

**YHI INTERNATIONAL LIMITED**(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)**Unaudited Third Quarter 2017 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 FY2017 vs 3Q FY2016)**

	Group 01/07/17- 30/09/17 S\$ '000	Group 01/07/16- 30/09/16 S\$ '000	Incr/(Decr) %
Sales	113,596	114,914	(1.1%)
Cost of sales	(88,352)	(90,968)	(2.9%)
Gross profit	25,244	23,946	5.4%
Other gains	1,303	820	58.9%
Expenses			
- Distribution	(11,286)	(11,708)	(3.6%)
- Administrative	(11,120)	(10,472)	6.2%
- Finance	(791)	(1,007)	(21.4%)
Share of profit of an associated company	526	333	58.0%
Profit before income tax	3,876	1,912	102.7%
Income tax expense	(1,334)	(679)	96.5%
Net profit	2,542	1,233	106.2%
Profit Attributable to:			
Equity holders of the Company	2,264	969	133.6%
Non-controlling interests	278	264	5.3%
	2,542	1,233	106.2%

NOTES TO CONSOLIDATED INCOME STATEMENT (3Q FY2017 vs 3Q FY2016)

	Group 01/07/17- 30/09/17 S\$ '000	Group 01/07/16- 30/09/16 S\$ '000	Incr/(Decr) %
Interest income	139	64	NM
Interest on borrowings	(791)	(1,007)	(21.4%)
Depreciation of property, plant and equipment	(2,848)	(3,307)	(13.9%)
Amortisation of intangible assets	(206)	(23)	NM
Allowance for impairment of doubtful trade receivables	(355)	(80)	NM
Write-down of inventories	(539)	(108)	NM
Currency exchange gain - net	1,095	610	79.51
Share of profit of an associated company	526	333	58.0%
(Loss)/gain on disposal of property, plant and equipment	(688)	61	NM
Impairment of plant and equipment	(172)	-	NM

NM – Not meaningful

**YHI INTERNATIONAL LIMITED**

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

NOTES TO CONSOLIDATED INCOME STATEMENT (3Q FY2017 vs 3Q FY2016) (Cont'd)

Income Tax Expenses	Group 01/07/17- 30/09/17 S\$ '000	Group 01/07/16- 30/09/16 S\$ '000	Incr/(Decr) %
Tax expense attributable to profit is made up of:			
Current income tax			
- Singapore	96	94	2.1%
- Foreign	1,135	541	109.8%
	1,231	635	93.9%
Deferred income tax	51	(585)	NM
	1,282	50	NM
Under/(over) provision in previous financial year			
- Current income tax	214	139	54.0%
- Deferred income tax	(162)	490	NM
	1,334	679	96.5%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (3Q FY2017 vs 3Q FY2016)

	Group 01/07/17- 30/09/17 S\$ '000	Group 01/07/16- 30/09/16 S\$ '000	Incr/(Decr) %%
Profit for the period	2,542	1,233	106.2%
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss			
- Currency translation differences	48	1,804	NM
Total comprehensive income for the period	2,590	3,037	(14.7%)
Total comprehensive income to:			
Equity holders of the Company	2,374	2,392	(0.8%)
Non-controlling interests	216	645	(66.5%)
	2,590	3,037	(14.7%)

**YHI INTERNATIONAL LIMITED**(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)**1(a)(ii) CONSOLIDATED INCOME STATEMENT (YTD SEP FY2017 vs YTD SEP FY2016)**

	Group 01/01/17- 30/09/17 S\$ '000	Group 01/01/16- 30/09/16 S\$ '000	Incr/(Decr) %
Sales	331,666	342,809	(3.3%)
Cost of sales	(254,543)	(268,524)	(5.2%)
Gross profit	77,123	74,285	3.8%
Other gains	2,182	2,222	(1.8%)
Expenses			
- Distribution	(32,432)	(33,900)	(4.3%)
- Administrative	(36,065)	(33,612)	7.3%
- Finance	(2,645)	(3,375)	(21.6%)
Share of profit of an associated company	2,046	1,533	33.5%
Profit before income tax	10,209	7,153	42.7%
Income tax expense	(3,471)	(2,413)	43.8%
Net profit	6,738	4,740	42.2%
Profit Attributable to:			
Equity holders of the Company	6,010	4,131	45.5%
Non-controlling interests	728	609	19.5%
	6,738	4,740	42.2%

NOTES TO CONSOLIDATED INCOME STATEMENT (YTD SEP FY2017 vs YTD SEP FY2016)

	Group 01/01/17- 30/09/17 S\$ '000	Group 01/01/16- 30/09/16 S\$ '000	Incr/(Decr) %
Interest income	379	202	87.6%
Interest on borrowings	(2,645)	(3,375)	(21.6%)
Depreciation of property, plant and equipment	(8,825)	(10,065)	(12.3%)
Amortisation of intangible assets	(238)	(54)	NM
Allowance for impairment of doubtful trade receivables	(1,577)	(1,040)	51.6%
Write-down of inventories	(2,131)	(785)	NM
Currency exchange gain/(loss) - net	501	(164)	NM
Share of profit of an associated company	2,046	1,533	33.5%
(Loss)/gain on disposal of property, plant and equipment	(579)	200	NM
Impairment of plant and equipment	(1,558)	-	NM

NM – Not meaningful

**YHI INTERNATIONAL LIMITED**(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)**NOTES TO CONSOLIDATED INCOME STATEMENT (YTD SEP FY2017 vs YTD SEP FY2016) (Cont'd)****Income Tax Expenses**

Tax expense attributable to profit is made up of:

Current income tax

- Singapore

- Foreign

Deferred income tax

Under/(over) provision in previous financial year

- Current income tax

- Deferred income tax

	Group 01/01/17- 30/09/17 S\$ '000	Group 01/01/16- 30/09/16 S\$ '000	Incr/(Decr) %
	213	247	(13.8%)
	3,026	2,136	41.7%
	3,239	2,383	35.9%
	133	(559)	NM
	3,372	1,824	84.9%
	261	200	30.5%
	(162)	389	NM
	3,471	2,413	43.8%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (YTD SEP FY2017 vs YTD SEP FY2016)**Profit for the period****Other comprehensive income/(loss), 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 to:**

Equity holders of the Company

Non-controlling interests

	Group 01/01/17- 30/09/17 S\$ '000	Group 01/01/16- 30/09/16 S\$ '000	Incr/(Decr) %
	6,738	4,740	42.2%
	*(2,280)	#(3,559)	(35.9%)
	4,458	1,181	NM
	3,900	327	NM
	558	854	(34.7%)
	4,458	1,181	NM

* Consist of foreign currency losses mainly resulting from the weakening of RMB against SGD.

Consist of foreign currency losses mainly resulting from the weakening of RMB against SGD.


YHI INTERNATIONAL LIMITED

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

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

	Group 30/09/17	Group 31/12/16	Company 30/09/17	Company 31/12/16
	S\$ '000	S\$ '000	S\$ '000	S\$ '000
ASSETS				
Current assets				
Cash and cash equivalents	57,318	51,470	2,926	4,285
Trade and other receivables	97,054	94,588	36,157	32,628
Inventories	108,233	112,937	-	-
Other current assets	9,450	13,414	21	9
Derivative financial instruments	136	136	-	-
	272,191	272,545	39,104	36,922
Non-current assets				
Transferable club membership, at cost	38	227	-	-
Investment in an associated company	17,415	16,263	-	-
Investments in subsidiaries	-	-	100,324	100,122
Property, plant and equipment	94,822	105,878	105	158
Intangible assets	4,957	4,201	-	-
Deferred income tax assets	3,174	3,295	-	-
	120,406	129,864	100,429	100,280
Total assets	392,597	402,409	139,533	137,202
LIABILITIES				
Current liabilities				
Trade and other payables	38,773	44,678	1,134	873
Current income tax liabilities	290	576	-	-
Borrowings	75,273	76,858	-	600
	114,336	122,112	1,134	1,473
Non-current liabilities				
Borrowings	17,739	21,517	-	-
Deferred income tax liabilities	2,254	2,390	-	-
Other non-current liabilities	823	321	-	-
	20,816	24,228	-	-
Total liabilities	135,152	146,340	1,134	1,473
NET ASSETS	257,445	256,069	138,399	135,729
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	77,001	77,001	77,001	77,001
Other reserves	(22,021)	(19,911)	-	-
Retained profits	189,561	185,422	61,398	58,728
	244,541	242,512	138,399	135,729
Non-controlling interests	12,904	13,557	-	-
Total equity	257,445	256,069	138,399	135,729

**YHI INTERNATIONAL LIMITED**

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

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

Group As at 30/09/17		Group As at 31/12/16	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
75,273	-	76,858	-

Amount repayable after one year

Group As at 30/09/17		Group As at 31/12/16	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
17,739	-	21,517	-

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\$6.2 million (2016: S\$6.2 million), given as security to banks which granted banking facilities to certain subsidiaries. The banker's guarantees are in turn secured by a fixed and floating charge on all the assets of a subsidiary.

**YHI INTERNATIONAL LIMITED**(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)**1(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 FY2017 vs 3Q FY2016)**

	Group 01/07/17- 30/09/17 S\$ '000	Group 01/07/16- 30/09/16 S\$ '000
Cash flows from operating activities		
Net profit	2,542	1,233
Adjustments for:		
Income tax expenses	1,334	679
Depreciation of property, plant and equipment	2,848	3,307
Amortisation of intangible assets	206	23
Loss/(gain) on disposal of property, plant and equipment	688	(61)
Interest expense	791	1,007
Interest income	(139)	(64)
Share of profit of an associated company	(526)	(333)
Fair value gain on derivative financial instruments	-	(12)
Gain on disposal of transferable club membership	(35)	-
Impairment of plant and equipment	172	-
Unrealised currency translation differences	(361)	682
Operating cash flow before working capital changes	7,520	6,461
Changes in working capital:		
Inventories	(3,885)	5,988
Trade and other receivables	(4,804)	(1,849)
Other current assets	424	4,575
Trade and other payables	(1,838)	4,109
Cash generated from operations	(2,583)	19,284
Interest received	139	64
Income tax paid	(1,989)	(989)
Net cash (used in)/provided by operating activities	(4,433)	18,359
Cash flows from investing activities		
Dividend received from an associated company	952	270
Proceeds from sale of property, plant and equipment	1,715	199
Purchase of property, plant and equipment	(1,420)	(1,299)
Proceed from disposal of transferable club membership	224	-
Purchase of intangible assets	(502)	(342)
Net cash provided by/(used in) investing activities	969	(1,172)
Cash flows from financing activities		
Interest paid	(791)	(1,270)
Proceeds from borrowings	3,196	3,198
Repayments of borrowings	(601)	(10,518)
Repayments of finance lease liabilities	(34)	(117)
Net cash provided by/(used in) financing activities	1,770	(8,707)
Net (decrease)/increase in cash and cash equivalents	(1,694)	8,480
Cash and cash equivalents at beginning of the financial period	58,360	45,030
Effects of currency translation on cash and cash equivalents	(90)	(59)
Cash and cash equivalents at end of the financial period	56,576	53,451



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

Consolidated cash and cash equivalents are represented by:

Cash and bank balances

Less: Bank overdrafts

Cash and cash equivalents as per consolidated statement of cash flows

Group	Group
01/07/17- 30/09/17	01/07/16- 30/09/16
S\$ '000	S\$ '000
57,318	54,444
(742)	(993)
56,576	53,451

1(d)(ii) CONSOLIDATED STATEMENT OF CASH FLOWS (YTD SEP FY2017 vs YTD SEP FY2016)

	Group	Group
	01/01/17- 30/09/17	01/01/16- 30/09/16
	S\$ '000	S\$ '000
Cash flows from operating activities		
Net profit	6,738	4,740
Adjustments for:		
Income tax expenses	3,471	2,413
Depreciation of property, plant and equipment	8,825	10,065
Amortisation of intangible assets	238	54
Loss/(gain) on disposal of property, plant and equipment	579	(200)
Interest expense	2,645	3,375
Interest income	(379)	(202)
Share of profit of an associated company	(2,046)	(1,533)
Fair value loss/(gain) on derivative financial instruments	1	(289)
Gain on disposal of transferable club membership	(35)	-
Impairment of plant and equipment	1,558	-
Unrealised currency translation differences	(532)	1,464
Operating cash flow before working capital changes	21,063	19,887
Changes in working capital:		
Inventories	3,538	16,369
Trade and other receivables	(3,984)	2,998
Other current assets	3,964	670
Trade and other payables	(4,757)	6,538
Cash generated from operations	19,824	46,462
Interest received	379	202
Income tax paid	(3,747)	(2,778)
Net cash provided by operating activities	16,456	43,886
Cash flows from investing activities		
Dividend received from an associated company	952	270
Proceeds from sale of property, plant and equipment	3,090	812
Purchase of property, plant and equipment	(4,274)	(5,259)
Proceed from disposal of transferable club membership	224	-
Purchase of intangible assets	(997)	(342)
Net cash used in investing activities	(1,005)	(4,519)


YHI INTERNATIONAL LIMITED

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

	Group 01/01/17- 30/09/17 S\$ '000	Group 01/01/16- 30/09/16 S\$ '000
Cash flows from financing activities		
Dividends paid to equity holders of the Company	(1,871)	(4,151)
Dividends paid to non-controlling interests	(1,215)	(810)
Interest paid	(2,645)	(3,375)
Proceeds from borrowings	15,075	6,657
Repayments of borrowings	(17,668)	(34,821)
Repayments of finance lease liabilities	(65)	(496)
Acquisition of additional interest in subsidiary	(202)	-
Net cash used in financing activities	(8,591)	(36,996)
Net increase in cash and cash equivalents	6,860	2,371
Cash and cash equivalents at beginning of the financial period	50,386	51,734
Effects of currency translation on cash and cash equivalents	(670)	(654)
Cash and cash equivalents at end of the financial period	56,576	53,451
Consolidated cash and cash equivalents are represented by:		
Cash and bank balances	57,318	54,444
Less: Bank overdrafts	(742)	(993)
Cash and cash equivalents as per consolidated statement of cash flows	56,576	53,451

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 profits S\$ '000	Sub-total S\$ '000	Non- controlling interests S\$ '000	Total S\$ '000
The Group						
Balance at 1 January 2017	77,001	(19,911)	185,422	242,512	13,557	256,069
Profit for the period	-	-	6,010	6,010	728	6,738
Other comprehensive loss for the period	-	(2,110)	-	(2,110)	(170)	(2,280)
Total comprehensive income/(loss) for the period	-	(2,110)	6,010	3,900	558	4,458
Dividend relating to 2016 paid	-	-	(1,871)	(1,871)	(1,211)	(3,082)
Balance at 30 September 2017	77,001	(22,021)	189,561	244,541	12,904	257,445
The Group						
Balance at 1 January 2016	77,001	(16,629)	186,036	246,408	13,421	259,829
Profit for the period	-	-	4,131	4,131	609	4,740
Other comprehensive loss for the period	-	(3,804)	-	(3,804)	245	(3,559)
Total comprehensive income/(loss) for the period	-	(3,804)	4,131	327	854	1,181
Dividend relating to 2015 paid	-	-	(4,151)	(4,151)	(815)	(4,966)
Balance at 30 September 2016	77,001	(20,433)	186,016	242,584	13,460	256,044

**YHI INTERNATIONAL LIMITED**

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

	Share capital S\$ '000	Retained profits S\$ '000	Total S\$ '000
The Company			
Balance at 1 January 2017	77,001	58,728	135,729
Total comprehensive income for the period	-	4,541	4,541
Dividend relating to 2016 paid	-	(1,871)	(1,871)
Balance at 30 September 2017	77,001	61,398	138,399

	Share capital S\$ '000	Retained profits S\$ '000	Total S\$ '000
The Company			
Balance at 1 January 2016	77,001	57,996	134,997
Total comprehensive income for the period	-	5,199	5,199
Dividend relating to 2015 paid	-	(4,151)	(4,151)
Balance at 30 September 2016	77,001	59,044	136,045

- 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 2016. The share capital of the Company as at 30 September 2017 was 292,295,811 Consolidated 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 2017 and 31 December 2016.

- 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**

	Company 30/09/17	Company 31/12/16
Total numbers of issued shares (consolidated)	292,295,811	292,295,811
Less: Treasury shares	-	-
Total numbers of issued shares excluding treasury shares	292,295,811	292,295,811

- 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 2017.

**YHI INTERNATIONAL LIMITED**

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

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.

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 2017, the Group has adopted the following revised FRS:-

Amendments to FRS 7 Cash flow statements (Disclosure Initiative) (effective for annual periods beginning on or after 1 January 2017)

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. This included changes arising from:

- Cash flows, such as drawdown and repayment of borrowings; and
- Non-cash changes, such as acquisitions, disposals and unrealised exchange differences.

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

6. **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

EARNINGS PER SHARE	Group 01/07/17 - 30/09/17	Group 01/07/16 - 30/09/16	Group 01/01/17 - 30/09/17	Group 01/01/16 - 30/09/16
(a) Based on the number of ordinary shares on issue (cents)	0.77	0.33	2.05	1.41
(b) On fully diluted basis (cents)	0.77	0.33	2.05	1.41
Weighted average number of ordinary shares	292,295,811	292,295,811	292,295,811	292,295,811

- (i) The Group's earnings per share for current and preceding financial period are based on the 292,295,811 ordinary shares.

**YHI INTERNATIONAL LIMITED**

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

- (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 period.
- (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

	Group 30/09/17	Group 31/12/16	Company 30/09/17	Company 31/12/16
Net asset value per ordinary share (cents)	83.66	82.97	47.35	46.44

- (i) The Group and Company net asset value per share as at 30 September 2017 and as at 31 December 2016 are based on the actual number of consolidated shares of 292,295,811 ordinary shares.
- (ii) There was no material impact on prior year net asset value per share on adoption of the revised FRS as disclosed in paragraph 5.



YHI INTERNATIONAL LIMITED

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

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on**

REVIEW OF THIRD QUARTER FINANCIAL RESULTS (3Q2017 VS 3Q2016)

Turnover

The Group reported a 1.1% (or \$1.3 million) decrease in turnover to \$113.6 million (3Q2017) from \$114.9 million (3Q2016) mainly due to lower sales in our distribution business, despite higher sales recorded by our manufacturing business as compared to the corresponding period last year.

Distribution business, accounting for 73.0% of the Group's total turnover, recorded a decrease of 2.0% (or \$1.7 million) in turnover, from \$84.6 million (3Q2016) to \$82.9 million (3Q2017) mainly due to lower sales in the wheel distribution business. Our wheel manufacturing business, accounting for 27.0% of the Group's total turnover, recorded an increase of 1.3% (or \$0.4 million) in turnover, from \$30.3 million (3Q2016) to \$30.7 million (3Q2017).

Gross Profit

Gross Profit increased by 5.4% (or \$1.2 million) to \$25.2 million (3Q2017) from \$24.0 million (3Q2016). The Group's gross profit margin increased to 22.2% in 3Q2017 compared to 20.8% in 3Q2016 mainly due to higher gross profit margin from manufacturing business.

Other Gains

Other gains increased by 58.9% (or \$0.5 million) in 3Q2017 to \$1.3 million compared to \$0.8 million in 3Q2016 mainly due to higher Buggy rental income.

Operating Expenses

Distribution expenses decreased by 3.6% (or \$0.4 million) in 3Q2017 to \$11.3 million compared to \$11.7 million in 3Q2016 mainly due to lower advertising & promotion expenses and commission.

Administrative expenses increased by 6.2% (or \$0.6 million) in 3Q2017 to \$11.1 million compared to \$10.5 million in 3Q2016 mainly due to reinstatement costs, impairment of plant and equipment and retrenchment compensation to workers arising from the cessation of production at our Shanghai factory. Excluding these expenses relating to the cessation of production, administrative expenses would have been about 2.9% higher compared to the corresponding period last year.

Financing costs decreased by 21.4% (or \$0.2 million) in 3Q2017 to \$0.8 million compared to \$1.0 million in 3Q2016 mainly due to lower interest costs incurred.

Share of Profit of an Associated Company

Our associated company reported better performance and our share of profits was \$0.5 million in 3Q2017 compared to \$0.3 million in 3Q2016.

Income Tax expense

Income tax expense increased by 96.5% (or \$0.7 million) mainly due to higher Group profit before tax for the period.



YHI INTERNATIONAL LIMITED

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

Net Profit after Tax and Non-controlling Interests

Net profit after tax and non-controlling interests attributable to shareholders of the Company increased by 133.6% (or \$1.3 million) to \$2.3 million in 3Q2017 from \$1.0 million in 3Q2016. Excluding the impairment loss and retrenchment compensation, net profit after tax and non-controlling interests would have been \$2.8 million in 3Q2017 compared to \$1.2 million in 3Q2016.

REVIEW OF NINE-MONTH YEAR-TO-DATE FINANCIAL RESULTS (9M2017 VS 9M2016)

Turnover

The Group reported a 3.3% (or \$11.1 million) decrease in turnover to \$331.7 million (9M2017) from \$342.8 million (9M2016) mainly due to lower sales in our manufacturing business, despite higher sales recorded by our distribution business as compared to the corresponding period last year.

Distribution business, accounting for 74.3% of the Group's total turnover, recorded an increase of 2.5% (or \$5.9 million) in turnover, from \$240.5 million (9M2016) to \$246.4 million (9M2017) mainly due to higher sales in the industrial & automotive batteries divisions; whilst our tyres and wheel divisions recorded a 1.1% and 2.2% decrease in sales respectively. Our wheel manufacturing business, accounting for 25.7% of the Group's total turnover, recorded a decrease of 16.7% (or \$17.0 million) in turnover, from \$102.3 million (9M2016) to \$85.3 million (9M2017) mainly due to the cessation of production at Shanghai factory.

Gross Profit

Gross Profit increased by 3.8% (or \$2.8 million) to \$77.1 million (9M2017) from \$74.3 million (9M2016). The Group's gross profit margin increased to 23.3% in 9M2017 compared to 21.7% in 9M2016 mainly due to higher gross profit margin from both our distribution and manufacturing business.

Operating Expenses

Distribution expenses decreased by 4.3% (or \$1.5 million) in 9M2017 to \$32.4 million compared to \$33.9 million in 9M2016 mainly due to lower advertising and promotion expenses, commission, travelling and R&D expenses.

Administrative expenses increased by 7.3% (or \$2.4 million) in 9M2017 to \$36.0 million compared to \$33.6 million in 9M2016 mainly due to reinstatement costs, impairment of plant and equipment, retrenchment compensation to workers and depreciation charge reclassified from cost of goods sold to administrative expenses arising from the cessation of production at our Shanghai factory. Excluding these expenses relating to the cessation of production, administrative expenses would have been lower by 1.5% (or \$0.5 million) compared to \$33.1 million in 9M2016.

Financing costs decreased by 21.6% (or \$0.7 million) in 9M2017 to \$2.6 million compared to \$3.3 million in 9M2016 mainly due to lower interest costs incurred.

Share of Profit of an Associated Company

Our associated company reported better performance and our share of profits was \$2.0 million in 9M2017 compared to \$1.5 million in 9M2016.

Income Tax expense

Income tax expense increased by 43.8% (or \$1.1 million) mainly due to higher Group profit before tax for the period.



YHI INTERNATIONAL LIMITED

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

Net Profit after Tax and Non-controlling Interests

Net profit after tax and non-controlling interests attributable to shareholders of the Company increased by 45.5% (or \$1.9 million) to \$6.0 million in 9M2017 from \$4.1 million in 9M2016. Excluding the expenses relating to the cessation of production at Shanghai factory, net profit after tax and non-controlling interests would have been \$8.3 million in 9M2017 compared to \$3.6 million in 9M2016.

STATEMENT OF FINANCIAL POSITION REVIEW

As at 30 September 2017, total assets amounted to about \$392.6 million comprising \$272.2 million of current assets and \$120.4 million of non-current assets. Total liabilities amounted to about \$135.2 million comprising current liabilities of \$114.4 million and non-current liabilities of \$20.8 million. Shareholders' equity including non-controlling interests amounted to \$257.4 million.

The substantial changes in the statement of financial position compared to 31 December 2016 are as follows:

Other current assets

Other current assets decreased from \$13.4 million to \$9.5 million mainly due to lower prepayment for mould costs and lower advance payment to suppliers.

Transferable club membership, at cost

Transferable club membership, at cost decreased from \$227K to \$38K mainly due to termination of Jurong Country Club memberships.

Property, plant and equipment

Property, plant and equipment decreased from \$105.8 million to \$94.8 million mainly due to depreciation charged for the period and impairment of plant and equipment arising from the cessation of production at our Shanghai factory.

Intangible assets

Intangible assets increased from \$4.2 million to \$5.0 million mainly due to the implementation costs of ERP software capitalised in FY2017.

Trade and other payables

Trade and other payables decreased from \$44.7 million to \$38.8 million mainly due to trade payments to suppliers.

Other non-current liabilities

Other non-current liabilities increased from \$0.3 million to \$0.8 million mainly due to security deposit received from warehouse tenant.

Current income tax liabilities

Income tax liabilities decreased from \$0.6 million to \$0.3 million mainly due to income tax paid during the period.

Other reserves

Other reserves, consist of foreign currency translation losses on overseas investments, increased from \$19.9 million to \$22.0 million mainly from the weakening of RMB against SGD.



YHI INTERNATIONAL LIMITED

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

STATEMENT OF CASH FLOW REVIEW

\$16.5 million was provided by operating activities in 9M2017. The Group utilised \$1.0 million in investing activities mainly for the purchase of plant and equipment and intangible assets. A total of \$8.6 million was used in financing activities mainly for the repayment of bank borrowings. Cash and cash equivalents amounted to \$56.6 million as at 30 September 2017 compared to \$53.4 million reported as at 31 December 2016.

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 overall business operating environment is expected to remain challenging in view of the macro-economic uncertainties that could potentially impact our businesses.

As previously announced of our restructuring plan for consolidation of Shanghai factory, the Group has successfully completed its move of production capacity into Suzhou and Malaysia factories. With regards to the progress of the leasing plan, the tenant has taken vacant possession of our Shanghai factory on 1st November 2017. The Group will continue to build on its core competencies post-consolidation in R&D design, innovation and technical competencies to raise productivity as well as to improve on our production processes to further enhance our product offering to customers.

For our distribution business, our tyre business continues to face challenges amid the prevailing overcapacity of the tyre market. Faced with the extended slowdown, the Group has been rightsizing its operations to stay competitive. The Group will continue to execute its multi-product, multi-brand and multi-category (3"3M") business strategies to explore new sales channels and business opportunities to mitigate the impact on its tyre distribution business.

The Group will continue to execute its 3"R" reduction policy to reduce inventory, reduce account receivables and reduce operating costs to enhance operating efficiencies and remain competitive amid a 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.

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

No dividend has been recommended for the period ended 30 September 2017.



YHI INTERNATIONAL LIMITED

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

- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, please make a statement to that effect**

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 three months ended 30 September 2017 to be false or misleading in any material aspect.

- 15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirmed that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 16. 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.

- 17. 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.

- 18. A breakdown of sales**

A breakdown of sales:-

Not applicable to Q1, Q2, & Q3 results.

- 19. 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.

- 20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Not applicable to Q1, Q2, & Q3 results.

BY ORDER OF THE BOARD

Tay Tian Hoe Richard
Executive Chairman and Group Managing Director
14/11/2017

Submitted by Tay Tian Hoe Richard, Executive Chairman and Group Managing Director on 14/11/2017 to the SGX.