

## FULL YEAR RESULTS \* FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT

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\* Asterisks denote mandatory information

<b>Name of Announcer *</b>	YHI INTERNATIONAL LIMITED
<b>Company Registration No.</b>	200007455H
<b>Announcement submitted on behalf of</b>	YHI INTERNATIONAL LIMITED
<b>Announcement is submitted with respect to *</b>	YHI INTERNATIONAL LIMITED
<b>Announcement is submitted by *</b>	Tay Tian Hoe Richard
<b>Designation *</b>	Executive Chairman and Group Managing Director
<b>Date &amp; Time of Broadcast</b>	25-Feb-2014 18:24:49
<b>Announcement No.</b>	00148

## &gt;&gt; ANNOUNCEMENT DETAILS

The details of the announcement start here ...

<b>For the Financial Period Ended *</b>	31-12-2013
<b>Description</b>	Q4 UNAUDITED FINANCIAL STATEMENT AND PRESS RELEASE FOR THE PERIOD ENDED 31 DECEMBER 2013
<b>Attachments</b>	<p><a href="#">YHI-FY2013Q4Results.pdf</a></p> <p><a href="#">YHI-PressRelease-FY2013Q4.pdf</a></p> <p>Total size =226K (2048K size limit recommended)</p>

**YHI INTERNATIONAL LIMITED**(Company Registration No. 200007455H)  
(Incorporated In the Republic of Singapore)**FULL YEAR UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT  
FOR YEAR ENDED 31 DECEMBER 2013****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 (FULL YEAR 2013 vs FULL YEAR 2012)**

	<b>Group</b> <b>01/01/13-</b> <b>31/12/13</b> <b>S\$ '000</b>	<b>Group</b> <b>01/01/12-</b> <b>31/12/12</b> <b>S\$ '000</b>	<b>Incr/(Decr)</b>  <b>%</b>
Sales	<b>508,923</b>	541,122	(6.0%)
Cost of sales	<b>(397,075)</b>	(415,028)	(4.3%)
Gross profit	<b>111,848</b>	126,094	(11.3%)
Other gains - net	<b>2,700</b>	3,822	(29.4%)
Expenses			
- Distribution	<b>(49,066)</b>	(46,153)	6.3%
- Administrative	<b>(44,436)</b>	(47,140)	(5.7%)
- Finance	<b>(5,233)</b>	(5,540)	(5.5%)
Share of profit of associated companies	<b>604</b>	802	(24.7%)
Profit before income tax	<b>16,417</b>	31,885	(48.5%)
Income tax expense	<b>(6,178)</b>	(10,755)	(42.6%)
<b>Net profit</b>	<b>10,239</b>	21,130	(51.5%)
<b>Attributable to:</b>			
Equity holders of the Company	<b>8,823</b>	18,326	(51.9%)
Non-controlling interests	<b>1,416</b>	2,804	(49.5%)
	<b>10,239</b>	21,130	(51.5%)

**NOTES TO CONSOLIDATED INCOME STATEMENT (FULL YEAR 2013 vs FULL YEAR 2012)**

	<b>Group</b> <b>01/01/13-</b> <b>31/12/13</b> <b>S\$ '000</b>	<b>Group</b> <b>01/01/12-</b> <b>31/12/12</b> <b>S\$ '000</b>	<b>Incr/(Decr)</b>  <b>%</b>
Interest income	<b>289</b>	263	9.9%
Interest on borrowings	<b>(5,233)</b>	(5,540)	(5.5%)
Depreciation and impairment charges of property, plant and equipment	<b>(17,476)</b>	(15,133)	15.5%
Amortisation of intangible assets	<b>(62)</b>	(62)	NM
Allowance for impairment of doubtful trade receivables	<b>(1,000)</b>	(691)	44.7%
Write-down of inventories	<b>(1,224)</b>	(335)	NM
Currency exchange gain/(loss) - net	<b>383</b>	(2,248)	NM
Share of profit of associated companies	<b>604</b>	802	(24.7%)
Gain on disposal of property, plant and equipment	<b>9</b>	138	(93.5%)

NM – Not meaningful



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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (FULL YEAR 2013 vs FULL YEAR 2012)**

	<b>Group</b> <b>01/01/13-</b> <b>31/12/13</b> <b>S\$ '000</b>	<b>Group</b> <b>01/01/12-</b> <b>31/12/12</b> <b>S\$ '000</b>	<b>Incr/(Decr)</b>  <b>%</b>
<b>Profit for the period</b>	<b>10,239</b>	21,130	(51.5%)
<b>Other comprehensive income, net of tax:</b>			
Items that may be reclassified subsequently to profit or loss			
- Currency translation differences	<b>(1,034)</b>	(8,202)	(87.4%)
<b>Total comprehensive income for the period</b>	<b>9,205</b>	12,928	(28.8%)
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	<b>8,658</b>	10,446	(17.1%)
Non-controlling interests	<b>547</b>	2,482	(78.0%)
	<b>9,205</b>	12,928	(28.8%)

**YHI INTERNATIONAL LIMITED**

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**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**

	<b>Group 31/12/13 S\$ '000</b>	<b>Group 31/12/12 S\$ '000</b>	<b>Company 31/12/13 S\$ '000</b>	<b>Company 31/12/12 S\$ '000</b>
<b>Current assets</b>				
Cash and cash equivalents	57,426	42,470	2,480	2,112
Trade and other receivables	83,696	86,325	43,705	50,530
Inventories	131,096	134,210	-	-
Other current assets	13,345	14,786	1,354	13
	<b>285,563</b>	<b>277,791</b>	<b>47,539</b>	<b>52,655</b>
<b>Non-current assets</b>				
Investments in subsidiaries	-	-	100,122	100,122
Investments in associated companies	16,741	16,137	-	-
Transferable club membership, at cost	146	181	-	-
Property, plant and equipment	136,857	141,908	-	38
Intangible assets	3,174	3,231	-	-
Deferred income tax assets	4,187	4,157	-	-
Derivative financial instruments	-	104	-	104
	<b>161,105</b>	<b>165,718</b>	<b>100,122</b>	<b>100,264</b>
<b>Total assets</b>	<b>446,668</b>	<b>443,509</b>	<b>147,661</b>	<b>152,919</b>
<b>Current liabilities</b>				
Trade and other payables	41,734	45,505	3,485	3,682
Borrowings	98,646	86,878	6,400	6,400
Derivative financial instruments	153	23	153	23
Current income tax liabilities	1,189	2,209	148	314
	<b>141,722</b>	<b>134,615</b>	<b>10,186</b>	<b>10,419</b>
<b>Non-current liabilities</b>				
Borrowings	40,790	45,589	11,400	17,800
Derivative financial instruments	134	-	134	-
Deferred income tax liabilities	1,987	2,216	-	-
	<b>42,911</b>	<b>47,805</b>	<b>11,534</b>	<b>17,800</b>
<b>Total liabilities</b>	<b>184,633</b>	<b>182,420</b>	<b>21,720</b>	<b>28,219</b>
<b>Net assets</b>	<b>262,035</b>	<b>261,089</b>	<b>125,941</b>	<b>124,700</b>
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	77,001	77,001	77,001	77,001
Other reserves	(6,592)	(6,161)	-	-
Retained earnings	178,941	176,401	48,940	47,699
	<b>249,350</b>	<b>247,241</b>	<b>125,941</b>	<b>124,700</b>
<b>Non-controlling interests</b>	<b>12,685</b>	<b>13,848</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>262,035</b>	<b>261,089</b>	<b>125,941</b>	<b>124,700</b>

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**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 31/12/13		Group As at 31/12/12	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
98,646	-	86,878	-

**Amount repayable after one year**

Group As at 31/12/13		Group As at 31/12/12	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
40,790	-	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\$5.4 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.


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**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 (FY2013 vs FY2012)**

	Group 01/01/13- 31/12/13 S\$ '000	Group 01/01/12- 31/12/12 S\$ '000
<b>Cash flows from operating activities</b>		
Net profit	10,239	21,130
Adjustments for:		
Income tax	6,178	10,755
Depreciation of property, plant and equipment	17,476	15,133
Amortisation of intangible assets	62	62
Gain on disposal of property, plant and equipment	(9)	(138)
Interest expense	5,233	5,540
Interest income	(289)	(263)
Share of profit of associated companies	(604)	(802)
Fair value loss/(gain) on derivative financial instrument	369	(1,100)
Loss on disposal of transferred club membership	32	-
Unrealised currency translation differences	(3,194)	(3,419)
Operating cash flow before working capital changes	35,493	46,898
Changes in working capital, net of effects from disposal of subsidiary:		
Inventories	3,114	(16,070)
Trade and other receivables	2,629	15,689
Other current assets	1,441	997
Trade and other payables	(3,658)	(9,881)
Cash generated from operations	39,019	37,633
Interest received	289	263
Income tax paid	(7,085)	(13,295)
<b>Net cash provided by operating activities</b>	<b>32,223</b>	<b>24,601</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	579	798
Purchase of property, plant and equipment	(11,066)	(42,362)
Proceed from transfer of club membership	10	-
Proceed from disposal of associated company	-	7,824
Acquisition of business	-	(600)
<b>Net cash used in investing activities</b>	<b>(10,477)</b>	<b>(34,340)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to equity holders of the Company	(7,307)	(11,458)
Dividends paid to non-controlling interests	(952)	(973)
Dividends received	-	163
Interest paid	(5,209)	(5,490)
Proceeds from borrowings	22,783	60,836
Proceeds from partial disposal of subsidiary	-	21
Repayments of borrowings	(13,838)	(49,216)
Repayments of finance lease liabilities	(1,804)	(306)
<b>Net cash used in financing activities</b>	<b>(6,327)</b>	<b>(6,423)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>15,419</b>	<b>(16,162)</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>38,400</b>	<b>55,590</b>
Effects of currency translation on cash and cash equivalents	(28)	(1,028)
<b>Cash and cash equivalents at the end of the financial period</b>	<b>53,791</b>	<b>38,400</b>


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**1(c)(i) CONSOLIDATED STATEMENT OF CASH FLOWS (FY2013 vs FY2012) (Cont'd)**

	<b>Group</b> 01/01/13- 31/12/13 S\$ '000	Group 01/01/12- 31/12/12 S\$ '000
<b>Consolidated cash and cash equivalents are represented by:</b>		
Cash and bank balances	57,426	42,470
Less: Bank overdrafts	(3,635)	(4,070)
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>	<b>53,791</b>	<b>38,400</b>

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
<b>The Group</b>						
<b>Balance at 1 January 2013</b>	<b>77,001</b>	<b>(6,161)</b>	<b>176,401</b>	<b>247,241</b>	<b>13,848</b>	<b>261,089</b>
Total comprehensive income for the period	-	(165)	8,823	8,658	547	9,205
Dividends relating to 2012 paid	-	-	(7,307)	(7,307)	(952)	(8,259)
Transaction with non-controlling interests	-	-	758	758	(758)	-
Transfer from other reserves to retained earnings	-	(266)	266	-	-	-
<b>Balance at 31 December 2013</b>	<b>77,001</b>	<b>(6,592)</b>	<b>178,941</b>	<b>249,350</b>	<b>12,685</b>	<b>262,035</b>

	Share capital S\$ '000	Other reserves S\$ '000	Retained earnings S\$ '000	Sub-total S\$ '000	Non- controlling interests S\$ '000	Total S\$ '000
<b>The Group</b>						
<b>Balance at 1 January 2012</b>	<b>77,001</b>	<b>1,655</b>	<b>169,691</b>	<b>248,347</b>	<b>12,224</b>	<b>260,571</b>
Total comprehensive income for the period	-	(7,880)	18,326	10,446	2,482	12,928
Dividends relating to 2011 paid	-	-	(11,458)	(11,458)	(973)	(12,431)
Transaction with non-controlling interests	-	(94)	-	(94)	115	21
Transfer to other reserves	-	158	(158)	-	-	-
<b>Balance at 31 December 2012</b>	<b>77,001</b>	<b>(6,161)</b>	<b>176,401</b>	<b>247,241</b>	<b>13,848</b>	<b>261,089</b>

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**STATEMENT OF CHANGES IN EQUITY**

	Share Capital S\$ '000	Retained earnings S\$ '000	Total S\$ '000
<b><u>The Company</u></b>			
<b>Balance at 1 January 2013</b>	77,001	47,699	124,700
Total comprehensive income for the period	-	8,548	8,548
Dividends relating to 2012 paid	-	(7,307)	(7,307)
<b>Balance at 31 December 2013</b>	<b>77,001</b>	<b>48,940</b>	<b>125,941</b>

	Share Capital S\$ '000	Retained earnings S\$ '000	Total S\$ '000
<b><u>The Company</u></b>			
<b>Balance at 1 January 2012</b>	77,001	50,863	127,864
Total comprehensive income for the period	-	8,294	8,294
Dividends relating to 2011 paid	-	(11,458)	(11,458)
<b>Balance at 31 December 2012</b>	<b>77,001</b>	<b>47,699</b>	<b>124,700</b>

**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 31 December 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 31/12/13	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.





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**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 chief operating decision maker ("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.

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**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**

	<b>Group</b> <b>01/01/13 -</b> <b>31/12/13</b>	Group 01/01/12 - 31/12/12
(a) Based on the number of ordinary shares on issue (cents)	<b>1.51</b>	3.13
(b) On fully diluted basis (cents)	<b>1.51</b>	3.13

- (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.

**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**

	<b>Group</b> <b>31/12/13</b>	Group 31/12/12	<b>Company</b> <b>31/12/13</b>	Company 31/12/12
Net asset value per ordinary share (cents)	<b>42.65</b>	42.29	<b>21.54</b>	21.33

- (i) The Group and Company net asset value per share as at 31 December 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

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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 on Group's Financial Results

#### **Full Year ended 31 December 2013 (FY2013) vs Full Year ended 31 December 2012 (FY2012)**

##### Turnover

The Group reported a 6.0% (or \$32.2 million) decrease in turnover to \$508.9 million (FY2013) from \$541.1 million (FY2012) mainly due to lower sales in our Distribution and Manufacturing business as compared to last year.

Distribution business, accounting for 72.9% of the Group's total turnover, recorded a decrease of 5.9% (or \$23.2 million) in turnover, from \$394.6 million (FY2012) to \$371.4 million (FY2013). Manufacturing business, accounting for 27.1% of the Group's total turnover, recorded a decrease of 6.1% (or \$9 million) in turnover, from \$146.5 million (FY2012) to \$137.5 million (FY2013).

##### Gross Profit

Gross Profit decreased by 11.3% (or \$14.3 million) to \$111.8 million (FY2013) from \$126.1 million (FY2012). The lower gross profit in FY2013 was mainly due to lower turnover and gross profit margin in both the manufacturing and distribution business. The Group's gross profit margin declined to 22.0% in FY2013 compared to 23.3% in FY2012.

##### Other Gains

Other gains decreased by 29.4% (or \$1.1 million) to \$2.7 million (FY2013) from \$3.8 million (FY2012) mainly due to fair value gain on derivative financial instruments reported in FY2012.

##### Operating Expenses

Distribution expenses increased by 6.3% (or \$2.9 million) in FY2013 to \$49.1 million as compared to \$46.2 million in FY2012 mainly due to higher staff related costs, higher R&D expenses and allowance for impairment of doubtful trade receivables.

Administrative expenses decreased by 5.7% (or \$2.7 million) in FY2013 to \$44.4 million as compared to \$47.1 million in FY2012 mainly due to lower bonuses accrued and partially offset by a gain in unrealised currency translation in FY2013.

Financing costs decreased by 5.5% (or \$0.3 million) in FY2013 to \$5.2 million as compared to \$5.5 million in FY2012. The decrease was due to lower borrowings in certain subsidiaries in FY2013.

##### Share of Profit of Associated Companies

Our associated company reported lower profit and our share of profit was \$0.6 million in FY2013 compared to a share of profit of \$0.8 million in FY2012.

##### Income Tax expense

Income tax expense decreased by 42.6% mainly due to lower profit before tax in FY2013. The Group's effective income tax rate increased to 37.6% mainly due to losses in certain subsidiaries resulting in lower profit before tax for the Group in FY2013.



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### Net Profit after Tax

Net profit after tax attributable to shareholders of the Company decreased by 51.9% (or \$9.5 million) to \$8.8 million in FY2013 from \$18.3 million in FY2012.

### **STATEMENT OF FINANCIAL POSITION REVIEW**

As at 31 December 2013, total assets amounted to about \$446.7 million comprising \$285.6 million of current assets and \$161.1 million of non-current assets. Total liabilities amounted to about \$184.6 million comprising current liabilities of \$141.7 million and non-current liabilities of \$42.9 million. Shareholders' equity including non-controlling interests amounted to \$262.0 million.

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

#### Trade and other receivables

Trade and other receivables decreased from \$86.3 million to \$83.7 million mainly due to lower sales.

#### Inventories

Inventories decreased from \$134.2 million to \$131.1 million mainly due to lower purchases in line with lower sales.

#### Property, plant and equipment

Property, plant and equipment ("PPE") decreased by \$5.0 million to \$136.9 million from \$141.9 million mainly due to additions of PPE offset by depreciation charged during the year.

#### Trade and other payables

Trade and other payables decreased from \$45.5 million to \$41.7 million mainly due to lower purchases in line with lower sales and settlement of PPE payable during the year.

#### Borrowings (current & non-current)

Borrowings increased from \$132.5 million to \$139.4 million due to additional bank borrowings for trade financing and capital expenditure in property, plant and equipment during the year.

#### Current Income tax liabilities

Income tax liability decreased from \$2.2 million to \$1.2 million mainly due to lower income tax provision for the year.

#### Deferred Income tax liabilities

Deferred income tax liability decreased from \$2.2 million to \$2.0 million mainly due to reversal of provision for deferred income tax liabilities relating to China entities.

#### Other reserves

Other reserves decreased by \$0.4 million mainly due to translation loss of investments in subsidiaries in Australia mitigated by translation gain of investments in subsidiaries in China. Exchange rate of AUD against SGD has weakened and RMB against SGD has strengthened as at the end of December 2013 compared to the end of December 2012.



## **YHI INTERNATIONAL LIMITED**

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

### **STATEMENT OF CASH FLOWS REVIEW**

\$32.2 million was generated by operating activities in FY2013. The Group utilized \$10.5 million in investing activities mainly for the purchase of plant and equipment. A total of \$6.3 million was used in financing activities mainly for the payment of dividends to equity holders of the Company. Cash and cash equivalents amounted to \$53.8 million at the end of December 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 near-term outlook for our manufacturing business is expected to remain challenging due to the ongoing weak global demand for the After-Market wheels. The Group 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 operating environment of our distribution business is expected to remain competitive. The competitive market landscape, the unstable political situation in Thailand and the weakened Indonesia Rupiah and Australia Dollars are expected to continue to weigh on our operating margins. Appropriate costs reduction plans have been put in place to cushion the impact on the margins. The Group will also continue to evaluate and pursue new growth opportunities for our stable of products in the existing markets as well as to develop new business opportunities in new markets adopting our Multi-product, Multi-brand and Multi-category ("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? Yes

Name of Dividend	:	First & Final
Dividend Type	:	Cash
Dividend Rate	:	0.68 cents per ordinary share
Tax Rate	:	Tax exempt (one tier)

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

Name of Dividend	:	First & Final
Dividend Type	:	Cash
Dividend Rate	:	1.25 cents per ordinary share
Tax Rate	:	Tax exempt (one tier)

**YHI INTERNATIONAL LIMITED**

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**11. Dividend (Cont'd)****(c) Date payable**

Notice will be given later regarding the dividend payment date.

**(d) Books closure date**

Notice will be given later regarding the date of closure of transfer book and register of member.

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

Not applicable.

**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**

The Company does not have a shareholders' mandate under Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The following is the aggregate value of all transactions with interested persons for the fourth quarter and financial year ended 31 December 2013:

<b>Name of Interested Persons and Transactions</b>	<b>Aggregate value of all interested persons transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate). S\$ '000</b>	<b>Aggregate value of all interested persons transactions conducted under shareholders' Mandate (excluding transactions less than S\$100,000) S\$ '000</b>	<b>Total S\$ '000</b>
-	-	-	-
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

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

Not applicable to announcement on full year results.


**YHI INTERNATIONAL LIMITED**

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**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**

**Results Of Operations By Business Segments**

The Company considers the business from both a geographic and business segment perspective. The Company has determined the operating segments based on the reports reviewed by the Senior Management that are used to make strategic decisions.

- (a) The segmental income statements of the Group for FY2013 and FY2012 are prepared on an actual basis.
- (b) The segmental balance sheet items of the Group as at 31 December 2013 and as at 31 December 2012 respectively are prepared on an actual basis.

**FY2013**

Segment Group	Manufacturing S\$ '000	Distribution				Sub-total S\$ '000	Total S\$ '000
		North East Asia S\$ '000	ASEAN S\$ '000	Oceania S\$ '000	Other S\$ '000		
<b>Sales</b>							
Total segment sales	162,677	42,529	163,711	146,152	18,991	371,383	534,060
Inter-segment sales	(25,137)	-	-	-	-	-	(25,137)
Sales to external parties	137,540	42,529	163,711	146,152	18,991	371,383	508,923
<b>Segment result</b>	(8,616)	2,475	16,652	8,033	(160)	27,000	18,384
Other gains							2,700
Unallocated costs							(38)
							21,046
Finance expenses							(5,233)
Share of profit of associated companies	604	-	-	-	-	-	604
<b>Profit before income tax</b>							16,417
<b>Income tax expenses</b>							(6,178)
<b>Net profit</b>							10,239
<b>Segment assets</b>	190,640	25,959	120,364	87,219	8,803	242,345	432,985
Segment assets includes:							
Investment in associated companies	16,741	-	-	-	-	-	16,741
Additions to :							
- Property, plant and equipment	7,709	109	1,124	2,535	11	3,779	11,488
<b>Segment liabilities</b>	(17,353)	(4,472)	(11,871)	(7,416)	(622)	(24,381)	(41,734)


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**15. Results Of Operations By Business Segments (Cont'd)**
**FY2012**

Segment Group	Manufacturing S\$ '000	Distribution				Sub-total S\$ '000	Total S\$ '000
		North East Asia S\$ '000	ASEAN S\$ '000	Oceania S\$ '000	Other S\$ '000		
<b>Sales</b>							
Total segment sales	171,358	37,473	178,605	159,024	19,476	394,578	565,936
Inter-segment sales	(24,814)	-	-	-	-	-	(24,814)
Sales to external parties	146,544	37,473	178,605	159,024	19,476	394,578	541,122
<b>Segment result</b>	(360)	2,828	16,630	14,630	223	34,311	33,951
Other gains							2,722
Unallocated costs							(50)
							36,623
Finance expenses							(5,540)
Share of profit of associated companies	802	-	-	-	-	-	802
<b>Profit before income tax</b>							31,885
<b>Income tax expenses</b>							(10,755)
<b>Net profit</b>							21,130
<b>Segment assets</b>	195,241	23,304	113,974	94,877	5,145	237,300	432,541
Segment assets includes:							
Investment in associated companies	16,137	-	-	-	-	-	16,137
Additions to :							
- Property, plant and equipment	29,641	80	10,606	2,268	23	12,977	42,618
- Goodwill	-	-	-	150	-	150	150
Segment liabilities	(18,086)	(3,367)	(9,588)	(10,344)	(4,120)	(27,419)	(45,505)

**Reportable segments' assets are reconciled to total assets as follows :**

	Group 31/12/13 S\$ '000	Group 31/12/12 S\$ '000
Segment assets for reportable segments	424,182	427,396
Other segment assets	8,803	5,145
Unallocated :		
Deferred income tax assets	4,187	4,157
Short-term bank deposits	9,350	6,526
Transferable club membership, at cost	146	181
Derivative financial instruments	-	104
	446,668	443,509

**Reportable segments' liabilities are reconciled to total liabilities as follows :**

	Group 31/12/13 S\$ '000	Group 31/12/12 S\$ '000
Segment liabilities for reportable segments	41,112	41,385
Other segment liabilities	622	4,120
Unallocated :		
Income tax liabilities	1,189	2,209
Deferred tax liabilities	1,987	2,216
Borrowings	139,436	132,467
Derivative financial instruments	287	23
	184,633	182,420





**YHI INTERNATIONAL LIMITED**

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**15. Results Of Operations By Business Segments (Cont'd)**

**Revenue from major products and services :**

	<b>Group 31/12/13 S\$ '000</b>	Group 31/12/12 S\$ '000
Distribution of automotive and related products	371,383	394,578
Manufacturing of alloy wheels	137,540	146,544
	<b>508,923</b>	<b>541,122</b>

**The Group's business segments operate in the following geographical areas :**

	<b>Sales *</b>		<b>Non-current assets</b>	
	<b>Group 31/12/13 S\$ '000</b>	Group 31/12/12 S\$ '000	<b>Group 31/12/13</b>	Group 31/12/12
Singapore	76,383	76,385	36,801	32,987
Malaysia	105,923	104,388	45,019	45,931
China/Hong Kong	102,059	126,930	61,306	70,976
Taiwan	18,102	21,315	3,242	2,918
Australia	116,361	128,706	5,269	5,525
New Zealand	36,244	30,318	1,572	1,015
Other countries	53,851	53,080	3,563	2,028
	<b>508,923</b>	<b>541,122</b>	<b>156,772</b>	<b>161,380</b>

\* Sales are attributed to countries on the basis of Group's subsidiaries locations.

**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**

Please refer to the item No.8

**17. A breakdown of sales**

A breakdown of sales:-

	<b>Group 01/01/13- 31/12/13 S\$ '000</b>	Group 01/01/12- 31/12/12 S\$ '000	Incr/(Decr) %
(a) Sales reported for the first half year	<b>250,362</b>	277,427	(9.8%)
(b) Operating profit after tax before deducting non-controlling interest report for the first half year	<b>4,375</b>	12,663	(65.5%)
(c) Sales reported for the second half year	<b>258,561</b>	263,695	(1.9%)
(d) Operating profit after tax before deducting non-controlling interest report for the second half year	<b>5,864</b>	8,467	(30.7%)
(e) Total sales reported for the full year	<b>508,923</b>	541,122	(6.0%)
(f) Total operating profit after tax before deducting non-controlling interest report for the full year	<b>10,239</b>	21,130	(51.5%)


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**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	3,970	7,307
Preference	-	-
	<b>3,970</b>	<b>7,307</b>

**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.**

Name	Age	Family Relationship with any Director and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Tay Tian Hoe Richard	63	1. Brother of Tay Tiang Guan, Executive Director of the Company.  2. Director & Shareholder of YHI Holdings Pte Ltd, a substantial shareholder of the Company.	Group Managing Director  Responsible for setting the strategic direction and managing the overall business of the Company.  The position has been held since 16 May 2003.	Nil
Tay Tiang Guan	62	1. Brother of Tay Tian Hoe Richard, Group Managing Director of the Company.  2. Director & Shareholder of YHI Holdings Pte Ltd, a substantial shareholder of the Company.	Executive Director (Sales and Business Development)  Responsible for spearheading the Company's operations in ASEAN and business development in tyres and industrial products.  The position has been held since 16 May 2003.	Nil
Tay Tian Koi	66	1. Brother of Tay Tian Hoe Richard (Group Managing Director), and Tay Tiang Guan (Executive Director), of the Company.  2. Shareholder of YHI Holdings Pte Ltd, a substantial shareholder of the Company.	Warehouse Manager, YHI (Malaysia) Sdn Bhd. (Since July 2003)  Director of Evo-Trend Corporation (Malaysia) Sdn Bhd. (Since May 2006)  Responsible to oversee the Warehousing & Logistics operations of the Company.	Nil
Tay Soek Eng Margaret	65	1. Sister of Tay Tian Hoe Richard (Group Managing Director), and Tay Tiang Guan (Executive Director), of the Company.  2. Shareholder of YHI Holdings Pte Ltd, a substantial shareholder of the Company.	Customer Service Manager of YHI Corporation (Singapore) Pte Ltd. (Since May 2003)  Responsible to provide customer support to the assigned accounts and oversee the company's general purchase and expenses.	Nil



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**19. Disclosure of person occupying a managerial position who are related to the directors, chief executive officer or substantial shareholders (Cont'd)**

Name	Age	Family Relationship with any Director and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Tay Peng Kuan Ronald	51	Nephew of Tay Tian Hoe, Richard (Group Managing Director), and Tay Tiang Guan (Executive Director), of the Company.	Supply Chain Manager, YHI Corporation (Singapore) Pte Ltd. (Since May 2003)  Responsible to oversee Warehousing & Logistics operations of the Company.	Nil
Tay Kok Thye Damien	42	Nephew of Tay Tian Hoe, Richard (Group Managing Director), and Tay Tiang Guan (Executive Director), of the Company.	Senior Manager, YHI Corporation (Singapore) Pte Ltd. (Since May 2003)  Responsible to oversee the Corporate Sales and retail centre business of the Company.	Nil
Tay GuoRen Ryan	30	Son of Tay Tian Hoe, Richard (Group Managing Director), and nephew of Tay Tiang Guan (Executive Director), of the Company.	Sales & Marketing Manager, YHI Manufacturing (Malaysia) Sdn Bhd  Director of YHI Manufacturing (Malaysia) Sdn Bhd. (Since September 2012)  Responsible for the marketing and business development of the wheels business.	Nil
Tay Kwok Chong Henry	42	Nephew of Tay Tian Hoe, Richard (Group Managing Director), and Tay Tiang Guan (Executive Director), of the Company.	Operations Manager, YHI Corporation (Singapore) Pte Ltd. (Since June 2012)  Responsible to oversee the service centre's operation and customer service management.	Nil
Tay Kok Choon, Rickey	44	Nephew of Tay Tian Hoe, Richard (Group Managing Director), and Tay Tiang Guan (Executive Director), of the Company.	Branch Manager, YHI Corporation (B) Sdn Bhd (Since March, 2007)  Responsible for YHI (Brunei)'s branch operation and profitability of the Company.	Nil

**BY ORDER OF THE BOARD**

Tay Tian Hoe Richard  
Executive Chairman and Group Managing Director  
25/02/2014

Submitted by Tay Tian Hoe Richard, Executive Chairman and Group Managing Director on 25/02/2014 to the SGX.



## YHI International Limited

**MEDIA RELEASE**  
For Immediate Release

# YHI International records S\$508.9m in turnover for full year ended 31 December 2013

### Highlights:

- Stable gross profit margin at 22 per cent
- Proposes dividend of 0.6 cents per share; Dividend Payout: 40 per cent
- Strong balance sheet with net assets of S\$262.0 million

**Singapore, 25 February 2014** – Mainboard-listed YHI International Limited (“YHI” or “the Group”) (友发国际有限公司) has recorded a respectable S\$508.9 million in turnover and net profit after tax and non-controlling interests attributable to shareholders (net profit) of S\$8.8 million for the full year ended 31 December 2013 (FY2013).

The Board of Directors recommends a one-tier tax-exempt first and final dividend of 0.68 Singapore cents per share to be approved by shareholders at the forthcoming annual general meeting on 25 April 2013. This translates to a dividend yield of 2.7 per cent based on the closing share price of S\$ 0.25 as at 24 February 2014 and a dividend payout ratio of 45 per cent based on earnings per share of 1.51 Singapore cents for FY2013.

Executive Chairman and Group Managing Director, Mr Richard Tay (郑添和), said: “The Group has weathered a very challenging year. Steadfastly, we have stayed focused and stood resilient against the challenges. We will remain vigilant and continue to improve our business and financial fundamentals, keeping in line with our strategy of strengthening our core competencies. In response to prevailing uncertainties in the business environment, cost management and greater operational efficiency will be our key priorities for the year ahead.

***YHI INTERNATIONAL LIMITED***

YHI strives to focus on brand building, product innovation and design, as well as improvements in our production systems to enhance quality and productivity.”

The Group reported a 6 per cent decrease in turnover to S\$508.9 million in FY2013, as compared to S\$541.1 million in the preceding year. This is mainly due to lower sales volume in both the Distribution and Manufacturing business.

The Distribution business, which accounts for 73 per cent of the Group’s total turnover, recorded a decrease of 6 per cent in turnover to S\$371.4 million in FY2013, as compared with S\$394.6 million in the preceding year. The manufacturing business which constitutes 27 per cent of the Group’s total turnover, recorded a decrease of 6 per cent in turnover to S\$137.5 million, as compared with S\$146.5 million in FY2012.

The weaker financial performance can be attributed to an overall weak demand for the Group’s products in both the distribution and manufacturing segments for the past year. Besides the lingering effect of Eurozone anti-dumping import duties and intense competition from the Chinese manufacturers, consumers are more cautious towards spending on discretionary automotive products amid a weak global economy. Currency volatility in the key markets has also impacted the profit margins significantly.

The Group’s gross profit decreased by 11 per cent to S\$111.8 million from S\$126.1 million in FY2012. Gross profit margin remained stable at 22 per cent in FY2013, compared to 23 per cent in FY2012.

In FY2013, ASEAN, North East Asia, Oceania and Others contributed 42 per cent, 25 per cent, 30 per cent and 3 per cent to the total turnover respectively.

## **Strong Financial Position**

The Group continues to benefit from a healthy balance sheet with net asset of S\$262.0 million. This gives a net asset value per share of 42.65 Singapore cents as of 31 December 2013. The Group's net working capital was stronger at S\$143.8 million with cash and cash equivalents of S\$57.4 million and net gearing ratio of 33 per cent as at 31 December 2013.

Market capitalisation was S\$146.1 million, derived from a closing share price of 25 Singapore cents as at 24 February 2014. The total number of shares issued to date was 584.6 million.

## **Business Outlook**

The Group expects its manufacturing business to remain challenging due to the prevailing weak global demand for the After-Market wheels. The Group will continue to focus on brand building, product innovation and design, as well as improvements in our production systems to enhance quality and productivity.

The operating environment of our distribution business is expected to remain competitive. In addition to the competitive industry landscape, the unstable political situation in Thailand as well as the weakened Indonesia rupiah and Australian dollars are expected to continue to weigh on our operating margins. The Group has put in place appropriate costs management measures to manage the likely impacts on our bottomline.

The Group will also continue to evaluate and pursue new growth opportunities for our stable of products in the existing markets as well as to develop new business opportunities in new markets adopting our Multi-product, Multi-brand and Multi-category ("3M") growth strategies.

The Group expects the distribution business to continue to be the key contributor for the Group.

***This press release should be read in conjunction with the full SGX announcement released by YHI dated 25 February 2014. A copy of the announcement is available on [www.sgx.com](http://www.sgx.com).***

## **YHI INTERNATIONAL LIMITED**

### **About YHI International Limited ([www.yhi.com.sg](http://www.yhi.com.sg))**

YHI International Limited (YHI) (友发国际有限公司) is a recognised distributor of high-quality automotive and industrial products, and a familiar and trusted brand name in alloy wheels manufacturing as an Original Design Manufacturer (ODM). It provides integrated services from the design and development to the manufacturing, marketing and distribution of alloy wheels.

Today, YHI's wide international presence can be seen in over 100 countries operating through its 29 subsidiaries and one associated company located in Asia Pacific, North America and Europe. YHI distributes a diverse range of automotive products, which includes tyres, alloy wheels, automotive and industrial batteries, as well as golf and utility buggies to more than 5,000 customers globally.

The key tyre brands are Yokohama, Archilles, Roadstone, Nankang, Nexen, Pirelli, Corsa, Nitto, Otani and its proprietary brand – Neuton. YHI's portfolio of alloy rims includes renowned brands such as Enkei, OZ, Konig, Advanti Racing and Breyton. Advanti Racing is an official supplier to the Mercedes AMG Petronas Formula One Team for 2013 to 2015 Championships after being the official partner to Scuderia Toro Rosso Formula One Team from 2008 to 2012.

YHI's industrial product portfolio includes both automotive batteries and rechargeable batteries for commercial and industrial use as well as golf and utility buggies from EZGO. Some of the key brands of rechargeable batteries it distributes are Hitachi, Trojan, CSB, Benning, Crown, Vision and FIAMM. YHI also has its own proprietary brand of industrial and automotive batteries called Neuton Power.

As an integrated ODM solutions provider, YHI currently has five alloy wheels manufacturing plants located in Shanghai and Suzhou, China, Taoyuan in Taiwan, Sepang and Malacca in Malaysia with a current total production capacity of 4.0 million units per annum.

The Group aims to develop YHI into a global brand name where its tagline "The World is Our Market" will come true. Its plan is to continue to strengthen and widen the YHI's distribution network, through its multi-brand, multi-category and multi-product (3M) marketing strategies, focusing on promotion and development of its portfolio of premium and proprietary brands in the global market.

YHI (Malaysia) Sdn Bhd (YHI Malaysia) received the Super Golden Bull award four times, the latest being 2012 among small and medium-sized enterprises (SMEs) in Malaysia. The award which was organised by Nanyang Siang Pau honoured the best of SMEs in Malaysia.

Started as a sole proprietor in 1948, YHI has successfully diversified its business and was listed on the Mainboard of the Singapore Exchange on 3 July 2003.

**YHI INTERNATIONAL LIMITED**

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**Issued on behalf of YHI International Limited by: Waterbrooks Consultants Pte Ltd**

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