



## Unaudited Third 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 (3Q FY2015 vs 3Q FY2014)

	Group 01/07/15- 30/09/15 S\$ '000	Group 01/07/14- 30/09/14 S\$ '000	Incr/(Decr) %
Sales	121,282	133,058	(8.9%)
Cost of sales	(96,771)	(102,270)	(5.4%)
Gross profit	24,511	30,788	(20.4%)
Other gains – net	3,345	644	NM
Expenses			
- Distribution	(12,049)	(14,185)	(15.1%)
- Administrative	(9,720)	(11,534)	(15.7%)
- Finance	(1,290)	(1,098)	17.5%
Share of profit of an associated company	321	3	NM
Profit before income tax	5,118	4,618	10.8%
Income tax expense	(1,619)	(1,951)	(17.0%)
<b>Net profit</b>	<b>3,499</b>	<b>2,667</b>	<b>31.2%</b>
<b>Profit Attributable to:</b>			
Equity holders of the Company	3,327	2,225	49.5%
Non-controlling interests	172	442	(61.1%)
	<b>3,499</b>	<b>2,667</b>	<b>31.2%</b>

#### NOTES TO CONSOLIDATED INCOME STATEMENT (3Q FY2015 vs 3Q FY2014)

	Group 01/07/15- 30/09/15 S\$ '000	Group 01/07/14- 30/09/14 S\$ '000	Incr/(Decr) %
Interest income	68	111	(38.7%)
Interest on borrowings	(1,290)	(1,097)	17.6%
Depreciation and impairment charges of property, plant and equipment	(3,823)	(3,902)	(2.0%)
Amortisation of intangible assets	(16)	(16)	NM
Allowance for impairment of doubtful trade receivables	(378)	(691)	(45.3%)
Write down of inventories	(915)	(415)	NM
Currency exchange gain/(loss) - net	1,908	(485)	NM
Share of profit of an associated company	321	3	NM
Gain on disposal of property, plant and equipment	2,738	43	NM

NM – Not meaningful



**YHI INTERNATIONAL LIMITED**  
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**NOTES TO CONSOLIDATED INCOME STATEMENT (3Q FY2015 vs 3Q FY2014) (Cont'd)**

<b>Income Tax Expenses</b>	<b>Group 01/07/15- 30/09/15 S\$ '000</b>	<b>Group 01/07/14- 30/09/14 S\$ '000</b>	<b>Incr/(Decr)  %</b>
Tax expense attributable to profit is made up of:			
Current income tax			
- Singapore	149	308	(51.6%)
- Foreign	1,104	1,628	(32.2%)
	<b>1,253</b>	1,936	(35.3%)
Deferred income tax	(47)	(36)	30.6%
	<b>1,206</b>	1,900	(36.5%)
(Over)/under provision in previous financial year			
- Current income tax	(108)	(5)	NM
- Deferred income tax	521	56	NM
	<b>1,619</b>	1,951	(17.0%)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (3Q FY2015 vs 3Q FY2014)**

	<b>Group 01/07/15- 30/09/15 S\$ '000</b>	<b>Group 01/07/14- 30/09/14 S\$ '000</b>	<b>Incr/(Decr)  %</b>
<b>Profit for the period</b>	<b>3,499</b>	2,667	31.2%
<b>Other comprehensive income, net of tax:</b>			
Items that may be reclassified subsequently to profit or loss			
- Currency translation differences	*(5,491)	(776)	NM
<b>Total comprehensive (loss)/income for the period</b>	<b>(1,992)</b>	1,891	NM
<b>Total comprehensive (loss)/income attributable to:</b>			
Equity holders of the Company	(1,601)	2,039	NM
Non-controlling interests	(391)	(148)	NM
	<b>(1,992)</b>	1,891	NM

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



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**1(a)(ii) CONSOLIDATED INCOME STATEMENT (YTD SEP FY2015 vs YTD SEP FY2014)**

	<b>Group</b> <b>01/01/15-</b> <b>30/09/15</b> <b>S\$ '000</b>	Group 01/01/14- 30/09/14 S\$ '000	Incr/(Decr)  %
Sales	<b>385,581</b>	385,533	NM
Cost of sales	<b>(306,153)</b>	(299,497)	2.2%
Gross profit	<b>79,428</b>	86,036	(7.7%)
Other gains - net	<b>4,826</b>	2,116	NM
Expenses			
- Distribution	<b>(36,925)</b>	(40,001)	(7.7%)
- Administrative	<b>(32,988)</b>	(32,209)	2.4%
- Finance	<b>(3,906)</b>	(3,546)	10.2%
Share of profit of an associated company	<b>823</b>	699	17.7%
Profit before income tax	<b>11,258</b>	13,095	(14.0%)
Income tax expense	<b>(3,547)</b>	(5,686)	(37.6%)
<b>Net profit</b>	<b>7,711</b>	7,409	4.1%
<b>Profit Attributable to:</b>			
Equity holders of the Company	<b>7,039</b>	6,384	10.3%
Non-controlling interests	<b>672</b>	1,025	(34.4%)
	<b>7,711</b>	7,409	4.1%

**NOTES TO CONSOLIDATED INCOME STATEMENT (YTD SEP FY2015 vs YTD SEP FY2014)**

	<b>Group</b> <b>01/01/15-</b> <b>30/09/15</b> <b>S\$ '000</b>	Group 01/01/14- 30/09/14 S\$ '000	Incr/(Decr)  %
Interest income	<b>284</b>	332	(14.5%)
Interest on borrowings	<b>(3,906)</b>	(3,545)	10.2%
Depreciation and impairment charges of property, plant and equipment	<b>(11,470)</b>	(12,462)	(8.0%)
Amortisation of intangible assets	<b>(47)</b>	(47)	NM
Allowance for impairment of doubtful trade receivables	<b>(1,070)</b>	(2,209)	(51.6%)
Write down of inventories	<b>(1,531)</b>	(973)	57.3%
Currency exchange gain - net	<b>781</b>	163	NM
Share of profit of an associated company	<b>823</b>	699	17.7%
Gain on disposal of property, plant and equipment	<b>2,812</b>	171	NM

NM – Not meaningful



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**NOTES TO CONSOLIDATED INCOME STATEMENT (YTD SEP FY2015 vs YTD SEP FY2014) (Cont'd)**

<b>Income Tax Expenses</b>	<b>Group 01/01/15- 30/09/15 S\$ '000</b>	<b>Group 01/01/14- 30/09/14 S\$ '000</b>	<b>Incr/(Decr)  %</b>
Tax expense attributable to profit is made up of:			
Current income tax			
- Singapore	511	850	(39.9%)
- Foreign	2,739	4,514	(39.3%)
	<b>3,250</b>	5,364	(39.4%)
Deferred income tax	(85)	13	NM
	<b>3,165</b>	5,377	(41.1%)
Under provision in previous financial year			
- Current income tax	24	112	(78.6%)
- Deferred income tax	358	197	81.7%
	<b>3,547</b>	5,686	(37.6%)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (YTD SEP FY2015 vs YTD SEP FY2014)**

	<b>Group 01/01/15- 30/09/15 S\$ '000</b>	<b>Group 01/01/14- 30/09/14 S\$ '000</b>	<b>Incr/(Decr)  %</b>
<b>Profit for the period</b>	7,711	7,409	4.1%
<b>Other comprehensive income, net of tax:</b>			
Items that may be reclassified subsequently to profit or loss			
- Currency translation differences	*(9,731)	167	NM
<b>Total comprehensive (loss)/income for the period</b>	<b>(2,020)</b>	7,576	NM
<b>Total comprehensive (loss)/income attributable to:</b>			
Equity holders of the Company	(1,296)	6,533	NM
Non-controlling interests	(724)	1,043	NM
	<b>(2,020)</b>	7,576	NM

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

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**1(b) 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 30/09/15</b>	<b>Group 31/12/14</b>	<b>Company 30/09/15</b>	<b>Company 31/12/14</b>
	<b>S\$ '000</b>	<b>S\$ '000</b>	<b>S\$ '000</b>	<b>S\$ '000</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	50,665	56,421	2,741	3,694
Trade and other receivables	104,084	89,838	39,225	40,815
Inventories	121,889	132,323	-	-
Other current assets	12,637	14,654	6	15
	<b>289,275</b>	<b>293,236</b>	<b>41,972</b>	<b>44,524</b>
Non-current assets held-for-sale	-	8,384	-	-
	<b>289,275</b>	<b>301,620</b>	<b>41,972</b>	<b>44,524</b>
<b>Non-current assets</b>				
Transferable club membership, at cost	230	146	-	-
Investment in an associated company	15,467	15,588	-	-
Investments in subsidiaries	-	-	100,122	100,122
Property, plant and equipment	115,779	121,316	245	298
Intangible assets	3,383	3,447	-	-
Deferred income tax assets	4,227	4,589	-	-
	<b>139,086</b>	<b>145,086</b>	<b>100,367</b>	<b>100,420</b>
<b>Total assets</b>	<b>428,361</b>	<b>446,706</b>	<b>142,339</b>	<b>144,944</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	44,560	45,669	1,513	3,009
Current income tax liabilities	68	1,327	-	-
Derivative financial instrument	444	365	444	365
Borrowings	102,012	104,129	5,400	6,400
	<b>147,084</b>	<b>151,490</b>	<b>7,357</b>	<b>9,774</b>
<b>Non-current liabilities</b>				
Derivative financial instrument	-	58	-	58
Borrowings	21,407	28,751	1,200	5,000
Deferred income tax liabilities	1,931	2,276	-	-
	<b>23,338</b>	<b>31,085</b>	<b>1,200</b>	<b>5,058</b>
<b>Total liabilities</b>	<b>170,422</b>	<b>182,575</b>	<b>8,557</b>	<b>14,832</b>
<b>Net assets</b>	<b>257,939</b>	<b>264,131</b>	<b>133,782</b>	<b>130,112</b>
<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	(15,452)	(7,117)	-	-
Retained profits	184,952	181,421	56,781	53,111
	<b>246,501</b>	<b>251,305</b>	<b>133,782</b>	<b>130,112</b>
Non-controlling interests	11,438	12,826	-	-
<b>Total equity</b>	<b>257,939</b>	<b>264,131</b>	<b>133,782</b>	<b>130,112</b>

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**1(c) Aggregate amount of Group's borrowings and debt securities****Amount repayable in one year or less, or on demand**

Group As at 30/09/15		Group As at 31/12/14	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
102,012	-	104,129	-

**Amount repayable after one year**

Group As at 30/09/15		Group As at 31/12/14	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
21,407	-	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(d) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year****1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS (3Q FY2015 vs 3Q FY2014)**

	<b>Group</b> <b>01/07/15-</b> <b>30/09/15</b> <b>S\$ '000</b>	<b>Group</b> <b>01/07/14-</b> <b>30/09/14</b> <b>S\$ '000</b>
<b>Cash flows from operating activities</b>		
Net profit	3,499	2,667
Adjustments for:		
Income tax	1,619	1,951
Depreciation of property, plant and equipment	3,823	3,902
Amortisation of intangible assets	16	16
Gain on disposal of property, plant and equipment	(2,738)	(43)
Interest expense	1,290	1,097
Interest income	(68)	(111)
Share of profit of an associated company	(321)	(3)
Fair value gain on derivative financial instruments	99	17
Unrealised currency translation differences	(2,712)	(1,788)
Operating cash flow before working capital changes	4,507	7,705
Changes in working capital, net of effects from disposal of subsidiary:		
Inventories	2,668	(9,739)
Trade and other receivables	2,627	1,108
Other current assets	32	1,355
Trade and other payables	(480)	1,827
Cash generated from operations	9,354	2,256
Interest received	68	111
Income tax paid	(1,565)	(1,976)
<b>Net cash provided by operating activities</b>	<b>7,857</b>	<b>391</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	10,968	77
Purchase of property, plant and equipment	(4,501)	(1,671)
Dividend received	224	-
<b>Net cash provided by / (used in) investing activities</b>	<b>6,691</b>	<b>(1,594)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(1,194)	(966)
Proceeds from borrowings	129	1,874
Repayments of borrowings	(10,173)	(638)
Repayments of finance lease liabilities	(983)	(365)
<b>Net cash used in financing activities</b>	<b>(12,221)</b>	<b>(95)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2,327</b>	<b>(1,298)</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>49,181</b>	<b>56,394</b>
Effects of currency translation on cash and cash equivalents	(1,627)	252
<b>Cash and cash equivalents at end of the financial period</b>	<b>49,881</b>	<b>55,348</b>
Consolidated cash and cash equivalents are represented by:		
Cash and bank balances	50,665	57,433
<b>Less: Bank overdrafts</b>	<b>(784)</b>	<b>(2,085)</b>
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>	<b>49,881</b>	<b>55,348</b>



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**1(d)(ii) CONSOLIDATED STATEMENT OF CASH FLOWS (YTD SEP FY2015 vs YTD SEP FY2014)**

	<b>Group 01/01/15- 30/09/15 S\$ '000</b>	<b>Group 01/01/14- 30/09/14 S\$ '000</b>
<b>Cash flows from operating activities</b>		
Net profit	7,711	7,409
Adjustments for:		
Income tax	3,547	5,686
Depreciation of property, plant and equipment	11,470	12,462
Amortisation of intangible assets	47	47
Gain on disposal of property, plant and equipment	(2,812)	(171)
Interest expense	3,906	3,545
Interest income	(284)	(332)
Share of profit of an associated company	(823)	(699)
Fair value gain on derivative financial instruments	21	(67)
Unrealised currency translation differences	(3,725)	(144)
Operating cash flow before working capital changes	<u>19,058</u>	<u>27,736</u>
Changes in working capital, net of effects from disposal of subsidiary:		
Inventories	10,434	12,198
Trade and other receivables	(14,247)	(12,911)
Other current assets	2,017	(389)
Trade and other payables	(995)	719
Cash generated from operations	<u>16,267</u>	<u>27,353</u>
Interest received	284	332
Income tax paid	(4,367)	(4,820)
<b>Net cash provided by operating activities</b>	<u>12,184</u>	<u>22,865</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	11,173	968
Purchase of property, plant and equipment	(9,147)	(7,495)
Purchase of club membership	(84)	-
Dividend received	224	-
<b>Net cash provided by / (used in) investing activities</b>	<u>2,166</u>	<u>(6,527)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(3,986)	(3,251)
Proceeds from borrowings	14,116	7,534
Repayments of borrowings	(21,422)	(13,273)
Repayments of finance lease liabilities	(1,714)	(1,280)
Dividends paid to equity holders of the Company	(3,508)	(3,975)
Dividends paid to non-controlling interests	(702)	(686)
<b>Net cash used in financing activities</b>	<u>(17,216)</u>	<u>(14,931)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<u>(2,866)</u>	<u>1,407</u>
<b>Cash and cash equivalents at beginning of the financial period</b>	<u>55,543</u>	<u>53,791</u>
Effects of currency translation on cash and cash equivalents	(2,796)	150
<b>Cash and cash equivalents at end of the financial period</b>	<u>49,881</u>	<u>55,348</u>
Consolidated cash and cash equivalents are represented by:		
Cash and bank balances	50,665	57,433
Less: Bank overdrafts	(784)	(2,085)
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>	<u>49,881</u>	<u>55,348</u>





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- 1(e) 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 loss for the period	-	(8,335)	7,039	(1,296)	(724)	(2,020)
Dividends relating to 2014 paid	-	-	(3,508)	(3,508)	(664)	(4,172)
<b>Balance at 30 September 2015</b>	<b>77,001</b>	<b>(15,452)</b>	<b>184,952</b>	<b>246,501</b>	<b>11,438</b>	<b>257,939</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	-	149	6,384	6,533	1,043	7,576
Dividends relating to 2013 paid	-	-	(3,975)	(3,975)	(686)	(4,661)
<b>Balance at 30 September 2014</b>	<b>77,001</b>	<b>(6,443)</b>	<b>181,350</b>	<b>251,908</b>	<b>13,042</b>	<b>264,950</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	-	7,178	7,178
Dividends relating to 2014 paid	-	(3,508)	(3,508)
<b>Balance at 30 September 2015</b>	<b>77,001</b>	<b>56,781</b>	<b>133,782</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	-	8,230	8,230
Dividends relating to 2013 paid	-	(3,975)	(3,975)
<b>Balance at 30 September 2014</b>	<b>77,001</b>	<b>53,195</b>	<b>130,196</b>

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- 1(f) 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.**

There was no change in the Company's number of shares since 31 December 2014. The share capital of the Company as at 30 September 2015 was 584,591,628 ordinary shares. There is no share option issued during the period.

- 1(g) 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**

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

- 1(h)(i) 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 30/09/15</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(h)(ii) 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 September 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.

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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**

<b>EARNINGS PER SHARE</b>	<b>Group 01/07/15 - 30/09/15</b>	Group 01/07/14 - 30/09/14	<b>Group 01/01/15 - 30/09/15</b>	Group 01/01/14 - 30/09/14
(a) Based on the number of ordinary shares on issue (cents)	<b>0.57</b>	0.38	<b>1.20</b>	1.09
(b) On fully diluted basis (cents)	<b>0.57</b>	0.38	<b>1.20</b>	1.09
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 30/09/15</b>	Group 31/12/14	<b>Company 30/09/15</b>	Company 31/12/14
Net asset value per ordinary share (cents)	<b>42.17</b>	42.99	<b>22.88</b>	22.26

- (i) The Group and Company net asset value per share as at 30 September 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.



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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 THIRD QUARTER FINANCIAL RESULTS**

#### Turnover

The Group reported a 8.9% (or \$11.7 million) decrease in turnover to \$121.3 million (3Q2015) from \$133.0 million (3Q2014) mainly due to lower sales in both distribution and manufacturing business as compared to the corresponding period last year.

Distribution business, accounting for 70.8% of the Group's total turnover, recorded a decrease of 6.3% (or \$5.8 million) in turnover, from \$91.7 million (3Q2014) to \$85.9 million (3Q2015) mainly due to lower sales in the tyres distribution business. Our wheels manufacturing business, accounting for 29.2% of the Group's total turnover, recorded a decrease of 14.3% (or \$5.9 million) in turnover, from \$41.3 million (3Q2014) to \$35.4 million (3Q2015).

#### Gross Profit

Gross Profit decreased by 20.4% (or \$6.3 million) to \$24.5 million (3Q2015) from \$30.8 million (3Q2014). The Group's gross profit margin declined to 20.2% in 3Q2015 compared to 23.1% in 3Q2014 mainly due to lower gross profit margin from both the distribution and manufacturing business.

#### Other Gains

Other gains increased by \$2.7 million to \$3.3 million (3Q2015) from \$0.6 million (3Q2014) mainly due to disposal gain of our Sepang plant.

#### Operating Expenses

Distribution expenses decreased by 15.1% (or \$2.2 million) in 3Q2015 to \$12.0 million compared to \$14.2 million in 3Q2014 mainly due to lower carriage outward, advertising & promotional expenses and lower provision of doubtful debts.

Administrative expenses decreased by 15.7% (or \$1.8 million) in 3Q2015 to \$9.7 million compared to \$11.5 million in 3Q2014 mainly due to unrealised currency translation gains resulting from the strengthening of USD compared to the corresponding period.

Financing cost increased by 17.5% (or \$0.2 million) in 3Q2015 to \$1.3 million compared to \$1.1 million in 3Q2014 mainly due to higher borrowings and interest costs incurred.

#### Share of Profit of an Associated Company

Our associated company reported better performance and our share of profit was \$0.3 million in 3Q2015 compared to \$3,000 in 3Q2014.

#### Income Tax expense

Income tax expenses decreased by 17% mainly due to lower operating profit in 3Q2015 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 increased by 49.5% (or \$1.1 million) to \$3.3 million in 3Q2015 from \$2.2 million in 3Q2014.



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### **REVIEW OF NINE-MONTH YEAR-TO-DATE FINANCIAL RESULTS AND FINANCIAL POSITION (9M2015 VS 9M2014)**

#### Turnover

The Group reported relatively flat turnover of \$385.6 million for 9M2015 compared to 9M2014.

Distribution business, accounting for 70.0% of the Group's total turnover, recorded a decrease of 1.1% (or \$3.1 million) in turnover, from \$273.1 million (9M2014) to \$270.0 million (9M2015) mainly due to lower sales in the tyres distribution business. Our wheels manufacturing business, accounting for 30.0% of the Group's total turnover, recorded an increase of 2.8% (or \$3.1 million) in turnover, from \$112.5 million (9M2014) to \$115.6 million (9M2015).

#### Gross Profit

Gross Profit decreased by 7.7% (or \$6.6 million) to \$79.4 million (9M2015) from \$86.0 million (9M2014). The Group's gross profit margin declined to 20.6% in 9M2015 compared to 22.3% in 9M2014 mainly due to lower gross profit margin from the distribution business cushioned by higher gross profit margin from the manufacturing business.

#### Other Gains

Other gains increase by \$2.7 million to \$4.8 million (9M2015) from \$2.1 million (9M2014) mainly due to disposal gain of our Sepang plant.

#### Operating Expenses

Distribution expenses decreased by 7.7% (or \$3.1 million) in 9M2015 to \$36.9 million compared to \$40.0 million in 9M2014 mainly due to lower provision for doubtful debts and promotional expenses incurred.

Administrative expenses increased by 2.4% (or \$0.8 million) in 9M2015 to \$33.0 million compared to \$32.2 million in 9M2014 mainly due to higher staff related costs cushioned by unrealised currency translation gains resulting from the strengthening of USD compared to the corresponding period.

Financing cost increased by 10.2% (or \$0.4 million) in 9M2015 to \$3.9 million compared to \$3.5 million in 9M2014 mainly due to higher borrowings and interest costs incurred.

#### Share of Profit of Associated Company

Our associated company reported better performance and our share of profit was \$0.8 million in 9M2015 compared to \$0.7 million in 9M2014.

#### Income Tax expense

Income tax expense decreased by 37.6% mainly due to lower operating profit before tax in 9M2015 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 increased by 10.3% (or \$0.7 million) to \$7.0 million in 9M2015 compared to \$6.3 million in 9M2014.



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

As at 30 September 2015, total assets amounted to about \$428.4 million comprising \$289.3 million of current assets and \$139.1 million of non-current assets. Total liabilities amounted to about \$170.4 million comprising current liabilities of \$147.1 million and non-current liabilities of \$23.3 million. Shareholders' equity including non-controlling interests amounted to \$258.0 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 \$104.1 million mainly due to higher manufacturing sales generated in 9M2015 and slower collections from certain distribution customers. Except for those trade receivables where a specific provision has been made, most of the trade receivables remained outstanding at the September of 2015 were still within the acceptable credit terms.

#### Inventories

Inventories decreased from \$132.3 million to \$121.9 million due to better inventory management.

#### Other current assets

Other current assets decreased from \$14.6 million to \$12.6 million mainly due to lower deposits paid for the purchases of aluminum ingot and prepayment for mould cost.

#### Non-current assets held-for-sale

Non-current assets held-for-sale decreased from \$8.4 million to \$ NIL is mainly due to the disposal of Sepang plant during the period.

#### Current Income tax liabilities

Current income tax liability decreased from \$1.3 million to \$68,000 mainly due to income tax paid during the period.

#### Deferred Income tax liabilities

Deferred income tax liability decreased from \$2.3 million to \$1.9 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 \$15.4 million resulting from the weakening of MYR, AUD and NZD against SGD.

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

\$12.2 million was generated by operating activities in 9M2015. The Group generated \$2.1 million in investing activities resulting from the disposal of property, plant and equipment offset by purchase of plant and equipment. A total of \$17.2 million was used in the financing activities mainly for the repayment of borrowings. Cash and cash equivalents amounted to \$49.9 million at the end of September 2015 compared to \$55.5 million reported at end of December 2014.



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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's economy grew 6.9% in the 3<sup>rd</sup> quarter from a year earlier, dipping below 7% for the first time since the global financial crisis. China's central bank also cut its one-year benchmark bank lending rate for the sixth time since November last year by 25 basis points to 4.35% effective 24 October, in another attempt to improve the economy.

Against the backdrop of a slowing economy in China, we expect weaker demand for our wheels manufacturing business in China for the rest of the year and into 2016. However, we will continue to invest in our R&D design, technical competencies and to focus on improving our production processes to raise efficiency and reduce production costs so as to increase our competitiveness.

The prevailing overcapacity of tyres in the industry and the intense price competition continued to weigh on our tyres distribution business in our key markets in Australia, Malaysia and Singapore. For the rest of the year, we expect margins to continue to be under pressure and demand to remain weak in a slower global growth environment.

The Group will continue to focus on our 3"R" reduction policy to reduce inventory, reduce accounts receivables and reduce operating costs amid the weak global demand.

**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 2015.





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- 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 nine months ended 30 September 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  
12/11/2015

Submitted by Tay Tian Hoe Richard, Executive Chairman and Group Managing Director on 12/11/2015 to the SGX.