

**YHI INTERNATIONAL LIMITED**(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)**Full Year Unaudited Financial Statement and Dividend Announcement for Year Ended 31 December 2018****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS****1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year****1(a)(i) CONSOLIDATED INCOME STATEMENT (FULL YEAR FY2018 vs FULL YEAR FY2017)**

	Group 01/01/18- 31/12/18 S\$'000	Group 01/01/17- 31/12/17 S\$'000	Incr/(Decr) %
Sales	455,593	442,878	2.9%
Cost of sales	(358,139)	(340,331)	5.2%
Gross profit	97,454	102,547	(5.0%)
Other gains	9,232	4,431	108.4%
Expenses			
- Distribution	(41,587)	(41,133)	1.1%
- Administrative	(45,830)	(49,296)	(7.0%)
- Finance	(3,472)	(3,481)	(0.3%)
Share of profit of an associated company	2,222	2,124	4.6%
Profit before income tax	18,019	15,192	18.6%
Income tax expense	(3,741)	(5,674)	(34.1%)
Net profit	14,278	9,518	50.0%
Profit Attributable to:			
Equity holders of the Company	13,725	8,751	56.8%
Non-controlling interests	553	767	(27.9%)
	14,278	9,518	50.0%

NOTES TO CONSOLIDATED INCOME STATEMENT (FULL YEAR FY2018 vs FULL YEAR FY2017)

	Group 01/01/18- 31/12/18 S\$'000	Group 01/01/17- 31/12/17 S\$'000	Incr/(Decr) %
Interest income	455	520	(12.5%)
Rental income	3,760	2,164	73.8%
Interest on borrowings	(3,472)	(3,481)	(0.3%)
Depreciation of property, plant and equipment and investment property	(10,240)	(11,774)	(13.0%)
Amortisation of intangible assets	(478)	(361)	32.4%
Allowance for impairment of doubtful trade receivables	(1,706)	(1,178)	44.8%
Write-down of inventories	(1,780)	(2,393)	(25.6%)
Currency exchange gain/(loss) - net	214	(1,765)	NM
Share of profit of an associated company	2,222	2,124	4.6%
Gain/(loss) on disposal of property, plant and equipment	62	(599)	NM
Gain on disposal of non-current asset held for sale	3,075	-	NM
Plant and equipment written off	-	(1,590)	NM

NM – Not meaningful

**YHI INTERNATIONAL LIMITED**(Company Registration No. 200007455H)
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(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

	Group 01/01/18- 31/12/18 S\$'000	Group 01/01/17- 31/12/17 S\$'000	Incr/(Decr) %
	-	384	NM
	3,562	5,868	(39.3%)
	3,562	6,252	(43.0%)
	367	(817)	NM
	3,929	5,435	(27.7%)
	(183)	351	NM
	(5)	(112)	(95.5%)
	3,741	5,674	(34.1%)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (FULL YEAR FY2018 vs FULL YEAR
FY2017)****Profit for the year****Other comprehensive income:**

Items that may be reclassified subsequently to profit or loss

- Currency translation differences
- Currency translation differences arising from liquidation of subsidiaries

Items that will not be reclassified subsequently to profit or loss:

- Currency translation differences

Total comprehensive income for the year**Total comprehensive income to:**

Equity holders of the Company

Non-controlling interests

	Group 01/01/18- 31/12/18 S\$'000	Group 01/01/17- 31/12/17 S\$'000	Incr/(Decr) %
	14,278	9,518	50.0%
	(4,086)	(1,292)	216.3%
	(99)	-	NM
	(4,185)	(1,292)	223.9%
	(649)	(134)	384.3%
	9,444	8,092	16.7%
	9,540	7,459	27.9%
	(96)	633	NM
	9,444	8,092	16.7%

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

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



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

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 31/12/18	Group 31/12/17	Group 1/1/17	Company 31/12/18	Company 31/12/17	Company 1/1/17
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS						
Current assets						
Cash and cash equivalents	51,102	54,360	51,470	4,430	3,178	4,285
Trade and other receivables	100,800	100,149	108,002	34,855	35,943	32,637
Inventories	119,992	111,721	112,937	-	-	-
Derivative financial instruments	115	115	136	-	-	-
	272,009	266,345	272,545	39,285	39,121	36,922
Non-current assets held for sale	-	712	-	-	-	-
	272,009	267,057	272,545	39,285	39,121	36,922
Non-current assets						
Transferable club membership, at cost	172	38	227	-	-	-
Investment in an associated company	18,629	17,896	16,263	-	-	-
Investments in subsidiaries	-	-	-	100,325	100,325	100,122
Property, plant and equipment	84,999	82,302	105,878	20	88	158
Investment property	10,334	11,011	-	-	-	-
Intangible assets	4,445	4,914	4,201	-	-	-
Deferred income tax assets	3,380	4,243	3,295	-	-	-
Other long-term receivables	-	13	-	-	-	-
	121,959	120,417	129,864	100,345	100,413	100,280
Total assets	393,968	387,474	402,409	139,630	139,534	137,202
LIABILITIES						
Current liabilities						
Trade and other payables	43,427	36,506	44,678	1,407	1,224	873
Current income tax liabilities	709	2,052	576	159	-	-
Borrowings	75,362	70,488	76,858	-	-	600
	119,498	109,046	122,112	1,566	1,224	1,473
Non-current liabilities						
Borrowings	8,145	14,888	21,517	-	-	-
Deferred income tax liabilities	2,149	2,500	2,390	-	-	-
Other non-current liabilities	57	233	321	-	-	-
	10,351	17,621	24,228	-	-	-
Total liabilities	129,849	126,667	146,340	1,566	1,224	1,473
NET ASSETS	264,119	260,807	256,069	138,064	138,310	135,729
EQUITY						
Capital and reserves attributable to equity holders of the Company						
Share capital	77,001	77,001	77,001	77,001	77,001	77,001
Other reserves	(210)	3,836	4,822	-	-	-
Retained profits	176,149	167,338	160,764	61,063	61,309	58,728
	252,940	248,175	242,587	138,064	138,310	135,729
Non-controlling interests	11,179	12,632	13,482	-	-	-
Total equity	264,119	260,807	256,069	138,064	138,310	135,729

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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 31/12/18		Group As at 31/12/17	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
75,362	-	70,488	-

Amount repayable after one year

Group As at 31/12/18		Group As at 31/12/17	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
8,145	-	14,888	-

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\$6.6 million (2017: 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.



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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 (FY2018 vs FY2017)

	Group 01/01/18- 31/12/18 S\$'000	Group 01/01/17- 31/12/17 S\$'000
Cash flows from operating activities		
Net profit	14,278	9,518
Adjustments for:		
-Income tax expenses	3,741	5,674
-Depreciation of property, plant and equipment and investment property	10,240	11,774
-Amortisation of intangible assets	478	361
-(Gain)/loss on disposal of property, plant and equipment	(62)	599
-Gain on disposal of non-current asset held for sale	(3,075)	-
-Interest expense	3,472	3,481
-Interest income	(455)	(520)
-Share of profit of an associated company	(2,222)	(2,124)
-Fair value loss on derivative financial instruments	-	21
-Gain on disposal of transferrable club membership	-	(35)
-Plant and equipment written off	-	1,590
-Unrealised currency translation differences	(327)	(702)
Operating cash flow before working capital changes	26,068	29,637
Changes in working capital:		
-Inventories	(11,253)	(771)
-Trade and other receivables	(2,561)	5,904
-Trade and other payables	7,573	(7,543)
Cash generated from operations	19,827	27,227
Interest received	455	520
Income tax paid	(5,114)	(5,071)
Net cash provided by operating activities	15,168	22,676
Cash flows from investing activities		
Dividend received from an associated company	1,005	952
Proceeds from sale of property, plant and equipment	454	2,165
Proceeds from sale of non-current assets held for sale	3,986	-
Purchase of property, plant and equipment	(13,936)	(4,897)
(Purchase)/proceed from disposal of transferable club membership	(134)	224
Purchase of intangible assets	(53)	(1,082)
Net cash used in investing activities	(8,678)	(2,638)
Cash flows from financing activities		
Dividend paid to equity holders of the company	(4,384)	(1,871)
Dividend paid to non-controlling interest	(1,164)	(1,197)
Interest paid	(3,472)	(3,481)
Proceeds from borrowings	21,226	18,366
Repayments of borrowings	(21,395)	(27,606)
Repayments of finance lease liabilities	(29)	(65)
Acquisition of additional interest in subsidiary	-	(202)
Net cash used in financing activities	(9,218)	(16,056)


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	Group 01/01/18- 31/12/18 S\$'000	Group 01/01/17- 31/12/17 S\$'000
Net (decrease)/increase in cash and cash equivalents	(2,728)	3,982
Cash and cash equivalents at beginning of the financial year	53,995	50,386
Effects of currency translation on cash and cash equivalents	(447)	(373)
Cash and cash equivalents at end of the financial year	50,820	53,995

Consolidated cash and cash equivalents are represented by

Cash and bank balances	51,102	54,360
Less: Bank overdrafts	(282)	(365)
Cash and cash equivalents as per consolidated statement of cash flows	50,820	53,995

Reconciliation of liabilities arising from financing activities

	Opening balance \$'000	Proceeds, principal and interest payments \$'000	Profit or loss \$'000	Non-cash charge \$'000	Closing balance \$'000
			Interest expense	Foreign exchange movement	
2018					
Bank borrowings	85,289	(3,762)	3,467	(1,581)	83,413
Finance lease liabilities	88	1	5	-	94
2017					
Bank borrowings	98,299	(13,531)	3,475	(2,955)	85,288
Finance lease liabilities	76	7	6	1	88

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 2018	77,001	3,836	167,338	248,175	12,632	260,807
Effects on adoption of SFRS (I) 9	-	-	(391)	(391)	-	(391)
Balance at 1 January 2018 (restated)	77,001	3,836	166,947	247,784	12,632	260,416
Profit for the year	-	-	13,725	13,725	553	14,278
Other comprehensive loss for the year	-	(4,185)	-	(4,185)	(649)	(4,834)
Total comprehensive (loss)/income for the year	-	(4,185)	13,725	9,540	(96)	9,444
Liquidation of subsidiaries	-	-	-	-	(193)	(193)
Dividend relating to 2017 paid	-	-	(4,384)	(4,384)	(1,164)	(5,548)
Transfer from retained profits to other reserves	-	139	(139)	-	-	-
Balance at 31 December 2018	77,001	(210)	176,149	252,940	11,179	264,119



STATEMENT OF CHANGES IN EQUITY (Cont'd)

	← 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
Effects on transition to SFRS (I)	-	24,733	(24,658)	75	(75)	-
Balance at 1 January 2017 (restated)	77,001	4,822	160,764	242,587	13,482	256,069
Profit for the year	-	-	8,751	8,751	767	9,518
Other comprehensive loss for the year	-	(1,292)	-	(1,292)	(134)	(1,426)
Total comprehensive (loss)/income for the year	-	(1,292)	8,751	7,459	633	8,092
Acquisition of additional interest in subsidiary	-	-	-	-	(286)	(286)
Dividend relating to 2016 paid	-	-	(1,871)	(1,871)	(1,197)	(3,068)
Transfer from retained profits to other reserves	-	306	(306)	-	-	-
Balance at 31 December 2017	77,001	3,836	167,338	248,175	12,632	260,807

	Share capital S\$'000	Retained profits S\$'000	Total S\$'000
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The Company

Balance at 1 January 2018	77,001	61,309	138,310
Total comprehensive income for the year	-	4,138	4,138
Dividend relating to 2017 paid	-	(4,384)	(4,384)
Balance at 31 December 2018	77,001	61,063	138,064

	Share capital S\$'000	Retained profits S\$'000	Total S\$'000
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The Company

Balance at 1 January 2017	77,001	58,728	135,729
Total comprehensive income for the year	-	4,452	4,452
Dividend relating to 2016 paid	-	(1,871)	(1,871)
Balance at 31 December 2017	77,001	61,309	138,310

- 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 2017. The share capital of the Company as at 31 December 2018 was 292,295,811 ordinary shares. There is no share option issued during the period.

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- 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 31 December 2018 and 31 December 2017.

- 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 31/12/18	Company 31/12/17
Total numbers of issued shares	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 31 December 2018.

- 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 2018, the Group has adopted a new accounting framework, Singapore Financial Reporting Standards (International) SFRS(I), together with the new SFRS(I)s effective on that date. The impact of the adoption are as follows:

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(1) Adoption of SFRS(I)

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The new framework is referred to as ‘Singapore Financial Reporting Standards (International)’ (“SFRS(I)”) hereinafter.

As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group has also concurrently apply SFRS(I) 9 Financial Instruments, SFRS(I) 15 Revenue from Contracts with Customers and SFRS(I) INT 22 Foreign Currency Translations and Advance Consideration. The estimated impact arising from the adoption of the SFRS(I)s on the Group’s financial information are set out as follows:

Application of SFRS(I)

The Group is required to retrospectively apply all SFRS(I)s effective at the end of the first SFRS(I) reporting period (financial year ending 31 December 2018), subject to the mandatory exceptions and optional exemptions under SFRS(I). The Group elected an optional exemption to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 January 2017. As a result, other reserves as at 1 January 2017 was increased by \$24,733,000 and the retained profits was decreased accordingly.

EQUITY	Group 1/1/17	Group 1/1/17	Group 1/1/17
Capital and reserves attributable to equity holders of the Company	Reported under SFRS S\$ '000	Effect of transition to SFRS(I) S\$ '000	Reported under SFRS(I) S\$ '000
Share Capital	77,001	-	77,001
Other reserve	(19,911)	24,733	4,822
Retained Profits	185,422	(24,658)	160,764
	242,512	75	242,587
Non-controlling interests	13,557	(75)	13,482
Total Equity	256,069	-	256,069
	Group 31/12/17 S\$ '000	Group 1/1/17 S\$ '000	Group 31/12/17 S\$ '000
Share Capital	77,001	-	77,001
Other reserve	(20,897)	24,733	3,836
Retained Profits	191,996	(24,658)	167,338
	248,100	75	248,175
Non-controlling interests	12,707	(75)	12,632
Total Equity	260,807	-	260,807

The impact to other reserves and retained earnings for the financial year ended 31 December 2018 is set out in Statement of Changes in Equity.

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(2) SFRS(I) 9 Financial instruments (effective for annual periods beginning on or after 1 January 2018)

SFRS(I) 9 introduces new requirement for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirement in SFRS(I) 9 are based on an expected credit loss model and replace the FRS39 incurred loss model.

On the initial adoption of SFRS(I) 9 on 1 January 2018, the allowance for doubtful debts as at 1 January 2018 increased by \$391,000, which was adjusted against Retained Earnings. As a result, Retained Earnings as at 1 January 2018 decreased from \$167,338,000 to \$166,947,000.

(3) SFRS(I) 15 Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018)

SFRS(I) 15 replaces SFRS(I) 1-11 Construction contracts, SFRS(I) 1-18 Revenue, and related interpretations.

Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of SFRS(I) 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The adoption of SFRS(I) 15 had not resulted in material impact other than reclassification of distribution expenses that relate cost to fulfil a contract to cost of sales. Hence, consolidated income statement for the financial year ended 31 December 2017 had been restated accordingly, as follows:

	31/12/2017 \$'000 Before	Reclass	31/12/2017 \$'000 After
Cost of sales	(339,110)	(1,221)	(340,331)
Distribution expenses	(42,354)	1,221	(41,133)

(4) SFRS(I) INT 22 Foreign Currency Translations and Advance Consideration (effective for annual periods beginning on or after 1 January 2018)

The interpretation applies to a foreign currency transaction (or part of it) when an entity recognizes a non-monetary assets and non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related assets, expense or income (or deferred revenue). All non-monetary assets and non-monetary liability apply the spot exchange rate between functional currency and the foreign currency at the date of the transaction and not retranslated at period end. This interpretation not required to income taxes and insurance contracts.

The Group adopted SFRS(I) INT 22 prospectively to all assets, expenses and income in the scope of the Interpretation initially recognised on or after 1 January 2018.

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

	Group 01/01/18 - 31/12/18	Group 01/01/17 - 31/12/17
(a) Based on the number of ordinary shares on issue (cents)	4.70	2.99
(b) On fully diluted basis (cents)	4.70	2.99
Weighted average number of ordinary shares	292,295,811	292,295,811

- (i) The Group's earnings per share for current and preceding financial year are based on the 292,295,811 ordinary shares.
- (ii) Diluted earnings per share is the same as basic earnings per share. There are no dilutive potential ordinary shares as there are no outstanding share options at the beginning and end of the financial year.
- (iii) There was no material impact on prior period EPS on adoption of the revised FRS as disclosed in paragraph 5.

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares, excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year**NET ASSET VALUE PER SHARE**

	Group 31/12/18	Group (Restated) 31/12/17	Company 31/12/18	Company 31/12/17
Net asset value per ordinary share (cents)	86.54	84.91	47.23	47.32

- (i) The Group and Company net asset value per share as at 31 December 2018 and as at 31 December 2017 are based on the actual number of 292,295,811 ordinary shares.
- (ii) Prior year's net asset value per share were restated from 84.88 cents to 84.91 cents on adoption of the revised SFRS(l)s 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 GROUP FINANCIAL RESULTS

Full Year ended 31 December 2018 (FY2018) vs Full Year ended 31 December 2017 (FY2017)

Turnover

The Group reported a 2.9% (or \$12.7 million) increase in turnover to \$455.6 million (FY2018) from \$442.9 million (FY2017) mainly due to higher sales in both distribution and manufacturing business as compared to last year.

Distribution business, accounting for 72.9% of the Group's total turnover, recorded an increase of 3.1% (or \$9.9 million) in turnover, from \$322.4 million (FY2017) to \$332.3 million (FY2018). Our wheel manufacturing business, accounting for 27.1% of the Group's total turnover, recorded an increase of 2.4% (or \$2.8 million) in turnover, from \$120.5 million (FY2017) to \$123.3 million (FY2018).

Gross profit

Gross Profit decreased by 5.0% (or \$5.0 million) to \$97.5 million (FY2018) from \$102.5 million (FY2017). The Group's gross profit margin decreased to 21.4% in FY2018 compared to 23.2% in FY2017 mainly due to lower gross profit margin from both the distribution and manufacturing business. Manufacturing business recorded lower gross profit margin mainly due to higher aluminium prices in FY2018 compared to last year.

Other gains

Other gains increased from \$4.4 million in FY2017 to \$9.2 million in FY2018. The sales of our freehold warehouse and office building at our Australia subsidiary was completed at end of February 2018 and accordingly the Group recognised a gain on disposal of \$3.1 million (before tax and minority interest).

Lease rental income from Shanghai factory also contributed \$2.9 million (gross, before expenses) in FY2018 compared to \$1.6m last year.

Operating expenses

Distribution expenses increased by 1.1% (or \$0.5 million) to \$41.6 million in FY2018 from \$41.1 million in FY2017, mainly due to higher allowance for impairment of doubtful trade receivables, research and development and other sales related expenses in line with higher sales.

Administrative expenses decreased by 7.0% (or \$3.5 million) in FY2018 to \$45.8 million compared to \$49.3 million in FY2017 mainly due Plant & Machinery written off arising from the cessation of production at our Shanghai factory reported in FY2017. This is further contributed by lower staff related costs in FY2018 and foreign currency exchange gain in FY2018 compared to a loss in FY2017.

Financing costs remained relatively flat at \$3.5 million in FY2018.

Share of profit of an associated company

Our associated company reported better performance and our share of profit was \$2.2 million in FY2018 as compared to \$2.1 million in FY2017.



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Income tax expense

Income tax expense decreased by 34.1 % (or \$1.9 million) mainly due to higher group profit before tax and certain profitable subsidiaries had claimed tax deduction from available accumulated tax losses from prior years in FY2018.

Net profit after tax and non-controlling interests

Net profit after tax and non-controlling interests attributable to shareholders of the Company increased by 56.8% at \$13.7 million in FY2018 as compared to \$8.8 million in FY2017.

STATEMENT OF FINANCIAL POSITION REVIEW

As at 31 December 2018, total assets amounted to about \$393.4 million comprising \$271.5 million of current assets and \$121.9 million of non-current assets. Total liabilities amounted to about \$129.3 million comprising current liabilities of \$119.0 million and non-current liabilities of \$10.3 million. Shareholders' equity including non-controlling interests amounted to \$264.1 million.

The substantial changes in the statement of financial position compared to 31 December 2018 are as follows:

Non-current assets held for sale

Non-current assets held for sale decreased from \$0.7 million to \$NIL due to the completion of disposal of freehold warehouse and office building at our Australian subsidiary in 1H2018.

Transferable club membership, at cost

Transferable club membership, at cost increased from \$38K to \$172K mainly due to purchase of country club memberships.

Deferred income tax assets

Deferred income tax assets decreased from \$4.2 million to \$3.4 million mainly due to reversal of capital gains tax payable to profit or loss on completion of the disposal of freehold warehouse and office building at our Australia subsidiary in 1H2018.

Trade and other payables

Trade and other payables increased from \$36.5 million to \$43.4 million due to new purchases close to 31 December 2018.

Borrowings (current & non-current)

Borrowings decreased from \$85.4 million to \$83.5 million due to repayment of bank borrowings during the year.

Current income tax liabilities

Income tax liabilities decreased from \$2.1 million to \$709K mainly due to income tax paid during the year.



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Other reserves

The Group elect to set the cumulative translation difference for all foreign operations to be zero as at the date of transition to SFRS(I)s on 1 January 2017. As a result, other reserves and retained profits as at 1 January 2017 and 31 December 2017 was increased / (decreased) by \$24.7 million respectively.

Other reserves, consist of foreign currency translation losses on overseas investments, decreased from \$3.8 million to \$210K mainly due to the weakening of RMB and AUD against SGD.

STATEMENT OF CASH FLOW REVIEW

\$15.2 million was provided by operating activities in FY2018. The Group utilised \$8.7 million in investing activities mainly for the purchase of freehold industrial land in Malaysia. A total of net \$9.2 million of \$21.2 million was raised from financing activities mainly from short term bank borrowings to pay trade suppliers. Cash and cash equivalents amounted to \$50.8 million as at 31 December 2018 compared to \$54.0 million reported as at 31 December 2017.

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

On 1st December 2018, the United States and China agreed to a 90-day trade war truce not to increase tariffs after 1st January 2019 to engage in trade talks. If a deal cannot be reached by the 1st March 2019 deadline, the punitive tariffs on US\$200 billion of Chinese goods is set to increase to 25% from the current 10%. However, on 24th February 2019, it was reported that U.S. President Trump would delay the 1st March deadline citing “substantial progress” in trade talks.

For our manufacturing business, the escalated tariffs will increase the level of uncertainty and challenges, potentially impact our wheels manufacturing business in China. Against this backdrop, the group is working on various strategies to mitigate the potential impact on our manufacturing business in China.

For our distribution business, the prevailing excess capacity in the tyre industry is expected to continue in FY2019. Rubber prices have increased moderately in the last 2 months and we do not expect the intense price pressure to ease in FY2019. In addition, the slowdown in global economy and the consolidation of some tyre manufacturers in the industry may post additional challenges for our tyre business. However, our industrial product & automotive battery business continued to achieve positive growth in 4QFY2018 and had mitigated the impact on our tyre business. The Group will continue to rationalize and right-size the operations to reduce operating costs and at the same time continue to source for new products, new business opportunities whilst exploring new sales channels and strengthening our distribution network.

Moving forward, the Group will remain vigilant on our operating environment and be on the lookout for growth opportunities amid a slowing global economy in FY2019.

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11. Dividend**(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend : First & Final
Dividend Type : Cash
Dividend Rate : 2.35 cents per ordinary share
Tax Rate : Tax exempt (one tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend : First & Final
Dividend Type : Cash
Dividend Rate : 1.50 cents per ordinary share
Tax Rate : Tax exempt (one tier)

(c) Date payable

Notice will be given later regarding the dividend payment date.

(d) Books closure date

Not applicable.

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

Not applicable.

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

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

The following is the aggregate value of all transactions with interested persons for the fourth quarter and financial year ended 31 December 2018:

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



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

Not applicable to announcement on full year results.

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

Results Of Operations By Business Segments

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

- (a) The segmental income statements of the Group for FY2018 and FY2017 are prepared on an actual basis.
- (b) The segmental balance sheet items of the Group as at 31 December 2018 and as at 31 December 2017 respectively are prepared on an actual basis.
- (c) During the year, contribution from rental income of Shanghai factory has become more significant. Therefore, the operating results of the rental business in Shanghai factory are now regularly reviewed by senior management. Accordingly, segment information in FY2018 has separately presented the results of the rental segment and the comparative FY2017 segment information has been restated to conform to the FY2018 presentation.


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16. Results Of Operations By Business Segments (Cont'd)
FY 2018

Segment	← Manufacturing segment →			← Distribution segment →					Rental Segment	Total
	<u>North East Asia</u>	<u>ASEAN</u>	<u>Sub-total</u>	<u>North East Asia</u>	<u>ASEAN</u>	<u>Oceania</u>	<u>Other</u>	<u>Sub-total</u>	<u>North East Asia</u>	
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales										
Total segment sales	82,829	71,838	154,667	35,632	145,911	130,304	20,411	332,258	-	486,925
Inter-segment sales	(19,693)	(11,639)	(31,332)	-	-	-	-	-	-	(31,332)
Sales to external parties	63,136	60,199	123,335	35,632	145,911	130,304	20,411	332,258	-	455,593
Segment result	3,098	2,132	5,230	(560)	3,510	3,265	(415)	5,800	(993)	10,037
Other gains									-	6,342
Premises rental income									2,890	2,890
Unallocated costs									-	-
										19,269
Finance expenses										
Share of profit of an associated company	-	2,222	2,222	-	-	-	-	-	-	(3,472)
										2,222
Profit before income tax										18,019
Income tax expenses										(3,741)
Net profit										14,278
Segment assets	66,215	76,905	143,120	23,143	121,194	71,186	10,479	226,002	12,201	381,323
Segment assets includes:										
Investment in an associated company	-	18,629	18,629	-	-	-	-	-	-	18,629
Additions to:										
- Property, plant and equipment	2,303	1,754	4,057	5	8,716	1,053	216	9,990	-	14,047
- Investment property	-	-	-	-	-	-	-	-	-	-
- Intangible assets	-	-	-	-	-	53	-	53	-	53
Segment liabilities	(8,829)	(5,087)	(13,916)	(4,308)	(14,935)	(8,693)	(754)	(28,690)	(878)	(43,484)


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16. Results Of Operations By Business Segments (Cont'd)
FY 2017

Segment	← Manufacturing segment →			← Distribution segment →					Rental Segment	Total
	Group	<u>North East Asia</u>	<u>ASEAN</u>	<u>Sub-total</u>	<u>North East Asia</u>	<u>ASEAN</u>	<u>Oceania</u>	<u>Other</u>	<u>Sub-total</u>	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales										
Total segment sales	80,131	78,276	158,407	38,007	137,318	125,476	21,614	322,415	-	480,822
Inter-segment sales	(12,168)	(25,776)	(37,944)	-	-	-	-	-	-	(37,944)
Sales to external parties	67,963	52,500	120,463	38,007	137,318	125,476	21,614	322,415	-	442,878
Segment result	(968)	3,961	2,993	417	4,615	5,602	(942)	9,692	(567)	12,118
Other gains									-	2,870
Premises rental income									1,561	1,561
Unallocated costs										-
										16,549
Finance expenses										(3,481)
Share of profit of an associated company	-	2,124	2,124	-	-	-	-	-	-	2,124
Profit before income tax										15,192
Income tax expenses										(5,674)
Net profit										9,518
Segment assets	60,129	71,176	131,305	21,500	117,214	77,341	11,556	227,611	12,301	371,217
Segment assets includes:										
Investment in an associated company	-	17,896	17,896	-	-	-	-	-	-	17,896
Additions to:										
- Property, plant and equipment	643	1,534	2,177	39	845	1,836	-	2,720	-	4,897
- Intangible assets	493	-	493	-	64	525	-	589	-	1,082
Investment property transferred from property, plant and equipment	-	-	-	-	-	-	-	-	11,011	11,011
Segment liabilities	(7,142)	(4,386)	(11,528)	(2,514)	(10,604)	(10,586)	(6)	(23,710)	(1,501)	(36,739)



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

	Group 31/12/18 S\$'000	Group 31/12/17 S\$'000
Segment assets for reportable segments	370,844	359,661
Other segment assets	10,479	11,556
Unallocated:		
Deferred income tax assets	3,380	4,243
Short-term bank deposits	8,978	11,861
Transferable club membership, at cost	172	38
Derivative financial instruments	115	115
	393,968	387,474

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

	Group 31/12/18 S\$'000	Group 31/12/17 S\$'000
Segment liabilities for reportable segments	(42,730)	(36,733)
Other segment liabilities	(754)	(6)
Unallocated:		
Income tax liabilities	(709)	(2,052)
Deferred tax liabilities	(2,149)	(2,500)
Borrowings	(83,507)	(85,376)
	(129,849)	(126,667)

Revenue from major products and services:

	Group 31/12/18 S\$'000	Group 31/12/17 S\$'000
Manufacturing of alloy wheels	123,335	120,463
Distribution of automotive and related products	332,258	322,415
	455,593	442,878

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

	Sales *		Non-current assets	
	Group 31/12/18 S\$'000	Group 31/12/17 S\$'000	Group 31/12/18 S\$'000	Group 31/12/17 S\$'000
Singapore	69,643	67,591	45,399	46,107
Malaysia	105,978	93,147	28,826	22,964
China/Hong Kong	79,144	86,393	34,823	37,227
Taiwan	19,624	18,485	3,170	3,047
Australia	82,280	78,133	2,609	3,693
New Zealand	48,025	47,343	1,752	1,451
Other countries	50,899	51,786	1,828	1,634
	455,593	442,878	118,407	116,123

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

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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

Please refer to item No.8.

18. A breakdown of sales

	Group 01/01/18- 31/12/18 S\$'000	Group 01/01/17- 31/12/17 S\$'000	Incr/(Decr) %
(a) Sales reported for the first half year	224,468	218,070	2.9%
(b) Operating profit after tax before deducting non-controlling interest report for the first half year	9,202	4,196	119.3%
(c) Sales reported for the second half year	231,125	224,808	2.8%
(d) Operating profit after tax before deducting non-controlling interest report for the second half year	5,076	5,322	(4.6.%)
(e) Total sales reported for the full year	455,593	442,878	2.9%
(f) Total operating profit after tax before deducting non-controlling interest report for the full year	14,278	9,518	50.0%

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend

	Latest Full Year S\$'000	Previous Full Year S\$'000
Ordinary	6,869	4,384
Preference	-	-
	6,869	4,384



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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.

Name	Age	Family Relationship with any Director and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Tay Tian Hoe Richard	67	1. Brother of Tay Tiang Guan, Executive Director of the Company. 2. Director & Shareholder of YHI Holdings Pte Ltd, a substantial shareholder of the Company.	Executive Chairman & Group Managing Director. Responsible for setting the strategic directions and managing the overall business of the Company. The position has been held since 16 May 2003.	Nil
Tay Tiang Guan	66	1. Brother of Tay Tian Hoe Richard, Executive Chairman & Group Managing Director of the Company.	Executive Director (Sales and Business Development). Responsible for the Company's operations in ASEAN and business development in tyres and industrial products. The position has been held since 16 May 2003.	Nil
Tay Soek Eng Margaret	69	1. Sister of Tay Tian Hoe Richard, Executive Chairman & Group Managing Director, and Tay Tiang Guan, Executive Director of the Company. 2. Director & Shareholder of YHI Holdings Pte Ltd, a substantial shareholder of the Company.	Customer Service Manager of YHI Corporation (Singapore) Pte Ltd (Since May 2003). Responsible to provide customer support to the assigned accounts and oversee the customer service department, company's general purchases and expenses.	Nil
Tay Peng Kuan Ronald	55	Nephew of Tay Tian Hoe, Richard, Executive Chairman & Group Managing Director, and Tay Tiang Guan, Executive Director of the Company.	Supply Chain Manager, YHI Corporation (Singapore) Pte Ltd (Since May 2003). Responsible for the warehousing & logistics operations of the Company.	Nil
Tay Kok Thye Damien	46	Nephew of Tay Tian Hoe, Richard, Executive Chairman & Group Managing Director and Tay Tiang Guan, Executive Director of the Company.	Deputy General Manager, YHI Corporation (Singapore) Pte Ltd. (Since July 2017). Responsible for fleet management and retail centre business of the Company	Nil

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Name	Age	Family Relationship with any Director and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Tay Guoren Ryan	34	Son of Tay Tian Hoe, Richard, Executive Chairman & Group Managing Director and nephew of Tay Tiang Guan, Executive Director of the Company.	Deputy General Manager, YHI Manufacturing (Singapore) Pte. Ltd. (Since March 2015). Responsible for the sales & marketing strategies and development for YHI Manufacturing Group and expansion of distribution network globally.	Nil
Tay Kwok Chong Henry	46	Nephew of Tay Tian Hoe, Richard, Executive Chairman & Group Managing Director and Tay Tiang Guan, Executive Director of the Company.	Operations Manager, YHI Corporation (Singapore) Pte Ltd. (Since June 2012). Responsible for fleet management, retail operations and customer service management.	Nil
Tay Kok Choon, Rickey	50	Nephew of Tay Tian Hoe, Richard, Executive Chairman & Group Managing Director, and Tay Tiang Guan, Executive Director of the Company.	Branch Manager, YHI Corporation (B) Sdn Bhd (Since March 2007). Responsible for YHI Corporation (Brunei) Sdn Bhd branch's operation and profitability.	Nil

BY ORDER OF THE BOARD

Tay Tian Hoe Richard
 Executive Chairman and Group Managing Director
 28/02/2019

Submitted by Tay Tian Hoe Richard, Executive Chairman and Group Managing Director on 28/2/2019 to the SGX.