



## Unaudited Second Quarter 2015 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 FY2015 vs 2Q FY2014)

	Group 01/04/15- 30/06/15 S\$ '000	Group 01/04/14- 30/06/14 S\$ '000	Incr/(Decr) %
Sales	134,323	132,016	1.7%
Cost of sales	<b>(106,429)</b>	(103,030)	3.3%
Gross profit	<b>27,894</b>	28,986	(3.8%)
Other gains – net	<b>685</b>	682	0.4%
Expenses			
- Distribution	<b>(12,897)</b>	(13,517)	(4.6%)
- Administrative	<b>(11,820)</b>	(11,051)	7.0%
- Finance	<b>(1,358)</b>	(1,252)	8.5%
Share of profit of an associated company	<b>279</b>	487	(42.7%)
Profit before income tax	<b>2,783</b>	4,335	(35.8%)
Income tax expense	<b>(906)</b>	(1,779)	(49.1%)
<b>Net profit</b>	<b>1,877</b>	2,556	(26.6%)
<b>Profit Attributable to:</b>			
Equity holders of the Company	<b>1,615</b>	2,225	(27.4%)
Non-controlling interests	<b>262</b>	331	(20.8%)
	<b>1,877</b>	2,556	(26.6%)

#### NOTES TO CONSOLIDATED INCOME STATEMENT (2Q FY2015 vs 2Q FY2014)

	Group 01/04/15- 30/06/15 S\$ '000	Group 01/04/14- 30/06/14 S\$ '000	Incr/(Decr) %
Interest income	77	112	(31.3%)
Interest on borrowings	<b>(1,358)</b>	(1,252)	8.5%
Depreciation and impairment charges of property, plant and equipment	<b>(3,818)</b>	(4,386)	(13.0%)
Amortisation of intangible assets	<b>(15)</b>	(15)	NM
Allowance for impairment of doubtful trade receivables	<b>(375)</b>	(879)	(57.3%)
Write down of inventories	<b>(308)</b>	(192)	60.4%
Currency exchange loss - net	<b>(652)</b>	(50)	NM
Share of profit of an associated company	<b>279</b>	487	(42.7%)
Gain on disposal of property, plant and equipment	<b>39</b>	58	(32.8%)

NM – Not meaningful



**YHI INTERNATIONAL LIMITED**  
 (Company Registration No. 200007455H)  
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**NOTES TO CONSOLIDATED INCOME STATEMENT (2Q FY2015 vs 2Q FY2014) (Cont'd)**

**Income Tax Expenses**

Tax expense attributable to profit is made up of:

Current income tax

- Singapore
- Foreign

Deferred income tax

(Over)/under provision in previous financial year

- Current income tax
- Deferred income tax

	<b>Group</b> <b>01/04/15-</b> <b>30/06/15</b> <b>S\$ '000</b>	Group 01/04/14- 30/06/14 S\$ '000	Incr/(Decr)  %
	<b>47</b>	239	(80.3%)
	<b>778</b>	1,524	(49.0%)
	<b>825</b>	1,763	(53.2%)
	<b>65</b>	(178)	NM
	<b>890</b>	1,585	(43.8%)
	<b>16</b>	113	(85.8%)
	<b>-</b>	81	NM
	<b>906</b>	1,779	(49.1%)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (2Q FY2015 vs 2Q FY2014)**

**Profit for the period**

**Other comprehensive income, net of tax:**

Items that may be reclassified subsequently to profit or loss

- Currency translation differences

**Total comprehensive income for the period**

**Total comprehensive income attributable to:**

- Equity holders of the Company
- Non-controlling interests

	<b>Group</b> <b>01/04/15-</b> <b>30/06/15</b> <b>S\$ '000</b>	Group 01/04/14- 30/06/14 S\$ '000	Incr/(Decr)  %
	<b>1,877</b>	2,556	(26.6%)
	<b>*(5,737)</b>	442	NM
	<b>(3,860)</b>	2,998	NM
	<b>(3,468)</b>	2,564	NM
	<b>(392)</b>	434	NM
	<b>(3,860)</b>	2,998	NM

\* Consist of foreign currency losses resulting from the weakening of MYR, AUD and NZD against SGD.



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**1(a)(i) CONSOLIDATED INCOME STATEMENT (1H FY2015 vs 1H FY2014)**

	<b>Group</b> <b>01/01/15-</b> <b>30/06/15</b> <b>S\$ '000</b>	<b>Group</b> <b>01/01/14-</b> <b>30/06/14</b> <b>S\$ '000</b>	<b>Incr/(Decr)</b>  <b>%</b>
Sales	<b>264,299</b>	252,475	4.7%
Cost of sales	<b>(209,382)</b>	(197,227)	6.2%
Gross profit	<b>54,917</b>	55,248	(0.6%)
Other gains - net	<b>1,481</b>	1,472	0.6%
Expenses			
- Distribution	<b>(24,876)</b>	(25,816)	(3.6%)
- Administrative	<b>(23,268)</b>	(20,675)	12.5%
- Finance	<b>(2,616)</b>	(2,448)	6.9%
Share of profit of an associated company	<b>502</b>	696	(27.9%)
Profit before income tax	<b>6,140</b>	8,477	(27.6%)
Income tax expense	<b>(1,928)</b>	(3,735)	(48.4%)
<b>Net profit</b>	<b>4,212</b>	4,742	(11.2%)
<b>Profit Attributable to:</b>			
Equity holders of the Company	<b>3,712</b>	4,159	(10.7%)
Non-controlling interests	<b>500</b>	583	(14.2%)
	<b>4,212</b>	4,742	(11.2%)

**NOTES TO CONSOLIDATED INCOME STATEMENT (1H FY2015 vs 1H FY2014)**

	<b>Group</b> <b>01/01/15-</b> <b>30/06/15</b> <b>S\$ '000</b>	<b>Group</b> <b>01/01/14-</b> <b>30/06/14</b> <b>S\$ '000</b>	<b>Incr/(Decr)</b>  <b>%</b>
Interest income	<b>216</b>	221	(2.3%)
Interest on borrowings	<b>(2,616)</b>	(2,448)	6.9%
Depreciation and impairment charges of property, plant and equipment	<b>(7,647)</b>	(8,560)	(10.7%)
Amortisation of intangible assets	<b>(31)</b>	(31)	NM
Allowance for impairment of doubtful trade receivables	<b>(692)</b>	(1,518)	(54.4%)
Write down of inventories	<b>(616)</b>	(558)	10.4%
Currency exchange (loss)/gain - net	<b>(1,127)</b>	648	NM
Share of profit of an associated company	<b>502</b>	696	(27.9%)
Gain on disposal of property, plant and equipment	<b>74</b>	128	(42.2%)

NM – Not meaningful



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**NOTES TO CONSOLIDATED INCOME STATEMENT (1H FY2015 vs 1H FY2014) (Cont'd)**

**Income Tax Expenses**

Tax expense attributable to profit is made up of:

Current income tax

- Singapore
- Foreign

Deferred income tax

Under provision in previous financial year

- Current income tax
- Deferred income tax

	<b>Group</b> <b>01/01/15-</b> <b>30/06/15</b> <b>S\$ '000</b>	Group 01/01/14- 30/06/14 S\$ '000	Incr/(Decr)  %
	<b>362</b>	542	(33.2%)
	<b>1,635</b>	2,885	(43.3%)
	<b>1,997</b>	3,427	(41.7%)
	<b>(38)</b>	49	NM
	<b>1,959</b>	3,476	(43.6%)
	<b>132</b>	117	12.8%
	<b>(163)</b>	142	NM
	<b>1,928</b>	3,735	(48.4%)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (1H FY2015 vs 1H FY2014)**

**Profit for the period**

**Other comprehensive income, net of tax:**

Items that may be reclassified subsequently to profit or loss

- Currency translation differences

**Total comprehensive income for the period**

**Total comprehensive income attributable to:**

- Equity holders of the Company
- Non-controlling interests

	<b>Group</b> <b>01/01/15-</b> <b>30/06/15</b> <b>S\$ '000</b>	Group 01/01/14- 30/06/14 S\$ '000	Incr/(Decr)  %
	<b>4,212</b>	4,742	(11.2%)
	<b>*(4,240)</b>	941	NM
	<b>(28)</b>	5,683	NM
	<b>305</b>	4,492	(93.2%)
	<b>(333)</b>	1,191	NM
	<b>(28)</b>	5,683	NM

\* Consist of foreign currency losses resulting from the weakening of MYR, AUD and NZD against SGD.



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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 30/06/15</b>	Group 31/12/14	<b>Company 30/06/15</b>	Company 31/12/14
	<b>S\$ '000</b>	S\$ '000	<b>S\$ '000</b>	S\$ '000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	49,319	56,421	2,915	3,694
Trade and other receivables	106,712	89,838	39,952	40,815
Inventories	124,557	132,323	-	-
Other current assets	12,669	14,654	64	15
	<b>293,257</b>	293,236	<b>42,931</b>	44,524
Non-current assets held-for-sale	7,937	8,384	-	-
	<b>301,194</b>	301,620	<b>42,931</b>	44,524
<b>Non-current assets</b>				
Transferable club membership, at cost	230	146	-	-
Investment in an associated company	15,366	15,588	-	-
Investments in subsidiaries	-	-	100,122	100,122
Property, plant and equipment	117,427	121,316	263	298
Intangible assets	3,400	3,447	-	-
Deferred income tax assets	4,678	4,589	-	-
	<b>141,101</b>	145,086	<b>100,385</b>	100,420
<b>Total assets</b>	<b>442,295</b>	446,706	<b>143,316</b>	144,944
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	44,944	45,669	827	3,009
Current income tax liabilities	578	1,327	-	-
Derivative financial instrument	345	365	345	365
Borrowings	111,526	104,129	6,400	6,400
	<b>157,393</b>	151,490	<b>7,572</b>	9,774
<b>Non-current liabilities</b>				
Derivative financial instrument	-	58	-	58
Borrowings	22,988	28,751	1,800	5,000
Deferred income tax liabilities	2,021	2,276	-	-
	<b>25,009</b>	31,085	<b>1,800</b>	5,058
<b>Total liabilities</b>	<b>182,402</b>	182,575	<b>9,372</b>	14,832
<b>Net assets</b>	<b>259,893</b>	264,131	<b>133,944</b>	130,112
<b>EQUITY</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	(10,524)	(7,117)	-	-
Retained profits	181,625	181,421	56,943	53,111
	<b>248,102</b>	251,305	<b>133,944</b>	130,112
Non-controlling interests	11,791	12,826	-	-
<b>Total equity</b>	<b>259,893</b>	264,131	<b>133,944</b>	130,112

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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 30/06/15		Group As at 31/12/14	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
111,526	-	104,129	-

**Amount repayable after one year**

Group As at 30/06/15		Group As at 31/12/14	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
22,988	-	28,751	-

**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\$5.5 million (2014: S\$5.5 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 (2Q FY2015 vs 2Q FY2014)**

	<b>Group 01/04/15- 30/06/15 S\$ '000</b>	<b>Group 01/04/14- 30/06/14 S\$ '000</b>
<b>Cash flows from operating activities</b>		
Net profit	1,877	2,556
Adjustments for:		
Income tax	906	1,779
Depreciation of property, plant and equipment	3,818	4,386
Amortisation of intangible assets	15	15
Gain on disposal of property, plant and equipment	(39)	(58)
Interest expense	1,358	1,252
Interest income	(77)	(112)
Share of profit of an associated company	(279)	(487)
Fair value gain on derivative financial instruments	(212)	(50)
Unrealised currency translation differences	(2,948)	899
Operating cash flow before working capital changes	4,419	10,180
Changes in working capital, net of effects from disposal of subsidiary:		
Inventories	6,032	6,672
Trade and other receivables	(2,267)	(4,138)
Other current assets	2,192	(1,894)
Trade and other payables	(1,915)	2,368
Cash generated from operations	8,461	13,188
Interest received	77	112
Income tax paid	(1,761)	(2,343)
<b>Net cash provided by operating activities</b>	<b>6,777</b>	<b>10,957</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	179	436
Purchase of property, plant and equipment	(2,460)	(2,397)
<b>Net cash used in investing activities</b>	<b>(2,281)</b>	<b>(1,961)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(1,213)	(1,129)
Proceeds from borrowings	5,812	4,708
Repayments of borrowings	(3,201)	(2,578)
Repayments of finance lease liabilities	(339)	(470)
Dividends paid to equity holders of the Company	(3,508)	(3,975)
Dividend paid to non-controlling interest	(310)	(710)
<b>Net cash used in financing activities</b>	<b>(2,759)</b>	<b>(4,154)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,737</b>	<b>4,842</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>48,795</b>	<b>51,522</b>
Effects of currency translation on cash and cash equivalents	(1,351)	29
<b>Cash and cash equivalents at end of the financial period</b>	<b>49,181</b>	<b>56,393</b>
Consolidated cash and cash equivalents are represented by:		
Cash and bank balances	49,319	59,042
Less: Bank overdrafts	(138)	(2,649)
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>	<b>49,181</b>	<b>56,393</b>



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**1(c)(ii) CONSOLIDATED STATEMENT OF CASH FLOWS (1H FY2015 vs 1H FY2014)**

	<b>Group 01/01/15- 30/06/15 S\$ '000</b>	<b>Group 01/01/14- 30/06/14 S\$ '000</b>
<b>Cash flows from operating activities</b>		
Net profit	4,212	4,742
Adjustments for:		
Income tax	1,928	3,735
Depreciation of property, plant and equipment	7,647	8,560
Amortisation of intangible assets	31	31
Gain on disposal of property, plant and equipment	(74)	(128)
Interest expense	2,616	2,448
Interest income	(216)	(221)
Share of profit of an associated company	(502)	(696)
Fair value gain on derivative financial instruments	(78)	(84)
Unrealised currency translation differences	(1,013)	1,637
Operating cash flow before working capital changes	<u>14,551</u>	<u>20,024</u>
Changes in working capital, net of effects from disposal of subsidiary:		
Inventories	7,766	21,937
Trade and other receivables	(16,874)	(14,019)
Other current assets	1,985	(1,744)
Trade and other payables	(515)	(1,108)
Cash generated from operations	<u>6,913</u>	<u>25,090</u>
Interest received	216	221
Income tax paid	(2,802)	(2,814)
<b>Net cash provided by operating activities</b>	<u>4,327</u>	<u>22,497</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	205	891
Purchase of property, plant and equipment	(4,646)	(5,824)
Purchase of club membership	(84)	-
<b>Net cash used in investing activities</b>	<u>(4,525)</u>	<u>(4,933)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(2,792)	(2,285)
Proceeds from borrowings	13,987	5,660
Repayments of borrowings	(11,249)	(12,635)
Repayments of finance lease liabilities	(731)	(915)
Dividends paid to equity holders of the Company	(3,508)	(3,975)
Dividends paid to non-controlling interests	(702)	(710)
<b>Net cash used in financing activities</b>	<u>(4,995)</u>	<u>(14,860)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(5,193)</b>	<b>2,704</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>55,543</b>	<b>53,791</b>
Effects of currency translation on cash and cash equivalents	(1,169)	(102)
<b>Cash and cash equivalents at end of the financial period</b>	<u><b>49,181</b></u>	<u><b>56,393</b></u>
Consolidated cash and cash equivalents are represented by:		
Cash and bank balances	49,319	59,042
Less: Bank overdrafts	(138)	(2,649)
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>	<u><b>49,181</b></u>	<u><b>56,393</b></u>





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**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 2015</b>	77,001	(7,117)	181,421	251,305	12,826	264,131
Total comprehensive income for the period	-	(3,407)	3,712	305	(333)	(28)
Dividends relating to 2014 paid	-	-	(3,508)	(3,508)	(702)	(4,210)
<b>Balance at 30 June 2015</b>	<b>77,001</b>	<b>(10,524)</b>	<b>181,625</b>	<b>248,102</b>	<b>11,791</b>	<b>259,893</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 2014</b>	77,001	(6,592)	178,941	249,350	12,685	262,035
Total comprehensive income for the period	-	333	4,159	4,492	1,191	5,683
Dividends relating to 2013 paid	-	-	(3,975)	(3,975)	(710)	(4,685)
<b>Balance at 30 June 2014</b>	<b>77,001</b>	<b>(6,259)</b>	<b>179,125</b>	<b>249,867</b>	<b>13,166</b>	<b>263,033</b>

	Share Capital S\$ '000	Retained earnings S\$ '000	Total S\$ '000
<b>The Company</b>			
<b>Balance at 1 January 2015</b>	77,001	53,111	130,112
Total comprehensive income for the period	-	7,340	7,340
Dividends relating to 2014 paid	-	(3,508)	(3,508)
<b>Balance at 30 June 2015</b>	<b>77,001</b>	<b>56,943</b>	<b>133,944</b>

	Share Capital S\$ '000	Retained earnings S\$ '000	Total S\$ '000
<b>The Company</b>			
<b>Balance at 1 January 2014</b>	77,001	48,940	125,941
Total comprehensive income for the period	-	7,936	7,936
Dividends relating to 2013 paid	-	(3,975)	(3,975)
<b>Balance at 30 June 2014</b>	<b>77,001</b>	<b>52,901</b>	<b>129,902</b>

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**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 2014. The share capital of the Company as at 30 June 2015 was 584,591,628 ordinary shares. There is no share option issued during the period.

The Company did not hold any treasury shares as at 30 June 2015 and 31 December 2014.

**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**

	<b>Company 30/06/15</b>	<b>Company 31/12/14</b>
Total numbers of issued shares	<b>584,591,628</b>	584,591,628
Less: Treasury shares	-	-
Total numbers of issued shares excluding treasury shares	<b>584,591,628</b>	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**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 30 June 2015.

**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 or reviewed by the Company's auditors.

**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.



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**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 2015, the Group has adopted the following revised FRS:-

FRS 103 *Business Combinations* (effective for annual periods beginning on or after 1 July 2014)

The standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in FRS 32, *Financial instruments: Presentation*. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss.

The standard is also amended to clarify that FRS 103 does not apply to the accounting for the formation of any joint arrangement under FRS 111. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.

FRS 108 *Operating Segments* (effective for annual periods beginning on or after 1 July 2014)

The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics.

The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.

This amendment will not result in any changes to the Group's accounting policies but will require more disclosures in the financial statements.

FRS 24 *Related Party Disclosures* (effective for annual periods beginning on or after 1 July 2014)

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity').

The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

This amendment will not result in any changes to the Group's accounting policies but will require more disclosures in the financial statements.

FRS 113 *Fair Value Measurement* (effective for annual periods beginning on or after 1 July 2014)

The amendment clarifies that the portfolio exception in FRS 113, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of FRS 39.

This amendment is not expected to have any significant impact on the financial statements of the Group.

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

<b>EARNINGS PER SHARE</b>	<b>Group 01/04/15 - 30/06/15</b>	Group 01/04/14 - 30/06/14	<b>Group 01/01/15 - 30/06/15</b>	Group 01/01/14 - 30/06/14
(a) Based on the number of ordinary shares on issue (cents)	<b>0.28</b>	0.38	<b>0.63</b>	0.71
(b) On fully diluted basis (cents)	<b>0.28</b>	0.38	<b>0.63</b>	0.71
Weighted average number of ordinary shares	<b>584,591,628</b>	584,591,628	<b>584,591,628</b>	584,591,628

- (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**

<b>NET ASSET VALUE PER SHARE</b>	<b>Group 30/06/15</b>	Group 31/12/14	<b>Company 30/06/15</b>	Company 31/12/14
Net asset value per ordinary share (cents)	<b>42.44</b>	42.99	<b>22.91</b>	22.26

- (i) The Group and Company net asset value per share as at 30 June 2015 and as at 31 December 2014 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 OF SECOND QUARTER FINANCIAL RESULTS**

#### Turnover

The Group reported a 1.7% (or \$2.3 million) increase in turnover to \$134.3 million (2Q2015) from \$132.0 million (2Q2014) mainly due to higher sales in both distribution and manufacturing business as compared to the corresponding period last year.

Distribution business, accounting for 71.1% of the Group's total turnover, recorded an increase of 1.5% (or \$1.4 million) in turnover, from \$94.1 million (2Q2014) to \$95.5 million (2Q2015). Manufacturing business, accounting for 28.9% of the Group's total turnover, recorded an increase of 2.4% (or \$0.9 million) in turnover, from \$37.9 million (2Q2014) to \$38.8 million (2Q2015).

#### Gross Profit

Gross Profit decreased by 3.8% (or \$1.1 million) to \$27.9 million (2Q2015) from \$29.0 million (2Q2014). The Group's gross profit margin declined to 20.8% in 2Q2015 compared to 22.0% in 2Q2014 mainly due to lower gross profit margin from the distribution business cushioned by higher gross profit margin from the manufacturing business.

#### Operating Expenses

Distribution expenses decreased by 4.6% (or \$0.6 million) in 2Q2015 to \$12.9 million compared to \$13.5 million in 2Q2014 mainly due to lower provision for doubtful debts.

Administrative expenses increased by 7.0% (or \$0.8 million) in 2Q2015 to \$11.8 million compared to \$11.0 million in 2Q2014 mainly due to higher staff related costs incurred and unrealised currency translation losses resulting from the weakening of MYR, RUPIAH and USD compared to the corresponding period.

Financing cost increased by 8.5% (or \$0.1 million) in 2Q2015 to \$1.3 million compared to \$1.2 million in 2Q2014 mainly due to higher borrowings.

#### Share of Profit of an Associated Company

Our associated company reported weaker performance and our share of profit was \$0.3 million in 2Q2015 compared to \$0.5 million in 2Q2014.

#### Income Tax expense

Income tax expense decreased by 49.1% mainly due to lower profit before tax in 2Q2015 compared to the corresponding period.

#### Net Profit after Tax and Non-Controlling Interests

Net profit after tax and non-controlling interests attributable to shareholders of the Company decreased by 27.4% (or \$0.6 million) to \$1.6 million in 2Q2015 from \$2.2 million in 2Q2014.



## **YHI INTERNATIONAL LIMITED**

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### **REVIEW OF SIX-MONTH YEAR-TO-DATE FINANCIAL RESULTS AND FINANCIAL POSITION (1H2015 VS 1H2014)**

#### Turnover

The Group reported a 4.7% (or \$11.8 million) increase in turnover to \$264.3 million (1H2015) from \$252.5 million (1H2014) mainly due to higher sales in both our Distribution and Manufacturing business as compared to the corresponding period last year.

Distribution business, accounting for 69.6% of the Group's total turnover, recorded an increase of 1.5% (or \$2.8 million) in turnover, from \$181.3 million (1H2014) to \$184.1 million (1H2015). Manufacturing business, accounting for 30.4% of the Group's total turnover, recorded an increase of 12.6% (or \$9.0 million) in turnover, from \$71.2 million (1H2014) to \$80.2 million (1H2015).

#### Gross Profit

Gross Profit decreased by 0.6% (or \$0.3 million) to \$54.9 million (1H2015) from \$55.2 million (1H2014). The Group's gross profit margin declined to 20.8% in 1H2015 compared to 21.9% in 1H2014 mainly due to lower gross profit margin from the distribution business cushioned by higher gross profit margin from the manufacturing business.

#### Operating Expenses

Distribution expenses decreased by 3.6% (or \$0.9 million) in 1H2015 to \$24.9 million compared to \$25.8 million in 1H2014 mainly due to lower provision for doubtful debts.

Administrative expenses increased by 12.5% (or \$2.7 million) in 1H2015 to \$23.3 million compared to \$20.6 million in 1H2014 mainly due to higher staff related costs incurred and unrealised currency translation losses resulting from the weakening of MYR, RUPIAH, USD and EURO compared to the corresponding period.

Financing cost increased by 6.9% (or \$0.2 million) in 1H2015 to \$2.6 million compared to \$2.4 million in 1H2014 mainly due to higher borrowings.

#### Share of Profit of Associated Company

Our associated company reported weaker performance and our share of profit was \$0.5 million in 1H2015 compared to \$0.7 million in 1H2014

#### Income Tax expense

Income tax expense decreased by 48.4% mainly due to lower profit before tax in 1H2015 compared to the corresponding period.

#### Net Profit after Tax and Non-Controlling Interests

Net profit after tax and non-controlling interests attributable to shareholders of the Company decreased by 10.7% (or \$0.4 million) to \$3.7 million in 1H2015 from \$4.1 million in 1H2014.



## **YHI INTERNATIONAL LIMITED**

(Company Registration No. 200007455H)  
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### **STATEMENT OF FINANCIAL POSITION REVIEW**

As at 30 June 2015, total assets amounted to about \$442.3 million comprising \$301.2 million of current assets and \$141.1 million of non-current assets. Total liabilities amounted to about \$182.4 million comprising current liabilities of \$157.4 million and non-current liabilities of \$25.0 million. Shareholders' equity including non-controlling interests amounted to \$259.9 million.

The substantial changes in the statement of financial position compared to 31 December 2014 are as follows:

#### Trade and other receivables

Trade and other receivables increased from \$89.8 million to \$106.7 million mainly due to higher manufacturing sales generated in 1H2015. Except for those trade receivables where a specific provision has been made, most of the trade receivables remained outstanding at the end of June 2015 were still within the acceptable credit terms.

#### Inventories

Inventories decreased from \$132.3 million to \$124.6 million due to better inventory management.

#### Other current assets

Other current assets decreased from \$14.6 million to \$12.7 million mainly due to lower deposits paid for the purchases of aluminum ingot.

#### Current Income tax liabilities

Income tax liability decreased from \$1.3 million to \$0.6 million mainly due to the payment of income tax .

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

Borrowings increased from \$132.9 million to \$134.5 million mainly due to additional bank borrowings for trade financing in line with higher turnover.

#### Deferred Income tax liabilities

Deferred income tax liability decreased from \$2.3 million to \$2.0 million mainly due to over provision of deferred income tax liabilities in prior year.

#### Other reserve

Other reserve consist of foreign currency losses which changed from \$7.1 million to \$10.5 million resulting from the weakening of MYR, AUD and NZD against SGD.

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

\$4.3 million was generated by operating activities in 1H2015. The Group utilised \$4.5 million in the investing activities mainly for the purchase of plant and equipment. A total of \$5.0 million was used in the financing activities mainly for the payment of dividend and bank interest. Cash and cash equivalents amounted to \$49.2 million at the end of June 2015 compared to \$55.5 million reported at end of December 2014.



**YHI INTERNATIONAL LIMITED**

(Company Registration No. 200007455H)  
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**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 economic slowdown in Europe, China, Australia and Malaysia continued to impact consumer spending and has dampened demand for our products. The strengthening of US Dollars against Euro, Australian Dollars, Indonesia Rupiah and Malaysia Ringgit has also impacted the profitability of both our manufacturing and distribution businesses.

China passenger car sales have slowed down drastically and this has impacted our domestic OEM manufacturing business at our Shanghai factory in recent months. In view of the reduced OEM business, we have expanded into our after-market business and will be working with potential after-market customers to secure orders for the rest of the year and next year 2016. Our Suzhou factory will continue to focus on the after-market export business in 2015 and beyond. We will also continue to invest in R&D design and technical competency to value-add to our after-market customers.

With regard to the sale of the Group's factory in Sepang, the relevant state authority has given approval for the transfer of the land title to the Purchaser. The Purchaser is in the process of completing the transaction and we expect the transaction to complete by the end of September 2015.

The prevailing overcapacity of tyres in the industry and the weak global demand continued to pose challenges for our tyre distribution business. The intense price competition in the market place coupled with the strong US Dollars, has resulted in lower sales and lower gross profit margins for our tyres distribution business in the key markets in Australia, Malaysia and Singapore. However, the lower sales in these key markets were cushioned by new tyres sales in our new USA market. The Group will continue to build on the USA market and explore new business opportunities, new sales channels in the existing and other new markets to sustain our distribution business.

The Group will remain focus on our 3R reduction policy, which is to reduce inventory, reduce accounts receivables and reduce operating costs in 2015 to mitigate the impact of the current challenging business environment.

**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.





**YHI INTERNATIONAL LIMITED**

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

No dividend has been recommended for the period ended 30 June 2015.

**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.

**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 2015 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  
13/8/2015

Submitted by Tay Tian Hoe Richard, Executive Chairman and Group Managing Director on 13/8/2015 to the SGX.