

**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 2019****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 FY2019 vs FULL YEAR FY2018)**

	Group 01/01/19- 31/12/19 S\$'000	Group 01/01/18- 31/12/18 S\$'000	Incr/(Decr) %
Sales	448,207	455,593	(1.6%)
Cost of sales	(352,228)	(358,139)	(1.7%)
Gross profit	95,979	97,454	(1.5%)
Other gains	5,686	9,232	(38.4%)
Credit loss allowance on trade receivables	(937)	(1,706)	(45.1%)
Expenses			
- Distribution	(39,048)	(39,881)	(2.1%)
- Administrative	(44,410)	(45,830)	(3.1%)
- Finance	(4,047)	(3,472)	16.6%
Share of profit of an associated company	2,998	2,222	34.9%
Profit before income tax	16,221	18,019	(10.0%)
Income tax expense	(3,457)	(3,741)	(7.6%)
Net profit	12,764	14,278	(10.6%)
Profit Attributable to:			
Equity holders of the Company	12,956	13,725	(5.6%)
Non-controlling interests	(192)	553	NM
	12,764	14,278	(10.6%)

NOTES TO CONSOLIDATED INCOME STATEMENT (FULL YEAR FY2019 vs FULL YEAR FY2018)

	Group 01/01/19- 31/12/19 S\$'000	Group 01/01/18- 31/12/18 S\$'000	Incr/(Decr) %
Interest income	340	455	(25.3%)
Rental income	3,666	3,760	(2.5%)
Interest on borrowings	(2,999)	(3,472)	(13.6%)
Lease Interest	(1,048)	-	NM
Depreciation of property, plant and equipment and investment property	(11,108)	(10,240)	8.5%
Depreciation of right-of-use assets **	(6,223)	-	NM
Amortisation of intangible assets	(475)	(478)	(0.6%)
Credit loss allowance on trade receivables	(937)	(1,706)	(45.1%)
Write-down of inventories	(1,254)	(1,780)	(29.6%)
Currency exchange gain - net	235	214	9.8%
Share of profit of an associated company	2,998	2,222	34.9%
Gain on disposal of property, plant and equipment	44	62	(29.0%)
Gain on disposal of non-current asset held for sale	-	3,075	NM
Plant and equipment written off	21	-	NM

NM – Not meaningful

** Note: Please refer to Note 5 (page 8) 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 (FULL YEAR FY2019 vs FULL YEAR FY2018)
(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 01/01/19- 31/12/19 S\$'000	Group 01/01/18- 31/12/18 S\$'000	Incr/(Decr) %
	521	-	NM
	4,435	3,562	24.5%
	4,956	3,562	39.1%
	(1,592)	367	NM
	3,364	3,929	(14.4%)
	103	(183)	NM
	(10)	(5)	100.0%
	3,457	3,741	(7.6%)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (FULL YEAR FY2019 vs FULL YEAR FY2018)

	Group 01/01/19- 31/12/19 S\$'000	Group 01/01/18- 31/12/18 S\$'000	Incr/(Decr) %
Profit for the year	12,764	14,278	(10.6%)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss			
- Currency translation differences	*(3,202)	#(4,086)	(21.6%)
- Currency translation differences arising from liquidation of subsidiaries	-	(99)	NM
	(3,202)	(4,185)	(23.5%)
Items that will not be reclassified subsequently to profit or loss:			
- Currency translation differences	(398)	(649)	(38.7%)
Total comprehensive income for the year	9,164	9,444	(3.0%)
Total comprehensive income to:			
Equity holders of the Company	9,754	9,540	2.2%
Non-controlling interests	(590)	(96)	(514.6%)
	9,164	9,444	(3.0%)

* 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(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 31/12/19 S\$'000	Group 31/12/18 S\$'000	Company 31/12/19 S\$'000	Company 31/12/18 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	56,392	51,102	5,700	4,430
Trade and other receivables	83,062	100,800	29,851	34,855
Inventories	119,742	119,992	-	-
Derivative financial instruments	6	115	-	-
	259,202	272,009	35,551	39,285
Non-current assets				
Transferable club membership, at cost	65	172	-	-
Investment in an associated company	19,619	18,629	-	-
Investments in subsidiaries	-	-	100,325	100,325
Property, plant and equipment	77,501	84,999	2	20
Right-of-use assets **	23,567	-	-	-
Investment property	9,607	10,334	-	-
Intangible assets	3,961	4,445	-	-
Deferred income tax assets	4,558	3,380	-	-
	138,878	121,959	100,327	100,345
Total assets	398,080	393,968	135,878	139,630
LIABILITIES				
Current liabilities				
Trade and other payables	34,305	43,427	1,368	1,407
Current income tax liabilities	1,104	709	-	159
Borrowings	66,919	75,362	-	-
Lease liabilities **	5,456	-	-	-
	107,784	119,498	1,368	1,566
Non-current liabilities				
Borrowings	3,797	8,145	-	-
Lease liabilities **	18,715	-	-	-
Deferred income tax liabilities	1,761	2,149	-	-
Other non-current liabilities	160	57	-	-
	24,433	10,351	-	-
Total liabilities	132,217	129,849	1,368	1,566
NET ASSETS	265,863	264,119	134,510	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	(3,328)	(210)	-	-
Retained profits	182,152	176,149	57,509	61,063
	255,825	252,940	134,510	138,064
Non-controlling interests	10,038	11,179	-	-
Total equity	265,863	264,119	134,510	138,064

** Note: Please refer to Note 5 (page 8) 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 31/12/19		Group As at 31/12/18	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
66,919	-	75,362	-

Amount repayable after one year

Group As at 31/12/19		Group As at 31/12/18	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,797	-	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\$4.4 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 (FY2019 vs FY2018)

	Group 01/01/19- 31/12/19 S\$'000	Group 01/01/18- 31/12/18 S\$'000
Cash flows from operating activities		
Net profit	12,764	14,278
Adjustments for:		
-Income tax expenses	3,457	3,741
-Depreciation of property, plant and equipment and investment property	11,108	10,240
-Depreciation of right-of-use assets	6,223	-
-Amortisation of intangible assets	475	478
-Gain on disposal of property, plant and equipment	(44)	(62)
-Gain on disposal of non-current asset held for sale	-	(3,075)
-Interest expense	4,047	3,472
-Interest income	(340)	(455)
-Share of profit of an associated company	(2,998)	(2,222)
-Fair value loss on derivative financial instruments	109	-
-Provision for diminution club membership	107	-
-Plant and equipment written off	21	-
-Unrealised currency translation differences	(495)	(327)
Operating cash flow before working capital changes	34,434	26,068
Changes in working capital:		
-Inventories	(853)	(11,253)
-Trade and other receivables	16,731	(2,561)
-Trade and other payables	(8,687)	7,573
Cash generated from operations	41,625	19,827
Interest received	340	455
Income tax paid	(4,119)	(5,114)
Net cash provided by operating activities	37,846	15,168
Cash flows from investing activities		
Dividend received from an associated company	1,130	1,005
Proceeds from sale of property, plant and equipment	1,115	454
Proceeds from sale of non-current assets held for sale	-	3,986
Purchase of property, plant and equipment	(4,928)	(13,936)
Purchase of transferable club membership	-	(134)
Purchase of intangible assets	(2)	(53)
Net cash used in investing activities	(2,685)	(8,678)
Cash flows from financing activities		
Dividend paid to equity holders of the company	(6,869)	(4,384)
Dividend paid to non-controlling interest	(551)	(1,164)
Interest paid	(4,047)	(3,472)
Proceeds from borrowings	7,042	21,226
Repayments of borrowings	(20,549)	(21,395)
Repayments of finance lease liabilities	-	(29)
Principal element of lease payments	(5,657)	-
Net cash used in financing activities	(30,631)	(9,218)



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	Group 01/01/19- 31/12/19 S\$'000	Group 01/01/18- 31/12/18 S\$'000
Net increase/(decrease) in cash and cash equivalents	4,530	(2,728)
Cash and cash equivalents at beginning of the financial year	50,820	53,995
Effects of currency translation on cash and cash equivalents	(535)	(447)
Cash and cash equivalents at end of the financial year	54,815	50,820
Consolidated cash and cash equivalents are represented by		
Cash and bank balances	56,392	51,102
Less: Bank overdrafts	(1,577)	(282)
Cash and cash equivalents as per consolidated statement of cash flows	54,815	50,820

Reconciliation of liabilities arising from financing activities

	Opening balance \$'000	Proceeds, principal and interest payments \$'000	Non-cash changes \$'000				Closing balance \$'000
			Adoption of SFRS(I) 16	Addition during the year	Interest expense	Foreign exchange movement	
2019							
Bank borrowings	83,413	(15,204)	-	-	2,993	(486)	70,716
Lease liabilities	94	(6,703)	29,088	940	1,054	(302)	24,171
2018							
Bank borrowings	85,289	(3,762)	-	-	3,467	(1,581)	83,413
Finance lease liabilities	88	1	-	-	5	-	94

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 year	-	-	12,956	12,956	(192)	12,764
Other comprehensive loss for the year	-	(3,202)	-	(3,202)	(398)	(3,600)
Total comprehensive (loss)/income for the year	-	(3,202)	12,956	9,754	(590)	9,164
Dividend relating to 2018 paid	-	-	(6,869)	(6,869)	(551)	(7,420)
Transfer from retained profits to other reserves	-	84	(84)	-	-	-
Balance at 31 December 2019	77,001	(3,328)	182,152	255,825	10,038	265,863

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	← 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
<hr/>						
	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 year	-	3,315	3,315			
Dividend relating to 2018 paid	-	(6,869)	(6,869)			
Balance at 31 December 2019	77,001	57,509	134,510			
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	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 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			

- 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 31 December 2019 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 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 31/12/19	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 31 December 2019.

- 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.

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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 31 December 2019 S\$'000
<u>Administrative expenses</u>					
Rental expenses	-	-	-	(6,308)	(6,308)
Depreciation of right-of-use assets	-	-	-	6,223	6,223
<u>Finance expenses</u>					
Finance expenses on lease liabilities	-	-	-	1,048	1,048
<u>Non-current asset</u>					
Right-of-use assets	-	29,178	29,178	(5,611)	23,567
<u>Current liabilities</u>					
Borrowings (Finance lease liabilities)	(36)	36	-	-	-
Lease liabilities	-	(5,558)	(5,558)	102	(5,456)
<u>Non-current liabilities</u>					
Borrowings (Finance lease liabilities)	(59)	59	-	-	-
Lease liabilities	-	(23,625)	(23,625)	4,910	(18,715)
<u>Equity</u>					
Currency translation reserve	-	-	-	1	1

(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.

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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 01/01/19 - 31/12/19	Group 01/01/18 - 31/12/18
(a) Based on the number of ordinary shares on issue (cents)	4.43	4.70
(b) On fully diluted basis (cents)	4.43	4.70
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	Group	Company	Company
	31/12/19	31/12/18	31/12/19	31/12/18
Net asset value per ordinary share (cents)	87.52	86.54	46.02	47.23

- (i) The Group and Company net asset value per share as at 31 December 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.



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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 2019 (FY2019) vs Full Year ended 31 December 2018 (FY2018)

Turnover

The Group reported a 1.6% (or \$7.4 million) decrease in turnover to \$448.2 million (FY2019) from \$455.6 million (FY2018) mainly due to lower sales in both distribution and manufacturing business as compared to last year.

Distribution business, accounting for 72.7% of the Group's total turnover, recorded a decrease of 2.0% (or \$6.5 million) in turnover, from \$332.3 million (FY2018) to \$325.8 million (FY2019) 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 27.3% of the Group's total turnover, recorded a decrease of 0.7% (or \$0.9 million) in turnover, from \$123.3 million (FY2018) to \$122.4 million (FY2019).

Gross profit

Gross Profit decreased by 1.5% (or \$1.5 million) to \$96.0 million (FY2019) from \$97.5 million (FY2018), mainly due to lower gross profit from both distribution and manufacturing businesses. The Group's gross profit margin remained at 21.4%, same as last year.

Other gains

Other gains decreased from \$9.2 million in FY2018 to \$5.7 million in FY2019 mainly due to absence of the one-off disposal gain of \$3.1 million recorded by our Australian subsidiary in 1Q2018.

Credit loss allowance on trade receivables

Credit loss allowance on trade receivables decreased from \$1.7 million in FY2018 to \$0.9 million in FY2019 mainly due to better credit control and collection management.

Operating expenses

Distribution expenses decreased by 2.1% (or \$0.9 million) to \$39.0 million in FY2019 from \$39.9 million in FY2018, mainly due to lower staff costs, research and development and other sales related expenses in line with lower sales.

Administrative expenses decreased by 3.1% (or \$1.4 million) in FY2019 to \$44.4 million compared to \$45.8 million in FY2018 mainly to lower staff costs, repair and maintenance and other general expenses.

Financing costs increased by 16.6% (or \$0.5 million) to \$4.0 million in FY2019 compared to \$3.5 million in FY2018 mainly due to recognition of lease interest expense of about \$1.0 million in FY2019 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 better performance and our share of profit was \$3.0 million in FY2019 as compared to \$2.2 million in FY2018.



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Income tax expense

Income tax expense decreased by 7.6 % (or \$0.3 million) mainly due to lower profit before tax for the year.

Net profit after tax and non-controlling interests

Net profit after tax and non-controlling interests attributable to shareholders of the Company decreased by 5.6% to \$13.0 million in FY2019 as compared to \$13.7 million in FY2018.

STATEMENT OF FINANCIAL POSITION REVIEW

As at 31 December 2019, total assets amounted to about \$398.1 million comprising \$259.2 million of current assets and \$138.9 million of non-current assets. Total liabilities amounted to about \$132.2 million comprising current liabilities of \$107.8 million and non-current liabilities of \$24.4 million. Shareholders' equity including non-controlling interests amounted to \$265.9 million.

The substantial changes in the statement of financial position compared to 31 December 2019 are as follows:

Trade and other receivables

Trade and other receivables decreased from \$100.8 million to \$83.1 million due to better credit control and collection management, and lower prepayment in 2019.

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

Right-of-use assets and lease liabilities increased from \$NIL to \$23.6 million and \$24.2 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.

Deferred income tax assets

Deferred income tax assets increased from \$3.4 million to \$4.6 million mainly due to provision of deferred income tax assets of a China subsidiary.

Trade and other payables

Trade and other payables decreased from \$43.4 million to \$34.3 million mainly due to payments to trade suppliers.

Borrowings (current & non-current)

Borrowings decreased from \$83.5 million to \$70.7 million due to repayment of bank borrowings during the year.

Other reserves

Other reserves, consist of foreign currency translation gains on overseas investments, decreased from negative \$0.2 million to negative \$3.3 million mainly due to the weakening of RMB against SGD.



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STATEMENT OF CASH FLOW REVIEW

\$37.8 million was provided by operating activities in FY2019. The Group utilised \$2.7 million in investing activities mainly for the purchase of property, plant and equipment. A total of \$30.6 million was used in financing activities mainly for dividend payout and repayment of borrowings. Cash and cash equivalents amounted to \$54.8 million as at 31 December 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

Although the United States and China signed their “phase one” trade agreement on 15 January 2020, the punitive tariff of 25% on China made wheels remains intact. The ongoing tariff is affecting our wheels manufacturing business in China and we are now fulfilling our new US orders at the Taiwan and Malaysia factories to mitigate the impact. We’ll continue to monitor the situation closely and make adjustment in our production planning accordingly.

In addition, due to the recent Novel Coronavirus (“COVID-19”) outbreak, the Group’s wheels manufacturing facility in China has delayed the resumption of operation after the Chinese New Year holidays in compliance with the directives issued by the local authority in Suzhou where the Group operates. Although our factory has received approval and clearance from the Suzhou authority to resume production on 17 February, we were unable to resume full production due to the shortage of workers as a number of workers were unable to return to the factory as many cities in China are still currently being locked down to contain the virus.

As the situation pertaining to the containment of COVID-19 remains uncertain, the impact of the disruption on China’s economy and the spill-over effects will inevitably lead to a downward pressure on the global economy and may have an adverse impact on the Group’s performance in 2020.

In view of the uncertainty of the global economy ahead and the challenges in the tyre industry, the Group will continue to strengthen the distribution business by enhancing efficiency, sourcing for new products & business opportunities; exploring new sales channels in our distribution network and stay focus in managing our operating costs amid a very challenging business environment.

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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 : 2.22 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 : 2.35 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 2019:

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 FY2019 and FY2018 are prepared on an actual basis.
- (b) The segmental balance sheet items of the Group as at 31 December 2019 and as at 31 December 2018 respectively are prepared on an actual basis.



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

FY 2019

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	81,856	67,983	149,839	35,100	151,729	120,874	18,110	325,813	-	475,652
Inter-segment sales	(16,496)	(10,949)	(27,445)	-	-	-	-	-	-	(27,445)
Sales to external parties	65,360	57,034	122,394	35,100	151,729	120,874	18,110	325,813	-	448,207
Segment result	2,624	572	3,196	137	4,399	3,603	1,163	9,302	(915)	11,583
Other gains										2,927
Premises rental income									2,760	2,760
										17,270
Finance expenses										(4,047)
Share of profit of an associated company	-	2,998	2,998	-	-	-	-	-	-	2,998
Profit before income tax										16,221
Income tax expenses										(3,457)
Net profit										12,764
Segment assets	62,631	75,043	137,674	19,431	127,169	81,827	9,980	238,407	10,519	386,600
Segment assets includes:										
Investment in an associated company	-	19,619	19,619	-	-	-	-	-	-	19,619
Additions to:										
- Property, plant and equipment	2,567	1,007	3,574	110	485	495	270	1,360	-	4,934
- Intangible assets	-	-	-	-	1	-	-	1	-	1
Investment property	-	-	-	-	-	-	-	-	9,606	9,606
Segment liabilities	(5,943)	(3,234)	(9,177)	(2,927)	(10,973)	(10,370)	(193)	(24,463)	(825)	(34,465)


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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
										19,269
Finance expenses										(3,472)
Share of profit of an associated company	-	2,222	2,222	-	-	-	-	-	-	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	2,206	1,754	3,960	5	8,702	1,053	216	9,976	-	13,936
- Intangible assets	-	-	-	-	-	53	-	53	-	53
Investment property	-	-	-	-	-	-	-	-	10,334	10,334
Segment liabilities	(8,829)	(5,087)	(13,916)	(4,308)	(14,935)	(8,693)	(754)	(28,690)	(878)	(43,484)



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

	Group 31/12/19 S\$'000	Group 31/12/18 S\$'000
Segment assets for reportable segments	376,620	370,844
Other segment assets	9,980	10,479
Unallocated:		
Deferred income tax assets	4,558	3,380
Short-term bank deposits	6,851	8,978
Transferable club membership, at cost	65	172
Derivative financial instruments	6	115
	398,080	393,968

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

	Group 31/12/19 S\$'000	Group 31/12/18 S\$'000
Segment liabilities for reportable segments	(34,272)	(42,730)
Other segment liabilities	(193)	(754)
Unallocated:		
Income tax liabilities	(1,104)	(709)
Deferred tax liabilities	(1,761)	(2,149)
Borrowings	(94,887)	(83,507)
	(132,217)	(129,849)

Revenue from major products and services:

	Group 31/12/19 S\$'000	Group 31/12/18 S\$'000
Manufacturing of alloy wheels	122,394	123,335
Distribution of automotive and related products	325,813	332,258
	448,207	455,593

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

	Sales *		Non-current assets	
	Group 31/12/19 S\$'000	Group 31/12/18 S\$'000	Group 31/12/19 S\$'000	Group 31/12/18 S\$'000
Singapore	71,641	69,643	50,478	45,399
Malaysia	101,940	105,978	27,480	28,826
China/Hong Kong	82,338	79,144	32,030	34,823
Taiwan	18,122	19,624	4,180	3,170
Australia	73,838	82,280	10,616	2,609
New Zealand	47,036	48,025	5,459	1,752
Other countries	53,292	50,899	4,012	1,828
	448,207	455,593	134,255	118,407

* 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 01/01/19- 31/12/19 S\$'000	Group 01/01/18- 31/12/18 S\$'000	Incr/(Decr) %
(a) Sales reported for the first half year	227,147	224,468	1.2%
(b) Operating profit after tax before deducting non-controlling interest report for the first half year	6,308	9,202	(31.4%)
(c) Sales reported for the second half year	221,060	231,125	(4.4%)
(d) Operating profit after tax before deducting non-controlling interest report for the second half year	6,456	5,076	27.2%
(e) Total sales reported for the full year	448,207	455,593	(1.6%)
(f) Total operating profit after tax before deducting non-controlling interest report for the full year	12,764	14,278	(10.6%)

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	6,489	6,869
Preference	-	-
	6,489	6,869



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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	68	<ol style="list-style-type: none"> Brother of Tay Tiang Guan, Executive Director of the Company. Director & Shareholder of YHI Holdings Pte Ltd, a substantial shareholder of the Company. 	<p>Executive Chairman & Group Managing Director.</p> <p>Responsible for setting the strategic directions and managing the overall business of the Company.</p> <p>The position has been held since 16 May 2003.</p>	Nil
Tay Tiang Guan	67	<ol style="list-style-type: none"> Brother of Tay Tian Hoe Richard, Executive Chairman & Group Managing Director of the Company. 	<p>Executive Director (Sales and Business Development).</p> <p>Responsible for the Company's operations in ASEAN and business development in tyres and industrial products.</p> <p>The position has been held since 16 May 2003.</p>	Nil
Tay Soek Eng Margaret	70	<ol style="list-style-type: none"> Sister of Tay Tian Hoe Richard, Executive Chairman & Group Managing Director, and Tay Tiang Guan, Executive Director of the Company. Director & Shareholder of YHI Holdings Pte Ltd, a substantial shareholder of the Company. 	<p>Customer Service Manager of YHI Corporation (Singapore) Pte Ltd (Since May 2003).</p> <p>Responsible to provide customer support to the assigned accounts and oversee the customer service department, company's general purchases and expenses.</p>	Nil
Tay Peng Kuan Ronald	56	Nephew of Tay Tian Hoe, Richard, Executive Chairman & Group Managing Director, and Tay Tiang Guan, Executive Director of the Company.	<p>Supply Chain Manager, YHI Corporation (Singapore) Pte Ltd (Since May 2012).</p> <p>Responsible for the warehousing & logistics operations of the Company.</p>	Nil
Tay Kok Thye Damien	47	Nephew of Tay Tian Hoe, Richard, Executive Chairman & Group Managing Director and Tay Tiang Guan, Executive Director of the Company.	<p>Deputy General Manager, YHI Corporation (Singapore) Pte Ltd. (Since July 2017).</p> <p>Responsible for fleet management and retail centre business of the Company</p>	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	35	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	47	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 June 2010). Responsible for YHI Corporation (B) Sdn Bhd branch's operation and profitability.	Nil
Tay Kah Heng, Raymond	27	Grandnephew of Tay Tian Hoe, Richard, Executive Chairman & Group Managing Director, and Tay Tiang Guan, Executive Director of the Company.	Operations Manager, YHI Corporation (Thailand) Co., Ltd (Since August 2019). Responsible for YHI Corporation (Thailand) Co., Ltd operation and profitability.	Nil

BY ORDER OF THE BOARD

Tay Tian Hoe Richard
Executive Chairman and Group Managing Director
28/02/2020

Submitted by Tay Tian Hoe Richard, Executive Chairman and Group Managing Director on 28/2/2020 to the SGX.