THIRD QUARTER FINANCIAL RESULTS

Turnover

The Group reported a 1.6% (or \$2.1 million) increase in turnover to \$138.9 million (3Q2013) from \$136.7 million (3Q2012) mainly due to higher sales in our Manufacturing business as compared to the corresponding period last year.

Distribution business, accounting for 67.1% of the Group's total turnover, recorded a decrease of 7.7% (or \$7.8 million) in turnover, from \$100.9 million (3Q2012) to \$93.1 million (3Q2013). Manufacturing business, accounting for 32.9% of the Group's total turnover, recorded an increase of 27.6% (or \$10.0 million) in turnover, from \$35.8 million (3Q2012) to \$45.8 million (3Q2013).

Gross Profit

Gross Profit decreased by 5.4% (or \$1.7 million) to \$29.0 million (3Q2013) from \$30.7 million (3Q2012). The lower gross profit in 3Q2013 was mainly due to lower turnover in the distribution business. The Group's gross profit margin declined to 20.9% in 3Q2013 compared to 22.4% in 3Q2012 mainly due to lower margins from the manufacturing business.

Other Gains

Other gains decreased mainly due to decrease in the amount received from warranty claims on buggy parts in 3Q2013.

Operating Expenses

Distribution expenses increased by 9.5% (or \$1.1 million) in 3Q2013 to \$12.7 million compared to \$11.6 million in 3Q2012 mainly due to higher staff costs and delivery costs in tandem with higher sales.

Administrative expenses increased by 5.5% (or \$0.7 million) in 3Q2013 to \$11.9 million compared to \$11.2 million in 3Q2012 mainly due to higher warehouse rental expenses.

Financing costs decreased by 12.0% (or \$0.2 million) in 3Q2013 to \$1.2 million compared to \$1.4 million in 3Q2012. The decrease was due to lower borrowings in certain subsidiaries in the period under review.

Share of Profit/(Loss) of Associated Companies

Our associated company reported better performances and our share of profit was \$0.03 million in 3Q2013 compared to a share of loss of \$0.02 million in 3Q2012.

Income Tax expense

Income tax expense decreased by 41.5% mainly due to lower profit before tax in 3Q2013. The increase in Group's effective income tax rate was mainly due to losses in certain subsidiaries resulting in lower profit before tax for the Group in 3Q2013.

Net Profit after Tax and Non-controlling Interests

Net profit after tax and non-controlling interests attributable to shareholders of the Company decreased by 48.4% (or \$1.9 million) to \$2.0 million in 3Q2013 from \$3.9 million in 3Q2012.



YHI INTERNATIONAL LIMITED

(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)

REVIEW OF NINE-MONTH YEAR-TO-DATE FINANCIAL RESULTS AND FINANCIAL POSITION (YTD SEP 2013 VS YTD SEP 2012)

Turnover

The Group's turnover for the first nine months of FY2013 ("9M FY2013") was \$389.2 million, decreased by 6.0% (or \$25.0 million) from \$414.2 million recorded in the first nine months of FY2012 ("9M FY2012").

Both our distribution & manufacturing segments recorded lower turnover in the first nine months of FY2013. Distribution segment, accounting for 72.1% of the Group's total turnover, recorded a decrease of 7.0% (or \$21.3 million) in turnover, from \$302.0 million (9M FY2012) to \$280.7 million (9M FY2013). Manufacturing segment, accounting for 27.9% of the Group's total turnover, recorded a decrease of 3.3% (or \$3.7 million) in turnover, from \$112.2 million (9M FY2012) to \$108.5 million (9M FY2013).

Gross Profit

Gross Profit decreased by 12.9% (or \$12.3 million) to \$82.8 million in the first nine month of FY2013 compared to \$95.1 million in the corresponding period last year. The lower gross profit in 9M FY2013 was mainly due to lower turnover and lower gross profit margin reported in both distribution and manufacturing business. The Group's gross profit margin declined to 21.3% in 9M FY2013 compared to 22.3% in 9M FY2012 due to lower margins from distribution and manufacturing business segments.

Operating Expenses

Distribution expenses increased by 6.2% (or \$2.1 million) in 9M FY2013 to \$36.8 million compared to \$34.7 million in 9M2012 mainly due to higher staff costs.

Administrative expenses decreased by 1.3% (or \$0.4 million) in 9M FY2013 to \$33.2 million compared to \$33.6 million in 9M FY2012 mainly due to lower bonuses accrued in the period.

Financing costs decreased by 10.9% (or \$0.5 million) to \$3.7 million (9M FY2013) from \$4.2 million (9M FY2012). 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 9M FY2013 compared to \$0.8 million in 9M FY2012 due to lower profit reported by our associated company.

Income Tax expense

Income tax expense decreased by 42.6% mainly due to lower profit before tax in 9M FY2013. The increase in Group's effective income tax rate was mainly due to losses in certain subsidiaries resulting in lower profit before tax for the Group in 9M FY2013

Net Profit after Tax and Non-controlling Interests

Net profit after tax and non-controlling interests attributable to shareholders of the Company decreased by 64.4% (or \$10.1 million) to \$5.5 million in 9M FY2013 from \$15.6 million in 9M FY2012.



YHI INTERNATIONAL LIMITED

(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION REVIEW

As at 30 September 2013, total assets amounted to about \$453.1 million comprising \$291.2 million of current assets and \$161.9 million of non-current assets. Total liabilities amounted to about \$193.5 million comprising current liabilities of \$148.4 million and non-current liabilities of \$45.1 million. Shareholders' equity including non-controlling interests amounted to \$259.5 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 \$96.2 million mainly due to higher sales. Most of these trade receivables remained outstanding at the end of September 2013 but they were still within the acceptable credit terms.

Inventories

Inventories decreased from \$134.2 million to \$127.7 million mainly due to better inventory management.

Property, plant and equipment

Property, plant and equipment ("PPE") decreased by \$4.5 million to \$137.4 million from \$141.9 million mainly due to additions of PPE offset by depreciation charged for the 9M ended 30 September 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 9M FY2013.

Borrowings (current & non-current)

Borrowings increased from \$132.5 million to \$146.3 million due to additional bank borrowings for trade financing and capital expenditure in property, plant and equipment during the 9 months ended 30 September 2013.

Current Income tax liabilities

Income tax liability decreased from \$2.2 million to \$0.8 million mainly due to lower income tax expenses for the period.

Other reserves

Other reserves increased by \$0.5 million mainly due to translation gain of our investments in China 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 September 2013 from end December 2012.

STATEMENT OF CASH FLOWS REVIEW

\$16.1 million was generated by operating activities in first nine months of 2013. The Group utilized \$7.2 million in the investing activities mainly for the purchase of plant and equipment. A total of \$2.1 million was provided by the financing activities mainly for purchasing of property, plant and equipment. Cash and cash equivalents amounted to \$49.4 million at the end of September 2013 compared to \$38.4 million reported at end of December 2012.



YHI INTERNATIONAL LIMITED

(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)

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 and USA have reported improved economic data recently but demand from Europe remains weak.

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

As for the distribution business, the Group will continue to explore and develop new business opportunities that are compatible with our multi-product, multi-brand and multi-category (“3M”) growth strategies. The Group will leverage on its stable of products to capitalize growth opportunities in the existing markets and also to seek business opportunities in new markets. 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 September 2013.



YHI INTERNATIONAL LIMITED

(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)

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 nine months ended 30 September 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**

Not applicable to Q1, Q2, & Q3 results.

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
14/11/2013

Submitted by Tay Tian Hoe Richard, Executive Chairman and Group Managing Director on 14/11/2013 to the SGX.