

**YHI INTERNATIONAL LIMITED**(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)**Unaudited Second Quarter 2019 Financial Statements****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS****1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year****1(a)(i) CONSOLIDATED INCOME STATEMENT (2Q FY2019 vs 2Q FY2018)**

	Group 01/04/19- 30/06/19 S\$ '000	Group 01/04/18- 30/06/18 S\$ '000	Incr/(Decr) %
Sales	119,389	116,959	2.1%
Cost of sales	(94,421)	(91,998)	2.6%
Gross profit	24,968	24,961	0.0%
Other gains	1,224	1,656	(26.1%)
Credit loss allowance on trade receivables	(325)	(438)	(25.8%)
Expenses			
- Distribution	(10,000)	(10,576)	(5.4%)
- Administrative	(10,438)	(10,219)	2.1%
- Finance	(1,080)	(885)	22.0%
Share of profit of an associated company	1,013	681	48.8%
Profit before income tax	5,362	5,180	3.5%
Income tax expense	(1,207)	(1,095)	10.2%
Net profit	4,155	4,085	1.7%
Profit Attributable to:			
Equity holders of the Company	4,093	3,921	4.4%
Non-controlling interests	62	164	(62.2%)
	4,155	4,085	1.7%

NOTES TO CONSOLIDATED INCOME STATEMENT (2Q FY2019 vs 2Q FY2018)

	Group 01/04/19- 30/06/19 S\$ '000	Group 01/04/18- 30/06/18 S\$ '000	Incr/(Decr) %
Interest income	85	126	(32.5%)
Rental income	915	955	(4.2%)
Interest on borrowings	(800)	(885)	(9.6%)
Lease interest	(280)	-	NM
Depreciation of property, plant and equipment and investment property	(3,080)	(2,622)	17.5%
Depreciation of right-of-use assets **	(1,631)	-	NM
Amortisation of intangible assets	(119)	(121)	(1.7%)
Credit loss allowance on trade receivables	(325)	(438)	(25.8%)
Write-down of inventories	(544)	(732)	(25.7%)
Currency exchange gain - net	485	979	(50.5%)
Share of profit of an associated company	1,013	681	48.8%
Gain on disposal of property, plant and equipment	6	37	(83.8%)

NM – Not meaningful
** Note: Please refer to Note 5 (page 11) on the adoption of new accounting standard SFRS (I) 16 Lease with effect from 1 Jan 2019.

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NOTES TO CONSOLIDATED INCOME STATEMENT (2Q FY2019 vs 2Q FY2018) (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 01/04/19- 30/06/19 S\$ '000	Group 01/04/18- 30/06/18 S\$ '000	Incr/(Decr) %
	221	205	7.8%
	1,126	971	16.0%
	1,347	1,176	14.5%
	(132)	7	NM
	1,215	1,183	2.7%
	2	(88)	NM
	(10)	-	NM
	1,207	1,095	10.2%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (2Q FY2019 vs 2Q FY2018)

	Group 01/04/19- 30/06/19 S\$ '000	Group 01/04/18- 30/06/18 S\$ '000	Incr/(Decr) %
Profit for the period	4,155	4,085	1.7%
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
- Currency translation differences	*(3,020)	#(1,331)	126.9%
Items that will not be reclassified subsequently to profit or loss			
- Currency translation differences	(49)	(42)	16.7%
Total comprehensive income for the period	1,086	2,712	(60.0%)
Total comprehensive income to:			
Equity holders of the Company	1,073	2,590	(58.6%)
Non-controlling interests	13	122	(89.3%)
	1,086	2,712	(60.0%)

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

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


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1(a)(ii) CONSOLIDATED INCOME STATEMENT (1H FY2019 vs 1H FY2018)

	Group 01/01/19- 30/06/19 S\$ '000	Group 01/01/18- 30/06/18 S\$ '000	Incr/(Decr) %
Sales	227,147	224,468	1.2%
Cost of sales	(178,940)	(175,018)	2.2%
Gross profit	48,207	49,450	(2.5%)
Other gains	2,506	6,241	(59.8%)
Credit loss allowance on trade receivables	(697)	(821)	(15.1%)
Expenses			
- Distribution	(19,185)	(20,520)	(6.5%)
- Administrative	(21,938)	(21,930)	(0.0%)
- Finance	(2,150)	(1,772)	21.3%
Share of profit of an associated company	1,711	1,623	5.4%
Profit before income tax	8,454	12,271	(31.1%)
Income tax expense	(2,146)	(3,069)	(30.1%)
Net profit	6,308	9,202	(31.4%)
Profit Attributable to:			
Equity holders of the Company	6,169	8,375	(26.3%)
Non-controlling interests	139	827	(83.2%)
	6,308	9,202	(31.4%)

NOTES TO CONSOLIDATED INCOME STATEMENT (1H FY2019 vs 1H FY2018)

	Group 01/01/19- 30/06/19 S\$ '000	Group 01/01/18- 30/06/18 S\$ '000	Incr/(Decr) %
Interest income	183	265	(30.9%)
Rental income	1,767	1,968	(10.2%)
Interest on borrowings	(1,607)	(1,772)	(9.3%)
Lease interest	(543)	-	NM
Depreciation of property, plant and equipment and investment property	(5,788)	(5,232)	10.6%
Depreciation of right-of-use assets **	(3,008)	-	NM
Amortisation of intangible assets	(250)	(240)	4.2%
Credit loss allowance on trade receivables	(697)	(821)	(15.1%)
Write-down of inventories	(925)	(1,116)	(17.1%)
Currency exchange gain - net	6	146	(95.9%)
Share of profit of an associated company	1,711	1,623	5.4%
Gain on disposal of property, plant and equipment	16	91	(82.4%)
Gain on disposal of non-current assets held for sale	-	3,075	NM

** Note: Please refer to Note 5 (page11) on the adoption of new accounting standard SFRS (I) 16 Lease with effect from 1 Jan 2019.

**YHI INTERNATIONAL LIMITED**(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)**NOTES TO CONSOLIDATED INCOME STATEMENT (1H FY2019 vs 1H FY2018) (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 income

	Group 01/01/19- 30/06/19 S\$ '000	Group 01/01/18- 30/06/18 S\$ '000	Incr/(Decr) %
	394	254	55.1%
	1,766	1,825	(3.2%)
	2,160	2,079	3.9%
	(54)	1,187	NM
	2,106	3,266	(35.5%)
	21	(197)	NM
	19	-	NM
	2,146	3,069	(30.1%)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (1H FY2019 vs 1H FY2018)**Profit for the period****Other comprehensive income/(loss):**

Items that may be reclassified subsequently to profit or loss

- Currency translation differences

Items that will not 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 01/01/19- 30/06/19 S\$ '000	Group 01/01/18- 30/06/18 S\$ '000	Incr/(Decr) %
	6,308	9,202	(31.4%)
	*(1,775)	#792	NM
	(636)	(89)	614.6%
	3,897	9,905	(60.7%)
	4,394	9,167	(52.1%)
	(497)	738	NM
	3,897	9,905	(60.7%)

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

Consist of foreign currency gain mainly resulting from the strengthening of RMB and MYR against SGD, offset by weakening of AUD 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

	Group 30/06/19 S\$ '000	Group 31/12/18 S\$ '000	Company 30/06/19 S\$ '000	Company 31/12/18 S\$ '000
ASSETS				
Current assets				
Cash and cash equivalents	49,150	51,102	3,694	4,430
Trade and other receivables	102,169	100,800	31,719	34,855
Inventories	109,423	119,992	-	-
Derivative financial instruments	114	115	-	-
	260,856	272,009	35,413	39,285
Non-current assets				
Transferable club membership, at cost	172	172	-	-
Investment in an associated company	20,046	18,629	-	-
Investments in subsidiaries	-	-	100,325	100,325
Property, plant and equipment	80,062	84,999	2	20
Right-of-use assets **	25,505	-	-	-
Investment property	9,985	10,334	-	-
Intangible assets	4,204	4,445	-	-
Deferred income tax assets	3,397	3,380	-	-
	143,371	121,959	100,327	100,345
Total assets	404,227	393,968	135,740	139,630
LIABILITIES				
Current liabilities				
Trade and other payables	35,492	43,427	746	1,407
Current income tax liabilities	494	709	-	159
Borrowings	73,512	75,362	-	-
Lease liabilities **	4,827	-	-	-
	114,325	119,498	746	1,566
Non-current liabilities				
Borrowings	5,979	8,145	-	-
Lease liabilities **	21,005	-	-	-
Deferred income tax liabilities	2,143	2,149	-	-
Other non-current liabilities	177	57	-	-
	29,304	10,351	-	-
Total liabilities	143,629	129,849	746	1,566
NET ASSETS	260,598	264,119	134,994	138,064
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	77,001	77,001	77,001	77,001
Other reserves	(1,985)	(210)	-	-
Retained profits	175,449	176,149	57,993	61,063
	250,465	252,940	134,994	138,064
Non-controlling interests	10,133	11,179	-	-
Total equity	260,598	264,119	134,994	138,064

** Note: Please refer to Note 5 (page 11) on the adoption of new accounting standard SFRS (I) 16 Lease with effect from 1 Jan 2019.

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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 30/06/19		Group As at 31/12/18	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
73,512	-	75,362	-

Amount repayable after one year

Group As at 30/06/19		Group As at 31/12/18	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
5,979	-	8,145	-

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 (2018: S\$6.6 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 (2Q FY2019 vs 2Q FY2018)**

	Group 01/04/19- 30/06/19 S\$ '000	Group 01/04/18- 30/06/18 S\$ '000
Cash flows from operating activities		
Net profit	4,155	4,085
Adjustments for:		
-Income tax expenses	1,207	1,095
-Depreciation of property, plant and equipment and investment property	3,080	2,622
-Depreciation of right-of-use assets	1,631	-
-Amortisation of intangible assets	119	121
-Gain on disposal of property, plant and equipment	(6)	(37)
-Interest expense	1,080	885
-Interest income	(85)	(126)
-Share of profit of an associated company	(1,013)	(681)
-Fair value loss on derivative financial instruments	2	1
-Unrealised currency translation differences	281	(841)
Operating cash flow before working capital changes	10,451	7,124
Changes in working capital:		
-Inventories	(489)	(5,374)
-Trade and other receivables	(4,400)	(3,828)
-Trade and other payables	513	2,683
Cash generated from operations	6,075	605
Interest received	85	126
Income tax paid	(938)	(1,616)
Net cash provided by/(used in) operating activities	5,222	(885)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	235	169
Purchase of property, plant and equipment	(743)	(1,352)
Net cash used in investing activities	(508)	(1,183)
Cash flows from financing activities		
Dividends paid to equity holder of the Company	(6,869)	(4,384)
Dividends paid to non-controlling interests	(549)	(1,198)
Interest paid	(1,080)	(885)
Proceeds from borrowings	6,711	10,813
Repayments of borrowings	(2,439)	(2,014)
Repayments of finance lease liabilities	-	(8)
Principal element of lease payments	(1,471)	-
Net cash (used in)/from financing activities	(5,697)	6,708
Net increase in cash and cash equivalents	(983)	256
Cash and cash equivalents at beginning of the financial period	50,169	59,945
Effects of currency translation on cash and cash equivalents	(568)	45
Cash and cash equivalents at end of the financial period	48,618	60,246

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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
01/04/19-	01/04/18-
30/06/19	30/06/18
S\$ '000	S\$ '000
49,150	60,392
(532)	(146)
48,618	60,246

1(d)(ii) CONSOLIDATED STATEMENT OF CASH FLOWS (1H FY2019 vs 1H FY2018)**Cash flows from operating activities**

Net profit

Adjustments for:

-Income tax expenses

-Depreciation of property, plant and equipment and investment property

-Depreciation of right-of-use assets

-Amortisation of intangible assets

-Gain on disposal of property, plant and equipment

-Gain on disposal of non-current assets held for sale

-Interest expense

-Interest income

-Share of profit of an associated company

-Fair value loss/(gain) on derivative financial instruments

-Unrealised currency translation differences

Operating cash flow before working capital changes

Changes in working capital:

-Inventories

-Trade and other receivables

-Trade and other payables

Cash generated from operations

Interest received

Income tax paid

Net cash provided by operating activities

Cash flows from investing activities

Proceeds from sale of property, plant and equipment

Proceed from sale of non-current assets held for sale

Purchase of property, plant and equipment

Purchase of intangible assets

Purchase of transferable club memberships

Net cash (used in)/from investing activities

Cash flows from financing activities

Dividends paid to equity holder of the Company

Dividends paid to non-controlling interests

Interest paid

Proceeds from borrowings

Repayments of borrowings

Repayments of finance lease liabilities

Principal element of lease payments

Net cash (used in)/from financing activities

Group	Group
01/01/19-	01/01/18-
30/06/19	30/06/18
S\$ '000	S\$ '000
6,308	9,202
2,146	3,069
5,788	5,232
3,008	-
250	240
(16)	(91)
-	(3,075)
2,150	1,772
(183)	(265)
(1,711)	(1,623)
1	(3)
(199)	(513)
17,542	13,945
9,529	(3,365)
(2,446)	(9,965)
(7,464)	2,169
17,161	2,784
183	265
(1,852)	(2,945)
15,492	104
504	486
-	3,986
(1,719)	(3,010)
-	(56)
-	(89)
(1,215)	1,317
(6,869)	(4,384)
(549)	(1,198)
(2,150)	(1,772)
16,071	20,762
(19,863)	(9,113)
-	(15)
(2,737)	-
(16,097)	4,280


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	Group 01/01/19- 30/06/19 S\$ '000	Group 01/01/18- 30/06/18 S\$ '000
Net increase in cash and cash equivalents	(1,820)	5,701
Cash and cash equivalents at beginning of the financial period	50,820	53,997
Effects of currency translation on cash and cash equivalents	(382)	548
Cash and cash equivalents at end of the financial period	48,618	60,246
Consolidated cash and cash equivalents are represented by:		
Cash and bank balances	49,150	60,392
Less: Bank overdrafts	(532)	(146)
Cash and cash equivalents as per consolidated statement of cash flows	48,618	60,246

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 2019	77,001	(210)	176,149	252,940	11,179	264,119
Profit for the period	-	-	6,169	6,169	139	6,308
Other comprehensive loss for the period	-	(1,775)	-	(1,775)	(636)	(2,411)
Total comprehensive (loss)/ income for the period	-	(1,775)	6,169	4,394	(497)	3,897
Dividend relating to 2018 paid	-	-	(6,869)	(6,869)	(549)	(7,418)
Balance at 30 June 2019	77,001	(1,985)	175,449	250,465	10,133	260,598

	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 period	-	-	8,375	8,375	827	9,202
Other comprehensive income/ (loss) for the period	-	792	-	792	(89)	703
Total comprehensive income for the period	-	792	8,375	9,167	738	9,905
Dividend relating to 2017 paid	-	-	(4,384)	(4,384)	(1,198)	(5,582)
Balance at 30 June 2018	77,001	4,628	170,938	252,567	12,172	264,739

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STATEMENT OF CHANGES IN EQUITY (Cont'd)

	Share capital S\$ '000	Retained profits S\$ '000	Total S\$ '000
The Company			
Balance at 1 January 2019	77,001	61,063	138,064
Total comprehensive income for the period	-	3,799	3,799
Dividend relating to 2018 paid	-	(6,869)	(6,869)
Balance at 30 June 2019	77,001	57,993	134,994

	Share capital S\$ '000	Retained profits S\$ '000	Total S\$ '000
The Company			
Balance at 1 January 2018	77,001	61,309	138,310
Total comprehensive income for the period	-	5,001	5,001
Dividend relating to 2017 paid	-	(4,384)	(4,384)
Balance at 30 June 2018	77,001	61,926	138,927

- 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 2018. The share capital of the Company as at 30 June 2019 was 292,295,811 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 June 2019 and 31 December 2018.

- 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 30/06/19	Company 31/12/18
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 30 June 2019.

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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**

- (1) SFRS(I) 16 Leases (effective for annual periods beginning on or after 1 January 2019)

The Group has adopted SFRS(I) 16 Leases with effect from 1 January 2019. On adoption of SFRS(I) 16, almost all leases are being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The Group has elected not to restate comparative amounts for the 2018 reporting period as permitted under the specific transition provisions in the standard.

The adoption of SFRS (I) 16 has resulted in adjustments to the balance sheet of the Group as at 1 January 2019. The impact on the statement of comprehensive income and balance sheet is as follow:

	As at 31 December 2018 S\$'000	Effect of applying SFRS(I) 16 S\$'000	As at 1 January 2019 S\$'000	Movement S\$'000	As at 30 June 2019 S\$'000
<u>Administrative expenses</u>					
Rental expenses	-	-	-	(3,304)	(3,304)
Depreciation of right-of-use assets	-	-	-	3,008	3,008
Finance expenses on lease liabilities	-	-	-	543	543
<u>Non-current asset</u>					
Right-of-use assets	-	26,542	26,542	(1,037)	25,505
<u>Current liabilities</u>					
Borrowings (Finance lease liabilities)	(36)	36	-	-	-
Lease liabilities	-	(5,104)	(5,104)	277	(4,827)
<u>Non-current liabilities</u>					
Borrowings (Finance lease liabilities)	(59)	59	-	-	-
Lease liabilities	-	(21,533)	(21,533)	528	(21,005)
<u>Equity</u>					
Currency translation reserve	-	-	-	(26)	(26)

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(2) SFRS(I) INT 23 Uncertainty Over Income Tax Treatments (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

(i) how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

(ii) that the entity should assume a tax authority will examine, the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored

(iii) that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment,

(iv) that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and

(v) that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The adoption of the interpretation did not result in the Group recognising additional tax liability.

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 01/04/19 - 30/06/19	Group 01/04/18 - 30/06/18	Group 01/01/19 - 30/06/19	Group 01/01/18 - 30/06/18
(a) Based on the number of ordinary shares on issue (cents)	1.40	1.34	2.11	2.86
(b) On fully diluted basis (cents)	1.40	1.34	2.11	2.86
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 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.

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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 30/06/19	Group 31/12/18	Company 30/06/19	Company 31/12/18
Net asset value per ordinary share (cents)	85.69	86.54	46.18	47.23

- (i) The Group and Company net asset value per share as at 30 June 2019 and as at 31 December 2018 are based on the actual number of 292,295,811 ordinary shares.
- (ii) There was no material impact on prior period net asset value per share on adoption of the new/ revised SFRS(I) and SFRS (I) INTs.

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

REVIEW OF SECOND QUARTER FINANCIAL RESULTS (2Q2019 VS 2Q2018)Turnover

The Group reported a 2.1% (or \$2.4 million) increase in turnover to \$119.4 million (2Q2019) from \$117.0 million (2Q2018) mainly due to higher sales in both the distribution and manufacturing business as compared to the corresponding period last year.

Distribution business, accounting for 73.0% of the Group's total turnover, recorded an increase of 2.4% (or \$ 2.1 million) in turnover, from \$85.1 million (2Q2018) to \$87.2 million (2Q2019) mainly due to higher sales recorded by our tyre and wheel divisions, whilst our industrial product & automotive battery division reported lower sales. Our wheel manufacturing business, accounting for 27.0% of the Group's total turnover, recorded an increase of 0.9% (or \$ 0.3 million) in turnover, from \$31.9 million (2Q2018) to \$ 32.2 million (2Q2019).

Gross Profit

Gross Profit remained flat at \$25.0 million. The Group's gross profit margin decreased to 20.9% in 2Q2019 compared to 21.3% in 2Q2018 mainly due to lower gross profit margin from the distribution business.

Other Gains

Other gains decreased from \$1.6 million in 2Q2018 to \$1.2 million in 2Q2019 mainly due to lower rental and sundry income.

Operating Expenses

Distribution expenses decreased by 5.4% (or \$0.6 million) in 2Q2019 to \$10.0 million compared to \$10.6 million in 2Q2018 mainly due to lower R&D expenses and other sales related costs.

Administrative expenses increased by 2.1% (or \$0.2 million) in 2Q2019 to \$10.4 million compared to \$10.2 million in 2Q2018. This is mainly due to lower foreign exchange gains in the period compared to last year.



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Financing costs increased by 22.0% (or \$0.2 million) in 2Q2019 to \$1.1 million compared to \$0.9 million in 2Q2018 mainly due to recognition of lease interest as a result of the adoption of new accounting standard SFRS(I) 16 Leases with effect from 1 January 2019.

Share of Profit of an Associated Company

Our associated company reported higher profit and our share of profit was \$1.0 million in 2Q2019 compared to \$0.7 million in 2Q2018.

Net Profit after Tax and Non-controlling Interests

Net profit after tax and non-controlling interests attributable to shareholders of the Company increased by \$ 0.2 million (or 4.4%) to \$4.1 million in 2Q2019 from \$3.9 million in 2Q2018.

REVIEW OF SIX-MONTH YEAR-TO-DATE FINANCIAL RESULTS (1H2019 VS 1H2018)

Turnover

The Group reported a 1.2% (or \$ 2.6 million) increase in turnover to \$ 227.1 million (1H2019) from \$224.5 million (1H2018) mainly due to higher sales recorded by both our distribution and manufacturing business as compared to the corresponding period last year.

Distribution business, accounting for 71.7% of the Group's total turnover, recorded an increase of 0.9% (or \$ 1.5 million) in turnover, from \$161.4 million (1H2018) to \$ 162.9 million (1H2019) mainly due to higher sales in our wheels and industrial products & automotive battery business. Our tyre business reported lower sales in the period. Our wheel manufacturing business, accounting for 28.3% of the Group's total turnover, recorded an increase of 1.7% (or \$ 1.1 million) in turnover, from \$63.1 million (1H2018) to \$64.2 million (1H2019).

Gross Profit

Gross profit decreased by 2.5% (or \$1.3 million) to \$ 48.2 million (1H2019) from \$49.5 million (1H2018). The Group's gross profit margin decreased to 21.2% in 1H2019 compared to 22.0% in 1H2018 mainly due to lower gross profit margin from our tyre and wheel distribution business.

Other Gains

Other gains decreased from \$6.2 million in 1H2018 to \$2.5 million in 1H2019 mainly due to absence of the one-off disposal gain of \$3.1 million recorded by Australia subsidiary in 1Q2018.

Operating Expenses

Distribution expenses decreased by 6.5% (or \$1.3 million) in 1H2019 to \$19.2 million compared to \$20.5 million in 1H2018 mainly due to lower R&D expenses and other sales related expenses.

Administrative expenses remained flat at \$ 21.9 million in both 1H2019 and 1H2018.

Financing costs increased by 21.3% (or \$0.4 million) in 1H2019 to \$ 2.2 million compared to \$1.8 million in 1H2018 mainly due to recognition of lease interest as a result of the adoption of new accounting standard SFRS(I) 16 Leases with effect from 1 January 2019.

Share of Profit of an Associated Company

Our associated company reported higher profit and our share of profit was \$1.7 million in 1H2019 compared to \$1.6 million in 1H2018.



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Income Tax Expense

Income tax expense decreased by 30.1% (or \$0.9 million) mainly due to lower Group profit before tax for the period.

Net Profit after Tax and Non-controlling Interests

Net profit after tax and non-controlling interests attributable to shareholders of the Company decreased by \$2.2 million (or 31.4%) to \$6.2 million in 1H2019 from \$8.4 million in 1H2018 mainly due to absence of the one-off disposal gain of \$1.7 million recorded by our Australia subsidiary in 1Q2018.

Non-controlling Interests

Net profit after tax and non-controlling interests attributable to non-controlling interest of the Company decreased by \$0.7 million (or 83.2%) to \$0.1 million in 1H2019 from \$0.8 million in 1H2018 mainly due to absence of the one-off disposal gain recorded by Australia subsidiary in 1Q2018.

STATEMENT OF FINANCIAL POSITION REVIEW

As at 30 June 2019, total assets amounted to about \$404.2 million comprising \$260.8 million of current assets and \$143.4 million of non-current assets. Total liabilities amounted to about \$143.6 million comprising current liabilities of \$114.3 million and non-current liabilities of \$29.3 million. Shareholders' equity including non-controlling interests amounted to \$260.6 million.

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

Inventories

Inventories decreased from \$120.0 million to \$109.4 million due to better inventory management.

Right-of-use assets and Lease liabilities (current & non-current)

Right-of-use assets and lease liabilities increased from \$NIL to \$25.5 million and \$25.8 million respectively. This is due to the adoption of new accounting standard SFRS (I) 16 Leases with effect from 1 January 2019.

These right-of-use assets are mainly warehouse rental leases for our distribution business. On adoption of the standard, these leases are now required to be recognised as assets and the financial liability to pay rental is also recognised as lease liability.

The Group has elected not to restate comparative amounts for the 2018 reporting period as permitted under the specific transition provisions in the standard.

Trade and other payables

Trade and other payables decreased from \$43.4 million to \$35.5 million due to payments to trade suppliers.

Borrowings (current & non-current)

Borrowings decreased from \$83.5 million to \$79.5 million due to repayment of bank borrowings in 1H2019.

Current income tax liabilities

Income tax liabilities decreased from \$0.7 million to \$0.5 million mainly due to income tax paid during the period.



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Other reserves

Other reserves, consist of foreign currency translation gains on overseas investments, decreased from negative \$0.2 million to negative \$ 2.0 million mainly due to the strengthening of RMB and AUD against SGD.

STATEMENT OF CASH FLOW REVIEW

\$15.5 million was provided by operating activities in 1H2019. The Group utilised \$1.2 million in investing activities mainly for purchase of property, plant and equipment. A total of \$16.1 million was used in financing activities mainly for dividend payout and repayment of borrowings. Cash and cash equivalents amounted to \$48.6 million as at 30 June 2019 compared to \$50.8 million reported as at 31 December 2018.

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 ongoing trade war between United States and China will continue to affect our business.

For our manufacturing business, the escalated tariff to 25% on 10th May 2019 has increased the uncertainty and challenges for our wheels manufacturing business in China for the second half of 2019. To mitigate the impact, we're making changes in our production planning and are shifting some US orders to our other factories in Taiwan and Malaysia.

Against the backdrop of an escalated trade war and a slowing global growth, the prevailing excess capacity in the tyre industry and the consolidation of some tyre manufacturers have posted additional challenges for the Group's tyre business. However, the Group will continue to strengthen the distribution business by enhancing efficiency, sourcing for new products, new business opportunities and exploring new sales channels in 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.

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

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(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 June 2019.

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 June 2019 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.



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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.**

Not applicable to Q1, Q2, & Q3 results.

BY ORDER OF THE BOARD

Tay Tian Hoe Richard
Executive Chairman and Group Managing Director
13/08/2019

Submitted by Tay Tian Hoe Richard, Executive Chairman and Group Managing Director on 13/08/2019 to the SGX.