

**YHI INTERNATIONAL LIMITED**(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)**Unaudited Third 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 (3Q FY2019 vs 3Q FY2018)**

	Group 01/07/19- 30/09/19 S\$ '000	Group 01/07/18- 30/09/18 S\$ '000	Incr/(Decr) %
Sales	117,239	118,576	(1.1%)
Cost of sales	(92,803)	(93,579)	(0.8%)
Gross profit	24,436	24,997	(2.2%)
Other gains	1,200	1,406	(14.7%)
Credit loss allowance on trade receivables	(595)	(428)	39.0%
Expenses			
- Distribution	(10,550)	(11,005)	(4.1%)
- Administrative	(9,986)	(11,281)	(11.5%)
- Finance	(1,082)	(899)	20.4%
Share of profit of an associated company	449	578	(22.3%)
Profit before income tax	3,872	3,368	15.0%
Income tax expense	(1,100)	(934)	17.8%
Net profit	2,772	2,434	13.9%
Profit Attributable to:			
Equity holders of the Company	2,678	2,349	14.0%
Non-controlling interests	94	85	10.6%
	2,772	2,434	13.9%

NOTES TO CONSOLIDATED INCOME STATEMENT (3Q FY2019 vs 3Q FY2018)

	Group 01/07/19- 30/09/19 S\$ '000	Group 01/07/18- 30/09/18 S\$ '000	Incr/(Decr) %
Interest income	76	91	(16.5%)
Rental income	890	890	0.0%
Interest on borrowings	(761)	(899)	(15.4%)
Lease interest	(321)	-	NM
Depreciation of property, plant and equipment and investment property	(3,002)	(2,647)	(13.4%)
Depreciation of right-of-use assets **	(1,817)	-	NM
Amortisation of intangible assets	(119)	(119)	0.0%
Credit loss allowance on trade receivables	(595)	(428)	39.0%
Write-down of inventories	(449)	(286)	(57.0%)
Currency exchange gain/(loss) - net	993	(177)	NM
Share of profit of an associated company	449	578	(22.3%)
Gain on disposal of property, plant and equipment	4	32	(87.5%)

NM – Not meaningful

** 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 (3Q FY2019 vs 3Q FY2018) (Cont'd)**

Income Tax Expenses	Group 01/07/19- 30/09/19 S\$ '000	Group 01/07/18- 30/09/18 S\$ '000	Incr/(Decr) %
Tax expense attributable to profit is made up of:			
Current income tax			
- Singapore	80	(1)	NM
- Foreign	952	996	(4.4%)
	1,032	995	(3.7%)
Deferred income tax			
	68	18	277.8%
	1,100	1,013	8.6%
(Over)/Under provision in previous financial year			
- Current income tax	-	(79)	NM
	1,100	934	17.8%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (3Q FY2019 vs 3Q FY2018)

	Group 01/07/19- 30/09/19 S\$ '000	Group 01/07/18- 30/09/18 S\$ '000	Incr/(Decr) %
Profit for the period	2,772	2,434	13.9%
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss			
- Currency translation differences	*(408)	#(4,046)	(89.9%)
Items that will not be reclassified subsequently to profit or loss			
- Currency translation differences	14	(3)	NM
Total comprehensive (loss)/income for the period	2,378	(1,615)	NM
Total comprehensive (loss)/income to:			
Equity holders of the Company	2,270	(1,697)	NM
Non-controlling interests	108	82	31.7%
	2,378	(1,615)	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 and AUD against SGD.


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1(a)(ii) CONSOLIDATED INCOME STATEMENT (YTD SEP FY2019 vs YTD SEP FY2018)

	Group 01/01/19- 30/09/19 S\$ '000	Group 01/01/18- 30/09/18 S\$ '000	Incr/(Decr) %
Sales	344,386	343,044	0.4%
Cost of sales	(271,743)	(268,597)	1.2%
Gross profit	72,643	74,447	(2.4%)
Other gains	3,706	7,647	(51.5%)
Credit loss allowance on trade receivables	(1,292)	(1,249)	3.4%
Expenses			
- Distribution	(29,735)	(31,525)	(5.7%)
- Administrative	(31,924)	(33,211)	(3.9%)
- Finance	(3,232)	(2,671)	21.0%
Share of profit of an associated company	2,160	2,201	(1.9%)
Profit before income tax	12,326	15,639	(21.2%)
Income tax expense	(3,246)	(4,003)	(18.9%)
Net profit	9,080	11,636	(22.0%)
Profit Attributable to:			
Equity holders of the Company	8,847	10,724	(17.5%)
Non-controlling interests	233	912	(74.5%)
	9,080	11,636	(22.0%)

NOTES TO CONSOLIDATED INCOME STATEMENT (YTD SEP FY2019 vs YTD SEP FY2018)

	Group 01/01/19- 30/09/19 S\$ '000	Group 01/01/18- 30/09/18 S\$ '000	Incr/(Decr) %
Interest income	259	356	(27.2%)
Rental income	2,657	2,858	(7.0%)
Interest on borrowings	(2,368)	(2,671)	(11.3%)
Lease interest	(864)	-	NM
Depreciation of property, plant and equipment and investment property	(8,790)	(7,879)	11.6%
Depreciation of right-of-use assets **	(4,825)	-	NM
Amortisation of intangible assets	(369)	(359)	2.8%
Credit loss allowance on trade receivables	(1,292)	(1,249)	3.4%
Write-down of inventories	(1,374)	(1,402)	(2.0%)
Currency exchange gain/(loss) - net	999	(31)	NM
Share of profit of an associated company	2,160	2,201	(1.9%)
Gain on disposal of property, plant and equipment	20	123	(83.7%)
Gain on disposal of non-current assets held for sale	-	3,075	NM

NM – Not meaningful

** Note: Please refer to Note 5 (page11) 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 (YTD SEP FY2019 vs YTD SEP FY2018) (Cont'd)

Income Tax Expenses	Group	Group	Incr/(Decr)
	01/01/19- 30/09/19	01/01/18- 30/09/18	
	S\$ '000	S\$ '000	%
Tax expense attributable to profit is made up of:			
Current income tax			
- Singapore	474	253	87.4%
- Foreign	2,718	2,821	(3.7%)
	3,192	3,074	3.8%
Deferred income tax	14	1,205	(98.8%)
	3,206	4,279	(25.1%)
(Over)/under provision in previous financial year			
- Current income tax	21	(276)	NM
- Deferred income tax	19	-	NM
	3,246	4,003	(18.9%)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (YTD SEP FY2019 vs YTD SEP FY2018)

	Group	Group	Incr/(Decr)
	01/01/19- 30/09/19	01/01/18- 30/09/18	
	S\$ '000	S\$ '000	%
Profit for the period	9,080	11,636	(22.0%)
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss			
- Currency translation differences	*(2,183)	(3,254)	(32.9%)
Items that will not be reclassified subsequently to profit or loss			
- Currency translation differences	(622)	(92)	576.1%
Total comprehensive income for the period	6,275	8,290	(24.3%)
Total comprehensive income to:			
Equity holders of the Company	6,664	7,470	(10.8%)
Non-controlling interests	(389)	820	NM
	6,275	8,290	(24.3%)

* Consist of foreign currency losses mainly resulting from the weakening of RMB and 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 30/09/19	Group 31/12/18	Company 30/09/19	Company 31/12/18
	S\$ '000	S\$ '000	S\$ '000	S\$ '000
ASSETS				
Current assets				
Cash and cash equivalents	49,606	51,102	4,530	4,430
Trade and other receivables	99,552	100,800	31,029	34,855
Inventories	109,534	119,992	-	-
Derivative financial instruments	115	115	-	-
	258,807	272,009	35,559	39,285
Non-current assets				
Transferable club membership, at cost	172	172	-	-
Investment in an associated company	21,024	18,629	-	-
Investments in subsidiaries	-	-	100,325	100,325
Property, plant and equipment	77,611	84,999	2	20
Right-of-use assets **	26,886	-	-	-
Investment property	9,743	10,334	-	-
Intangible assets	4,072	4,445	-	-
Deferred income tax assets	3,370	3,380	-	-
	142,878	121,959	100,327	100,345
Total assets	401,685	393,968	135,886	139,630
LIABILITIES				
Current liabilities				
Trade and other payables	33,608	43,427	1,115	1,407
Current income tax liabilities	265	709	-	159
Borrowings	70,255	75,362	-	-
Lease liabilities **	4,604	-	-	-
	108,732	119,498	1,115	1,566
Non-current liabilities				
Borrowings	4,697	8,145	-	-
Lease liabilities **	22,864	-	-	-
Deferred income tax liabilities	2,217	2,149	-	-
Other non-current liabilities	199	57	-	-
	29,977	10,351	-	-
Total liabilities	138,709	129,849	1,115	1,566
NET ASSETS	262,976	264,119	134,771	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	(2,393)	(210)	-	-
Retained profits	178,127	176,149	57,770	61,063
	252,735	252,940	134,771	138,064
Non-controlling interests	10,241	11,179	-	-
Total equity	262,976	264,119	134,771	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 30/09/19		Group As at 31/12/18	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
70,255	-	75,362	-

Amount repayable after one year

Group As at 30/09/19		Group As at 31/12/18	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
4,697	-	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.

**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 FY2019 vs 3Q FY2018)**

	Group 01/07/19- 30/09/19 S\$ '000	Group 01/07/18- 30/09/18 S\$ '000
Cash flows from operating activities		
Net profit	2,772	2,434
Adjustments for:		
-Income tax expenses	1,100	934
-Depreciation of property, plant and equipment and investment property	3,002	2,647
-Depreciation of right-of-use assets	1,817	-
-Amortisation of intangible assets	119	119
-(Gain)/loss on disposal of property, plant and equipment	(4)	(32)
-Interest expense	1,082	899
-Interest income	(76)	(91)
-Share of profit of an associated company	(449)	(578)
-Fair value loss on derivative financial instruments	(1)	3
-Unrealised currency translation differences	(586)	1,435
Operating cash flow before working capital changes	8,776	7,770
Changes in working capital:		
-Inventories	(681)	(4,361)
-Trade and other receivables	2,371	587
-Trade and other payables	(1,645)	2,740
Cash generated from operations	8,821	6,736
Interest received	76	91
Income tax paid	(1,240)	(1,077)
Net cash provided by operating activities	7,657	5,750
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	94	346
Purchase of property, plant and equipment	(543)	(9,139)
Net cash used in investing activities	(449)	(8,793)
Cash flows from financing activities		
Interest paid	(1,082)	(899)
Proceeds from borrowings	5,918	2,434
Repayments of borrowings	(11,514)	(5,198)
Repayments of finance lease liabilities	-	(6)
Principal element of lease payments	(1,534)	-
Net cash used in financing activities	(8,212)	(3,669)
Net decrease in cash and cash equivalents	(1,004)	(6,712)
Cash and cash equivalents at beginning of the financial period	48,618	60,246
Effects of currency translation on cash and cash equivalents	2	(1,023)
Cash and cash equivalents at end of the financial period	47,616	52,511


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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
01/07/19-	01/07/18-
30/09/19	30/09/18
S\$ '000	S\$ '000
49,606	52,581
(1,990)	(70)
47,616	52,511

1(d)(ii) CONSOLIDATED STATEMENT OF CASH FLOWS (YTD SEP FY2019 vs YTD SEP FY2018)

	Group	Group
	01/01/19-	01/01/18-
	30/09/19	30/09/18
	S\$ '000	S\$ '000
Cash flows from operating activities		
Net profit	9,080	11,636
Adjustments for:		
-Income tax expenses	3,246	4,003
-Depreciation of property, plant and equipment and investment property	8,790	7,879
-Depreciation of right-of-use assets	4,825	-
-Amortisation of intangible assets	369	359
-(Gain)/loss on disposal of property, plant and equipment	(20)	(123)
-Gain on disposal of non-current assets held for sale	-	(3,075)
-Interest expense	3,232	2,671
-Interest income	(259)	(356)
-Share of profit of an associated company	(2,160)	(2,201)
-Unrealised currency translation differences	(785)	898
Operating cash flow before working capital changes	26,318	21,691
Changes in working capital:		
-Inventories	8,848	(7,726)
-Trade and other receivables	(75)	(9,378)
-Trade and other payables	(9,109)	4,909
Cash generated from operations	25,982	9,496
Interest received	259	356
Income tax paid	(3,092)	(4,022)
Net cash provided by operating activities	23,149	5,830
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	598	832
Proceed from sale of non-current assets held for sale	-	3,986
Purchase of property, plant and equipment	(2,262)	(12,149)
Purchase of intangible assets	(1)	(56)
Purchase of transferable club memberships	-	(89)
Net cash used in investing activities	(1,665)	(7,476)
Cash flows from financing activities		
Dividends paid to equity holder of the Company	(6,869)	(4,384)
Dividends paid to non-controlling interests	(549)	(1,174)
Interest paid	(3,232)	(2,671)
Proceeds from borrowings	21,989	23,196
Repayments of borrowings	(31,377)	(14,311)
Repayments of finance lease liabilities	-	(21)
Principal element of lease payment	(4,271)	-
Net cash (used in)/from financing activities	(24,309)	635


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	Group 01/01/19- 30/09/19 S\$ '000	Group 01/01/18- 30/09/18 S\$ '000
Net decrease in cash and cash equivalents	(2,825)	(1,011)
Cash and cash equivalents at beginning of the financial period	50,820	53,995
Effects of currency translation on cash and cash equivalents	(379)	(473)
Cash and cash equivalents at end of the financial period	47,616	52,511
Consolidated cash and cash equivalents are represented by:		
Cash and bank balances	49,606	52,581
Less: Bank overdrafts	(1,990)	(70)
Cash and cash equivalents as per consolidated statement of cash flows	47,616	52,511

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	-	-	8,847	8,847	233	9,080
Other comprehensive loss for the period	-	(2,183)	-	(2,183)	(622)	(2,805)
Total comprehensive (loss)/ income for the period	-	(2,183)	8,847	6,664	(389)	6,275
Dividend relating to 2018 paid	-	-	(6,869)	(6,869)	(549)	(7,418)
Balance at 30 September 2019	77,001	(2,393)	178,127	252,735	10,241	262,976

←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 period	-	-	10,724	10,724	912	11,636
Other comprehensive loss for the period	-	(3,110)	(144)	(3,254)	(92)	(3,346)
Total comprehensive (loss)/income for the period	-	(3,110)	10,580	7,470	820	8,290
Dividend relating to 2017 paid	-	-	(4,384)	(4,384)	(1,174)	(5,558)
Balance at 30 September 2018	77,001	726	173,143	250,870	12,278	263,148



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	-	3,576	3,576
Dividend relating to 2018 paid	-	(6,869)	(6,869)
Balance at 30 September 2019	77,001	57,770	134,771

	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	-	4,740	4,740
Dividend relating to 2017 paid	-	(4,384)	(4,384)
Balance at 30 September 2018	77,001	61,665	138,666

- 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 September 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 September 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 30/09/19	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 September 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**

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 follows:

	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 September 2019 S\$'000
<u>Administrative expenses</u>					
Rental expenses	-	-	-	(3,397)	(3,397)
Depreciation of right-of-use assets	-	-	-	4,825	4,825
<u>Finance expenses</u>					
Finance expenses on lease liabilities	-	-	-	864	864
<u>Non-current asset</u>					
Right-of-use assets	-	26,542	26,542	344	26,886
<u>Current liabilities</u>					
Borrowings (Finance lease liabilities)	(36)	36	-	-	-
Lease liabilities	-	(5,104)	(5,104)	500	(4,604)
<u>Non-current liabilities</u>					
Borrowings (Finance lease liabilities)	(59)	59	-	-	-
Lease liabilities	-	(21,533)	(21,533)	(1,331)	(22,864)
<u>Equity</u>					
Currency translation reserve	-	-	-	(76)	(76)

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(1) 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	Group	Group	Group
	01/07/19 - 30/09/19	01/07/18 - 30/09/18	01/01/19 - 30/09/19	01/01/18 - 30/09/18
(a) Based on the number of ordinary shares on issue (cents)	0.92	0.80	3.03	3.66
(b) On fully diluted basis (cents)	0.92	0.80	3.03	3.66
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 30/09/19	Group 31/12/18	Company 30/09/19	Company 31/12/18
Net asset value per ordinary share (cents)	86.47	86.54	46.11	47.23

- (i) The Group and Company net asset value per share as at 30 September 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 THIRD QUARTER FINANCIAL RESULTS (3Q2019 VS 3Q2018)Turnover

The Group reported a 1.1% (or \$1.3 million) decrease in turnover to \$117.3 million (3Q2019) from \$118.6 million (3Q2018) mainly due to lower sales in the distribution business as compared to the corresponding period last year.

Distribution business, accounting for 72.8% of the Group's total turnover, recorded a decrease of 2.9% (or \$ 2.5 million) in turnover, from \$87.8 million (3Q2018) to \$85.3 million (3Q2019) mainly due to lower sales in tyre and wheel divisions, cushioned by higher sales in industrial products & automotive divisions. Our wheel manufacturing business, accounting for 27.2% of the Group's total turnover, recorded an increase of 3.9% (or \$1.3 million) in turnover, from \$30.7 million (3Q2018) to \$32.0 million (3Q2108).

Gross Profit

Gross Profit decreased by 2.2% (or \$0.6 million) to \$24.4 million (3Q2019) from \$25.0 million (3Q2018). The Group's gross profit margin decreased to 20.8 % in 3Q2019 compared to 21.1% in 3Q2018 mainly due to lower gross profit margin from manufacturing business. As for distribution business, the tyre division reported lower gross profit margin but was cushioned by higher gross profit margin reported by the wheel and industrial products & automotive divisions.

Operating Expenses

Distribution expenses decreased by 4.1% (or \$0.4 million) in 3Q2019 to \$10.6 million compared to \$11.0 million in 3Q2018 mainly due to lower sales related expenses in line with lower sales.

Administrative expenses decreased by 11.5% (or \$1.3 million) in 3Q2019 to \$10.0 million compared to \$11.3 million in 3Q2018 mainly due to foreign currency exchange gain in 3Q2019 compared to a loss in 3Q2018.

Financing costs increased by 20.4% (or \$0.2 million) in 3Q2019 to \$1.1 million compared to \$0.9 million in 3Q2018 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.



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Share of Profit of an Associated Company

Our associated company reported lower profit and our share of profit was \$0.4 million in 3Q2019 compared to \$0.6 million in 3Q2018.

Income Tax expense

Income tax expense increased by 17.8 % (or \$0.2 million) mainly due to higher 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 increased by \$0.4 million (or 14.0%) to \$2.7 million in 3Q2019 from \$2.3 million in 3Q2018.

REVIEW OF NINE MONTHS YEAR-TO-DATE FINANCIAL RESULTS (9M2019 VS 9M2018)

Turnover

The Group reported a 0.4% (or \$1.4 million) increase in turnover to \$344.4 million (3Q2019) from \$343.0 million (9M2018) mainly due to higher sales recorded by the manufacturing business as compared to the corresponding period last year.

Distribution business, accounting for 72.1% of the Group's total turnover, recorded a decrease of 0.4% (or \$1.0 million) in turnover, from \$249.2 million (9M2018) to \$248.2 million (9M2019) mainly due to lower sales reported by our tyre and wheel divisions in the period despite higher sales reported by our industrial products & automotive divisions. Our wheel manufacturing business, accounting for 27.9% of the Group's total turnover, recorded an increase of 2.6% (or \$2.4 million) in turnover, from \$93.8 million (9M2018) to \$96.2 million (9M2019).

Gross Profit

Gross profit decreased by 2.4% (or \$ 1.8 million) to \$ 72.6 million (9M2019) from \$74.4 million (9M2018). The Group's gross profit margin decreased to 21.1% in 9M2019 compared to 21.7% in 9M2018 mainly due to lower gross profit margin from both distribution and manufacturing business.

Other Gains

Other gains decreased from \$7.6 million in 9M2018 to \$3.7 million in 9M2019 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 5.7% (or \$1.8 million) in 9M2019 to \$29.7 million compared to \$31.5 million in 9M2018 mainly due to lower R&D expenses and other sales related expenses.

Administrative expenses decreased by 3.9% (or \$1.3 million) in 9M2019 to \$31.9 million compared to \$33.2 million in 9M2018 mainly due to foreign exchange gain in 9M2019 compared to a loss in 9M2018.

Financing costs increased by 21.0% (or \$0.6 million) to \$3.2 million in 9M2019 compared to \$2.7 million in 9M2018 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 share of profits from associated company was relatively flat at \$2.2 million in both 9M2019 and 9M2018.



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Income Tax expense

Income tax expense decreased by 18.9% (or \$0.8 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 \$1.9 million (or 17.5%) to \$8.8 million in 9M2019 from \$10.7 million in 9M2018 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 74.5%) to \$0.2 million in 9M2019 from \$0.9 million in 9M2018 mainly due to absence of the one-off disposal gain recorded by Australia subsidiary in 1Q2018.

STATEMENT OF FINANCIAL POSITION REVIEW

As at 30 September 2019, total assets amounted to about \$401.7 million comprising \$258.8 million of current assets and \$142.9 million of non-current assets. Total liabilities amounted to about \$138.7 million comprising current liabilities of \$108.7 million and non-current liabilities of \$30.0 million. Shareholders' equity including non-controlling interests amounted to \$263.0 million.

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

Inventories

Inventories decreased from \$120.0 million to \$109.5 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 \$26.9 million and \$27.5 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 \$33.6 million due to payments to trade suppliers.

Borrowings (current & non-current)

Borrowings decreased from \$83.5 million to \$75.0 million due to repayment of bank borrowings in 9M2019.

Current income tax liabilities

Income tax liabilities decreased from \$0.7 million to \$0.3 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 \$2.4 million mainly due to the weakening of RMB against SGD.

STATEMENT OF CASH FLOW REVIEW

\$23.1 million was provided by operating activities in 9M2019. The Group utilised \$1.7 million in investing activities mainly for the purchase of property, plant and equipment. A total of \$24.3 million was used in financing activities mainly for dividend payout and repayment of borrowings. Cash and cash equivalents amounted to \$47.6 million as at 30 September 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 the United States and China will continue to affect our business.

The escalated tariff of 25% on China made wheels has increased uncertainty and challenges for our wheels manufacturing business in China. To mitigate the impact, we have made changes in our production planning and shifted some US orders to our other factories in Taiwan and Malaysia.

Against the backdrop of a slowing global growth and challenging operating environment of our tyre business, 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.

The Group will continue to remain vigilant on our operating environment and be on the lookout for growth opportunities amidst 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

(d) Books closure date

Not applicable.



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

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

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.



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BY ORDER OF THE BOARD

Tay Tian Hoe Richard
Executive Chairman and Group Managing Director
13/11/2019

Submitted by Tay Tian Hoe Richard, Executive Chairman and Group Managing Director on 13/11/2019 to the SGX.