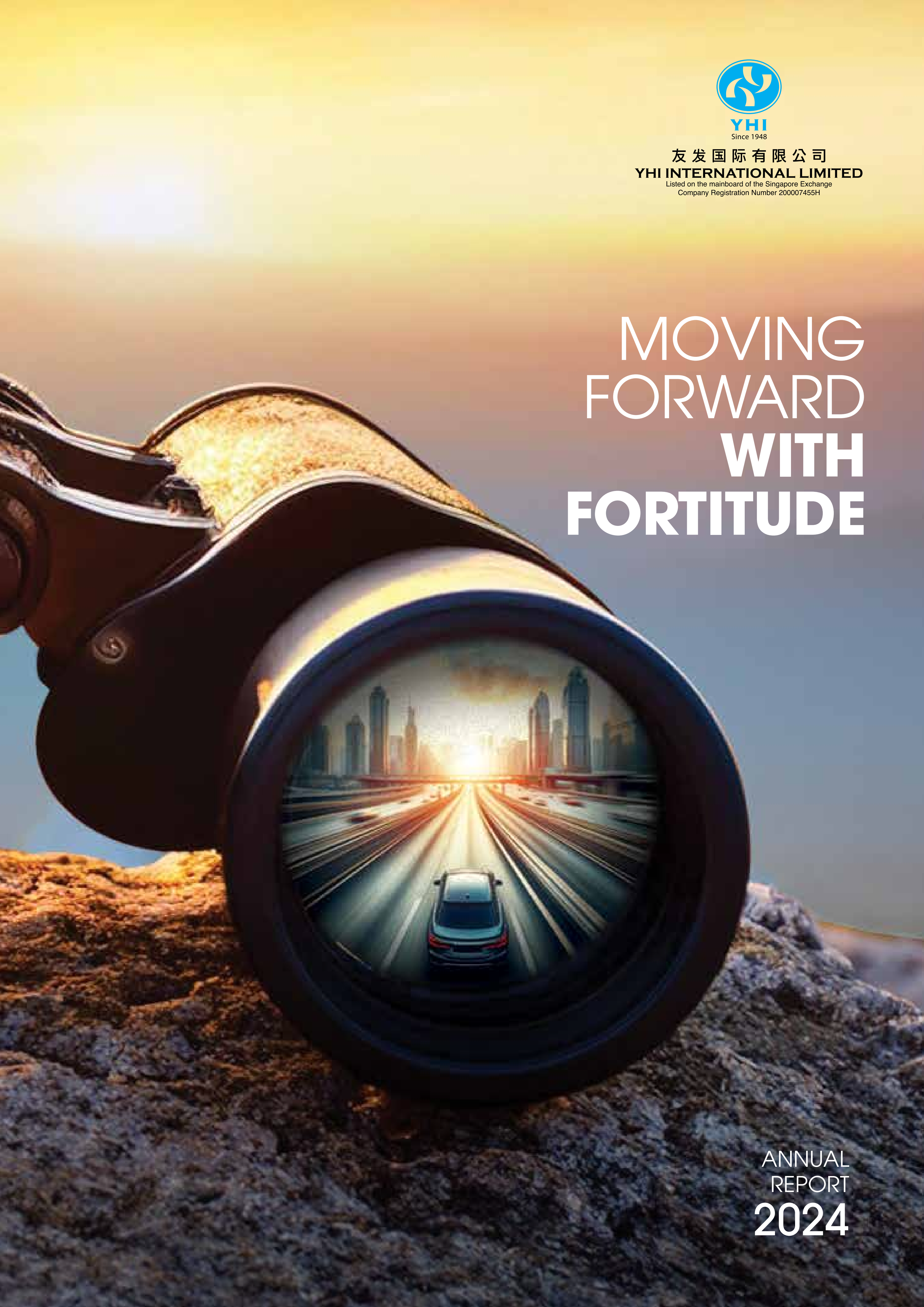

YHI

Since 1948

友发国际有限公司

YHI INTERNATIONAL LIMITED

Listed on the mainboard of the Singapore Exchange

Company Registration Number 200007455H

MOVING FORWARD **WITH FORTITUDE**

ANNUAL REPORT 2024

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MOVING FORWARD **WITH FORTITUDE**

As we strive to navigate uncertainties in the business landscape, we will intensify our efforts to build up our core strengths, enhance our revenue streams and drive operations excellence across our value chain, enabling us to move forward with fortitude and deliver value to stakeholders.

OUR **MISSION**

- To be a recognised global distributor of high quality automotive and industrial products, and a familiar and trusted brand name in alloy wheels manufacturing as an Original Design Manufacturer.
- To be committed to quality, professional and personnel management, sound business practices and teamwork.
- To position our company effectively by continuously providing our customers with quality products and distinctive customer services so as to build strong customer relationships.
- To provide growth and opportunities for our employees and to consistently generate stable returns to our shareholders.

CORPORATE **PROFILE**

YHI International Limited is a leading global distributor of high-quality automotive and industrial products, and a trusted brand name in alloy wheels manufacturing as an Original Design Manufacturer (ODM).

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited (SGX-ST) on 3 July 2003, YHI has successfully diversified its business and carved a niche for itself in the global automotive arena since its humble beginnings as a sole proprietorship established in 1948.

Today, YHI's international presence spans across over 100 countries through its 33 subsidiaries and 3 associated companies located across Asia Pacific, North America and Europe. YHI distributes a diverse range of premium automotive products, which includes tyres, alloy wheels, energy solutions, buggy & utilities vehicles and other industrial products to more than 5,000 customers globally.

YHI currently has three alloy wheels manufacturing plants located in Suzhou in China, Taoyuan in Taiwan and Malacca in Malaysia, with a current total production capacity of 2.3 million units per annum. As an integrated ODM solutions provider, it provides services from the design and development to the manufacturing, marketing and distribution of alloy wheels.

In order to strengthen the YHI distribution network, the Group will continuously sharpen its sales focus, as well as embark on strategic plans to promote and develop its portfolio of premium and proprietary brands in the global market where "The World is Our Market".

"YHI's international presence spans across over 100 countries through its 33 subsidiaries and 3 associated companies located across Asia Pacific, North America and Europe. YHI distributes a diverse range of premium automotive products, which includes tyres, alloy wheels, energy solutions, buggy & utilities vehicles and other industrial products to more than 5,000 customers globally."


ADVAN
ENKEI
EZGO
KÖNIG
FIAMM
Accessories
Auto Repair
Motor Oil

OUR **PRODUCTS**

TYRES

We have an extensive range of tyres from passenger cars to commercial and off-the-road vehicles, to cater for different market needs. The key tyre brands we represent are Yokohama, Nankang, Pirelli and Toyo Tires.

YOKOHAMA JAPAN	PIRELLI ITALY	Continental GERMANY	NITTO JAPAN	TOYO TIRES JAPAN
NANKANG TAIWAN	ROADSTONE TYRE KOREA	GENERAL TIRE USA	MARSHAL TYRE KOREA	accelera INDONESIA
COOPER TIRES USA	MICKEY THOMPSON USA	CARLISLE USA	RADAR TYRES SINGAPORE	OTANI THAILAND
CEAT SPECIALTY INDIA	GRECKSTER INDIA	DELINTE We Invent. You Drive CHINA	HILO CHINA	AMBERSTONE CHINA
FARROAD CHINA	AUSTONE TIRES CHINA	TRISTAR THE POWER OF GRIP CHINA		

ALLOY WHEELS

Our alloy wheels brand portfolio includes renowned brands like Enkei, OZ, Konig and our own proprietary brand, Advanti Racing.

Advanti RACING SINGAPORE	ENKEI JAPAN	KÖNIG USA	OZ RACING ITALY	sparco WHEELS ITALY
Breyton GERMANY	MOMBA USA	2DRV by WHEELWORLD GERMANY	AXXION GERMANY	

OUR PRODUCTS

BUGGY & UTILITY VEHICLES

Our range of environmentally friendly buggies and utility vehicles are used in golf coures, resorts, private and commercial areas and also for special events. It can be used for work, personal transportation or any general purpose mobility. We represent brands such as E-Z-GO and Cushman and our own proprietary brand, Neuton Power Electric.

SINGAPORE | USA | USA

ENERGY SOLUTIONS

We carry an extensive range of rechargeable batteries suitable for commercial and industrial use. These batteries are used in different industries for different applications including renewable energy. The leading brands that we represent include Trojan, CSB, Vision and our own proprietary brand, Neuton Power.

SINGAPORE | USA | CHINA | TAIWAN | GERMANY

INDIA | KOREA | ITALY | USA | INDIA

JAPAN | CHINA | CHINA | KOREA

OTHER INDUSTRIAL PRODUCTS

We have lubricants and a wide range of industrial products such as solar panels, chargers, invertors and UPS.

SINGAPORE | FRANCE | GERMANY | CANADA | USA

CHINA | SWEDEN | CHINA | UK | GERMANY

TAIWAN | FINLAND

MANUFACTURING **CAPABILITIES**

As an Original Design Manufacturer (ODM), our value proposition is providing our customers with a seamless supply chain from the design and development, manufacturing, advertising and promotion to distribution and sales for their alloy wheels through our extensive global network.

While distribution had been the core business of YHI, the Group took the bold initiative to venture into alloy wheels manufacturing in 1996. From one production line in Taoyuan Taiwan, we had expanded to 18 manufacturing lines in operation at 4 production sites by 2006.

YHI INTERNATIONAL TAIWAN CO., LTD
TAOYUAN, TAIWAN
Products: Alloy Wheels
Land area: 13,500 m^2
Year of Production: 1996
Annual production capacity: 0.2 million

In September 2000, the Group took the bold initiative to invest in a new plant in Shanghai, followed by further expansion in two new alloy wheels manufacturing plants – YHI Advanti Manufacturing (Suzhou) Co., Ltd located in Suzhou, China and YHI Manufacturing (Malaysia) Sdn Bhd located in Sepang, Malaysia – in 2006.

In 2011, the Malacca plant was added to become the fifth production site for the alloy wheel manufacturing, with 0.6 Mill on new capacity added.

To enhance our capability as an integrated ODM, YHI Precision Moulding (Shanghai) Co Ltd was set up in 2004 to manufacture and supply alloy wheels moulds for the manufacturing plants. Through continuous innovation and improvements in production processes, Enkei Corporation has put the Group at the forefront of alloy wheels manufacturing. Our Most Advanced Technology (MAT) is an innovative casting and wheel forming technology that is critical in improving the alloy wheel's material property and strength.

In Malaysia, we completed the sale of our Sepang plant in 2015. With the disposal, the Group's manufacturing operations were consolidated to our plant in Malacca. The right-sizing of our operations not only enhanced our efficiency but also enabled us to strengthen our balance sheet and conserve resources for tapping future growth opportunities.

In China, we have also moved our precision moulding operations from Shanghai to our manufacturing plant at Suzhou in February 2016. The consolidation will streamline and enable better integration of our production processes, generating greater efficiency and synergies.

With the blueprint success in restructuring in our Malaysia plant, we embarked on similar restructuring plans to consolidate Shanghai manufacturing operation to Suzhou as announced on 17 February 2017 to further reduce operating costs. Shanghai factory ceased operations in December 2016 and the production capacity was moved to Suzhou and Malaysia factories by the end of 2017.

In terms of manufacturing R&D, our Suzhou team has achieved a breakthrough with a new proprietary Dynamic Spinning Technology (DST) launched for the Aftermarket segment in 2014. Based on flow forming technology, the new DST alloy wheels offer increased strength and performance compared to regular cast technology wheels. This new technology has enabled YHI to produce lighter and stronger alloy wheels which will, in turn, lead to lower production costs and enhance the Group's competitiveness.

In 2018, we applied our flow forming technology and infrastructure to all our manufacturing facilities which allows us to cater globally to our international clientele. This also enhances our differentiation and competitive edge.

YHI MANUFACTURING (MALAYSIA) SDN BHD **YHI ADVANTI MANUFACTURING (MALAYSIA) SDN BHD**
MALACCA, MALAYSIA
Products: Alloy Wheels
Land area: 88,000 m^2
Year of Production: 2006
Annual production capacity: 0.9 million

OUR QUALITY **CERTIFICATES**

YHI ADVANTI MANUFACTURING (SUZHOU) CO., LTD

SUZHOU, CHINA

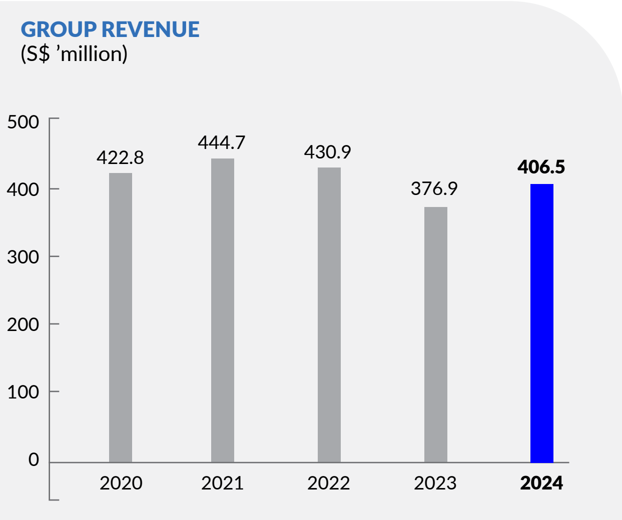
Products: Alloy Wheels & Precision Moulding Sets

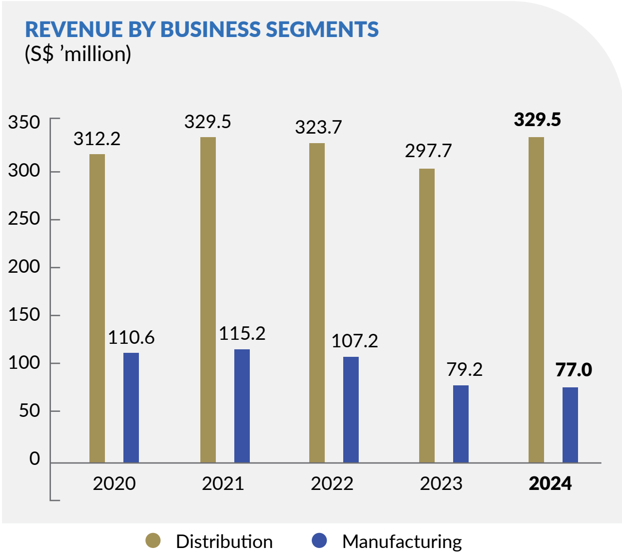
Land area: 75,600 m^2

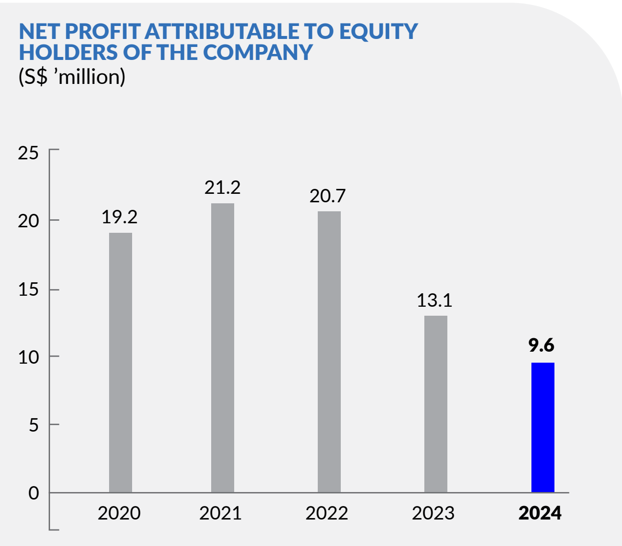
Year of Production: 2006

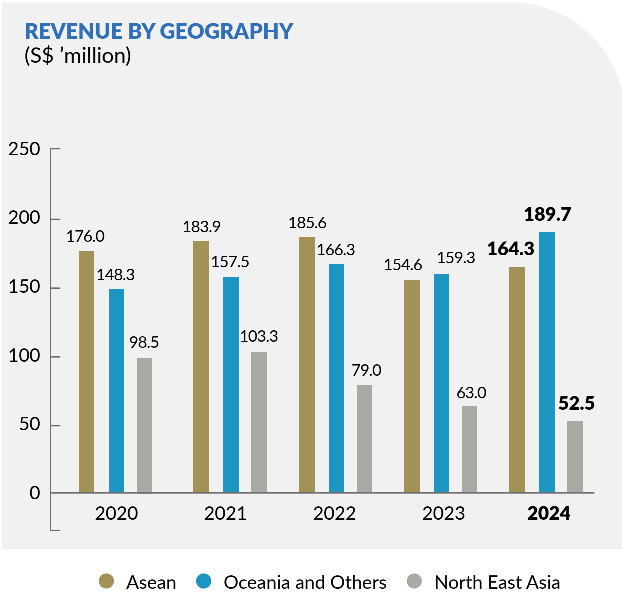
Annual production capacity: 1.2 million + 850 set mould

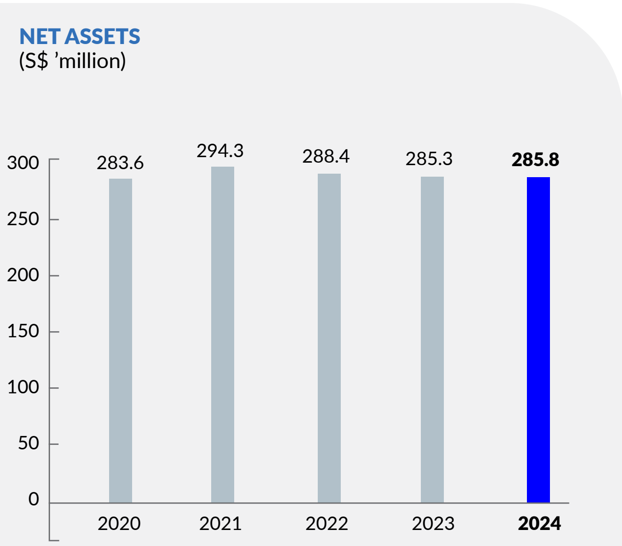
FIVE-YEAR FINANCIAL HIGHLIGHTS

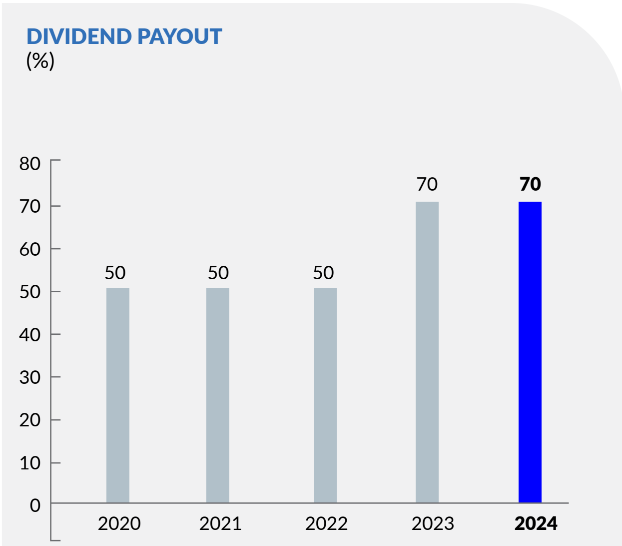












FIVE-YEAR FINANCIAL SUMMARY

RESULTS OF OPERATIONS

FINANCIAL YEAR ENDED 31 DECEMBER	**FY2024 S$ '000**	FY2023 S$ '000	FY2022 S$ '000	FY2021 S$ '000	FY2020 S$ '000
Sales	**406,515**	376,940	430,892	444,718	422,795
Gross Profit %	**25.2**	24.6	22.8	23.8	24.0
Profit before income tax	**14,368**	18,348	28,437	28,830	25,317
Net profit attributable to equity holders of the Company	**9,580**	13,053	20,722	21,165	19,155
Net Profit %	**2.3**	3.6	5.1	5.0	4.6
EBITDA	**31,756**	34,561	45,814	46,385	44,514

FINANCIAL POSITION

AS AT 31 DECEMBER	**FY2024 S$ '000**	FY2023 S$ '000	FY2022 S$ '000	FY2021 S$ '000	FY2020 S$ '000
Current assets	**277,453**	263,467	281,686	301,790	267,102
Non-current assets	**126,195**	130,182	132,634	137,233	138,021
Total assets	**403,648**	393,649	414,320	439,023	405,123
Current liabilities	**96,990**	82,864	98,741	113,474	94,242
Non-current liabilities	**20,841**	25,530	27,190	31,238	27,304
Total liabilities	**117,831**	108,394	125,931	144,712	121,546
Net assets	**285,817**	285,255	288,389	294,311	283,577
Capital and reserves attributable to equity holders of the Company	**279,864**	278,505	280,385	286,289	275,381
Non-controlling interests	**5,953**	6,750	8,004	8,022	8,196
Total equity	**285,817**	285,255	288,389	294,311	283,577

FINANCIAL INDICATORS

	FY2024	FY2023	FY2022	FY2021	FY2020
Return on shareholders equity (%)	**3.4**	4.7	7.4	7.4	7.0
Earnings per share (cents)	**3.29**	4.49	7.14	7.29	6.57
Net asset value per share (cents)	**95.94**	95.90	96.55	98.58	94.83
Dividend per share (cents)	**2.30**	3.15	3.60	3.60	3.30
Cash and bank balances (S$ '000)	**66,160**	64,224	60,576	83,642	84,512
Net debt to equity ratio (%)	**0.2**	NM	3.4	3.0	NM

FOCUSING ON OUR STRATEGIC PRIORITIES

Amid uncertainties and a challenging landscape, we will **focus on our strategic priorities** to fortify our core strengths, enhance our resources and expand our product and service offerings so as to diversify risks and deliver stable revenue streams.

CHAIRMAN'S STATEMENT

ADOPTING A MULTI-PRONG APPROACH TO FORTIFYING OUR STRENGTHS, WE ARE ALSO ENHANCING OUR '3M' MARKETING STRATEGY, ENCOMPASSING OFFERING MULTI-PRODUCT, MULTI-BRAND AND MULTI-CATEGORY PRODUCTS AND SERVICES TO MEET THE DIVERSE NEEDS OF CUSTOMERS.

RICHARD TAY
Executive Chairman & Group Managing Director

Dear Shareholders,

A STABILISING GLOBAL ECONOMY

The global economy has in the main stabilised in 2024. In most countries, inflation has receded to levels that are close to targets of respective central banks[1]. The decline in inflation provided room for monetary authorities to ease interest rates, paving the way to recovery in demand in key economies[2]. As the world gradually recovered from the disruptive shocks of recent years, economic activities and global trade strengthened, contributing to resilient economic growth among advanced economies.

In 2024, the US economy remained on a solid growth trajectory, continuing the strong momentum from 2023[3]. The economic robustness was supported by healthy employment, income growth, resilient household consumption and strong productivity growth. During the year, the Federal Reserve cut interest rates three times, bringing inflation down closer to the desired level, engineering a soft landing for the economy which performed relatively well compared to other advanced economies.

The economies of ASEAN, YHI's biggest market, picked up in 2024, driven by stronger manufacturing exports, lower inflation and sustained public investment[4]. The moderation in inflation provided scope for easing of monetary policy leading to stimulation of domestic demand.

China's economy saw steady growth in 2024. It's GDP grew 5 percent bolstered by stimulus measures, strong export performance and robust investment particularly in high-tech industry[5]. The economic stimulus package which was unveiled on September 24, 2024, aimed at stabilising the economy, revitalising key sectors and restoring investor confidence with a focus on monetary easing, fiscal expansion, property market support and capital market measures. China's trade expansion was driven by a surge in exports of high-tech and green products reflecting its shift to an innovation-based and sustainable economy.

OVERCOMING UNCERTAINTY WITH FORTITUDE

The year 2024 was marked by a global economy that on the one hand was stabilising on the back of the gradual unwinding of the pandemic-related disruptions, while on the other hand, upended by unforeseen shocks caused by geopolitical and trade tensions including wide-ranging, reciprocal and retaliatory tariffs imposed by the major trading and industrial nations of the world. These tensions are set to increase the cost of raw materials, industrial and consumer products, impacting consumer demand as well as consumption trends.

The disruptions in the latter part of 2024 in the international business environment had a profound impact on the Group's overall performance for FY2024. We started the year on a positive footing, continuing the momentum from

CHAIRMAN'S MESSAGE

the previous year. As the global economy stabilised to a moderate growth trajectory, the Group experienced firm demand for wheels, tyres, energy and industrial products, providing a strong tailwind for the Group to sustain steady growth momentum for our distribution and manufacturing businesses for the larger part of the year.

However, the business environment encountered headwinds in last quarter of 2024. The adverse impact on the Group's operations by trade tensions between the US and China was elevated by the restrictive trade policies of the new US administration. Anticipating new US tariffs on made-in-China products, many companies from the US and Europe reacted by reducing their orders of Chinese products and diversifying to other sources of supply. Against this backdrop, the Group's manufacturing plant in China saw demand for our alloy wheels fall significantly, while our plant in Malaysia saw increase in orders benefiting from the diversion of demand from China to Southeast Asia, as customers sought to circumvent the tariffs. However, due to limitation in production capacity, our plant in Malaysia was unable to absorb the unfulfilled orders from our China plant.

On 31 October 2024, a fire incident at one of the Group's distribution warehouses in Malaysia caused extensive damage to the inventories of three of the Group's subsidiaries and one associate company. Fortunately, due to our prudent inventory management, the majority of the inventory lost in the fire will be expected to be covered by insurance, which helped to mitigate the loss caused by the incident. In this regard, I would like to inform that in March 2025, YHI (Malaysia) Sdn Bhd, a wholly-owned subsidiary of YHI, received MYR330,000 (about S$100,000) and Yokohama Tyre Sales Malaysia Sdn Bhd ("YTSM") which YHI held a 49% stake, received MYR1.8 million as interim payments from the insurance company for inventory lost in the fire. Out of the payment to YTSM, MYR882,000 (about S$0.3 million) was accrued to YHI as its 49% share.

DELIVERING A SET OF RESILIENT RESULTS

Notwithstanding the uneven circumstances in the operating environment, marked by changing trade and other regulatory policies, I am pleased to inform that the Group was able to deliver a set of resilient results for FY2024 on the strength of our strong fundamentals, operational excellence and agility in adapting to changing conditions.

Riding a tailwind of a stable global economy in the early part of the year, the Group achieved a 7.8% increase in total revenue to $406.5 million in FY2024 compared to $376.9 million in the year prior. The better revenue performance reflected the robustness of our distribution business supported by stronger underlying demand in the majority of our market segments. While the increase in distribution revenue was broad based, manufacturing revenue was impacted by sharp decline in demand for made-in-China wheels, resulting in uneven performance, with better results in our ASEAN operations, offset by weaker performance in our North East Asia manufacturing operations.

The distribution business which accounted for 81.0% of total turnover benefitted from recovery in demand in key markets. Revenue from the distribution segment increased by 10.7% to $329.5 million, mainly attributed to higher sales from wheels distribution, providing a significant boost to this segment.

Taking into account weaker revenue from the manufacturing segment which declined by 2.7% and damaged inventories due to the fire incident at the Group's distribution warehouse in Malaysia in November 2024, net profit attributable to equity holders came in at $9.6 million for FY2024, a decline of 26.6% compared to $13.1 million in the previous year. If the one-off cost of damaged inventories was discounted (include YTSM as its 49% share), net profit would have been $13.0 million, comparable to FY2023 result.

CHAIRMAN'S MESSAGE

FORTIFYING OUR STRENGTHS

The changing operating environment during the year reinforced the importance of continuously enhancing our resilience through fortifying of our strengths and deepening our resources. We will continue to strengthen our fundamentals as a strong bulwark against uncertainty and risks. In this regard, we will double down on our efforts to implement our '3R' cost management strategy driving our efforts to reduce operating costs, inventories and accounts receivables. This strategy which has been in place over the years has proven to be effective in strengthening our resilience and enhancing our capability in overcoming adversities and uncertainties. We will continue to strengthen our efforts and strive to foster a mindset of cost efficiency and operational excellence in our workforce across all our business segments.

Adopting a multi-prong approach to fortifying our strengths, we are also enhancing our '3M' marketing strategy, encompassing offering multi-product, multi-brand and multi-category products and services to meet the diverse needs of customers. This approach enables the Group to diversify our portfolio of products, mitigating the risk of revenue concentration and enhancing our ability to serve a broader range of customers.

STRENGTHENING OUR CAPITAL STRUCTURE

A stable and sound capital structure is imperative for building a sustainable business. The Group continues to adopt a prudent approach to capital management, focusing on building a strong balance sheet which we can leverage to weather headwinds and support investments in growth opportunities.

In FY2024, the Group generated net cash flow of $12.1 million from our operating activities. As at 31 December 2024, cash and cash equivalents stood at $66.2 million, up 3.1% from $64.2 million attained in the corresponding period in FY2023. Net asset attributable to shareholders was $285.8 million, translating to a net asset value per share of 95.94 cents based on 291.7 million shares in issue.

UNCERTAINTY CLOUDING 2025 OUTLOOK

The year 2024 ended with the global economy encountering increasing uncertainty caused by, among other disruptions, potential trade tensions. Global growth in 2025 is expected to remain stable, albeit lacklustre.[6] Nonetheless, uncertainties are starting to cloud the outlook. The world, and not the least YHI, has to brace for uncertain times. The balance of risks to outlook is tilted to the downside amid among other factors, intensification of protectionist policies such as tariffs that can exacerbate trade tensions, distort trade flows and disrupt supply chains[6]. Studies by researchers have found that the Trump-Biden tariffs have raised prices and reduced output and employment in the US.[7]

As the world's biggest economy and biggest consumer market, changes in trade and domestic policies in the United States have profound implications for the rest of the world. The new US government has imposed and threatened a series of tariffs that will impact international trade with the potential of raising prices and slowing global economic growth. As the US imposes tariffs, affected trading partners will retaliate with their own tariffs, which may exacerbate into a global trade war that will have dire consequences for the whole world, heightening the risk of recession. In February and March 2025, the US imposed a total of 20% tariffs on imports from China. Taking into consideration the existing 25% tariffs, Made-in-China products, including wheels manufactured by the Group's China plant will be subject to a punitive 45% tariff, escalating the challenges faced by our China manufacturing business. We will be proactive and develop flexible action plans that will allow us to adapt and respond to changes in the operating environment.

As an international company with the world as our market, tariffs and other disruptions to trade will have an impact on the Group. However, over the years, the Group has built a bulwark of strong foundation and core strengths to shore up our protection against the oncoming waves of uncertainties and challenges. We have a deep well of resilience and tenacity that will stand us in good stead as we navigate the cloudy outlook and move forward with fortitude.

MOVING FORWARD WITH STRATEGIC FOCUS

Uncertainties are unavoidable in business, especially for an international company like YHI which has a presence in over 100 countries. Regardless of cyclical uncertainties or other adverse conditions, we will remain focused on building a business that is sustainable in the long-term.

Building on what we have achieved in FY2024, we will move forward with a strategic focus on strengthening our value chain, right-sizing our resources, streamlining our product lines and exploring strategic partnerships.

The looming US tariffs will accelerate the shift in the flow of global trade.[8] The trade flow between China and the

CHAIRMAN'S MESSAGE

US as well as the EU, will increasingly shift to ASEAN. In this scenario, we will be agile and adapt to the changing global trade dynamics. We will realign our resources and strengthen our value chain by expanding the capacity of our Malaysia manufacturing operations to meet the increased demand from customers who are diverting their orders to ASEAN, balancing the decline in demand experienced by our China plant. Increasing the capacity of our Malaysia plant which is already operating at full capacity would require significant capital investment and realignment of our resources. Needless to say, an investment in expanding our Malaysia manufacturing operations is a critical decision, requiring prudent evaluation and detailed assessment of risks and benefits. Given the limited production capacity, the unfortunate reality is that, in the short term, our Malaysia facility will not be able to absorb the orders that are lost by our China plant.

In our distribution business, we will streamline our product lines. In addition to our main stay wheels and tyres, the Group also distributes a portfolio of products ranging from auto and industrial batteries, solar panels and lubricants. Our diverse products and solutions provide multiple revenue streams enhancing the Group's resilience. Our focus in FY2025 will be to deepen our core expertise in the various product segments and strengthen brand loyalty by providing best-in-class after-sales customer and maintenance services. We will double down on our 3M strategy with a focus on development of our energy solutions business across our ASEAN regional markets.

The automotive industry is evolving rapidly, driven mainly by the rapid adoption of electric vehicles. Technological advancements are also shaping the development of the tyre industry in line with the electrification of vehicles. I believe that innovations in the tyre market will accelerate to deliver solutions that are tailored to the heavier and other unique characteristics of electric vehicles. We are monitoring developments in the automotive and tyre industries closely and exploring collaboration opportunities with strategic partners to capture new growth opportunities in this segment.

STAYING ON OUR COMMITMENT

We are unwavering in staying on our commitment to deliver sustainable value and share the fruits our efforts with shareholders. In this regard, the Board is recommending a first and final tax-exempt dividend of 2.30 cents per ordinary share for FY2024 subject to approval of shareholders at the forthcoming Annual General Meeting. This represents a dividend yield of 5.0% based on the last closing share price of $0.465 as at the last practicable date before the printing of this report. The dividend payout will amount to 70% of our net profit, reinforcing our commitment to return value to shareholders.

IN APPRECIATION

On behalf of the Board of Directors, I would like to express my deep appreciation to our partners, customers and shareholders for their patience and confidence in supporting the Group during the challenging year. I am grateful to my fellow directors for their dedication and wise counsels in guiding the Group in navigating the uncertain business environment and help to deliver steady results. Last but not least, I would like to thank management and staff for their hard work and sacrifices during the year as we work closely together to overcome adversities and deliver value to shareholders.

RICHARD TAY
Executive Chairman & Group Managing Director

Reference

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[3] EY Parthenon, "US Economic Outlook," December 13, 2024
[4] Asian Development Bank, "Asia Development Outlook," December 2024
[5] China Briefing, "China's Economic Report Card for 2024," January 2025
[6] International Monetary Fund, World Economic Outlook Update, January 2025
[7] Tax Foundation "Trump Tariffs: Tracking the Economic Impact of the Trump Trade War", March 2025
[8] Boston Consulting Group, "US Tariffs Set to Accelerate Landmark Shifts in Global Trade Flows", January 13, 2025

董事长献词

亲爱的股东们，

稳定的全球经济

2024年，全球经济大体上稳定。大多数国家，通货膨胀回落至各国央行设定的目标值（见注释1）。通货膨胀的下降为货币管理机构放宽利率提供了空间，为主要经济体的复苏铺平了道路（见注释2）。近年来全球经济逐渐从破坏性冲击中恢复过来，经济活动和全球贸易加强，促进了发达经济体的经济增长。

美国延续了2023年的强劲势头，其健康的就业率、收入增长、良好的家庭消费能力，以及高效的生产率，使得2024年美国经济保持稳健的增长（见注释3）。在这一年里，美联储三次降息，通货膨胀率降至理想水平，使经济软着陆，与其他发达国家相比，表现相对较好。

在大量的制造业出口、通胀下降和不断的公共投资等推动下，友发最大的市场东盟经济在2024年有所回升（见注释4）。通货膨胀的缓和为放宽货币政策提供了空间，从而刺激了国内需求。

2024年，中国经济稳步增长。在一系列的政府刺激措施、强劲的出口态势和稳健的投资（尤其是高科技产业）的带动下（见注释5），中国国内生产总值增长了5%。2024年9月24日公布的有关货币宽松、财政扩张、房地产市场支援和资本市场方案等刺激措施旨在稳定经济，振兴重点行业，恢复投资者信心。高科技和绿色产品出口的兴起推动了中国的贸易扩张，反映了中国向创新型和可持续型经济的转变。

坚持不懈，力排万难

2024年，一方面随着疫情逐渐消退，全球经济趋于稳定，但另一方面又被地缘政治和贸易紧张局势带来的不可预见的冲击所困扰，包括世界主要贸易和工业国家征收的广泛、互惠和报复性关税。这些紧张局势造成了原材料、工业和消费品的成本上升，从而削弱了消费者需求并影响了消费趋势。

2024年下半年国际商业环境的动荡，对友发集团2024财年的整体业绩产生了深远影响。接着前一年的势头，我们以积极的态度展开了新的一年。随着全球经济步入温和增长的轨道，集团对轮毂、轮胎、能源和工业产品的需求旺盛，故而在今年大部分时期内，批发和制造业务保持了良好增长势头。

然而，2024年最后一个季度，商业环境又遭不测。美国新政府的限制性贸易政策加剧了中美贸易紧张局势，殃及友发集团的运营。为避免美国对中国制造的产品征收新的关税，许多美国和欧洲的公司减少了中国产品的订单，转向其他国家去采购。在此背景下，我们的客户也试图规避关税，将需求从中国厂转移到东南亚，这样一来，友发中国制造的轮毂需求量急剧下降。虽然我们在马来西亚的工厂订单因此而增加，但是由于生产能力有限，我们在马来西亚的工厂无法接手我们中国工厂未完成的订单。

2024年10月31日，本集团在马来西亚的一个批发仓库发生火灾，导致本集团三家子公司和一家联营公司的库存严重受损。幸运的是，由于库存管理得当，火灾中损失的大部分库存预计将得到保险赔付，这有助于减轻了事故造成的损失。在这里，我想告知，2025年3月，友发的全资子公司友发（马来西亚）私人有限公司收到了保险公司为此次火灾损失所支付的

董事长献词

33万马币（约10万新元），友发持有49%股份的横滨轮胎销售马来西亚有限公司（“YTSM”）收到了保险公司的中期赔付款180万马币。因占其49%的股份，所以在向YTSM支付的此款项中，友发应计金额为88万2千马币（约30万新元）。

一份有强韧性的成绩

尽管经营环境坎坷不平，贸易政策和其他监管政策千变万化，但我很高兴地通知大家，凭着我们强大的基础设施、卓越的运营能力和可以不断自我调整的灵活性，集团在2024财年取得一系列强韧性的业绩。

在年初全球经济回暖，借着这股暖风，本集团2024财年的总收入达到4.065亿元，较前一年的3.769亿元，增长了7.8%。收入的增长反映了我们主要市场的需求强劲，使得批发业务稳健成长。虽然批发业务的创收是广泛增长的，但制造业收入却因受到中国制造轮毂需求的骤减而导致业绩分布不平衡：我们东盟业务的表现较好，反之，东北亚制造业务的业绩不佳。

占总营业额81.0%的批发业务受益于主要市场需求的复苏，收入增长了10.7%，达到3.295亿元，主要归因于轮毂的销售额增加。

由于制造业收益下降2.7%，加上2024年11月集团马来西亚批发仓库发生火灾事件导致库存受损，2024财年归属于股东的净利润为960万元，与上一年的1,310万元相比下降了26.6%。但是如果将受损库存的一次性成本扣除（（包括 YTSM 占 49% 的份额），净利润将为1,300万元，与2023财年的数值相当。

强化我们的优势

经营环境复杂多变，让我们懂得了加强自身优势和深化资源，以不断提高我们韧性的重要性。我们将继续加强我们的基础设施，作为抵御不确定性和风险的堡垒。为此，我们将竭力实施我们的“3R”成本管理战略，降低运营成本、库存和应收账款。多年来我们通过实施这一战略，证明了它能有效塑造我们的韧性，提升我们克服逆境和不确定性环境的能力。我们将继续加倍努力，在所有业务部门中培养具有成本效益和卓越运营意识的员工。

我们采取多管齐下的策略来巩固我们的优势，同时也在加强我们的“3M”营销战略：提供多产品、多品牌和多类别的产品和服务，以满足客户的多样化需求。这使得我们的产品组合多样化，还降低了收入集中的风险，增强我们为更多客户服务的能力。

稳固我们的资本结构

稳定健全的资本结构对于建立可持续的业务至关重要。集团继续采取审慎的资本管理方法，建立强大的资产负债表，利用它来抵御逆流，并作为对增长机会投资的依据。

2024财年，集团运营产的净现金流为1,210万元。　截至2024年12月31日，现金和现金等价物为6,620万元，与2023财年同期6,420万元相比，增长3.1%。归属于股东的净资产为2.858亿元，根据已发行的2.917亿股股票，每股净资产价值为95.94分。

2025年前景不明

2024年尾，全球经济因潜在的贸易紧张局势等因素而变得不明朗。预计2025年全球经济尽管乏力但仍然保持增长势头（见注释6）。尽管如此，不确定性正悄悄给前景蒙上阴影。世界，尤其是友发，必须为将来的不确定时期做好准备。抛开其他因素，保护主义政策（如关税）的愈演愈烈，可能加剧贸易紧张局势、贸易失衡和扰乱供应链（见注释6），导致前景风险平衡向下行倾斜。研究人员发现，特朗普-拜登的关税提高了美国的国内价格，减少了产出和就业（见注释7）。

作为世界上最大的经济大国和最大的消费市场，美国贸易和国内政策的变化对世界其它国家和地区产生了不可避免的影响。美国新政府已经征收的，并威胁要实施一系列其它的关税，将影响国际贸易，有可能提高产品价格，亦或减缓全球经济增长。随着美国征收关税，受影响的贸易国将实行自己

董事长献词

的关税进行报复，这势必会加剧全球贸易战，对整个世界产生可怕的后果，增加经济衰退的风险。2025年2月和3月，美国对来自中国的进口商品征收了20%的关税。加上现有的25%关税，中国制造的产品，包括友发集团中国工厂生产的轮毂，将被征收45%的关税，这无疑加剧了我们中国制造业务面临的困难。我们将积极主动，制定灵活的策略，以适应和应对不同运营环境的变化。

作为一家以世界为市场的全球性企业，不可避免受到关税和其他贸易政策扰乱的影响。然而，多年来，集团建立了坚实的基础设施和核心优势，以抵御即将到来的不确定性和挑战。它就像一盏黑暗中的指明灯，是我们坚韧的后盾，每当我们在阴霾中航行，它将为我们指明方向。

制定战略迈步向前

商业中的不确定性在所难免，尤其是对于像友发这样在一百多个国家都有业务开展的跨国公司。无论是周期的不确定性还是其它不利因素如何，我们都将继续专注于建立一个长期可持续的商业发展。

在2024财年取得的成就的基础上，我们将继续推进战略重点，加强我们的价值链，调整我们的资源规模，简化我们的产品线，积极寻求战略合作伙伴。

即将到来的美国关税将加速全球贸易流动的失衡（见注释8）。中国和美国以及欧盟之间的贸易流动将越来越多地转向东盟。在这种情况下，我们将灵活应对不断变化的全球贸易动态。我们将通过扩大马来西亚工厂的产能来重新调整我们的资源并加强我们的价值链，以满足客户想将订单转移到东盟的需求，弥补我们中国工厂的订单量下降造成的损失。增加我们已经满负荷运行的马来西亚工厂的产量需要重大资本投资和资源重组。毫无疑问，投资扩大我们在马来西亚的制造业务是一个至关重要的决定，需要对风险和收益进行审慎的评估和详细的核定。当然，鉴于产能有限，在短期内，我们的马来西亚工厂将无法全盘接手我们中国工厂损失的订单。

在我们的批发业务中，我们将简化我们的产品线。除了我们的主打产品轮毂和轮胎外，集团还批发其它一系列产品，包括汽车和工业用电池、太阳能电池板和润滑油。我们多样化的产品和解决方案提供了多种收入来源，使集团收益有了弹性和保障。我们在2025财年的重点将是深化我们在各个产品领域的核心专业知识，并通过提供一流的售后和维护客户来加强品牌忠诚度。同时我们将加大3M战略的力度，重点发展我们在东盟地区的能源业务。

随着电动汽车的快速普及使得汽车行业迅速崛起，新的电动车技术和需求带动了轮胎行业的发展。我相信，针对电动汽车更重和其他一些特性，轮胎市场将快速发展，为其打造量身定制的解决方案。我们正在密切关注汽车和轮胎行业的发展，寻求战略合作伙伴，定会牢牢占领这一领域并取得不断的增长。

坚守我们的承诺

我们坚定不移地致力于为股东提供可持续价值，并分享我们的劳动果实。于此，董事会建议2024财年的首期和末期免税股息为每股普通股2.30分，但须经股东在即将召开的年度股东大会上批准。这将意味着本年报发布之前的最后一个交易日股票收盘价为$0.465，股息收益率5.0%。将支付的股息占本集团净利润的70%，充分证明我们与股东分享集团成果的承诺。

感谢

我谨代表董事会向我们的合作伙伴、客户和股东表示深切的感谢，感谢他们在充满挑战的一年里对我们的耐心和信心，感谢他们一如既往的支持。我非常感谢我的董事们指导并帮助我们应对不确定的商业环境，使集团实现稳定业绩，感谢他们的宝贵时间和建议。最后，我还要特别感谢管理层和员工在这一年里的辛勤工作和默默奉献，因为你们的密切合作，集团克服了逆境，为股东创造了价值。

执行主席兼集团董事总经理

郑添和

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BUSINESS **REVIEW**

BUSINESS REVIEW

The business environment was marked by a stabilising global economy for the larger part of 2024, contrasted with escalating trade tensions setting in at the latter half. These developments impacted the Group's distribution and manufacturing businesses in both positive and negative ways.

With the gradual decline of interest rates and the steady unwinding of pandemic-related disruptions, many advanced economies saw demand picking up for consumer durables including automotive and automotive-related products. However, the imposition of tariffs by the US and other nations dampen a more robust recovery. Nevertheless, taking advantage of the tailwinds, the Group was able to achieve higher volume sales and revenue for tyres and wheels in key markets. As a result, total revenue and gross profit for the Group in FY2024 were higher than in the previous year.

GEOGRAPHIC AND SEGMENTAL PEROFRMANCE

The Group has an international presence spanning more than 100 countries through its 33 subsidiaries and 3 associated companies located in Asia Pacific, North America and Europe. In addition to our global network of distribution offices and channels, we have three manufacturing facilities in China, Taiwan and Malaysia providing integrated services from design, research and development to manufacturing, logistics and distribution of final products.

The Group's core business is in the distribution of high quality automotive and industrial products and a manufacturer of alloy wheels as an Original Design Manufacturer (ODM). We distribute a wide range of premium wheels and tyres as well as energy and industrial products including commercial and industrial batteries, electric buggies, utility vehicles, solar panels, chargers, inverters and lubricants. As a trusted ODM, we adopt advanced manufacturing technology to produce high quality alloy wheels, sharpening our competitive edge and enhancing our ability to meet the needs of customers in global markets.

In FY2024, Oceania, comprising Australia and New Zealand, delivered a resilient performance, achieving revenue of $144.2 million, maintaining its position as the biggest market segment for distribution business, contributing 35.5% of Group's total revenue. The strong result of this segment could be attributed to the Group's unremitting efforts in strengthening marketing, sales and service networks and infrastructure in this growing market. ASEAN also performed well with combined revenue of $164.3 million for both manufacturing and distribution businesses, accounting for 40.4% of total Group revenue, an increase of 6.3% from $154.6 million in FY2023. Our business in Germany saw a nine-fold increase in revenue from $2.7 million in FY2023 to $28.4 million in FY2024, boosted by our acquisition of a stake in a German automotive company on 1 November 2023. The acquisition deepened our presence in Europe, providing a strong foundation for us to expand our business in this huge market.

The tyre distribution business segment remained the biggest in the Group, with sales revenue accounting for 36.8% of Group's total revenue. This was followed by the energy and industrial product segment, accounting for 29.8% of revenue, with revenue from distribution of wheels contributing 14.4%. Revenue from the wheel manufacturing business accounted for the remaining 19% of total Group revenue.

DISTRIBUTION BUSINESS

In FY2024, the Group's distribution business continued to be the main growth driver, driving the Group's business across our key markets. The Group distributes a wide portfolio of products comprising tyre, wheel, energy solutions, utility

YHI Group Executive Chairman Mr Richard Tay is pictured alongside YHI Power Pty Ltd Managing Director (Right), Mr David Chen and General Manager Mr Joe Abela (Left), showcasing the strong leadership driving the company's success at YHI Power Pty Ltd 30th Anniversary Gala, was held at Melbourne Australia on 25th June 2024.

Wheelworld GmbH booth showcasing our range of wheels, at the Tire Cologne 2024 was held at Messe Cologne in Cologne, Germany, from 4th to 6th June 2024.

BUSINESS **REVIEW**

vehicles and industrial products represented by 45 leading brands. In addition to representing global brands, the Group also develops and distributes its own proprietary brands such as Advanti Racing alloy wheels, Neuton Power batteries and Neuton Power electric buggies.

Distribution revenue in FY2024 increased by $31.8 million (10.7%) to $329.5 million, from $297.7 million in FY2023. The better performance for distribution reflected the stabilising economy in key markets and the unwinding of supply chain disruptions post pandemic, despite the warehouse fire incident in Malaysia in 31 October 2024 . Distribution sales accounted for 81.0% of the Group's total revenue, compared to 80% in the previous year. The steady increase in the proportion of distribution revenue was driven in part by stronger sales of wheels in particular in the Europe market as well as to the deepening and strengthening of distribution networks, enhancing customer support services, building brand loyalty and sharpening marketing strategies.

Within the distribution business, tyres continued to be the main pillar of growth, contributing 45.4% of the segment's revenue. The Group distributes a broad range of tyres including Yokohama, Pirelli, Continental, Nitto, Toyo and Nankang, providing diversity to meet the needs of a wide spectrum of customers. The energy solutions and industrial product segment achieved 6.7% year-on-year growth to $121.1 million. This segment comprising batteries, lubricants, solar panels, chargers, inverters, buggies, utility vehicles and UPS accounted for 36.8% of distribution revenue, while the wheels accounted for the remaining 17.8% with sales of $58.7 million, representing year-on year growth of 56.7%.

Reflecting an improved trading climate, distributing business saw better performance in volume sales and revenues across the Group's geographic markets. Oceania, consisting of Australia and New Zealand, delivered stronger results achieving $144.2 million in revenue in FY2024, up 5.3% from $137.0 million in the year before. The positive result reflected the Group's sustained efforts over the years to enhance its competitiveness in this robust market as well as the resilient economy driving consumer spending. ASEAN recorded distribution revenue of $123.1 million, a better performance with an increase of 2.5% over $120.1 million in FY2023. In the Group's other markets in the world, its distribution business in Germany stood out with a robust performance, achieving $28.4 million in sales, a significant increase compared to $2.7 million since our acquisition on 1 November 2023. The strong result was attributed to higher sales of wheels, setting the ground for future growth in the Europe market. The North East Asia and US markets saw lower distribution revenue of $16.6 million and $17.1 million respectively, reflecting the impact of tariffs on international trade

MANUFACTURING BUSINESS

In FY2024, the Group's manufacturing business was impacted by uncertainties and shifts in global trade flows caused by geopolitical and international trade tensions, exacerbated by tariffs imposed by the US and retaliatory tariffs imposed by affected countries. While the stabilising

YHI Corporation Singapore team and TotalEnergies team join forces for the YHI/Elf Dealers' Night at Carlton Hotel Singapore on 16 February 2025.

global economy in the first half of the year provided support for manufacturing activities, trade tensions in the latter half created uncertainties in key markets with customers diverting their purchases from their traditional sources to other regional markets to circumvent the tariffs. This development has an adverse impact on the Group's manufacturing business especially its China operations.

The Group operated three manufacturing facilities in China, Malaysia and Taiwan, producing alloy wheels for markets across the world. Due to the changing business environment, the three plants were operating at varying capacities during the year. As a result, revenue from wheel manufacturing activities in FY2024 came in 2.7% lower at $77.0 million, compared to $79.2 million in the previous year. The lower revenue representing 19.0% of Group's total revenue was attributed to lower production volume experienced by the China operations due to the effect of tariffs.

Manufacturers in Malaysia generally were able to benefit from the diversion of trade from China due to the trade war with the US. As a result, the Group's manufacturing plant in Malaysia which experienced strong demand from key markets was operating at close to full capacity. Consequently, it was able to achieve revenue of $41.2 million, accounting for 53.5% of manufacturing revenue. Putting this in perspective, this revenue result was 19.3% better than the FY2023 result, which accounted for 43.6% of total manufacturing revenue in that year. On the other hand, the combined revenue from the China and Taiwan plants decreased by 19.9% to $35.8 million, primary due to lower demand for China-made wheels. In a reverse of previous trend, the revenue performance of our China and Taiwan plants represented 46.5% of manufacturing revenue compared to 56.4% in FY2023.

BUSINESS OUTLOOK

The World Bank forecast broad-based moderate global economic expansion over 2025-26 as inflation returns to targets of monetary authorities and trade and investment firm.[1] However, heightened policy uncertainty and intensification of protectionist policies exacerbating trade

BUSINESS **REVIEW**

tensions and disruption of supply chains represent downside risks to the outlook. Other risks include escalating conflicts, geopolitical tensions and extreme weather events. The Group will monitor closely the risks presented by uncertainties and volatility in the external environment and formulate flexible action plans to mitigate the threats even as we continue to forge ahead to explore growth opportunities.

Based on MarketsandMarkets' Global Automotive Outlook report, global vehicle sales were 84.0 million units in 2024 and projected to grow 1.5% to reach 85.1 million units in 2025[2]. While internal combustion engine (ICE) vehicles will continue to form the bulk of new vehicles sold, transition to electric vehicles will gather pace, growing at about 25% during the same period.

The tyre market size is expected to grow in tandem with the automotive market influenced by consumer preferences emphasising performance, safety and compliance with regulatory standards[3]. In particular, demand in the tyre replacement market is boosted by consumer confidence and surge in transportation activities like movement of goods, people and services. The industry is also moving towards premium and high-performance tyres driven by consumer preference for safety and durability. Technological advancements will be a significant growth driver for the tyre industry. Innovations will be geared towards catering to the evolving requirements of electric vehicles for higher load capacities, greater durability, enhanced stability, optimal grip and minimal rolling resistance.

Mr Richard Tay, YHI Group Executive Chairman, Takeshi Masatomo (Right) and Yasuhiro Kamioka, from Yokohama Rubber Co., Ltd (Left) unveiling of the new Yokohama tyre model at YHI/Yokohama Dealers' Night dinner held at Four seasons Hotel Singapore on 21st April 2024.

YHI Singapore team and Yokohama Rubber Co., Ltd team celebrating 50th anniversary at YHI/Yokohama Dealers' Night dinner held at Four seasons Hotel Singapore on 21st April 2024.

Panmar Corporation D/B/A Konig American team and YHI Manufacturing team at SEMA Show 2024 held at the Las Vegas Convention Center, from 5th till 8th November, 2024.

While the clouds of uncertainty will pervade the business environment in FY2025, the steady growth of the global tyre market will present opportunities for the Group to sustain its growth momentum. Supported by resilient foundations built and honed over the years through managing adversities and myriad challenges, we remain focused on building a sustainable business and delivering long-term value to stakeholders. In a more complex world fuelled by technology and innovations, collaboration with strategic partners will be a key growth strategy for the Group, not only to expand our global footprint but also to acquire expertise and domain knowledge in the automotive industry as well as in energy solutions and industrial products. We will prudently explore collaboration opportunities that can create synergies for our operations and strengthen our value proposition for our global customers.

Putting in perspective the uncertain operating environment and the opportunities in the automotive-related industry, we are cautiously optimistic about the Group's prospects in FY2025. Nevertheless, we will stay alert to any potential disruption caused by the global trade war and geopolitical tensions. We have a deep reservoir of past experience in managing adversity and rich resources to sharpen our resilience and agility to adapt to changing conditions and stay on our growth trajectory.

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3 Research and Markets, "Tyre Global Market Report, 2024" March 2025

DELIVERING ON OUR **FOCUS STRATEGY**

Building on our successful strategy of expanding the market for our energy solutions, we will continue to implement **our focus strategy to provide innovative products and solutions** to selected markets, enhancing our capability to deliver sustainable growth.

FINANCIAL **REVIEW**

FINANCIAL REVIEW

The Group's financial performance in FY2024 was a year filled with a tale of two halves, with the first half of the year recorded stronger performance compared to first half FY2023 but gradually slowing down in the second half due to the rising trade tensions and the imposition of tariffs announced by the US.

Despite the global economic uncertainties and other challenges such as the warehouse fire incident in Malaysia on 31 October 2024, the Group continued to report a respectable financial performance in FY2024.

GROUP REVENUE

The Group reported a 7.8% (or $29.6 million) increase in turnover to $406.5 million (FY2024) from $376.9 million (FY2023) mainly due to higher sales recorded in FY2024 from our distribution business.

Distribution business, accounting for 81.0% of the Group's total turnover, recorded a increase of 10.7% (or $31.8 million) in turnover, from $297.7 million (FY2023) to $329.5 million (FY2024) mainly due to higher sales from wheels distribution business. Our wheels distribution business reported an increase of 56.7% in revenue to $58.7 million in FY2024 following the completion of an acquisition of a wheel distribution company in Germany at the end of October 2023. Our tyres and energy business remain resilient in FY2024, reported an increase of 2% and 6.7% to $149.7 million and $121.1 million respectively compared to FY2023.

Our wheel manufacturing business, accounting for 19.0% of the Group's total turnover, recorded a decrease of 2.7% (or $2.2 million) in turnover from $79.2 million (FY2023) to $77.0 million (FY2024), mainly attributed by our China factory.

A review of the Group's turnover by geographical markets of ASEAN, North East Asia, Oceania and others contributed 40.4%,12.9%,35.5% and 11.2% respectively. The turnover in ASEAN, our largest revenue contributor, increased by 6.3% to $164.3 million mainly due to higher revenue reported in Malaysia and Indonesia. The turnover in North East Asia decreased by 16.7% to $52.5 million mainly due to lower revenue from China. The turnover in Oceania increased by 5.3% to $144.2 million due to higher revenue reported in New Zealand and Australia. Lastly, the turnover in Others Regions increased by 103.6% to $45.5 million mainly due to increase in revenue from our Germany subsidiary following the completion of the acquisition in end October 2023.

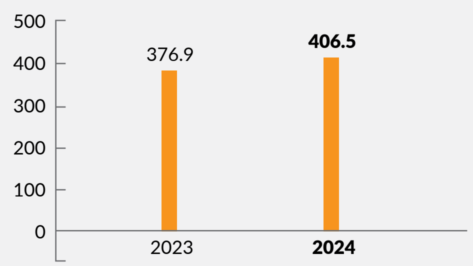
GROSS PROFIT

Gross Profit increased by 10.3% (or $9.6 million) to $102.3 million (FY2024) from $92.7 million (FY2023) mainly due to higher sales from our distribution business and higher gross profit margin from our manufacturing business. Gross profit margin increased to 25.2% in FY2024 from 24.6% in FY2023 mainly contributed by our manufacturing business.

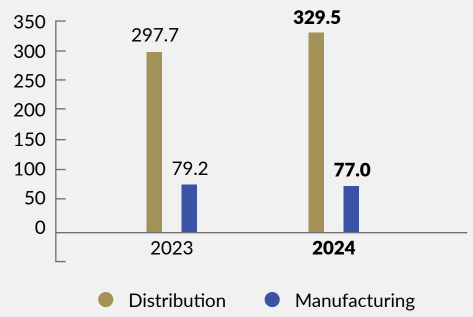
OTHER GAINS

Other gains decreased by 32.6% (or $2.6 million) to $5.4 million (FY2024) from $8.0 million (FY2023) mainly due to $2.4 million of inventories damaged by the fire incident as announced on 5 November 2024.

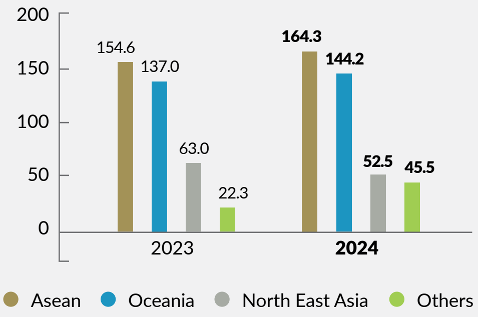
GROUP REVENUE
(S$ 'million)



REVENUE BY BUSINESS SEGMENTS
(S$ 'million)



REVENUE BY GEOGRAPHY
(S$ 'million)



OPERATING EXPENSES

The Group's total operating expenses increased by 10.5% (or $9.0 million) to $94.6 million in FY2024 compared to $85.6 million in FY2023. Operating expenses to sales ratio increased to 23.3% from 22.7% in FY2023.

Distribution expenses increased by 13.7% (or $5.4 million) in FY2024 to $44.5 million compared to $39.1 million in FY2023 mainly due to higher carriage outwards, advertising and sales promotion in line with higher sales and higher staff related costs.

Administrative expenses increased by 8.5% (or $3.7 million) in FY2024 to $46.8 million compared to $43.1 million mainly due to higher staff related costs, amortisation, general

FINANCIAL **REVIEW**

expenses, and foreign exchange loss reported in FY2024 as compared to foreign exchange gain reported in FY2023.

Financing costs remained flat at $3.3 million.

SHARE OF PROFIT OF ASSOCIATED COMPANIES

Our share of profit from associated companies decreased by 43.7% (or $1.6 million) to $2.1 million in FY2024 as compared to $3.7 million in FY2023 mainly due to lower profit reported by OZ SpA and YTSM. The group's share of profit from OZ SpA was lowered by $0.56 million due to an accounting standard adjustment on the IT software costs disallowed under the SFRS (I) but were capitalized as Intangible Assets reported under the Italian Generally Accepted Accounting Principles. The Group's share of profit from YTSM was adversely impacted by about $0.9 million due to inventories damaged by the fire incident.

NET PROFIT AFTER TAX AND NON-CONTROLLING INTEREST

Net profit after tax and non-controlling interests attributable to shareholders of the Company decreased by 26.6% (or $3.5 million) to $9.6 million in FY2024 from $13.1 million in FY2023. If the one-off cost of damaged inventory was discounted (including that of associated company YTSM), net profit after tax and non-controlling interest would have been $13.0 million in FY2024.

BALANCE SHEET REVIEW

The Group continues to maintain a healthy financial position and focus on building its core strategies and business fundamentals.

As at 31 December 2024, total assets amounted to about $403.6 million comprising $277.4 million of current assets and $126.2 million of non-current assets. Total liabilities amounted to about $117.8 million comprising current liabilities of $97.0 million and non-current liabilities of $20.8 million. Shareholders' equity including non-controlling interests amounted to $285.8 million. giving a net assets value of 95.94 Singapore cents per share.

The Group's net working capital decreased to $180.5 million from $180.6 million in FY2023 with current ratio at 2.9 and cash and cash equivalent of $66.2 million as at 31 December 2024.

Trade and other receivables increased to $90.4 million from $80.4 million in FY2023 in line with higher sales. Debtors Turnover increased to 66 days from 63 days in FY2023.

Inventories increased from $118.8 million to $119.2 million. Inventory Turnover decreased from 153 days in FY2023 to 143 days in FY2024 as a result of better inventory management.

Investment in associated company decreased from $28.7 million to $27.2 million mainly due to distribution of dividends and foreign exchange losses on Investment in associated company during the year.

Property, plant and equipment increased to $55.3 million from $54.3 million in FY2023 mainly due to depreciation charged $5.8 million offset by capital expenditure incurred of about $6.0 million during the year mainly on equipment, plant & machinery and motor vehicles.

Right-of-use assets decreased from $29.1 million to $26.1 million and lease liabilities decreased from $28.2 million to $25.0 million mainly due to lease liabilities repayment and shortening of lease period by our Australia subsidiary.

Trade and other payables increased to $45.7 million from $44.5 million in FY2023 due to new purchases of inventories at the end of FY 2024. Turnover days decreased to 55 days from 57 days in FY2023.

Current income tax liabilities decreased from $2.4 million to $1.7 million mainly due to income tax paid in FY2024 and lower profit in FY2024.

Borrowings increased from $30.5 million to $43.1 million due higher short-term bank loans and trust receipt borrowings for payments to trade suppliers in FY2024.

Group's net borrowings (net of cash) and net gearing ratio remained as 0.2% at the end of 31 December 2024. The Group's gross gearing ratio increased from 21.1% to 24.3% at the end of 31 December 2024.

The Group is in compliance with all borrowings covenants for the financial year ended 31 December 2024.

Deferred income tax liabilities decreased from $2.5 million to $2.0 million mainly due to temporary difference charge to income statement in FY2024.

Treasury shares decreased from $0.7 million to $0.2 million. The Company re-issued 1,315,000 treasury shares during the financial year pursuant to the 2021 YHI Share Option Scheme to employees upon vesting of shares under the Scheme.

Other reserves, consist of foreign currency translation loss on overseas investments, decreased to negative $18.4 million from negative $19.2 million, mainly due to strengthening of RMB and MYR against SGD.

STATEMENT OF CASHFLOW REVIEW

Operating activities generated $12.1 million in FY2024. Investing activities utilised $3.3 million mainly for purchase of property, plant & equipment offset by dividend received from associated companies. A total of $7.3 million was utilised in financing activities mainly for dividend payment and repayment of lease liabilities. Cash and cash equivalents amounted to $66.2 million as at 31 December 2024 compared to $64.2 million reported as at 31 December 2023.

DIVIDEND

The Board of Directors has proposed a first and final (one-tier tax-exempted) dividend payout of 2.30 Singapore cents per share, subject to shareholders' approval at the Company's Annual General Meeting on 25 April 2025.

This translates to a dividend yield of 5.0% based on $0.465 as at the closing share price of last practicable date before printing of the Annual Report and a dividend payout ratio of 70% based on earning per share of 3.29 Singapore cent for FY2024.

CORPORATE **MILESTONES**

1948

- Started as a sole proprietorship, Yew Huat & Company, by founder, the late Mr Tay Chin Kiat.

1973 - 1975

- 1973: Appointed as the exclusive distributor for Hitachi batteries (1973), Yokohama tyres (1974) and Enkei alloy wheels (1975) in Singapore.
- 1975: Yew Huat & Company was renamed to Yew Huat Tyre & Battery (Pte) Ltd.

1980 - 1995

- 1980: Completion of head office at No. 2 Pandan Road, Singapore.
- Started expanding overseas into Malaysia (1980), followed by China and Hong Kong (1989). Ventured into Australia (1992), followed by Indonesia (1994) and New Zealand (1995).

1996

- Ventured into alloy wheels manufacturing with its first plant in Taoyuan, Taiwan.
- Launched YHI's proprietary brand – Advanti Racing.
- Mr Richard Tay was presented with the Lianhe Zaobao's ENDEC Entrepreneurship Excellence Award.

1997

- 1997: Mr Richard Tay was presented with the Rotary ASME's Entrepreneurship of the Year Award.

1999

- 1999: Ranked fourth in the Business Times Enterprise 50 Awards and presented with the Grand Five-Year Award for being in Enterprise 50 for five consecutive years since 1995.

CORPORATE **MILESTONES**

2000

- Set up second alloy wheels manufacturing plant in Shanghai, China.

2003 - 2004

- 2003: YHI International Limited listed on the Mainboard of the Singapore Exchange on 3 July.
- 2004: Set up a mould factory in Shanghai, China to manufacture and supply alloy wheel moulds for YHI's manufacturing plants.

2005

- Expanded into United States of America when Konig (American) became part of the YHI Group. It ventured into Thailand (2006), followed by Canada (2007) and Brunei (2010).

2006

- Launched YHI's proprietary brand – Neuton Tyres.
- Two new alloy wheels manufacturing plants located in Suzhou, China and Sepang, Malaysia commenced operations.
- Acquired a 35.51% shareholding in O.Z. S.p.A., a world renowned alloy wheels manufacturer.
- Appointed by Enkei Corporation under its license to manufacture "Enkei Tuning" brand of alloy wheels.

2007

- Mr Richard Tay was presented with the 2007 Ernst & Young's Manufacturing Entrepreneur of the Year Award.

2008

- Entered into a supply and sponsorship agreement with Formula One team Scuderia Toro Rosso and O.Z. S.p.A. to supply alloy wheels bearing the Group's proprietary brand Advanti Racing.
- Launched YHI's proprietary brand – Neuton Power.

CORPORATE MILESTONES

2009

- Installed MAT (Most Advanced Technology) machinery at Suzhou manufacturing plant.

2010

- Advanti Racing received the Regional Brand title in the Singapore Prestige Brand Award in recognition for its outstanding Singapore brand. The annual event was organised by Association of Small and Medium Enterprises and Lianhe Zaobao.
- YHI (Malaysia) Sdn Bhd received the Super Golden Bull 2010 Award for outstanding SME in Malaysia.

2011

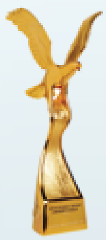
- Set up its 5th alloy wheels manufacturing plant in Malacca, Malaysia.
- Commenced rebuilding of YHI Headquarters in Singapore.
- YHI (Malaysia) Sdn Bhd received its third Super Golden Bull Award for outstanding SME in Malaysia.

2012

- Completed the rebuilding of YHI Headquarters in Singapore.
- Ventured into Vietnam.
- For the fourth consecutive year, YHI (Malaysia) Sdn Bhd received the Super Golden Bull Award for outstanding SME in Malaysia.

2013

- YHI's proprietary brand, Advanti Racing, has been appointed as the Official Supplier to MERCEDES AMG PETRONAS Formula One Team, exclusively supplying alloy wheels for all its race cars.
- Ventured into Philippines.
- For the fifth consecutive year, YHI (Malaysia) Sdn Bhd received the Golden Eagle 2013 Award (formerly known as Golden Bull Award) for outstanding SME in Malaysia.



2014

- For the sixth consecutive year, YHI (Malaysia) Sdn Bhd received the Golden Eagle 2014 Award for outstanding SME in Malaysia.
- Consolidation of manufacturing capabilities from Sepang to Malacca plant.
- ISO-TS16949 certification for the design and manufacturing of alloy wheels for OEM operations in Malaysia in November 2014.
- Launched proprietary Dynamic Spinning Technology ("DST") for the Aftermarket wheels.

CORPORATE **MILESTONES**

2015

- For the seventh consecutive year, YHI (Malaysia) Sdn Bhd received the Golden Eagle 2015 Award for outstanding SME in Malaysia.
- YHI Hong Kong celebrating 25th year anniversary.
- Ventured into East Malaysia.

2016

- For the eighth consecutive year, YHI (Malaysia) Sdn Bhd received the Golden Eagle 2016 Award for outstanding SME in Malaysia.
- YHI New Zealand celebrating 20th year anniversary.
- The Advanti 20th Anniversary wheel created to celebrate the significant milestone.
- Consolidation of Shanghai's precision moulding and wheels manufacturing operations into Suzhou factory.

2017

- YHI Manufacturing (Malaysia) Sdn Bhd received the Super Golden Bull 2017 Award for outstanding SME in Malaysia.
- For the ninth consecutive year, YHI (Malaysia) Sdn Bhd received the Golden Eagle 2017 Award for outstanding SME in Malaysia.
- Consolidation of manufacturing operation from Shanghai to Suzhou factory.
- Ventured into Myanmar.

2018

- Mr Masataka Yamaishi, President of The Yokohama Rubber Co., Ltd attended YHI Corporation (S) Pte Ltd Dealer's night held on 15 April 2018.
- For the second year, YHI Manufacturing (Malaysia) Sdn Bhd received the Super Golden Bull 2018 Award for outstanding SME in Malaysia.
- For the tenth consecutive year, YHI (Malaysia) Sdn Bhd received the Golden Eagle 2018 Award for outstanding SME in Malaysia.
- Ventured into Cambodia.

2019

- For the eleventh consecutive year, YHI (Malaysia) Sdn Bhd received the Golden Eagle 2019 Award for outstanding SME in Malaysia.
- Incorporated YHI Distribution (Taiwan) Co., Ltd for tyre distribution business.

2021

- Incorporated Yokohama Tyre Sales Malaysia Sdn Bhd ("YTSM") for distributing Yokohama brand of automotive tyres and other related parts in Malaysia.
- Entered into a Sale & Purchase agreement to dispose 51% shareholding in YTSM to Yokohama Rubber Co. Ltd ("YRC") in December 2021.

2022

- Completion on the sale of 51% shareholding in YTSM to YRC in January 2022.
- YTSM became an associated company of the Group in January 2022.

2023

- Acquisition of 60% shareholding in Wheelworld a wheel distribution company based in Germany in November 2023.
- YHI (Philippines) Inc celebrating 10th year anniversary.

2024

- YHI Power AU Pty Ltd celebrating 30th year anniversary.

BOARD OF DIRECTORS

MR TAY TIAN HOE, RICHARD MR TAY TIANG GUAN MR HONG PIAN TEE

MR ONG KIAN MIN MS GN JONG YUH GWENDOLYN

MR TAY TIAN HOE, RICHARD, 73

Executive Chairman & Group Managing Director

Mr Richard Tay is the Executive Chairman & Group Managing Director of YHI International Limited and the key founder ofour Group. He is a member of our Nominating Committee.

He has more than 45 years of business experience in the area of sales and distribution of automotive products. He isresponsible for formulating the overall business strategies and policies for our Group, including the development and growth of our distribution and manufacturing operations.

Under his stewardship, Mr Tay has led the development and growth of our alloy wheels manufacturing business. He is a member of the Singapore Institute of Directors. He was appointed to the Board on 26 August 2000 and last reappointed on 26 April 2024.

MR TAY TIANG GUAN, 72

Executive Director

Mr Tay Tiang Guan is the Executive Director of our Group. He has more than 40 years of business experience and has extensive knowledge in the automotive and industrial products industry. He is responsible for the Group's operations in ASEAN and overseeing the business development and operational management of our tyre and industrial product distribution business.

He is a member of the Singapore Institute of Directors. He was appointed to the Board on 26 August 2000 and was last re-appointed on 28 April 2023.

BOARD OF DIRECTORS

MR HONG PIAN TEE, 80

Lead Independent Director

Mr Hong Pian Tee was appointed to the Board on 1 September 2021. He currently chairs the Audit Committee and is a member of our Nominating Committee and Remuneration Committee.

Mr Hong was a Partner of PricewaterhouseCoopers from 1985 to 1999 prior to retiring from professional practice.

Mr Hong's experience and expertise are in corporate advisory, financial reconstruction and corporate insolvencies since 1977. He has been a Corporate/Financial Advisor to clients with businesses in Singapore and Indonesia and in addition was engaged to restructure companies with operations in Taiwan, Indonesia and Malaysia.

Mr Hong was the Chairman of Pei Hwa Foundation Limited and sat on the boards of three other companies listed on the Official List of the Singapore Exchange Securities Trading Limited, namely, as an Independent Director of Sinarmas Land Ltd, Yanlord Land Group Limited, and XMH Holdings Ltd. until his retirement in 2024. He was also a Non executive Chairman and Independent Director of AsiaPhos Limited from 2019 to 2021.

Mr Hong is also an independent director of Hyflux Ltd (in liquidation).

MR ONG KIAN MIN, 64

Independent Director

Mr Ong Kian Min was appointed to the Board on 1 October 2021. He currently chairs the Remuneration Committee and is a member of our Audit Committee and Nominating Committee.

Mr Ong was an advocate and solicitor practising as a consultant with Singapore law firm Drew & Napier LLC, which he joined in October 2000, until March 2019. He was called to the Bar of England and Wales in 1988 and to the Singapore Bar the following year. In his more than 25 years of legal practice, he focused on corporate and commercial law such as mergers and acquisitions, joint ventures, restructuring and corporate finance.

Mr Ong was an elected member of parliament in Singapore from January 1997 to April 2011. In 1979, he was awarded the President's Scholarship and the Singapore Police Force Scholarship. He holds a Bachelor of Laws (Honours) external degree from the University of London in England and a Bachelor of Science (Honours) degree from the Imperial College of Science & Technology, England.

MS GN JONG YUH GWENDOLYN, 54

Independent Director

Ms Gwendolyn Gn was appointed to the Board on 1 October 2021. She currently chairs the Nominating Committee and is a member of our Audit Committee and Remuneration Committee.

Ms Gn has more than 20 years' experience as a Corporate Lawyer, specialising in corporate finance and capital markets in Singapore and the Asian region. Ms Gn is currently an Equity Partner in Shook Lin & Bok LLP where she actively advises both Mainboard and Catalist listed companies, SMEs, MNCs and financial institutions on areas of fund raising, IPOs/RTOs/ dual listings, mergers and acquisitions, corporate structuring and corporate governance. Ms Gn graduated with LLB Hons (Second Upper) from the National University of Singapore in 1994 and was called to the Singapore bar as an Advocate and Solicitor in 1995. Ms Gn is a winner of the International Law Office and Lexology Client Choice Award 2014 in Singapore for Capital Markets and has been recognised as a leading capital markets and corporate finance lawyer in Asialaw Leading Lawyers. She has been named as an expert in Euromoney's Guide to the World's Leading Women in Business Law and World's Leading Capital Markets Lawyers.

SENIOR
MANAGEMENT TEAM

MR GARY SU THIAM HUAT

MR ALEX ONG CHIN KIONG

MR GARY SU THIAM HUAT

Group Chief Financial Officer (CFO)
& Company Secretary

Mr Gary Su is responsible for the Group's financial reporting & controls, risk management, corporate finance, treasury, investor relations, corporate governance, tax and regulatory compliance functions.

He began his career as an Auditor in London, United Kingdom (UK) and has more than 30 years of experience gained in different industries with various multinational corporations and public listed companies in Singapore and overseas. Prior to joining YHI, Mr Su was CFO & Company Secretary of a SGX Main Board listed company.

Mr Su holds a Second Class Honours Degree in Accounting from the University of Hull, UK and a Diploma in Treasury Management from the Association of Corporate Treasurers, UK. He is a Fellow of the Association of Chartered Certified Accountants, UK, Fellow of the Association of Corporate Treasurers, UK and a member of the Institute of Singapore Chartered Accountants.

MR ALEX ONG CHIN KIONG

Chief Operating Officer (COO)
Distribution Group

Mr Alex Ong is responsible for the Strategic Business Planning and Operational Management for YHI Distribution Group. He oversees YHI subsidiaries within the Distribution business of the Group, Suppliers Relationship as well as Information Technology Unit to streamline the supply chain and optimize business processes.

To date, Mr Ong has more than 20 years of business experience in Management and Sales operations. In addition, Mr Ong has also extensive knowledge in the Automotive Industries, Energy and Equipment Solution.

He holds a Bachelor of Science (Honours) in Management from the University of London.

SENIOR MANAGEMENT TEAM

MR ROBERT TAN YONG QUAN

MS AMY SOO WEE HSIEN

MR ROBERT TAN YONG QUAN

General Manager

Mr Robert Tan is in-charge of the management of the Operation Process Centre (OPC) and Facility & Maintenance departments, assist COO in overseeing the IT and CSD Departments to spearhead the IT Infrastructures upgrading, digitalization and automation solutions to improve the operations, systems, workflows and processes of YHI Corporation (S) Pte Ltd and YHI Group of Companies.

Mr Tan has over 19 years of experience managing the YHI distribution group in ASEAN. He holds a Bachelor of Commence (Marketing and Finance) from Curtin University of Technology, Perth Australia; and an Executive Master of Business Administration from the Helsinki School of Economics, Finland.

MS AMY SOO WEE HSIEN

General Manager, Group Human Resource/Administration, 5S & Kaizen

Ms Amy Soo oversees the Group's Human Resource Management Development and the administration functions and the implementation of 5S and Kaizen across the entire Group.

She joined the Group in 2001 as Group Human Resource Manager after one and a half years with a public listed company and 5 years in a local multinational corporation as a Human Resource Manager. To date, Ms Soo has more than 30 years of experience in Human Resource Management Development.

She holds a Master of Science in Human Resource Management from the University of Bradford, UK as well as a Bachelor of Business Administration from the National Chengchi University, Taiwan.

HEAD
OF SUBSIDIARIES

MALAYSIA

MR DENG JUN HUI
General Manager
YHI Manufacturing
(Malaysia) Sdn Bhd

MR RODNEY KOH
Deputy General Manager
YHI (Malaysia) Sdn Bhd

MR THAM KONG MOO
General Manager
Evo-Trend Corporation
(Malaysia) Sdn Bhd

MR JACKY KOK
General Manager
YHI Power (Malaysia)
Sdn Bhd

MALAYSIA

MR SHAWN NG
Deputy General Manager
YHI (East Malaysia)
Sdn Bhd

THAILAND

MR RAYMOND TAY
Head of Company
YHI Corporation
(Thailand) Co., Ltd

INDONESIA

MR EKA SATRIA
Deputy General Manager
PT YHI Indonesia

VIETNAM

MR IAN TAN
Deputy General Manager
YHI (Vietnam) Co., Ltd

PHILIPPINES

MR JASON G. DELLOSO
General Manager
YHI (Philippines) Inc

MYANMAR

MR U MAUNG MAUNG LATT
Managing Director
YHI Aung (Myanmar)
Company Limited

TAIWAN

MR RYAN TAY
General Manager
YHI International
(Taiwan) Co., Ltd

MR KEVIN LEE
General Manager
YHI Distribution
(Taiwan) Co., Ltd

HEAD OF SUBSIDIARIES

HONG KONG

MR BENNY KAN
General Manager
YHI (Hong Kong) Co., Ltd

CHINA

MR STEVEN PENG
General Manager
YHI Advanti Manufacturing (Suzhou) Co., Ltd

MR WU MENG
General Manager
YHI Advanti (Shanghai) Co., Ltd

MR WANG ZHAN WEI
General Manager
YHI Corporation (Guangzhou) Co., Ltd

AUSTRALIA

MR TONY SUHAN
Managing Director
YHI (Australia) Pty Ltd

MR DAVID CHEN
Managing Director
YHI Power Pty Ltd

NEW ZEALAND

MR BEVAN MESSENGER
General Manager
YHI (New Zealand) Ltd.

USA

MR SCOTT WEISS
President
Pan-Mar Corporation D/B/A Konig (American)

ASSOCIATED COMPANIES

GERMANY

MR THOMAS MOGELIN
Managing Director
Wheelworld GmbH

ITALY

MR CLAUDIO BERNONI
Managing Director
O.Z. S.p.A

MALAYSIA

MR TAKESHI HARADA
Managing Director
Yokohama Tyre Sales Malaysia Sdn Bhd.

CORPORATE **STRUCTURE**

YHI
Since 1948

DISTRIBUTION

- **100% YHI CORPORATION (SINGAPORE) PTE LTD** – Singapore
  - **70% EVO-TREND CORPORATION (MALAYSIA) SDN BHD** – Malaysia
  - **100% YHI POWER (MALAYSIA) SDN BHD** – Malaysia
  - **90% PT YHI INDONESIA** – Indonesia
  - **100% YHI CORPORATION (B) SDN BHD** – Negara Brunei Darussalam
  - **49% YHI CORPORATION (THAILAND) CO., LTD** – Thailand
  - **90% YHI (VIETNAM) CO., LTD** – Vietnam
  - **90% YHI CORPORATION (SHANGHAI) CO., LTD** – Shanghai, PRC
  - **100% YHI (PHILIPPINES) INC** – Philippines
  - **80% YHI (EAST MALAYSIA) SDN BHD** – Malaysia
  - **51% YHI AUNG (MYANMAR) COMPANY LIMITED** – Myanmar
  - **80% YHI DISTRIBUTION (TAIWAN) CO., LTD** – Taiwan
  - **30% YHI (CAMBODIA) COMPANY LIMITED** – Cambodia
- **100% YHI (MALAYSIA) SDN BHD** – Malaysia
  - **49% YOKOHAMA TYRE SALES MALAYSIA SDN BHD** – Malaysia
- **100% YHI (HONG KONG) CO., LTD** – Hong Kong
- **100% YHI (CHINA) STRATEGY CO., LTD** – Hong Kong
  - **100% YHI CORPORATION (GUANGZHOU) CO., LTD** – Guangzhou, PRC
- **80% YHI (AUSTRALIA) PTY LTD** – Australia
- **80% YHI POWER PTY LTD** – Australia
- **92.5% YHI (NEW ZEALAND) LTD** – New Zealand

CORPORATE **STRUCTURE**

- 100% **YHI MANUFACTURING (SINGAPORE) PTE LTD**, Singapore
  - 100% **YHI MANUFACTURING (SHANGHAI) CO., LTD**, Shanghai, PRC
  - 100% **YHI ADVANTI MANUFACTURING (SUZHOU) CO LTD**, Suzhou, PRC
  - 100% **YHI PRECISION MOULDING (SHANGHAI) CO LTD**, Shanghai, PRC
  - 100% **YHI MANUFACTURING (MALAYSIA) SDN BHD**, Malaysia
  - 100% **YHI ADVANTI MANUFACTURING (MALAYSIA) SDN BHD**, Malaysia
  - 100% **YHI ADVANTI (SHANGHAI) CO., LTD**, Shanghai, PRC
  - 60% **WHEELWORLD GMBH**, Germany
  - 35.51% **OZ S.P.A**, Italy
  - 100% **YHI (AMERICA) PTE LTD**, Singapore
    - 95% **PAN-MAR CORPORATION D/B/A KONIG (AMERICAN)**, USA
      - 90% **ADVANTI RACING USA, LLC**, USA
- 100% **YHI INTERNATIONAL (TAIWAN) CO., LTD**, Taiwan

- 100% **YHI LOGISTICS (SINGAPORE) PTE LTD**, Singapore
  - 94% **YHI LOGISTICS (MALAYSIA) SDN BHD**, Malaysia

GLOBAL **PRESENCE**

SINGAPORE (Head Office)

YHI Holdings Pte Ltd
YHI International Limited
YHI Corporation (Singapore) Pte Ltd
YHI Manufacturing (Singapore) Pte Ltd
YHI (America) Pte Ltd
YHI Logistics (Singapore) Pte Ltd
2, Pandan Road, Singapore 609254
T: (65) 6264 2155
F: (65) 6265 9927
E: yhigroup@yhi.com.sg
W: www.yhi.com.sg

MALAYSIA

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YHI Logistics (Malaysia) Sdn Bhd
M2-18-05, 8Trium,
Jalan Cempaka SD 12/5,
Bandar Sri Damansara
52200 Kuala Lumpur
T: (60) 3 6261 2929
E: info@yhim.com.my

Evo-Trend Corporation (Malaysia) Sdn Bhd
M2-18-06, 8Trium,
Jalan Cempaka SD 12/5,
Bandar Sri Damansara
52200 Kuala Lumpur
T: (60) 3 6280 1333
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YHI Power (Malaysia) Sdn Bhd
M2-10-08, 8Trium,
Jalan Cempaka SD 12/5,
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CORPORATE INFORMATION / **FINANCIAL CALENDAR**

BOARD OF DIRECTORS

Tay Tian Hoe Richard
Executive Chairman &
Group Managing Director

Tay Tiang Guan
Executive Director

Hong Pian Tee
Lead Independent Director

Ong Kian Min
Independent Director

Gn Jong Yuh Gwendolyn
Independent Director

AUDIT COMMITTEE

Hong Pian Tee
Chairman

Ong Kian Min
Member

Gn Jong Yuh Gwendolyn
Member

REMUNERATION COMMITTEE

Ong Kian Min
Chairman

Hong Pian Tee
Member

Gn Jong Yuh Gwendolyn
Member

NOMINATING COMMITTEE

Gn Jong Yuh Gwendolyn
Chairman

Tay Tian Hoe Richard
Member

Hong Pian Tee
Member

Ong Kian Min
Member

COMPANY SECRETARY

Gary Su Thiam Huat

AUDITOR
PricewaterhouseCoopers LLP
7 Straits View,
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Partner-in-charge :
Chua Chin San
Year of appointment: 2023

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Tricor Barbinder Share
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Singapore 048619

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Standard Chartered Bank

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Email: yhigroup@yhi.com.sg
Website: www.yhigroup.com
Company Registration No:
200007455H

FINANCIAL **CALENDAR**

DRIVING FOR EXCELLENCE

We are **unremitting in our drive to nurture a culture of excellence** in all our operations so as to optimise value creation across the whole value chain and geographic locations.

CORPORATE **GOVERNANCE**

The Board of Directors (the "**Board**") of YHI International Limited (the "**Company**") and its subsidiaries (the "**Group**") is committed to ensuring that the highest standards of corporate governance are adopted as a fundamental part of its responsibilities in protecting and enhancing shareholder value and the financial performance of the Group. The Board has established relevant internal control measures and monitoring mechanisms to ensure corporate governance standards are practised.

This report describes the Group's corporate governance practices and structures that were in place during the financial year ended 31 December 2024 ("**FY2024**"), with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**"), which forms part of the continuing obligations of the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Listing Rules**"). The Company has complied with the principles and provisions as set out in the Code where applicable and where there are variations from the provisions of the Code, explanations and alternative corporate governance practices adopted by the Company which are consistent with the aim and philosophy of the principles of the Code have been provided.

THE CODE

The Code is divided into five main sections:
(A) Board Matters
(B) Remuneration Matters
(C) Accountability and Audit
(D) Shareholder Rights and Engagement
(E) Managing Stakeholders Relationships

(A) BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The Company is headed by an effective Board which is collectively responsible and works with the Management for the long-term success of the Company.

The Board comprises two (2) Executive Directors and three (3) Independent Directors, all having the right competencies and diversity of experience enabling them to effectively contribute to the Group.

As at the date of this Corporate Governance Report, the Board comprises the following Directors:

Mr Tay Tian Hoe Richard	(Executive Chairman and Group Managing Director)
Mr Tay Tiang Guan	(Executive Director)
Mr Hong Pian Tee	(Lead Independent Director)
Ms Gn Jong Yuh Gwendolyn	(Independent Director)
Mr Ong Kian Min	(Independent Director)

A description of the background of each director is presented in the "**Board of Directors**" section of this Annual Report.

CORPORATE **GOVERNANCE**

All Directors exercise due diligence and independent judgement in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the best interests of the Group. Provision 1.1

The principal functions of the Board include the following:

a. Providing entrepreneurial leadership for the Group and setting the Group's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met;
b. Enhancing and protecting long-term returns and value for the Group's shareholders;
c. Reviewing and approving key business strategies and financial plans and monitoring the Group's performance and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;
d. Reviewing the performance of and holding the management accountable for their performance;
e. Reviewing the Group's internal controls, risk management systems, financial reporting process and sustainability issues and reporting, and establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
f. Ensuring the Group's compliance with relevant legislative, regulatory and continuing listing requirements;
g. Ensuring that good corporate governance practices are adopted;
h. Approving major investments, divestments and funding plans proposed by the Management;
i. Ensuring accurate, adequate and timely reporting to, and communication with shareholders; and
j. Identifying key stakeholder groups and recognizing that their perceptions affect the Group's reputation.
k. Overseeing the Group's approach to sustainability including the integration of sustainability-related matters and monitoring of sustainability-related risks and opportunities to form long-term strategy.

The Board has put in place a code of conduct and ethics, and has set an appropriate tone-from-the-top and desired organisational culture. The Board also ensures proper accountability within the Company.

Directors who face a conflict of interest would declare such conflict and recuse themselves from discussions and decisions involving issues of the conflict.

Directors understand the Company's business as well as their directorship duties (including their respective roles as Executives, Non-Executives and Independent Directors of the Company). Provision 1.2

Directors are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. All Directors are updated regularly on any changes to legislative and regulatory requirements, Listing Rules, business risks and accounting standards. The Company also encourages the Directors to attend trainings. Directors have attended seminars, programmes and update sessions relevant to new rules, regulations and laws organised by various bodies such as Singapore Institute of Directors, Institute of Singapore Chartered Accountants and SGX-ST.

The Company conducts a comprehensive and tailored orientation programme to provide new Directors with extensive background information about the Group's structure and core values, its strategic direction and corporate governance practices as well as industry-specific knowledge. New Directors will have the opportunity to visit the Group's operational facilities and to meet with the management to gain a better understanding of the Group's business operations. The orientation programme gives new Directors an understanding of the Group's businesses to enable them to assimilate into their new role. It also allows new Directors to be familiar with the management, thereby facilitating Board interaction and independent access to the management.

The Company provides a formal letter to new Directors, setting out the Director's duties and obligations.

The Directors are familiar with the Group's business, industry-specific practices and governance practices. The Directors have prior experience as directors of a company listed on the SGX-ST and are familiar with the roles and responsibilities as a director of a listed company. Listing Rule 210(5)(a)

CORPORATE **GOVERNANCE**

The Group has adopted a set of internal guidelines on matters that require the Board's approval. The Board decides on matters that require the Board's approval and clearly communicates this to the management in writing. The matters requiring Board approvals are including but not limited to, interested person transactions, investments and divestments, capital expenditure and business contracts which exceed certain amount. For example, the Board approves transactions exceeding certain threshold limits while delegating authority for transactions below those limits to the Board Committees and the management via a structured matrix, which is reviewed on a regular basis and revised when necessary. Provision 1.3

The Board may delegate the authority to make decisions to any Board Committee but without abdicating its responsibility. The following three (3) committees have been appointed by the Board to assist the Board in discharging some of its key responsibilities: Provision 1.4

Listing Rule 210(5)(e)

a. Nominating Committee ("**NC**")
b. Remuneration Committee ("**RC**")
c. Audit Committee ("**AC**")

All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. Minutes of the Board and Board Committee meetings are available to all Board members.

The roles of each Board Committee are outlined in the respective Board Committee's written Terms of Reference approved by the Board, which clearly sets out the authority and duties of each respective committee. Further details of the scope and functions of the NC, RC and AC are provided in the relevant sections of this report.

The Board acknowledges that while these various Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board.

The composition of each Board Committee is set out in the table below:

Director	Nominating Committee	Remuneration Committee	Audit Committee
Mr Tay Tian Hoe Richard (Executive Chairman & Group Managing Director)	Member	–	–
Mr Tay Tiang Guan (Executive Director)	–	–	–
Mr Hong Pian Tee (Lead Independent Director)	Member	Member	Chairman
Ms Gn Jong Yuh Gwendolyn (Independent Director)	Chairman	Member	Member
Mr Ong Kian Min (Independent Director)	Member	Chairman	Member

The Board holds regular meetings on a half-yearly basis to review the Group's key activities, business strategies, funding plans, financial performance and to approve the announcement of half-year and annual results. Where required, ad-hoc meetings are arranged. The Directors are also constantly kept updated on the Group's development which allows them to participate and to share their views. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Company by actively participating in the Board and Board Committee meetings. Provision 1.5

The Constitution of the Company ("**Constitution**") allows Directors to participate in a Board meeting by telephone conference to communicate without requiring the Directors' physical presence.

CORPORATE **GOVERNANCE**

The attendance of the Directors at meetings of the Board and Board Committees during FY2024 are set out in the table below:

	Board Meeting		Nominating Committee Meeting		Remuneration Committee Meeting		Audit Committee Meeting	
Name of Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Mr Tay Tian Hoe Richard	2	2	1	1	1	1^	2	2^
Mr Tay Tiang Guan	2	2	1	1^	1	1^	2	2^
Mr Hong Pian Tee	2	2	1	1	1	1	2	2
Ms Gn Jong Yuh Gwendolyn	2	2	1	1	1	1	2	2
Mr Ong Kian Min	2	2	1	1	1	1	2	2

Notes:
^ By invitation

The Board and the Management fully appreciate that an effective and robust Board whose members engage in open and constructive debate and challenge the Management on its assumptions and proposals is fundamental to good corporate governance. A Board should also aid in the development of strategic proposals and oversees the effective implementation by Management to achieve set objectives. For this to happen, the Board, particularly the Independent Directors must be kept well informed of the Group's business and be knowledgeable about the industry the Group operates in. Provision 1.6

To ensure that the Independent Directors are well supported by accurate, complete and timely information, Directors have unrestricted access to the Management, and have sufficient time and resources to discharge their oversight functions effectively. The Independent Directors also receive board briefings on prospective deals and potential development at an early stage before formal Board approval is sought, and in circulation on the relevant information on latest market development and trends, and key business initiatives in relation to the Group or the industries in which it operates.

In order to ensure that the Board is able to discharge its responsibilities, the Management is required to provide adequate and timely information to the Board on Board affairs and issues that require the Board's decision as well as ongoing reporting relating to the operational and financial performance of the Company and the Group.

All Directors are provided with board papers prior to Board and Board Committee meetings. Generally, detailed Board and Board Committee papers prepared for each meeting are circulated five (5) working days in advance of each meeting. This is to give the Directors sufficient time to review and consider the matters to be discussed so that discussions can be more meaningful and productive. All deliberations and decisions of the Board or Board Committees are properly recorded in minutes.

The Board papers include financial results, draft announcements and various reports covering the Group's business performance, competitive position as well as significant trends and prospects of the industry. The Board papers provide contextual information that enables the Directors to make informed decisions and decide upon any further information to be obtained, where necessary. Such explanatory information may also be in the form of briefings to provide additional insights to the Directors or formal presentations made by the Management in attendance at the meetings, or by external consultants engaged on specific projects. The Board also receives reports from the internal and external auditors.

The Board receives half-yearly financial statements, including regional performance and capital expenditure of the Group, cash flow projections, annual budgets and explanation on material forecasts variances to enable them to oversee the Group's operational and financial performance. Where required, detailed monthly management accounts will be provided. Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group's business operations and risk management.

CORPORATE **GOVERNANCE**

The Board have separate and independent access to the Management. Directors are entitled to request and receive, in a timely manner, from the Management such additional information as necessary to make informed decisions. Provision 1.7

The Directors have separate and independent access to the Company Secretary at all times. The Company Secretary also attends all Board, Audit Committee, Nominating Committee and Remuneration Committee meetings. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

Under the direction of the Lead Independent Director, the Company Secretary ensures good information flows within the Board and its Board Committees and between the Management and Independent Directors.

The Company Secretary assists the Executive Chairman and the Chairperson of each Board Committee in the development of the agendas for the various Board and Board Committee meetings, and administers and attends all Board and Board Committee meetings of the Company and prepares minutes of meetings. The Company Secretary is also responsible for, among other things, ensuring that Board procedures are observed and that the relevant rules and regulations, including requirements of the Companies Act, Securities and Futures Act and the Listing Rules of the SGX-ST, are complied with.

Should the Directors, whether as a group or individually, need independent professional advice, the Company Secretary will, upon the Board's direction, appoint a professional advisor selected by the individual Director or the group of Directors to render the advice. The cost of such professional advice will be borne by the Company.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The criterion of "independence" is based on the Listing Rules of the SGX-ST and Provision 2.1 of the Code. The Board has determined that the Independent Directors are independent in conduct, character and judgement. Furthermore, the Independent Directors have confirmed that none of them and/or their immediate family members have a relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company. Provision 2.1

The Board and NC have also considered the new Rule 210(5)(d)(iv) of the Listing Rules which came into effect on 11 January 2023. Pursuant to Rule 210(5)(d)(iv) of the Listing Rules, a director will not be considered independent if he has been a director of the issuer for an aggregate period of more than nine years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer. Listing Rule 210(5)(d)

That said, pursuant to Transitional Practice Note 3 Transitional Arrangements Regarding the Tenure Limit for Independent Directors ("Transitional Practice Note 3") of the Listing Rules, Rule 210(5)(d)(iv) of the Listing Rules only takes effect for the Company's annual general meeting for the financial year ending on or after 31 December 2023.

In any event, the Independent Directors have confirmed that (a) none of them and/or their immediate family members were employed by the Company or any of its related corporations for FY2024 and for the past three (3) financial years and (b) none of them have served on the Board for an aggregate period of more than 9 years (whether before or after listing).

Each Independent Director completes a Director's Independence Checklist annually to confirm his independence based on the guidelines as set out in the Code and the Listing Manual of the SGX-ST. The Directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code or the Listing Rules of the SGX-ST. The Audit Committee members submits a declaration of independence as members of the Audit Committee in addition to their respective declaration of independence as Directors.

CORPORATE **GOVERNANCE**

As at the date of this Corporate Governance Report, the Board comprises five (5) Directors. The Executive Chairman of the Board, Mr Tay Tian Hoe Richard, is not independent and therefore Independent Directors make up a majority of the Board. The Independent Directors are: Provision 2.2

- Mr Hong Pian Tee (Lead Independent Director)
- Ms Gn Jong Yuh Gwendolyn
- Mr Ong Kian Min

All the Independent Directors are Non-Executive Directors and Non-Executive Directors make up a majority of the Board. Provision 2.3

The Nominating Committee is responsible for examining the size, composition and diversity of the Board and Board Committees. The criteria of diversity includes, among others, whether the Board is equipped with relevant skills and experience, gender composition, age and knowledge of the Company. The criteria are being objectively assessed from time to time to ensure relevancy in view of changing business environment, business needs and relevant regulatory requirements, where applicable. Provision 2.4

Having considered the scope and nature of the Group businesses, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the Nominating Committee, considers that a Board size of between five (5) to eight (8) members as appropriate and facilitates effective decision-making. The current Board comprise of Independent Directors with finance, accounting, corporate finance and/or business expertise, with successful careers in professional firm, MNC or listed companies. The Board believes that its current Board size and the existing composition of the Board Committees effectively serves the Group and provides sufficient diversity, including gender diversity, for effective discharging of Board duties without interfering with efficient decision-making.

The Company does not adopt a formal board diversity policy, whereas it has embraced all aspects of diversity in the current Board composition and takes into consideration various factors of diversity in reviewing the Board composition as mentioned above.

The Nominating Committee is of the view that the current Board, with Independent Directors making up more than half of the Board, has a strong and independent element that is able to exercise objective judgement on corporate affairs independently. The Independent Directors are actively involved in strategy decisions. They constructively challenge and provide invaluable insights to the Management in developing business strategy. They also review and monitor the performance of the Management in meeting agreed business goals.

The Nominating Committee is of the view that no individual or small group of individuals dominates the Board's decision-making process. The Board also considers that its current composition of Independent Directors provides an effective mix of commercial, accounting, finance and legal experience and has sufficient diversity, including gender diversity, to provide a range of perspectives and insights for a constructive Board deliberation to enable the Board to discharge its duties and responsibilities effectively. This balance and diversity is important in ensuring that the strategies proposed by the Management are well deliberated taking into account the long-term interests of the Group.

The Board is represented by a wide range of age group with diverse experience, professional training and industrial knowledge in various fields such as in legal, commercial, accounting and finance industries which adds value to the Board in its decision-making process. The Company believes that the practices adopted above are consistent with the intent of Principle 2 of the Code of Corporate Governance and enables the Company to make decisions in the best interests of the Company.

The Independent Directors of the Company at the relevant time in FY2024 have met without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and the remuneration of the Executive Directors. The Lead Independent Director will provide feedback to the Executive Chairman after such meetings as appropriate. Provision 2.5

CORPORATE **GOVERNANCE**

PRINCIPLE 3: CHAIRMAN AND GROUP MANAGING DIRECTOR

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Mr Tay Tian Hoe Richard ("**Mr Richard Tay**") is the Executive Chairman and Group Managing Director. As Chairman of the Board, Mr Richard Tay: Provisions 3.1 & 3.2

a. Leads the Board to ensure its effectiveness of all aspects of its role;
b. Sets the meeting agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
c. Ensures that matters raised by the Independent Directors are appropriately attended to;
d. Ensures that the Directors receive complete, adequate and timely information;
e. Promotes a culture of openness and debate;
f. Encourages constructive relations within the Board and between the Board and Management;
g. Ensures effective communication with the shareholders;
h. Facilitates the effective contribution of Independent Directors; and
i. Promotes high standards of corporate governance and compliance with the Listing Rules.

Having regard to Mr Richard Tay's concurrent appointment as the Chairman and the Group Managing Director, there is no division of responsibilities set out between the role of Mr Richard Tay as the Chairman and the Group Managing Director. However, the following checks and balances are adopted by the Board to ensure appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making:

a. Major business and operational decisions made by Mr Richard Tay are reviewed by the Audit Committee and the Board;
b. The Board has appointed a Lead Independent Director, Mr Hong Pian Tee; and
c. Independent Directors make up more than half of the Board.

As Mr Richard Tay is the Executive Chairman and Group Managing Director, pursuant to Provision 3.3 of the Code, Mr Hong Pian Tee has been appointed to be the Company's Lead Independent Director. The Lead Independent Director is available to the shareholders where they have concerns and for which contact through the channels of the Executive Chairman or Group Chief Financial Officer have failed to resolve or is inappropriate. Provision 3.3

PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Nominating Committee's role and authority delegated by the Board are outlined in its Terms of Reference. The key duties and activities of the Nominating Committee are to deliberate and make recommendations to the Board on matters regarding the following: Provision 4.1

a. The Board's structure, size and composition;
b. The Board succession plans for Directors, in particular, for the Chairman, Group Managing Director and key management personnel;
c. Identify and make recommendations to the Board on the Directors who are due for retirement by rotation as well as candidates for nomination or re-nomination at the forthcoming Annual General Meeting;
d. The evaluation criteria and process of evaluation for the Board, Board Committees and individual Directors;
e. The independence of individual Directors;
f. The contribution and commitment of each Director; and
g. Training and professional development programs for the Board.

CORPORATE **GOVERNANCE**

Ms Gn Jong Yuh Gwendolyn, an Independent Director, is the Chairman of the Nominating Committee. A majority of the Nominating Committee are Independent Directors. The Nominating Committee comprise of the following Directors: Provision 4.2

- Ms Gn Jong Yuh Gwendolyn, as Chairman of the Nominating Committee;
- Mr Hong Pian Tee, the Lead Independent Director;
- Mr Tay Tian Hoe Richard; and
- Mr Ong Kian Min.

The Process for the Selection, Appointment and Re-appointment of Directors Provision 4.3

The Board believes that Board renewal must be an ongoing process which ensures both good governance and maintains relevance to the changing needs of the Company and business.

The Constitution requires at least one-third of the Directors, excluding the Group Managing Director, to retire from office by rotation and submit themselves to re-nomination and re-election by shareholders at every Annual General Meeting. No Director stays in office for more than three (3) years without being re-elected by shareholders.

The role of the Nominating Committee also includes the responsibility of reviewing the re-nomination of Directors who retire by rotation, taking into consideration the director's integrity, independent character, contribution and performance (such as attendance, participation, preparedness and candour) and any other factors as determined by the Nominating Committee.

The Board recognises the contribution of its Independent Directors who over time have developed deep insight into the Group's businesses and operations and who are therefore able to provide invaluable contributions to the Group. Accordingly, the Board has not set a fixed term of office for each of its Independent Directors so as to be able to retain the services of the Directors as necessary. Where a vacancy arises or where it is considered by the Board that it would benefit from the contribution of a new Director with particular expertise and experience or diversity, the Nominating Committee, in consultation with the Board, determines the selection criteria and identifies potential candidates with the appropriate expertise and experience or diversity for the position.

The Nominating Committee has in place a selection and nomination process for the appointment of new Directors. For appointment of new Directors to the Board, the Nominating Committee would, in consultation with the Board, evaluate and determine the selection criteria with due consideration to the mix of skills, knowledge and experience of the existing Board. The Nominating Committee does so by first evaluating the existing strengths and capabilities of the Board, before it proceeds to assess the likely future needs of the Board, and assesses whether this need can be fulfilled by the appointment of one person and if not, then to consult the Board with respect to the appointment of two persons. The Nominating Committee will then source through their network or engage external professional assistance for potential candidates and resumes for review, undertake background checks on the resumes received, narrow this list of resumes and finally to invite the shortlisted candidates to an interview. This interview may include a briefing of the duties required to ensure that there is no expectations gap, and to ensure that any new director appointed has the ability and capacity to adequately carry out his duties as a director of the Company, taking into consideration the number of listed company board representations he holds and other principal commitments he may have. The Nominating Committee will take an open view in sourcing for candidates and does not solely rely on current Directors' recommendations or contacts, and is empowered to engage professional search firms. The Nominating Committee will interview all potential candidates in frank and detailed meetings and make recommendations to the Board for approval.

Retirement and Re-Nomination of Directors at the Forthcoming Annual General Meeting

The Nominating Committee has recommended to the Board that Mr Hong Pian Tee and Mr Ong Kian Min be nominated for re-appointment at the forthcoming Annual General Meeting.

Mr Hong Pian Tee will, upon re-election, remain as the Lead Independent Director, Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee of the Company.

Mr Ong Kian Min will, upon re-election, remain as an independent director, Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee of the Company.

CORPORATE GOVERNANCE

Immediately following the conclusion of the forthcoming Annual General Meeting and assuming that the Directors who are up for rotation have been successfully re-elected, the Audit Committee would comprise of three (3) Directors as required under Provision 10.2 of the Code. Section 201B of the Companies Act 1967 of Singapore and Listing Rule 704(8) also require the Audit Committee to comprise of at least three (3) directors. Provision 4.3

Further, the Board is also cognizant of the fact that Independent Directors are required to make up a majority of the Board where the Chairman is not independent, pursuant to Provision 2.2. Immediately following the conclusion of the forthcoming Annual General Meeting and assuming that the Directors who are up for rotation have been successfully re-elected, it is expected that the Board will comprise of three (3) Independent Directors out of a total of five (5) Directors, thereby complying with Provision 2.2.

Please refer to page 150 for additional information on the Directors to be re-elected.

The independence of each Director is reviewed by the Nominating Committee annually and as and when required and reported to the Board, having regard to the circumstances set forth in Provision 2.1 of the Code. Provision 4.4

The Independent Directors have confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

The Board, after taking into consideration the views of the Nominating Committee, is of the view that Mr Hong Pian Tee, Mr Ong Kian Min and Ms Gn Jong Yuh Gwendolyn are independent and that no individual or small group of individuals dominates the Board's decision-making process.

The Nominating Committee ensures that new Directors are aware of their duties and obligations. Provision 4.5

The Board does not prescribe a maximum number of listed company board representations that each Director may hold. However, all Directors are required to declare their board representations. The Nominating Committee is of the view that any maximum number established is unlikely to be representative of the participation and commitment that a Director may contribute to the Board and its overall effectiveness.

The Nominating Committee, after taking into account of the individual Director's assessment results and the Director's participation of meetings, has reviewed and is satisfied that all the Directors who sit on multiple boards have been able to and have devoted sufficient time and attention to the affairs of the Company and have adequately carried out their roles and discharged their duties as Director of the Company, notwithstanding their multiple board representations and directorships in other listed companies.

There is no alternate director on the Board.

Key information on each Director's academic and professional qualifications, directorships and other principal commitments is presented in the "Board of Directors" section of this Annual Report.

PRINCIPLE 5: BOARD PERFORMANCE

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Nominating Committee recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Executive Chairman and each individual Director to the Board. Provision 5.1

<u>Performance Criteria for Board (including Board Committees)</u>

The Board believes that apart from discharging its fiduciary duties (i.e. acting in good faith, with due diligence and care and in the best interests of the Company and its shareholders) the Board is to set strategic directions and ensure that the long-term objective of enhancing shareholder value is achieved.

CORPORATE **GOVERNANCE**

The performance criteria (which is consistent with previous years' performance criteria) for the Board and Board Committees are comparable with industry peers and have been approved by the Board. The evaluation includes size and composition, independence of Independent Directors, deliberation processes, information and accountability and performance in relation to discharging its principal functions including enhancing long-term shareholder value and achievement of financial targets including annual targets and return on equity and Company's share price performance over a five-year period. Provision 5.1

Over the years, the Board and Board Committees', composition, performance and effectiveness are measured by its ability to provide guidance to the Management especially in times of crisis and to steer the Company and the Group towards profits and the attainment of strategic and long-term objectives, and has allowed the Group to deliver value to its shareholders.

Evaluation of Individual Directors

Evaluation criteria (which is consistent with previous years' performance criteria) in assessing the contribution of individual Directors to the Board as well as his commitment to the role include the following:

a. Attendance at Board/Board Committee meetings;
b. Preparedness and participation in meetings;
c. Availability for consultation and advice;
d. Candour and the ability to confront key issues; and
e. Contribution to the Board and Board Committee in terms of appropriate experience, expertise and skills.

A formal review of the effectiveness of the Board and Board Committees and the assessment of the Director's contribution is undertaken collectively by the Nominating Committee and reported to the Board annually. The review undertaken by the Nominating Committee also takes into account the input from other Directors and the Company Secretary. Provision 5.2

During the financial year, Directors were requested to complete assessment checklists designed to seek their comments on the following:

a. The effectiveness and performance of the Board (including Board Committees); and
b. The contribution of each Director.

With the assistance of the Company Secretary, the completed checklists were submitted to the Nominating Committee for review before submitting to the Board for discussion and determining areas for improvement.

The Executive Chairman will consider the Board (including Board Committees) and individual Director's evaluation results, and in consultation with the Nominating Committee, where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors.

Following the review, the Board is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board for FY2024. The Board and Board Committees have met the prescribed performance objectives. There was no external facilitator engaged to assess the performance of the Board for FY2024.

(B) REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Remuneration Committee's role and authority delegated by the Board are outlined in its written Terms of Reference. The key duties and activities of the Remuneration Committee include the following: Provision 6.1

a. Reviewing and recommending to the Board a formal and transparent framework of remuneration for the Directors and key management personnel on all aspects of remuneration including Director's fees, salaries, allowances, bonuses, options (if any) and benefits-in-kind;

CORPORATE **GOVERNANCE**

b. Reviewing and recommending to the Board the specific remuneration packages and terms of employment for each Director and key management personnel; Provision 6.1

c. Reviewing the level of remuneration such that it is appropriate to attract, retain and motivate the Directors and key management personnel whilst linking rewards to group or corporate and individual performances;

d. Ensuring adequate disclosure on Director's remuneration; and

e. Recommending to the Board any long-term incentive scheme which may be set up from time to time and doing all acts necessary in connection therewith.

Mr Ong Kian Min, an Independent Director, is the Chairman of the Remuneration Committee. All members of the Remuneration Committee are Independent Directors and the Remuneration Committee comprise of the following Directors: Provision 6.2

- Mr Ong Kian Min, Chairman of the Remuneration Committee;
- Mr Hong Pian Tee, the Lead Independent Director; and
- Ms Gn Jong Yuh Gwendolyn.

In its deliberations, the Remuneration Committee takes into consideration industry practices and norms in compensation, the Group's performance vis-a-vis the industry as well as the individual Director and the key management personnel's contribution and performance. No Director or key management personnel is involved in deciding his own remuneration. Following the Remuneration Committee's review, the Board is of the view that the remuneration packages are appropriate and the performance conditions set have been met for FY2024. Provision 6.3

Each Executive Director has a service contract with a fixed appointment period and the Remuneration Committee reviews in particular the termination provisions, such as obligations arising in the event of termination of the Executive Director or key management personnel's contract of service, to ensure that such contract of service contains fair and reasonable termination clauses which are not overly generous.

When the need arises, the Remuneration Committee has access to external remuneration consultants' service and advice on Director's remuneration. No remuneration consultant was appointed for FY2024. Provision 6.4

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Executive Directors do not receive directors' fees but are remunerated as members of Management. The compensation structure for Executive Directors and key management personnel is directly linked to corporate and individual performances and measured by financial and non-financial indicators. The compensation structure comprises a fixed component (i.e. in the form of base salary) and a variable component (i.e. annual performance bonus) directly determined by the financial performance of the Group and the performance of the individual Executive Director or key management personnel during the financial year. Non-financial performance indicators such as quality of work and diligence are also considered. This is in line with the emphasis placed by the Group on achieving its long-term vision and goals and the performance target set for the individuals, and aligns the remuneration with the performance of the Group and the individual. The compensation structure is also aligned with the interests of shareholders and other stakeholders of the Company. For example, annual performance bonus is computed based on certain percentage of profit before tax of the Group. Such performance indicators selected by the Group are consistent with industry practice. Provision 7.1

The performance of the Group Managing Director (together with other key management personnel) is reviewed periodically by the Remuneration Committee and the Board. In structuring the compensation framework, the Remuneration Committee also takes into account the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

CORPORATE **GOVERNANCE**

There are no contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. Nonetheless, the Remuneration Committee, together with the Board, will consider, monitor and re-assess at appropriate junctures where such provisions should be adopted. Provision 7.1

The Independent Directors receive directors' fees, appropriate to their level of contribution, taking into account various factors such as effort and time spent as well as responsibilities on the Board. The Company recognises the need to pay competitive fees to attract, motivate and retain non-executive Directors without being excessive to the extent that their independence might be compromised. Provision 7.2

The Board will recommend the remuneration of the Independent Directors for FY2024 for approval at the Annual General Meeting.

The level of remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key executives to successfully manage the Company for the long-term. Provision 7.3

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Executive Directors' remuneration consists of their salaries, allowances, bonuses, and profit-sharing awards conditional upon their meeting of certain profit before tax targets. There are no termination, retirement and post-employment benefits that may be granted to the Directors and key executives. The Independent Directors receive directors' fees which are subject to the approval of shareholders at the Annual General Meeting. Provision 8.1

The breakdown of the Directors' remuneration and fees, in percentage terms, for FY2024 is as follows:

	Salary	Bonus	Directors Fees	Other Benefits	Total
	%	%	%	%	S$
Executive Directors					
Tay Tian Hoe Richard	36	62	-	2	1,343,151
Tay Tiang Guan	48	38	-	14	125,894
Non-Executive Directors					
Hong Pian Tee	-	-	100	-	50,000
Gn Jong Yuh Gwendolyn	-	-	100	-	47,500
Ong Kian Min	-	-	100	-	47,500

The Company ensures that the Remuneration Committee reviews and considers the remuneration of each Director and key management personnel of the Company as described in Provision 6.1 of this report and after due deliberation, the Remuneration Committee would make appropriate recommendations to the Board. No Director or key management personnel is involved in deciding his own remuneration.

Pursuant to Listing Rule 1207(10D), the names, amounts and breakdown of remuneration paid to each individual Director by the Company and its subsidiaries has been disclosed in this Corporate Governance Report.

The remuneration of the top 5 key executives of the Group (who are not director) for FY2024 is set out below: -

Remuneration Band	No. of Executives
Below $250,000	0
$250,000 - $500,000	5
Above $500,000	0

While the Company is cognizant of the need for corporate transparency in the remuneration of its key executives, the Company notes that the disclosure of details in excess of the above may be detrimental to its business interests given the sensitivity nature of employee remuneration, and the competitive pressures upon disclosing such information.

CORPORATE **GOVERNANCE**

The Company views manpower as key source for the continuous success of the Company. The detailed disclosure of each key executive's remuneration of the top five key management personnel (who are not directors or the CEO) would be detrimental to the Company's ability to retain its existing key management personnel. The Company believes that the current disclosure is adequate for shareholders to understand the Group's remuneration level of its top 5 key executives. Provision 8.1

The total remuneration paid to the Directors and its key executives are stated on page 133 of the Annual Report.

Details of employees whose remuneration exceed S$100,000 and are immediate family members of Executive Directors during FY2024 are set out below: Provision 8.2

Name of Employee	Remuneration Band
Tay Soek Eng Margaret[1]	S$200,000 to S$250,000
Tay Guoren Ryan[2]	S$150,000 to S$200,000

Notes:

(1) Mdm Tay Soek Eng Margaret is the sister of our Executive Chairman and Group Managing Director, Mr Tay Tian Hoe Richard, and our Executive Director, Mr Tay Tiang Guan.

(2) Mr Ryan Tay is the son of our Executive Chairman and Group Managing Director, Mr Tay Tian Hoe Richard.

Save as disclosed above, there are no employees of the Company who are substantial shareholders of the Company, or are immediate family members of any Director, the Group Managing Director or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during FY2024.

The Company has in place the 2021 YHI Share Option Scheme (the "**Scheme**") which was approved by shareholders of the Company at an Extraordinary General Meeting on 29 November 2021. Provision 8.3

The Scheme is administered by a committee which comprise of the Board of Directors and the Remuneration Committee at the relevant time.

The purpose of the Scheme is to provide an opportunity for employees and executive directors of the Group to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and a higher standard of performance, and to give them due recognition.

On 24 December 2021, the Company granted incentive options to subscribe for 2,250,000 ordinary shares of the Company at an exercise price of $0.39 per share (the "**2021 Options**").

50,000 incentive options were forfeited in FY2022 and the remaining 2,200,000 incentive options are exercisable from 24 December 2023 and expires on 23 December 2031.

On 15 March 2024, the Company had transferred 1,315,000 treasury shares to employees of the Group, pursuant to the exercise of the incentive options granted under the Scheme.

Further details on the Scheme may be found on page 120 of this annual report.

(C) ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board affirms its overall responsibilities for the Group's internal control and risk management systems to safeguard shareholders' interests and the Group's assets. Provision 9.1

In order to streamline the functions of the Board and the Board Committees, the Board delegates the role of overseeing the risk management systems to the Audit Committee.

CORPORATE **GOVERNANCE**

Risk Management Framework

Provision 9.1

The Group's Risk Management Framework is aligned with the Internal Controls Integrated Framework set out by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). This framework entails a rigorous and systematic process of anticipating, identifying, prioritising, managing and reporting of key risks. The Management reviews the Group's business and operational activities regularly to identify areas of significant business, operational, compliance and information technology risks, and employs a wide range of corresponding measures to control these risks. These risks include, among others, the key climate-related risks and opportunities facing the business. The Management has embedded the risk management process and internal controls into all business operating procedures, where all business and operational managers are mindful and compliant of their responsibilities.

All identified areas of risks are promptly addressed by the managers who swiftly determine and implement appropriate measures to control and mitigate such risks. Targets are set to measure the performance of business and effectiveness of risk management. The targets include sales growth, profit margins, operating expenses, management of inventory and receivables.

The identified risks and the corresponding countervailing controls are also regularly reviewed by the Management to ensure that they are up to date and effective. For example, financial risk management is discussed in Note 29 of the financial statements set out on pages 124 to 132.

The Enterprise Risk Management Executive Committee ("**RMEC**") which comprises members from Management and headed by the Executive Chairman and Group Chief Financial Officer is responsible for the overall effective implementation of risk management strategy, policies and procedures to facilitate the achievement of business plans and goals within the risk profile and risk tolerance levels set by the Board. RMEC also take charge of the sustainability and climate risks related issues pertinent to the business.

The RMEC performs the following principal functions:

a. considers, reviews and approves the risk management strategy, policies and guidelines of the Group;
b. decides on risk profile, risk levels, tolerance and capacity and related resources allocation;
c. monitors and evaluates the Group's risk exposure; and
d. reviews the risk reporting records of the Group and reports of any material breaches of risk limits.

The Board has received assurance from the Group Managing Director and Chief Financial Officer that the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

Provision 9.2

The Board has also received assurance from the Group Managing Director and other key management personnel who are responsible that the Group's internal control and risk management systems are effective and adequate.

The Board, with the assistance of the Audit Committee, reviews the adequacy and effectiveness of the internal controls (including financial, operational, compliance and information technology controls) and risk management systems through deliberating the internal audit reports and results of the control self-assessment exercise at the end of each quarter. The Board also deliberates the updates made by the Group Chief Financial Officer on behalf of RMEC.

Listing Rule 1207(10)

The Board determines the risk tolerance of the Group and reviews the financial, operational, compliance and information technology aspects of the systems. The Board also reviews the key climate-related risks facing the business.

Based on Group's framework of management controls in place, the internal control policies and procedures established and maintained by the Group, as well as the reviews performed by the external and internal auditors, the Board, with the concurrence of the Audit Committee, is of the view that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems of the Group are adequate and effective as at 31 December 2024.

The Board acknowledges that internal controls and risk management systems are designed to adequately and effectively manage and contain rather than to eliminate risk. An effective and efficient system can only provide reasonable and not absolute assurance against the occurrence of human & system errors, losses, fraud or other irregularities.

CORPORATE GOVERNANCE

PRINCIPLE 10: AUDIT COMMITTEE

The Board has an Audit Committee ("AC") which discharges its duties objectively.

The Audit Committee's role and authority delegated by the Board are outlined in its Terms of Reference. The key duties and activities of the Audit Committee include the following: Provision 10.1

a. Reviewing financial statements as well as any announcements of the Company and the Group before submission to the Board for approval and release;
b. Reviewing at least annually the adequacy and effectiveness of the Group's internal control and risk management systems;
c. Reviewing the assurance from the Group Managing Director and the Chief Financial officer on the financial records and financial statements of the Group;
d. Reviewing the annual internal audit plan and internal audit reports tabled by the internal auditors;
e. Making recommendations to the Board on the proposals to the shareholders on the appointment and removal of external auditors, and the remuneration and terms of engagement of the external auditors;
f. Reviewing the audit plan of the external auditors and the external auditors' reports;
g. Reviewing the co-operation given by executives to the external auditors;
h. Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
i. Reviewing the Group's compliance with relevant key legislative and regulatory requirements and the continuing listing requirements;
j. Reviewing the Group Whistle-Blowing Policy and ensure that concerns or complaints received are properly attended to;
k. Reviewing interested person transactions reported (if any);
l. Reviewing the Group's capital expenditure transactions and investments;
m. Reviewing the Group's foreign currency hedging activities; and
n. Reviewing the Group's sustainability issues and reporting as delegated by the Board. The sustainability issues include, among others, the identification of key climate-related risks and opportunities facing the business, and the Group's climate reporting requirements.

The Audit Committee has explicit authority to investigate any matter within its written Terms of Reference. The AC has full access to, and the co-operation of the Management and full discretion to invite any Executive Director or key management personnel to attend its meetings. The Audit Committee has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.

Review of full-year financial statements and the key audit matters highlighted by the external auditors

In the review of the full-year financial statements, the Audit Committee reviews the accounting policies, estimates, assumptions and judgements applied by Management. Audit Committee also discusses with the external auditors on any significant audit and accounting observations highlighted.

Key audit matters are the matters that, in the external auditors' professional judgement, are of most significance in the audit of the full-year financial statements. The Audit Committee's reviews and assessments of the key audit matters highlighted by the external auditors for the full-year financial statements ended 31 December 2024 are provided as follows:

– Credit loss allowance on trade receivables

The AC regularly reviews management policy in granting of credit limits, credit controls and debt collection on an ongoing basis. Audit Committee considered the aging and the reasonableness of the recoverability of the trade receivables and the credit loss allowance on trade receivables as identified by Management. Audit Committee considered how Management has assessed the collectability and their consideration based on the adequacy of lifetime expected credit losses under SFRS(I) 9 Financial Instruments, the past payment track records, financial positions of the debtors and guarantors (where applicable), on-going business relationship with the debtors and where relevant, the repayment plans agreed with the debtors in conjunction with the observations, analysis and the findings presented by the external auditors.

After the review and assessment of the key audit matters highlighted by the external auditors, the Audit Committee recommended to the Board to approve the full year financial statements.

CORPORATE **GOVERNANCE**

Whistle-Blowing Policy

Provision 10.1

A Group Whistle-Blowing Policy ("**Policy**") has been put in place and communicated to the employees. The Company has designated Group Internal Audit to investigate whistleblowing reports made in good faith.

The Policy provides employees with clearly defined processes and channels through which they can raise their concerns or complaints in relation to possible violations of the Group's Code of Ethics and Business Conduct or suspected irregularities to the Audit Committee through the internal audit function. There were no instances where concerns were raised under the Policy during FY2024.

The concerns can be made anonymously and will be kept in strict confidence. The identity of the whistleblower is kept confidential. The Audit Committee is responsible for the oversight of and monitors whistleblowing to ensure that concerns are independently and appropriately attended to, assessed and resolved in accordance with the Policy. The Audit Committee will also ensure protection of the whistleblower against detrimental or unfair treatment. The processes stated in the Policy are also applicable to the concerns or complaints received from the shareholders, suppliers, customers or members of the public, if any.

Nomination and Re-Appointment of External Auditors

The Audit Committee has nominated PricewaterhouseCoopers LLP ("**PwC**") for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting. PwC is registered with the Accounting and Corporate Regulatory Authority.

The Audit Committee has conducted an annual review of all non-audit services provided by the auditors to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the auditors before confirming their re-nomination, and is of the opinion that the non-audit services provided by PwC would not affect its independence.

The Group has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST in relation to its auditors. The aggregate amount of fees paid to the auditors, broken down into audit and non-audit services are set out below:

	2024	2023
	S$	S$
Fees on audit services paid/payable to:		
Auditors of the Company – PwC Singapore	**246,710**	215,000
Other PwC network firms	**265,995**	257,951
Other auditors	**179,750**	184,071
Fees on non-audit services paid/payable to:		
Auditors of the Company- PwC Singapore	**-**	-
Other PwC network firms	**14,992**	14,275
Other auditors	**78,955**	135,041
Total	**786,402**	806,338

Provision 10.2

Mr Hong Pian Tee, the Lead Independent Director, is the Chairman of the Audit Committee. The Audit Committee comprises the following Independent Directors:

- Mr Hong Pian Tee, as Chairman of the Audit Committee;
- Ms Gn Jong Yuh Gwendolyn; and
- Mr Ong Kian Min.

The members of the Audit Committee have the recent and relevant legal, accounting or related financial management expertise or experience, as the Board interprets such qualifications in its business judgement.

The Audit Committee keeps abreast of changes to accounting standards and other business issues which may have a direct impact on the Company and Group's financial statements through regular updates made by the Management and external auditors.

Provision 10.3

None of the members of the Audit Committee are former partners or directors of the Group's existing auditing firm or auditing corporation within the last two (2) years and none of the members of the Audit Committee hold any financial interest in the Group's existing auditing firm or auditing corporation.

CORPORATE **GOVERNANCE**

The Group has its own in-house internal audit function. The Audit Committee approves the hiring, removal, evaluation and compensation of the internal auditors. The internal auditors report directly to the Chairman of the Audit Committee and have unrestricted access to the documents, records, properties and personnel of the Company and of the Group. The internal audit function has appropriate standing within the Company. Provision 10.4

The Board recognises that it is responsible for maintaining a system of internal control to safeguard shareholders' investments and the Group's businesses and assets, while the Management is responsible for establishing and implementing the internal control procedures in a timely and appropriate manner. The role of the internal auditors is to assist the Audit Committee in ensuring that the controls are effective and functioning as intended, to undertake investigations as directed by the Audit Committee and to conduct regular in-depth audits of high-risk areas. The Audit Committee reviews the adequacy and effectiveness of the internal audit function at least annually.

The Audit Committee is satisfied that the internal audit function is adequately resourced to perform its function effectively and is independent of the activities it audits. The Audit Committee is also satisfied that the internal audit function is staffed by suitably qualified and experienced professionals with the relevant experience and professional qualification.

The internal audit work carried out is guided by the International Standards for the Professional Practice of Internal Auditing ("**IA Standards**") laid down in the International Professional Practices Framework issued by The Institute of Internal Auditors.

The internal audit function plans its internal audit schedules in consultation with, but independent of the Management. The audit plan is submitted to the Audit Committee for approval prior to the commencement of the internal audit work. In addition, the internal auditor may be involved in ad-hoc projects initiated by the Management which require the assurance of the internal auditor in specific areas of concerns.

The internal and the external auditors are invited to attend the Audit Committee meetings to table their plans and reports respectively. During FY2024, the Audit Committee met with the external auditors without any executives of the Group being present. The Chairman of the Audit Committee liaised with the internal auditor without the involvement of the Management to receive updates. Provision 10.5

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

<u>Shareholders' Opportunity to Participate and Vote at General Meeting</u> Provision 11.1

The Board supports the Code's principles of encouraging shareholders' participation. All shareholders are entitled to attend and are provided the opportunity to participate in the general meetings of the Company. The general meetings are the principal forum for dialogue with shareholders, where they are given the opportunity to voice their views, raise their concerns with the Directors or question the Management on matters relating to the Group and its operations. The Management also uses this opportunity to inform shareholders of the Group's strategy and goals. The Management believes that shareholder engagement is important to the success of the Group and dedicates time at each general meeting to address and/or receive questions from any shareholder. The Company had adopted a new Constitution containing, inter alia, updated provisions in respect of shareholders' voting in compliance with the amended Companies Act and the Listing Rules, including provisions for voting in absentia.

Notice of the general meeting is despatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 or 21 days before the meeting depending on the type of business to be transacted.

The rules, including the voting process, were explained by the scrutineers at such general meetings. The Company relies on the advice of the independent scrutineers to determine the need for electronic voting, taking into consideration the logistics involved, costs, and number of shareholders, amongst other factors.

CORPORATE **GOVERNANCE**

During FY2024, an annual general meeting was held on 26 April 2024 ("**AGM**"). Each item of special business included in the notice of the meetings were accompanied by a full explanation of the effects of a proposed resolutions at all general meetings. Separate resolutions were proposed for substantially separate issues at the general meetings. Provision 11.2

The Company conducted poll voting in accordance with the Listing Manual of the SGX-ST for all resolutions tabled at the AGM and the detailed results showing the number of votes cast for and against each resolution and the respective percentages were announced via SGXNET and made available on the Company's website after the conclusion of the AGM.

All the Directors and the external auditors attended the AGM and were available to address shareholders' queries. Provision 11.3

Shareholders were given the choice to vote by appointing the Chairman as a proxy. Provision 11.4

The Constitution of the Company allows absentia voting at general meetings.

Minutes of the AGM were prepared and made available to shareholders by publishing them on SGXNet and the Company's website within 1 month after the AGM. The Company did not receive any substantial and relevant comments or queries from shareholders relating to the agenda of the AGM. The minutes of the AGM was published on SGXNet and the Company's website on 17 May 2024. Provision 11.5

The Company does not have a formal dividend policy, nevertheless, it has a track record of paying annual dividends to shareholders and the payout is aligned with the Company's financial results. The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management. Subject to the approval of Shareholders at the upcoming Annual General Meeting, the Company has, on 27 February 2025, in its unaudited financial results for the financial year ended 31 December 2024, recommended a first and final tax exempt (one-tier) dividend of 2.30 cents per ordinary share for the financial year ended 31 December 2024. Provision 11.6

Listing Rule 704(24)

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

In line with the provisions of the Listing Rules and the Companies Act 1967 of Singapore, the Board's policy is that all shareholders should be equally and in a timely manner be informed of all major developments that impact the Company or the Group. It is also the Board's policy that all corporate news, strategies and announcements be promptly disseminated through the SGXNET system. Press releases, annual reports, other various media and our contact details are provided in the corporate website (http://www.yhigroup.com) so as to allow shareholders to make well-informed investment decisions and maintain a regular dialogue channel with shareholders to gather views, input and address shareholders' concerns. Provision 12.1

The Board believes that a high level of disclosure on a timely basis is essential for good corporate governance practice. The Executive Directors and the Group Chief Financial Officer are responsible for implementing the investor relations policy devised by the Board. Provision 12.2

Where required, the Executive Directors and the Group Chief Financial Officer will meet up with analysts and investors after the half-yearly results are announced through the SGXNet system, to explain the financial performance, Group's strategy and major developments and to understand their views and concerns. Provision 12.3

CORPORATE GOVERNANCE

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company's customers, suppliers, employees and shareholders are its key stakeholders and they are symbolised by the Company's corporate logo. It has been the Company's core business and sustainability strategy of engaging and managing its relationship with the stakeholders in a fair, trust-based and responsible manner through hard work, dedication and commitment. The needs and interests of each group of stakeholders are properly balanced to ensure the best interests of the Company are served. Provision 13.1

The key areas of focus and engagement mechanisms adopted by the Company for each group of stakeholders in FY2024 are outlined as follows: Provision 13.2

Stakeholders	Areas of Focus	Engagement Mechanisms
Customers	Product quality, pricing and service rendered	Business meetings, customer visits, trade events and customer satisfaction surveys
Suppliers	Sales growth and market share	Business meetings and supplier visits
Employees	Remuneration, career growth and business performance	Management's meeting with employees, employee surveys and appraisals & discussions
Shareholders	Business growth, financial results, return on investment, dividend yield and payout	Periodic financial announcements, annual report, annual general meeting and corporate website

The Company maintains a current corporate website (http://www.yhigroup.com), to communicate and engage with stakeholders. Provision 13.3

DEALINGS IN SECURITIES

In compliance with the Listing Manual of the SGX-ST, the Company has adopted and implemented a code of conduct governing securities transactions by its Directors and key officers.

Under the code of conduct, the Directors and key officers are prohibited from dealing in the Company's securities at least one (1) month before the announcement of the Company's half-year and full-year results until one (1) day after the release of the announcement.

The Directors and key officers are required to notify the Company of any dealings in the Company's securities (during the open window period) and within two (2) business days of the transaction(s). At all times, the Directors and key officers are aware that it is an offence to deal in securities of the Company and other companies when they are in possession of unpublished price-sensitive information in relation to those securities and that the law on insider trading applies to them at all times.

The code of conduct also ensures that no Director or key officer deals in the Company's securities on short-term considerations.

The Directors and key officers are periodically reminded of all requirements of the code of conduct and all applicable laws via the regular circulation of internal memoranda.

CORPORATE GOVERNANCE

INTERESTED PERSON TRANSACTIONS

In order to ensure that the Company complies with Chapter 9 of the Listing Manual of the SGX-ST on interested person transactions, the Company has adopted an internal policy in respect of any transaction with interested persons and has set out the procedures for review and approval of the transactions. The Audit Committee meets half-yearly to review all interested person transactions of the Company.

The Company does not have a general mandate from shareholders pursuant to Rule 920 of the Listing Manual of the SGX-ST.

There was no interested person transaction exceeding S$100,000 in value during the financial period from 1 January 2024 to 31 December 2024.

Interested Persons	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under Shareholders' Mandate)	Aggregate value of all interested person transactions conducted under Shareholders' Mandate (excluding transactions less than $100,000)	Total
NA	Nil	Nil	Nil

MATERIAL CONTRACTS

There were no material contracts entered into by the Company or its subsidiaries for the benefit of the Directors or controlling shareholders during FY2024.

SUSTAINABILITY SUMMARY STATEMENT

At YHI Group, we are committed to consider sustainability issues as part of its strategic formulation and have identified our material Environment, Social and Governance ("**ESG**") factors with sustainability factors in mind.

Our eighth sustainability report for the financial year ended 31 December 2024 ("**FY2024**") ("**Sustainability Report**") will be prepared with reference to the Global Reporting Initiative ("**GRI**") Sustainability Reporting Guidelines and is in line with the requirements on sustainability reporting under the Listing Manual of the Singapore Exchange Securities Trading Limited. Our Sustainability Report will include YHI's stakeholder engagement mechanism to gather feedback as well as our policies, practices and actual performance on each material ESG factor in FY2024.

We look forward to updating you on our progress and the full Sustainability Report which will be available by end April 2025 at the URL https://www.yhigroup.com/investor/sustainability-reports/ and the SGXNET at the URL https://www.sgx.com/securities/company-announcements.

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2024 and the balance sheet of the Company as at 31 December 2024.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 70 to 140 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Mr Tay Tian Hoe Richard
Mr Tay Tiang Guan
Mr Hong Pian Tee
Mr Ong Kian Min
Ms Gn Jong Yuh Gwendolyn

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of Director			Holdings in which Director is deemed to have an interest		
	At 21.1.2025	**At 31.12.2024**	**At 1.1.2024**	**At 21.1.2025**	**At 31.12.2024**	**At 1.1.2024**
Company						
(No. of ordinary shares)						
Mr Tay Tian Hoe Richard [1], [2]	-	-	-	108,037,846	108,037,846	141,958,860
Mr Tay Tiang Guan [3]	-	-	-	45,000,353	45,000,353	45,000,353
Mr Hong Pian Tee	659,800	659,800	659,800	-	-	-
Immediate and ultimate holding company						
- **YHI Holdings Pte Ltd** [1]						
(No. of ordinary shares)						
Mr Tay Tian Hoe Richard [1], [2]	691,917	691,917	691,917	-	-	-

Notes:

(1) As at the date of this statement, YHI Holdings Pte Ltd directly holds 94,100,846 shares of the Company.

(2) As at the date of this statement, Mr Tay Tian Hoe Richard is interested in 691,917 shares of YHI Holdings Pte Ltd and accordingly is deemed interested in 94,100,846 shares of the Company held by YHI Holdings Pte Ltd and 13,937,000 shares of the Company held in the name of his nominees. Mr Tay Tian Hoe Richard is not directly interested in shares of the Company.

(3) As at the date of this statement, Mr Tay Tiang Guan is deemed interested in 45,000,353 shares of the Company held in the name of his nominees. Mr Tay Tiang Guan is not directly interested in shares of the Company.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONTINUED)

(b) Mr Tay Tian Hoe Richard, who by virtue of his interest of not less than 20% of the issued capital of the Company, is deemed to have an interest in the whole of the share capital of the Company's wholly-owned subsidiaries and in the shares held by the Company in the following subsidiaries that are not wholly-owned by the Group:

	At 31.12.2024	At 1.1.2024
YHI (Australia) Pty Limited		
- No. of ordinary shares	80,000	80,000
YHI (New Zealand) Limited		
- No. of ordinary shares	92,500	92,500
YHI Power Pty Limited		
- No. of ordinary shares	8,000	8,000
YHI Corporation (Thailand) Co., Ltd		
- No. of ordinary shares	24,500	24,500
Evo-Trend Corporation (Malaysia) Sdn Bhd		
- No. of ordinary shares	140,000	140,000
PT YHI Indonesia		
- No. of ordinary shares	288,000	288,000
YHI (Vietnam) Co., Ltd	VND	VND
- Share capital	5,624,100,000	5,624,100,000
YHI Corporation (Shanghai) Co., Ltd		
- Share capital	US$360,000	US$360,000
Pan-Mar Corporation D/B/A Konig (American)		
- Common stock	US$142,500	US$142,500
Advanti Racing USA, LLC		
- Common stock	US$85,500	US$85,500
YHI (East Malaysia) Sdn Bhd		
- No. of ordinary shares	400,000	400,000
YHI Logistics (Malaysia) Sdn Bhd		
- No. of ordinary shares	22,560,000	22,560,000
YHI Aung (Myanmar) Company Limited		
- No. of ordinary shares	51,000	51,000
YHI Distribution (Taiwan) Co., Ltd		
- Share capital	NTD 2,000,000	NTD 2,000,000
Wheelworld GmbH		
- Share capital	EUR 15,000	EUR 15,000

(c) The directors' interests in the ordinary shares of the Company as at 21 January 2025 are shown in Note (a).

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

SHARE OPTIONS

(a) 2021 YHI Share Option Scheme

The 2021 YHI Share Option Scheme (the "Scheme") was approved by members of the Company at an Extraordinary General Meeting on 29 November 2021. The purpose of the Scheme is to provide an opportunity for employees and executive directors of the Group to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and a higher standard of performance, and to give them due recognition.

The Scheme is administered by a committee comprising the Board of Directors including all members of the remuneration committee of the Company from time to time.

As at the date of the Statement, the members of the committee and the Board of Directors are Mr Tay Tian Hoe Richard, Mr Tay Tiang Guan, Mr Hong Pian Tee, Mr Ong Kian Min and Ms Gn Jong Yuh Gwendolyn.

Under the Scheme, options to subscribe for the ordinary shares of the Company are granted to eligible participants nominated by the committee administering the Scheme at the relevant time. There are two categories of options: Market Price Option and the Incentive Option.

The exercise price of the Market Price Options is determined by taking the average of the closing prices of the Company's ordinary shares as quoted on the Singapore Exchange for a period of five consecutive market days immediately preceding the date of the grant ("Market Price").

The exercise price of the Incentive Options is determined by the committee administering the Scheme at a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price.

The vesting period of the Market Price Options and Incentive Options are one and two years respectively from the grant date, and both categories of options expire ten years from the grant date. The options may be exercised in full or in part on the payment of the exercise price. The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The aggregate number of shares over which options may be granted on any date, when added to the number of shares issued and issuable in respect of all options granted under the Scheme, shall not exceed 15% of the issued shares of the Company excluding treasury shares and subsidiary holdings on the day preceding that date. The number of shares comprised in any options to be offered to a participant in the Scheme shall be determined at the absolute discretion of the committee administering the Scheme, who shall take into account criteria such as the rank, past performance, years of service, potential for future development and contribution of the participant.

On 24 December 2021, the Company granted Incentive Options to subscribe for 2,250,000 ordinary shares of the Company at an exercise price of $0.39 per share ("2021 Options"). 50,000 incentive options were forfeited in the financial year ended 31 December 2022 and the remaining 2,200,000 incentive options are exercisable from 24 December 2023 and expires on 23 December 2031.

During the financial year, 1,315,000 treasury shares of the Company were re-issued at the exercise price of $0.39 per share, upon the exercise of the 2021 Options.

Under the Scheme, controlling shareholders of the Company or their associates (as defined in the Listing Manual of Singapore Exchange Securities Trading Limited) shall not be eligible to participate in the Scheme.

Under the scheme, directors and employees of the parent company and its subsidiaries shall not be eligible to participate in the Scheme.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(b) Share options outstanding

The number of unissued ordinary shares of the Company under option in relation to the 2021 YHI Share Option Scheme outstanding at the end of the financial year was as follows:

	No. of unissued ordinary shares under option at 31.12.2024	Exercise price	Exercise period
2021 Options	581,000	$0.39	24.12.2023 – 23.12.2031

AUDIT COMMITTEE

The members of the Audit Committee at the end of the financial year were as follows:

Mr Hong Pian Tee (Chairman)
Mr Ong Kian Min
Ms Gn Jong Yuh Gwendolyn

All members of the Audit Committee were non-executive directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor;
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2024 before their submission to the Board of Directors and
- reviewing the Group's capital expenditure transactions, investment, foreign currency hedging activities and sustainability issues and reporting as delegated by the Board.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

TAY TIAN HOE RICHARD
Director

TAY TIANG GUAN
Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YHI INTERNATIONAL LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of YHI International Limited (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated income statement of the Group for the financial year ended 31 December 2024;
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2024;
- the balance sheet of the Group and the balance sheet of the Company as at 31 December 2024;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YHI INTERNATIONAL LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	*How our audit addressed the Key Audit Matter*
Credit loss allowance on trade receivables As at 31 December 2024, the Group's net trade receivables of $73,603,000, comprising gross trade receivables of $75,850,000 and a corresponding credit loss allowance of $2,247,000, accounted for 18.2% of the Group's total assets (Note 11). Management judgements are required in assessing and determining the recoverability of trade receivables and adequacy of credit loss allowance made. They include estimating and evaluating the required lifetime expected credit losses under SFRS(I) 9 Financial Instruments. We focused on this area due to the significant management judgements required in estimating the credit loss allowance. The key judgements and estimations on expected credit losses for trade receivables and the Group's credit risk management are disclosed in Notes 3(a) and 29(b) to the financial statements.	We evaluated management's assessment on the recoverability of the trade receivables and the adequacy of lifetime expected credit losses based on SFRS(I) 9. This includes the appropriateness of historical loss rate determined and adjusted for applicable forward looking information. We found the judgements and estimations used by management in determining the credit losses on trade receivables to be supportable based on available evidence. We also found that the disclosures provided in the financial statements as disclosed in Notes 3(a) and 29(b) to be appropriate.

Other Information

Management is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YHI INTERNATIONAL LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of Management and Directors for the Financial Statements (continued)

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YHI INTERNATIONAL LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chua Chin San.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants Singapore,
25 March 2025

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024	2023
		$'000	$'000
Sales	4	**406,515**	376,940
Cost of sales	5	**(304,221)**	(284,226)
Gross profit		**102,294**	92,714
Other gains - net	4	**5,395**	8,009
Credit loss allowance on trade receivables		**(839)**	(483)
Expenses			
- Distribution	5	**(44,485)**	(39,131)
- Administrative	5	**(46,831)**	(43,145)
- Finance	6	**(3,252)**	(3,323)
Share of profit of associated companies		**2,086**	3,707
Profit before income tax		**14,368**	18,348
Income tax expense	8	**(4,847)**	(4,933)
Net profit		**9,521**	13,415
Profit/(loss) attributable to:			
Equity holders of the Company		**9,580**	13,053
Non-controlling interests		**(59)**	362
		9,521	13,415
Earnings per share attributable to the equity holders of the Company			
- Basic	9	**3.29 cents**	4.49 cents
- Diluted	9	**3.28 cents**	4.46 cents

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	2024	2023
	$'000	$'000
Profit for the year	**9,521**	13,415
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss:		
- Currency translation differences	**456**	(7,204)
Items that will not be reclassified subsequently to profit or loss:		
- Currency translation differences	**(517)**	(173)
Total comprehensive income for the year	**9,460**	6,038
Total comprehensive income attributable to:		
Equity holders of the Company	**10,036**	5,849
Non-controlling interests	**(576)**	189
	9,460	6,038

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS – GROUP AND COMPANY
AS AT 31 DECEMBER 2024

		The Group		The Company	
			(Restated)		
	Note	**2024**	2023	**2024**	2023
		$'000	$'000	**$'000**	$'000
ASSETS					
Current assets					
Cash and bank balances	10	**67,567**	64,224	**1,343**	3,575
Trade and other receivables	11	**90,359**	80,408	**20,316**	23,765
Inventories	12	**119,205**	118,835	**-**	-
Derivative financial instruments	13	**322**	-	**-**	-
		277,453	263,467	**21,659**	27,340
Non-current assets					
Transferable club memberships		**65**	65	**-**	-
Investment in an associated company	14	**27,161**	28,664	**-**	-
Investments in subsidiaries	15	**-**	-	**103,782**	103,782
Property, plant and equipment	17	**55,304**	54,259	**175**	280
Right-of-use assets	18(a)	**26,093**	29,132	**-**	-
Investment properties	20	**9,161**	9,362	**-**	-
Intangible assets	21	**4,193**	4,527	**-**	-
Deferred income tax assets	8(c)	**4,218**	4,173	**114**	-
		126,195	130,182	**104,071**	104,062
Total assets		**403,648**	393,649	**125,730**	131,402
LIABILITIES					
Current liabilities					
Trade and other payables	22	**45,663**	44,482	**1,451**	1,536
Current income tax liabilities	8(b)	**1,713**	2,356	**128**	57
Borrowings	23	**43,116**	29,338	**-**	-
Lease liabilities	18(b)	**6,498**	6,688	**-**	-
		96,990	82,864	**1,579**	1,593
Non-current liabilities					
Borrowings	23	**-**	1,206	**-**	-
Lease liabilities	18(b)	**18,462**	21,520	**-**	-
Deferred income tax liabilities	8(c)	**2,026**	2,476	**-**	-
Other non-current liabilities		**353**	328	**-**	-
		20,841	25,530	**-**	-
Total liabilities		**117,831**	108,394	**1,579**	1,593
NET ASSETS		**285,817**	285,255	**124,151**	129,809
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	24	**77,001**	77,001	**77,001**	77,001
Treasury shares	24	**(206)**	(671)	**(206)**	(671)
Other reserves	25	**(18,421)**	(19,219)	**585**	538
Retained profits	26	**221,490**	221,394	**46,771**	52,941
		279,864	278,505	**124,151**	129,809
Non-controlling interests		**5,953**	6,750	**-**	-
Total equity		**285,817**	285,255	**124,151**	129,809

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	← Attributable to equity holders of the Company →					Non-controlling interests	Total equity
		Share capital	Treasury shares	Other reserves	Retained profits	Sub-total		
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
2024								
Balance as at 1 January 2024, as previously reported		**77,001**	**(671)**	**(19,219)**	**218,938**	**276,049**	**6,753**	**282,802**
Prior year adjustment	33	-	-	-	2,456	2,456	(3)	2,453
Balance as at 1 January 2024, as restated		**77,001**	**(671)**	**(19,219)**	**221,394**	**278,505**	**6,750**	**285,255**
Profit for the year		-	-	-	9,580	9,580	(59)	9,521
Other comprehensive income/ (loss) for the year		-	-	456	-	456	(517)	(61)
Total comprehensive income/ (loss) for the year		**-**	**-**	**456**	**9,580**	**10,036**	**(576)**	**9,460**
Employee share option scheme								
- Treasury shares re-issued		-	465	47	-	512	-	512
Dividends relating to 2023 paid	27	-	-	-	(9,189)	(9,189)	(221)	(9,410)
Transfer from retained profits to other reserves		-	-	295	(295)	-	-	-
Balance as at 31 December 2024		**77,001**	**(206)**	**(18,421)**	**221,490**	**279,864**	**5,953**	**285,817**
2023								
Balance as at 1 January 2023		**77,001**	**(671)**	**(12,367)**	**216,422**	**280,385**	**8,004**	**288,389**
Profit for the year		-	-	-	13,053	13,053	362	13,415
Other comprehensive loss for the year		-	-	(7,204)	-	(7,204)	(173)	(7,377)
Total comprehensive (loss)/ income for the year		**-**	**-**	**(7,204)**	**13,053**	**5,849**	**189**	**6,038**
Acquisition of additional interest in subsidiaries without change in control		-	-	-	-	-	(1,191)	(1,191)
Acquisition of a subsidiary		-	-	-	-	-	5	5
Employee share option scheme								
- value of employee services		-	-	269	-	269	-	269
Dividends relating to 2022 paid	27	-	-	-	(10,454)	(10,454)	(254)	(10,708)
Transfer from retained profits to other reserves		-	-	83	(83)	-	-	-
Balance as at 31 December 2023, as reported		**77,001**	**(671)**	**(19,219)**	**218,938**	**276,049**	**6,753**	**282,802**
Prior year adjustment	33	-	-	-	2,456	2,456	(3)	2,453
Balance as at 31 December 2023, as restated		**77,001**	**(671)**	**(19,219)**	**221,394**	**278,505**	**6,750**	**285,255**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024	2023
		$'000	$'000
Cash flows from operating activities			
Net profit		**9,521**	13,415
Adjustments for:			
- Income tax expense		**4,847**	4,933
- Depreciation of property, plant and equipment and investment properties		**6,151**	6,136
- Depreciation of right-of-use assets		**7,284**	6,541
- Amortisation of intangible assets		**701**	213
- Gain on disposal of property, plant and equipment		**(266)**	(334)
- (Gain)/loss on early termination of leases		**(3)**	580
- Interest expense		**3,252**	3,323
- Interest income		**(862)**	(510)
- Share of profit of associated companies		**(2,086)**	(3,707)
- Fair value gain on derivative financial instruments		**(322)**	-
- Unrealised currency translation differences		**818**	(220)
Operating cash flow before working capital changes		**29,035**	30,370
Changes in working capital			
- Inventories		**(3,230)**	18,544
- Trade and other receivables		**(10,870)**	2,996
- Trade and other payables		**2,852**	(9,443)
Cash generated from operations		**17,787**	42,467
Interest received		**862**	510
Income tax paid		**(6,576)**	(5,403)
Net cash provided by operating activities		**12,073**	37,574
Cash flows from investing activities			
Dividends received from associated companies		**2,677**	2,785
Acquisition of additional interest in subsidiary		**-**	(1,575)
Acquisition of a subsidiary, net of cash		**-**	374
Proceeds from sale of property, plant and equipment		**429**	468
Proceeds from sale of intangible assets		**2**	-
Purchase of property, plant and equipment		**(5,995)**	(2,806)
Purchase of intangible assets		**(440)**	(232)
Net cash used in investing activities		**(3,327)**	(986)
Cash flows from financing activities			
Dividends paid to equity holders of the Company		**(9,189)**	(10,454)
Dividends paid to non-controlling interest		**(221)**	(254)
Interest paid		**(3,252)**	(3,323)
Proceeds from borrowings		**15,380**	453
Repayments of borrowings		**(3,423)**	(11,235)
Principal payment of lease liabilities		**(7,069)**	(6,519)
Proceeds from re-issuance of treasury shares		**465**	-
Net cash used in financing activities		**(7,309)**	(31,332)
Net increase in cash and bank balances		**1,437**	5,256
Cash and bank balances at beginning of the financial year		**64,224**	60,576
Effects of currency translation on cash and bank balances		**499**	(1,608)
Cash and bank balances at end of the financial year	10	**66,160**	64,224
Consolidated cash and bank balances represented by			
Cash and bank balances		**67,567**	64,224
Less: Bank overdrafts	23	**(1,407)**	-
Cash and bank balances as per consolidated statement of cash flows	10	**66,160**	64,224

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Reconciliation of liabilities arising from financing activities

	Opening balance $'000	Proceeds, principal and interest payments $'000	Non-cash changes $'000			Closing balance $'000
			Additions/ modifications during the year	Interest expense	Foreign exchange movement	
2024						
Bank borrowings	**30,544**	**11,457**	**-**	**1,907**	**(792)**	**43,116**
Lease liabilities	**28,208**	**(8,414)**	**5,037**	**1,345**	**(1,216)**	**24,960**
2023						
Bank borrowings	41,816	(12,765)	-	1,983	(490)	30,544
Lease liabilities	28,402	(7,859)	6,673	1,340	(348)	28,208

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

YHI International Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is No. 2 Pandan Road, Singapore 609254.

The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiaries are set out in Note 15 to the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2024

On 1 January 2024, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Effective for annual periods beginning on or after 1 January 2024:

1 January 2024	Amendments to: SFRS(I) 1-1: Classification of Liabilities as Current or Non-current SFRS(I) 1-1: Non-current Liabilities with Covenants SFRS(I) 11-7 and SFRS(I) 7: Supplier Finance Arrangements

2.2 Revenue recognition

(a) *Sale of goods – automotive and industrial products and alloy wheels*

Sales are recognised at the point when control of the products has transferred to its customer, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the acceptance provisions have lapsed. For bill-and-hold arrangements, the customer does not exercise its right to take physical possession of the products. However, control of these products is transferred to the customer as long as this arrangement is requested by the customer; the customer has the ability to direct the use of the products upon request; and these products are uniquely identified and separated from the Group's other inventory items in the warehouse.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Revenue recognition (continued)

(a) Sale of goods – automotive and industrial products and alloy wheels (continued)

Goods may be sold with retrospective volume discounts. Revenue from these sales are considered variable considerations and are recognised based on the price specified in the contract, net of the estimated highly probable volume discounts. No element of financing is deemed present as the sales are made with credit term principally ranging from 30-90 days, which is consistent with market practice. The Group's obligation to provide a refund for faulty products are under the standard warranty terms.

A receivable (financial asset) is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

Contract liabilities are recognised for advance collections from customers. Revenue is recognised in relation to these contract liabilities when the performance obligation as mentioned above has been satisfied.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.4 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Group accounting (continued)

(c) Associated companies (continued)

(i) Acquisitions

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Goodwill on associated companies represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of its associated companies' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in the associated companies equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated companies. If the associated companies subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in the associated companies includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies are derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

2.5 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to Note 2.7 on borrowing costs).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Property, plant and equipment (continued)

(b) *Depreciation*

Freehold land and construction-in-progress are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Buildings on freehold land	50 years
Leasehold properties	3 to 50 years or over the lease term, whichever is shorter
Office equipment, plant and machinery	2 to 10 years
Motor vehicles	5 to 7 years
Renovation	5 to 10 years or over the lease term, whichever is shorter
Computers	2 to 5 years
Furniture and fittings	2 to 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains".

2.6 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated company is included in the carrying amount of the investment.

Gains and losses on the disposal of subsidiaries and associated company include the carrying amount of goodwill relating to the entity sold.

(b) *Acquired trademarks/rights*

Trademarks acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 3 to 30 years.

The amortisation period and amortisation method of trademarks are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 Intangible assets (continued)

(c) Customer relationship

Customer relationship refers to the economic benefits that are expected to be derived from non-contractual existing and recurring relationship of the cash-generating units and their customers.

The useful lives of these customer relationship are estimated to be 8 years.

(d) Acquired computer software

Acquired computer software is initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 2 to 5 years.

The amortisation period and amortisation method of computer software are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of qualifying assets. This includes those costs on borrowings acquired specifically for the construction or development of qualifying assets, as well as those in relation to general borrowings used to finance the construction or development of qualifying assets.

2.8 Investment properties

Investment properties comprise of building and right-of-use asset relating to leasehold land that are held for long-term rental yields and/or capital appreciation. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 40 to 50 years. The residual values, useful lives and depreciation method of investment property are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in profit or loss when the changes arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.9 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGUs") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Intangible assets*

Property, plant and equipment

Right-of-use assets

Investment properties

Investments in subsidiaries and associated companies

Intangible assets, property, plant and equipment, right-of-use assets, investment property and investments in subsidiaries and associated company are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets in the following measurement category:

- Amortised cost

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and bank balances, trade and other receivables.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) *Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 29(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and lease receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Financial assets (continued)

(c) Recognition and derecognition (continued)

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

(a) amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss allowance computed using the impairment methodology under Note 2.11.

2.13 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Covenants that the Group is required to comply with on or before the end of the reporting period are considered in classifying loan arrangements with convenants as current or non-current. Convenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Trade payables settled via electronic cash transfer are derecognised when the Group has no ability to withdraw, stop or cancel the payment, has lost the practical ability to access the cash as a result of the electronic payment instruction, and the risk of a settlement not occurring is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Derivative financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

2.16 Leases

(a) *When the Group is the lessee:*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

  Right-of-use asset which meets the definition of an investment property are presented within "Investment properties" and accounted for in accordance with Note 2.8.

- Lease liabilities

  The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

  Lease payments include the following:

  - Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
  - Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
  - Amount expected to be payable under residual value guarantees;
  - The exercise price of a purchase option if is reasonably certain to exercise the option; and
  - Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

  For a contract that contains both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component.

  Lease liabilities are measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

  - There is a change in future lease payments arising from changes in an index or rate;
  - There is a change in the Group's assessment of whether it will exercise an extension option; or
  - There is a modification in the scope or the consideration of the lease that was not part of the original term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Leases (continued)

(a) When the Group is the lessee: (continued)

- Lease liabilities (continued)

  Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short-term leases

  The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

  Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments. Details of the variable lease payments are disclosed in Note 18.

(b) When the Group is the lessor:

The Group leases buggies under property, plant and equipment and land and building under investment properties as operating leases to non-related parties and an associated company.

- Lessor – Operating leases

  Operating leases are where the Group retains substantially all risks and rewards incidental to ownership. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

  Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

2.17 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.18 Income taxes (continued)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated company, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.19 Provisions

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Changes in the estimated timing or amount of the expenditure are recognised in profit or loss when the changes arise.

2.20 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund (“CPF”) on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(c) Other long term benefits

The measurement of these benefits follows that of post-employment defined benefits except that remeasurements are not recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 Employee compensation (continued)

(d) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) are credited to the share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees. The related balances previously recognised in the share option reserve are transferred to other reserves upon expiry or exercise of the options.

2.21 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

All foreign exchange gains and losses impacting profit or loss are presented in the income statement within "administrative expenses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.21 Currency translation

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to senior management whose members are responsible for allocating resources and assessing performance of the operating segments.

2.23 Cash and bank balances

For the purpose of presentation in the consolidated statement of cash flows, cash and bank balances include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

2.24 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in other reserves.

2.25 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Impairment of trade receivables*

As at 31 December 2024, the Group's gross trade receivables of $75,850,000 (2023: $67,642,000) (Note 11), arising from the Group's different revenue segments – Distribution and Manufacturing. The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, customers are grouped based on shared credit risk characteristics.

In calculating the expected credit losses, estimation uncertainty is involved as the credit loss rates are determined based on a combination of historical loss experience, adjusted, where necessary, for current and forward looking macroeconomic factors, which involves judgements.

A credit loss allowance of $2,247,000 (2023: $2,852,000) for trade receivables was recognised as at 31 December 2024.

The Group's credit risk exposure for trade receivables by different revenue segment are set out in Note 29(b).

If the estimated loss rate for each age category were to increase by 0.5% (2023: 0.5%), an additional credit loss allowance of $320,000 (2023: $325,000) would have been recognised.

(b) *Estimated impairment of non-financial assets*

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. The carrying amounts of the Group's goodwill balances are disclosed in Note 21.

The recoverable amount of goodwill has been determined based on the value-in-use of cash-generating units. These calculations require the use of estimates and assumptions (Note 21). Reasonably possible changes in those estimates at the balance sheet date do not result in any impairment of the goodwill.

(c) *Inventory valuation method*

Inventory is valued at the lower of cost and net realisable value. Management reviews the Group's inventory balance in order to identify slow-moving and obsolete inventories and inventories which have a market price, being the selling price quoted from the market of similar items, that is lower than its carrying amount. Based on this review, management then estimates the allowance on inventory required. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventories which could then consequentially impact the Group's results, cash flows and financial positions. The carrying amount of the Group's inventories as at 31 December 2024 is $119,205,000 (2023: $118,835,000). The provision amount of the Group's inventories as at 31 December 2024 is $3,879,000 (2023: $4,233,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. REVENUE AND OTHER GAINS

	Group	
	2024	2023
	$'000	$'000
At a point in time		
Sale of goods		
- Automotive and industrial products (Distribution)		
North-east Asia	**16,630**	18,291
ASEAN	**123,126**	120,102
Oceania	**144,181**	136,968
Other	**45,532**	22,365
	329,469	297,726
- Alloy wheels (Manufacturing)		
North-east Asia	**35,845**	44,691
ASEAN	**41,201**	34,523
	77,046	79,214
Total sales	**406,515**	376,940

	Group	
	2024	2023
	$'000	$'000
Other gains/(losses):		
- Rental income	**4,961**	5,094
- Interest income from banks	**862**	510
- Fair value gain on derivative financial instrument (Note 13)	**322**	-
- Gain on disposal of property, plant and equipment	**266**	334
- Government grant income	**103**	24
- Inventory loss due to fire incident	**(2,448)**	-
- Other	**1,329**	2,047
Total other gains	**5,395**	8,009

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5. EXPENSES BY NATURE

	Group	
	2024	2023
	$'000	$'000
Amortisation of intangible assets (Note 21)	**701**	213
Depreciation of property, plant and equipment (Note 17)	**5,775**	5,734
Depreciation of investment property (Note 20)	**376**	402
Depreciation of right-of-use assets [Note 18(a)]	**7,284**	6,541
Changes in inventories of raw materials, work-in-progress and finished goods	**(370)**	(20,198)
Purchases of raw materials, finished goods and consumables	**285,458**	285,674
Write-down of inventories	**1,847**	1,719
Logistics costs	**8,632**	7,432
Transportation and travelling	**4,210**	3,873
Advertising and promotion	**3,022**	2,392
Commission charges	**3,453**	3,565
Employee compensation (Note 7)	**57,477**	51,760
Directors' fees	**209**	228
Repair and maintenance	**1,333**	1,515
Rental on leases for premises [Note 18(d)]	**422**	560
Currency translation gain – net	**807**	(622)
Others	**14,901**	15,714
Total cost of sales, distribution and administrative expenses	**395,537**	366,502

6. FINANCE EXPENSES

	Group	
	2024	2023
	$'000	$'000
Interest expense:		
- Bank loans	**801**	490
- Bank overdrafts	**23**	9
- Trust receipts	**1,083**	1,484
- Lease liabilities	**1,345**	1,340
	3,252	3,323

7. EMPLOYEE COMPENSATION

	Group	
	2024	2023
	$'000	$'000
Wages and salaries	**52,735**	47,403
Employer's contribution to defined contribution plans including Central Provident Fund	**4,725**	4,053
Other long-term benefits	**17**	35
Share option expense (Note 25(b)(iii))	**-**	269
	57,477	51,760

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8. INCOME TAX

(a) Income tax expense

	Group	
	2024	2023
	$'000	$'000
Tax expense attributable to profit is made up of:		
Current income tax		
- Singapore	**1,002**	947
- Foreign	**4,405**	4,457
	5,407	5,404
Deferred income tax [Note 8(c)]	**(377)**	(286)
	5,030	5,118
Over provision in previous financial years		
- Current income tax	**(88)**	(131)
- Deferred income tax [Note 8(c)]	**(95)**	(54)
	4,847	4,933

The tax on the Group's profit differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2024	2023
	$'000	$'000
Profit before income tax	**14,368**	18,348
Less:		
Share of profit of associated companies, net of tax	**(2,086)**	(3,707)
Profit before tax and share of profit of associated companies	**12,282**	14,641
Tax calculated at a tax rate of 17% (2023: 17%)	**2,088**	2,489
Effects of:		
- Singapore statutory stepped income exemption	**(52)**	(35)
- Effects of different tax rates in other countries	**836**	1,066
- Withholding tax	**487**	289
- Expenses not deductible for tax purposes	**1,372**	1,236
- Income not subject to tax	**(300)**	(499)
- Tax incentive	**(116)**	(16)
- Tax losses for which no deferred income tax asset was recognised	**735**	460
- Utilisation of previously unrecognised tax losses	**-**	(2)
- Deferred tax liability on an associated company's unremitted profits	**-**	79
- (Over)/under provision of income tax in prior years	**(183)**	(185)
- Others	**(20)**	51
Tax charge	**4,847**	4,933

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8. INCOME TAX (CONTINUED)

(b) Current income taxes

	Group 31 December		Company 31 December	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Tax recoverable assets (Note 11)	**(2,173)**	(1,476)	**-**	-
Current income tax liabilities	**1,713**	2,356	**128**	57

(c) Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group	
		(Restated)
	2024	2023
	$'000	$'000
Deferred income tax assets	**(4,218)**	(4,173)
Deferred income tax liabilities	**2,026**	2,476

Movement in deferred income tax account is as follows:

	Group	
		(Restated)
	2024	2023
	$'000	$'000
Beginning of financial year	**(1,697)**	(1,755)
Currency translation differences	**(23)**	244
Acquisition of subsidiary	**-**	154
Credited to income statement [Note 8(a)]	**(472)**	(340)
End of financial year	**(2,192)**	(1,697)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8. INCOME TAX (CONTINUED)

(c) Deferred income taxes (continued)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation	
		(Restated)
	2024	2023
	$'000	$'000
Beginning of financial year	**2,476**	1,591
Currency translation differences	**(126)**	162
Acquisition of subsidiary	**-**	154
(Credited)/Charged to income statement	**(324)**	569
End of financial year	**2,026**	2,476

Deferred income tax assets

	Provisions	Excess of tax written-down value over net book value	Other	Total
	$'000	**$'000**	**$'000**	**$'000**
2024				
Beginning of financial year	**(4,273)**	**166**	**(66)**	**(4,173)**
Currency translation differences	**96**	**(10)**	**17**	**103**
(Credited)/charged to income statement	**(292)**	**83**	**61**	**(148)**
End of financial year	**(4,469)**	**239**	**12**	**(4,218)**
2023				
Beginning of financial year	(3,510)	130	34	(3,346)
Currency translation differences	42	35	5	82
(Credited)/charged to income statement	(805)	1	(105)	(909)
End of financial year	(4,273)	166	(66)	(4,173)

The Group has unrecognised tax losses of $14,500,000 (2023: $12,759,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date except for amounts of $5,464,000 (2023: $3,929,000) which will expire between 2025 and 2035 (2023: 2024 and 2034).

The cumulative retained earnings of $33,715,000 (2023: $23,278,000) for which deferred tax liabilities arising on temporary differences associated with overseas investments in subsidiaries have not been recognised as there is no current intention of remitting the retained earnings of these subsidiaries to the holding company in the foreseeable future.

(d) There is no tax charge relating to each component of other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group			
	2024		2023	
	Basic	**Diluted**	Basic	Diluted
Net profit attributable to equity holders of the Company ($'000)	**9,580**	**9,580**	13,053	13,053
Weighted average number of ordinary shares	**291,449**	**291,449**	290,400	290,400
Adjustment for dilutive potential ordinary shares	**-**	**885**	-	2,200
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**291,449**	**292,334**	290,400	292,600
Earnings per ordinary share	**3.29 cents**	**3.28 cents**	4.49 cents	4.46 cents

10. CASH AND BANK BALANCES

	Group		**Company**	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**53,681**	48,244	**1,343**	2,068
Short-term bank deposits	**13,886**	15,980	**-**	1,507
	67,567	64,224	**1,343**	3,575

For the purposes of presenting the consolidated statement of cash flows, the consolidated cash and bank balances comprise the following:

	Group	
	2024	2023
	$'000	$'000
Cash and bank balances (as above)	**67,567**	64,224
Less: Bank overdrafts (Note 23)	**(1,407)**	-
Cash and bank balances per consolidated statement of cash flows	**66,160**	64,224

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
		(Restated)		
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Trade receivables				
- Non-related parties	**75,837**	67,637	**-**	-
- An associated company	**13**	5	**-**	-
	75,850	67,642	**-**	-
Less: Credit loss allowance	**(2,247)**	(2,852)	**-**	-
Trade receivables – net	**73,603**	64,790	**-**	-
Due from subsidiaries (non-trade) [Note (a)]	**-**	-	**20,295**	23,742
Deposits	**990**	1,262	**-**	-
Prepayments	**7,849**	7,417	**8**	11
Lease receivables	**474**	684	**-**	-
Other receivables	**4,269**	4,095	**13**	12
Accrued revenue [Note (b)]	**1,001**	684	**-**	-
Tax recoverable assets [Note 8(b)]	**2,173**	1,476	**-**	-
Total	**90,359**	80,408	**20,316**	23,765

Trade receivables as at 1 January 2023 amounted to $67,823,000, net of credit loss of $6,790,000.

(a) The non-trade amounts due from subsidiaries are unsecured, interest-free and are repayable on demand.

(b) The accrued revenue balance as at 1 January 2023 was $295,258.

12. INVENTORIES

	Group	
		(Restated)
	2024	2023
	$'000	$'000
Materials and supplies	**6,041**	9,530
Work-in-progress	**7,705**	4,640
Finished goods	**105,459**	104,665
	119,205	118,835

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $285,088,000 (2023: $265,476,000).

The Group has written down inventories amounting to $1,847,000 (2023: $1,719,000) and the amount has been included in "cost of sales".

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract notional amount	Group Fair value Asset	Group Fair value Liability
	$'000	**$'000**	**$'000**
31 December 2024			
Derivatives held for hedging:			
Cash-flow hedges			
- Currency forwards	**13,575**	322	-
- Current		322	-
31 December 2023			
Derivatives held for hedging:			
Cash-flow hedges			
- Currency forwards	**5,888**	-	-
- Current		-	-

The currency forwards are derivative financial instruments which are measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 2
	$'000
Group	
As at 31 December 2024	
Derivative financial instruments	
- Asset	322
- Liability	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14. INVESTMENT IN ASSOCIATED COMPANIES

	Group	
	2024	2023
	$'000	$'000
Carrying value of Group's investment in associated companies	**27,161**	28,664

Set out below are the associated companies of the Group as at 31 December 2024, which, in the opinion of the directors, are material to the Group. The associated companies as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the country of incorporation is also their respective principal place of business.

Name	Principal activities	Country of business/ incorporation	Effective equity holding	
			2024	2023
			%	%
Held by a subsidiary:				
(a) O.Z. S.p.A	Investment holding, manufacturer, importer, exporter and distributor of alloy wheels	Italy	**35.51**	35.51
(b) Yokohama Tyre Sales Malaysia Sdn Bhd	Distribution of tyres and related goods	Malaysia	**49.0**	49.0

(a) Audited by Deloitte and Touche, Italy.
(b) Audited by PricewaterhouseCoopers PLT, Malaysia

There are no contingent liabilities relating to the Group's interest in the associated company.

Set out below are the summarised financial information of the associated companies.

Summarised balance sheet

	O.Z. S.p.A		Yokohama Tyre Sales Malaysia Sdn Bhd	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current assets	**69,443**	65,832	**19,222**	15,590
Current liabilities	**(25,517)**	(21,618)	**(15,194)**	(10,922)
Non-current assets	**25,395**	29,337	**4,590**	4,826
Non-current liabilities	**(4,679)**	(5,855)	**(33)**	(55)
Net assets	**64,642**	67,696	**8,585**	9,439

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14. INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

Summarised statement of comprehensive income

	O.Z. S.p.A		Yokohama Tyre Sales Malaysia Sdn Bhd	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Revenue	**88,217**	89,113	**40,912**	39,639
Expenses				
Includes:				
- Depreciation and amortisation	**(3,820)**	(4,235)	**(700)**	(730)
- Interest expense	**(253)**	(52)	**-**	-
Profit before income tax	**9,345**	10,252	**1,223**	2,800
Income tax expense	**(3,023)**	(2,613)	**(391)**	(771)
Profit for the year and total comprehensive income	**6,322**	7,639	**832**	2,029
Dividends received from associated companies	**1,546**	1,639	**1,138**	1,146

The information above reflects the amounts presented in the financial statements of the associated companies (and not the Group's share of those amounts), adjusted for fair value adjustments made at the time of acquisition.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in associated companies, is as follows:

	O.Z. S.p.A		Yokohama Tyre Sales Malaysia Sdn Bhd	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Net assets	**64,642**	67,696	**8,585**	9,439
Group's equity interest	**35.51%**	35.51%	**49.0%**	49.0%
Carrying value of Group's investment in associated companies	**22,954**	24,039	**4,207**	4,625

15. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024	2023
	$'000	$'000
Equity investment at cost		
Beginning of financial year	**103,782**	102,207
Addition	**-**	1,575
End of financial year	**103,782**	103,782

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries as at 31 December 2024 and 2023:

	Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interest	
				2024	2023	**2024**	2023	**2024**	2023
	Held by the Company:			**%**	%	**%**	%	**%**	%
(a)	YHI Manufacturing (Singapore) Pte Ltd	Investment holding, import and export of alloy wheels and related goods	Singapore	**100**	100	**100**	100	**-**	-
(a)	YHI Corporation (Singapore) Pte Ltd	Importer, exporter and distributor of tyres, alloy wheels and related goods and industrial batteries	Singapore	**100**	100	**100**	100	**-**	-
(b)	YHI (Malaysia) Sdn Bhd	Importer and distributor, alloy wheels and related goods	Malaysia	**100**	100	**100**	100	**-**	-
(c)	YHI (China) Strategy Company Limited	Investment holding	Hong Kong	**100**	100	**100**	100	**-**	-
(c)	YHI (Hong Kong) Co., Limited	Trading of tyres, alloy wheels and batteries	Hong Kong	**100**	100	**100**	100	**-**	-
(d)	YHI International (Taiwan) Co., Ltd.	Manufacturing, distribution and export of alloy wheels	Taiwan	**100**	100	**100**	100	**-**	-
(e)	YHI (Australia) Pty Limited	Importer and distributor of tyres, alloy wheels and related goods	Australia	**80**	80	**80**	80	**20**	20
(f)	YHI (New Zealand) Limited	Importer and distributor of tyres, alloy wheels and related goods	New Zealand	**92.5**	92.5	**92.5**	92.5	**7.5**	7.5
(e)	YHI Power Pty Limited	Importer and distributor of industrial batteries	Australia	**80**	80	**80**	80	**20**	20
(a)	YHI Logistics (Singapore) Pte Ltd	Investment holding	Singapore	**100**	100	**100**	100	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

	Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interest	
				2024	2023	**2024**	2023	**2024**	2023
	Held by the subsidiaries:			**%**	%	**%**	%	**%**	%
(g)	YHI Manufacturing (Shanghai) Co., Ltd	Rental of investment property	People's Republic of China	**-**	-	**100**	100	**-**	-
(l)	YHI Precision Moulding (Shanghai) Co., Ltd	Dormant	People's Republic of China	**-**	-	**100**	100	**-**	-
(g), (h)	YHI Advanti Manufacturing (Suzhou) Co., Ltd	Manufacturing, distribution and export of alloy wheels	People's Republic of China	**-**	-	**100**	100	**-**	-
(b)	YHI Manufacturing (Malaysia) Sdn Bhd	Manufacturing, distribution and export of alloy wheels	Malaysia	**-**	-	**100**	100	**-**	-
(a)	YHI (America) Pte Ltd	Investment holding	Singapore	**-**	-	**100**	100	**-**	-
(k)	Pan-Mar Corporation D/B/A Konig (American)	Importer, exporter and distributor of tyres, alloy wheels and related goods	United States of America	**-**	-	**95**	95	**5**	5
(i)	YHI Corporation (Thailand) Co., Ltd	Distribution of tyres, alloy wheels and related goods	Thailand	**-**	-	**49**	49	**51**	51
(b)	Evo-Trend Corporation (Malaysia) Sdn Bhd	Distribution of tyres, alloy wheels and related goods	Malaysia	**-**	-	**70**	70	**30**	30

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

	Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interest	
				2024	2023	**2024**	2023	**2024**	2023
	Held by the subsidiaries (continued):			**%**	%	**%**	%	**%**	%
(j)	YHI Corporation (Guangzhou) Co., Ltd	Distribution of tyres, alloy wheels and related goods	People's Republic of China	**-**	-	**100**	100	**-**	-
(l)	Advanti Racing USA, LLC	Dormant	United States of America	**-**	-	**86**	86	**14**	14
(m)	PT YHI Indonesia	Distribution of tyres, alloy wheels and related goods	Indonesia	**-**	-	**90**	90	**10**	10
(l)	YHI Corporation (B) Sdn Bhd	Dormant	Negara Brunei Darussalam	**-**	-	**100**	100	**-**	-
(g)	YHI Corporation (Shanghai) Co., Ltd	Distribution of tyres, alloy wheels and related goods	People's Republic of China	**-**	-	**90**	90	**10**	10
(b)	YHI (East Malaysia) Sdn Bhd	Distribution of tyres, rims and all kinds of auto spare parts	Malaysia	**-**	-	**80**	80	**20**	20
(b)	YHI Power (Malaysia) Sdn Bhd	Distribution of batteries, golf carts and all kinds of auto spare parts	Malaysia	**-**	-	**100**	100	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

	Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interest	
				2024	2023	**2024**	2023	**2024**	2023
	Held by the subsidiaries (continued):			**%**	%	**%**	%	**%**	%
(g)	YHI Advanti (Shanghai) Co., Ltd	Importer, exporter and distributor of alloy wheels and related goods	People's Republic of China	**-**	-	**100**	100	**-**	-
(b)	YHI Advanti Manufacturing (Malaysia) Sdn Bhd	Property investment holding company	Malaysia	**-**	-	**100**	100	**-**	-
(o)	YHI (Vietnam) Co., Ltd	Distribution of tyres, alloy wheels and related goods	Vietnam	**-**	-	**90**	90	**10**	10
(p)	YHI (Philippines) Inc.	Distribution of tyres, alloy wheels and related goods	Philippines	**-**	-	**100**	100	**-**	-
(b)	YHI Logistics (Malaysia) Sdn Bhd	Value-added logistics provider	Malaysia	**-**	-	**94**	94	**6**	6
(q)	YHI Aung (Myanmar) Company Limited	Consultancy services, technology related services and marketing services	Myanmar	**-**	-	**51**	51	**49**	49
(r)	YHI Distribution (Taiwan) Co., Ltd	Importer and distributor of tyres	Taiwan	**-**	-	**80**	80	**20**	20
(n)	Wheelworld GmbH	Importer and distributor of alloy wheels	Germany	**-**	-	**60**	60	**40**	40

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Audited by PricewaterhouseCoopers LLP, Singapore
(b) Audited by Moore Stephens Associates PLT, Malaysia
(c) Audited by Wilson Ho & Co. C.P.A., Hong Kong
(d) Audited by KPMG, Taiwan
(e) Audited by PricewaterhouseCoopers, Australia
(f) Audited by PricewaterhouseCoopers, New Zealand
(g) Audited by Shanghai Weizhong Yongguang Certified Public Accountants Co., Ltd, China
(h) Audited by PricewaterhouseCoopers network firms outside Singapore for the purposes of preparation of consolidated financial statements
(i) YHI Corporation (Thailand) Co Ltd ("YHIT") is regarded as a subsidiary on the basis of majority representation on the board of directors of YHIT (i.e. de-facto control). Hence, the Group has power over the subsidiary, exposure to variable returns from its involvement with the subsidiary and has the ability to use its power over the subsidiary to affect its returns. This subsidiary is audited by Adisorn & Associates Ltd, Thailand
(j) Audited by Guangzhou Shucheng Certified Public Accountants Co., Ltd. for local statutory purposes. For the purpose of preparing the consolidated financial statements, these financial statements have been audited by Wilson Ho & Co. C.P.A., Hong Kong
(k) Audited by Moss-Levy Hartzheim, LLP CAP's, United States of America
(l) Not required to be audited under laws of the country of incorporation
(m) Audited by Krisnawan Nugroho & Fahmy, Indonesia
(n) Audited by Drangemister, Scholz & Collegen GmbH, Germany
(o) Audited by Tin Viet Auditing and Consulting Company Limited, Vietnam
(p) Audited by Morfe, Ceneta & Co., Certified Public Accountants, Philippines
(q) Audited by ACA Audit Firm, Yangon
(r) Audited by Horng Yow & Co., CPAS, Taiwan

For the subsidiaries not audited by PricewaterhouseCoopers LLP, Singapore and its network firms, the Board of Directors and the Audit Committee are satisfied with the appointment of their auditors in accordance with Rule 716 of the Singapore Exchange Securities Trading Limited – Listing Rules.

NOTES TO THE FINANCIAL STATEMENTS
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15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Carrying value of non-controlling interests

	2024	2023
	$'000	$'000
YHI (Australia) Pty Limited	2,635	2,932
YHI (New Zealand) Limited	1,225	1,262
YHI Power Pty Limited	2,553	2,541
Other subsidiaries with immaterial non-controlling interests	(460)	15
	5,953	6,750

Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised balance sheet

	YHI (New Zealand) Limited		YHI (Australia) Pty Limited		YHI Power Pty Limited	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Current						
Assets	27,420	30,021	22,484	22,856	24,533	24,084
Liabilities	(14,083)	(16,513)	(10,235)	(9,555)	(14,804)	(14,137)
Total current net assets	13,337	13,508	12,249	13,301	9,729	9,947
Non-current						
Assets	8,069	8,437	4,230	8,679	5,458	5,609
Liabilities	(5,073)	(5,118)	(3,303)	(7,320)	(2,421)	(2,848)
Total non-current net assets	2,996	3,319	927	1,359	3,037	2,761
Net assets	16,333	16,827	13,176	14,660	12,766	12,708

Summarised income statement

	YHI (New Zealand) Limited		YHI (Australia) Pty Limited		YHI Power Pty Limited	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	54,869	52,836	32,998	30,471	56,329	53,661
Profit/(loss) before income tax	2,636	1,923	(598)	(807)	2,449	2,382
Income tax expense	(749)	(546)	-	-	(744)	(717)
Profit/(loss) for the year and total comprehensive income	1,887	1,377	(598)	(807)	1,705	1,665
Total comprehensive income/(loss) allocated to non-controlling interests	142	103	(120)	(161)	341	333
Dividends paid to non-controlling interests	71	122	-	-	123	132

NOTES TO THE FINANCIAL STATEMENTS
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15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Summarised cash flows

	YHI (New Zealand) Limited		YHI (Australia) Pty Limited		YHI Power Pty Limited	
	2024	2023	**2024**	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Net cash generated from/ (used in) operating activities	**3,375**	6,114	**3,018**	(1,995)	**2,025**	3,830
Net cash (used in)/generated from investing activities	**(163)**	(365)	**160**	(177)	**(827)**	(561)
Net cash (used in)/generated from financing activities	**(3,686)**	(6,252)	**(3,225)**	(476)	**(844)**	(3,020)
Net (decrease)/increase in cash and bank balances	**(474)**	(503)	**(47)**	(2,648)	**354**	249
Cash and bank balances at beginning of year	**431**	954	**1,089**	3,768	**1,838**	1,601
Exchange (losses)/gains on cash and bank balances	**(36)**	(20)	**(68)**	(30)	**(114)**	(13)
Cash and bank balances at end of year	**(79)**	431	**974**	1,090	**2,078**	1,837

16. BUSINESS COMBINATION

Acquisition of additional interest in subsidiary

In 2023, the Company acquired an additional 7.5% shareholdings in YHI (New Zealand) Ltd ("YHI NZ") from the minority shareholder. Following the acquisition, the Company's equity interest in YHI NZ increased to 92.5% and remained the same at year end.

Acquisition of a subsidiary

In October 2023, YHI Manufacturing (S) Pte Ltd, a subsidiary of the Group acquired 60% ordinary shares of Wheelworld GmbH ("Wheelworld") for a consideration of EUR15,000 (approximately $21,000). Wheelworld operates in the automotive industry in Germany, and with such acquisition, the Group plans to expand its business in the Europe market.

The Group has engaged an independent firm to perform purchase price allocation ("PPA") exercise.The final allocation of the purchase price to the identifiable assets acquired and liabilities assumed in the business combination has been completed during the current financial year, and the goodwill amount computed at S$24,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

16. BUSINESS COMBINATION (CONTINUED)

Acquisition of a subsidiary (continued)

(a) Purchase consideration

	Total
	$'000
Cash paid	21
Consideration transferred for the business	21

(b) Effect on cash flows of the Group

Cash paid (as above)	(21)
Less: Cash and cash equivalents in subsidiary acquired	386
Cash inflow on acquisition	365

(c) Identifiable assets acquired and liabilities assumed

Property, plant and equipment	133
Intangible assets	1,855
Rights of use assets	2,543
Inventories	5,763
Trade and other receivables	2,324
Cash and cash equivalents	386
Total assets	13,004
Trade and other payables	9,923
Lease liabilities	2,543
Deferred tax liabilities	148
Short term bank loans	390
Total liabilities	13,004
Total net identifiable assets acquired	-
Less: Non-controlling interest at fair value	(3)
Add: Goodwill	24
	21

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings on freehold land	Leasehold properties	Office equipment, plant and machinery	Motor vehicles	Renovation	Computers	Furniture and fittings	Construction in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group										
2024										
Cost										
Beginning of financial year	7,885	-	53,133	94,713	8,464	1,742	3,549	1,422	9	170,917
Currency translation differences	505	-	541	1,498	(217)	53	(55)	29	-	2,354
Additions	-	-	54	3,418	1,146	86	571	45	675	5,995
Disposals	-	-	-	(6,061)	(351)	(28)	(458)	(264)	-	(7,162)
Write off	-	-	-	-	-	-	-	-	(9)	(9)
Reclassification	-	-	-	555	-	-	69	-	(624)	-
End of financial year	8,390	-	53,728	94,123	9,042	1,853	3,676	1,232	51	172,095
Accumulated depreciation and impairment loss										
Beginning of financial year	-	-	20,106	85,555	5,698	1,181	2,833	1,285	-	116,658
Currency translation differences	-	-	62	1,388	(113)	37	(34)	26	-	1,366
Depreciation (Note 5)	-	-	1,625	2,898	782	100	340	30	-	5,775
Disposals	-	-	-	(5,947)	(314)	(27)	(457)	(263)	-	(7,008)
End of financial year	-	-	21,793	83,894	6,053	1,291	2,682	1,078	-	116,791
Net book value										
End of financial year	**8,390**	**-**	**31,935**	**10,229**	**2,989**	**562**	**994**	**154**	**51**	**55,304**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land	Buildings on freehold land	Leasehold properties	Office equipment, plant and machinery	Motor vehicles	Renovation	Computers	Furniture and fittings	Construction in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group										
2023										
Cost										
Beginning of financial year	8,404	-	54,385	98,974	8,139	1,842	3,481	1,573	9	176,807
Currency translation differences	(519)	-	(1,003)	(3,833)	(102)	(73)	(92)	(46)	-	(5,668)
Additions	-	-	20	1,254	816	90	567	28	31	2,806
Disposals	-	-	(138)	(2,177)	(389)	(117)	(409)	(133)	-	(3,363)
Reclassification	-	-	-	30	-	-	1	-	(31)	-
Reclassification to investment property (Note 20)	-	-	(131)	-	-	-	-	-	-	(131)
Acquisition of subsidiary (Note 16)	-	-	-	465	-	-	1	-	-	466
End of financial year	7,885	-	53,133	94,713	8,464	1,742	3,549	1,422	9	170,917
Accumulated depreciation and impairment loss										
Beginning of financial year	-	-	19,028	87,635	5,393	1,208	3,124	1,422	-	117,810
Currency translation differences	-	-	(259)	(3,415)	(75)	(47)	(85)	(40)	-	(3,921)
Depreciation (Note 5)	-	-	1,587	3,064	742	104	202	35	-	5,734
Disposals	-	-	(181)	(2,062)	(362)	(84)	(408)	(132)	-	(3,229)
Reclassification to investment property (Note 20)	-	-	(69)	-	-	-	-	-	-	(69)
Acquisition of subsidiary (Note 16)	-	-	-	333	-	-	-	-	-	333
End of financial year	-	-	20,106	85,555	5,698	1,181	2,833	1,285	-	116,658
Net book value										
End of financial year	**7,885**	**-**	**33,027**	**9,158**	**2,766**	**561**	**716**	**137**	**9**	**54,259**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicle and others	
	2024	2023
	$'000	$'000
Company		
Cost		
Beginning of financial year	**526**	522
Additions	**-**	4
End of financial year	**526**	526
Accumulated depreciation		
Beginning of financial year	**246**	141
Depreciation charge	**105**	105
End of financial year	**351**	246
Net book value		
End of financial year	**175**	**280**

(a) Bank borrowings (Note 23) are secured on property, plant and equipment of the Group with carrying amounts as follows:

	Group	
	2024	2023
	$'000	$'000
Leasehold properties	**16,291**	17,330
Plant and machinery	**431**	402
Office equipment	**1,744**	1,535
	18,466	19,267

18. LEASES – THE GROUP AS A LESSEE

Nature of the Group's leasing activities

Buildings

The Group leases office space and warehouses for the purpose of back office operations and storage of inventory respectively.

Leasehold land

The Group makes annual lease payments for a leasehold land, which houses the Group's head office building and warehouse at 2 Pandan Road.

The Group has also made upfront payments to secure the right-of-use of various foreign leasehold land which houses some of the Group's manufacturing operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. LEASES – THE GROUP AS A LESSEE (CONTINUED)

Nature of the Group's leasing activities (continued)

Vehicles and equipment

The Group leases vehicles for delivery of goods, and leases equipment (e.g. photocopiers) for the Group's back office operations.

(a) Right-of-use assets

	Leasehold land	Office and warehouse	Motor vehicles	Plant and equipment	Total
	$'000	$'000	$'000	$'000	$'000
Group					
2024					
Cost					
As at 1 January 2024	12,923	35,311	963	137	49,334
Currency translation differences	115	(1,838)	(79)	(5)	(1,807)
Additions	292	7,556	222	-	8,070
Derecognition	-	(3,095)	(219)	-	(3,314)
Lease modification	-	(3,778)	-	-	(3,778)
End of financial year	13,330	34,156	887	132	48,505
Accumulated depreciation					
As at 1 January 2024	4,072	15,595	482	53	20,202
Currency translation differences	7	(966)	(52)	(2)	(1,013)
Depreciation charge during the year (Note 5)	592	6,401	260	31	7,284
Derecognition	-	(2,666)	(219)	-	(3,245)
Lease modification	-	(816)	-	-	(816)
End of financial year	4,671	17,188	471	82	22,412
Net book value					
End of financial year	**8,659**	**19,968**	**416**	**50**	**26,093**
Group					
2023					
Cost					
As at 1 January 2023	13,199	33,542	1,051	188	47,980
Currency translation differences	(276)	(554)	(21)	(2)	(853)
Additions	-	6,311	337	59	6,707
Derecognition	-	(3,988)	(404)	(108)	(4,500)
End of financial year	12,923	35,311	963	137	49,334
Accumulated depreciation					
As at 1 January 2023	3,543	13,573	649	123	17,888
Currency translation differences	(87)	(241)	(10)	(1)	(339)
Depreciation charge during the year (Note 5)	616	5,639	247	39	6,541
Derecognition	-	(3,376)	(404)	(108)	(3,888)
End of financial year	4,072	15,595	482	53	20,202
Net book value					
End of financial year	**8,851**	**19,716**	**481**	**84**	**29,132**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. LEASES – THE GROUP AS A LESSEE (CONTINUED)

		2024	2023
		$'000	$'000
(b)	Lease liabilities		
	Current	**6,498**	6,688
	Non-current	**18,462**	21,520
		24,960	28,208

		2024	2023
		$'000	$'000
(c)	Interest expense		
	Interest expense on lease liabilities	**1,345**	1,340

		2024	2023
		$'000	$'000
(d)	Lease expense not capitalised in lease liabilities		
	Lease expense – short-term leases	**9**	9
	Variable lease payments which do not depend on an index or rate	**413**	551
	Total (Note 5)	**422**	560

(e) Total cash outflow for all the leases in 2024 was $8,836,000 (2023: $8,419,000).

(f) Future cash outflow which are not capitalised in lease liabilities

i. Variable lease payments

The leases for certain warehouses contain variable lease payments that are based on area occupied. Such variable lease payments are recognised to profit or loss when incurred and amounted to $413,000 (2023: $551,000) [Note 18(d)] for the financial year ended 31 December 2024.

ii. Extension options

The leases for certain office spaces and warehouses contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension option. The majority of the extension options are exercisable by the Group and not by the lessor.

As at 31 December 2024, potential future (undiscounted) cash outflows of approximately $7,476,000 (2023: $10,386,000) have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

19. LEASES – THE GROUP AS A LESSOR

Nature of the Group's leasing activities – Group as a lessor

The Group has leased out their owned buggies and investment properties to third parties for monthly lease payments. These leases are classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties is disclosed in Note 20.

Undiscounted lease payments from the leases of buggies and investment properties to be received after the reporting date are as follows:

	31 December 2024	31 December 2023
	$'000	$'000
Less than one year	**3,952**	3,671
One to two years	**3,385**	3,070
Two to three years	**1,647**	3,070
Three to four years	**-**	1,577
Total undiscounted lease payment	**8,984**	11,388

20. INVESTMENT PROPERTIES

	Group	
	2024	2023
	$'000	$'000
Cost		
Beginning of financial year	**17,622**	18,205
Currency translation differences	**292**	(714)
Transferred from property, plant and equipment at carrying amount (Note 17)	**-**	131
End of financial year	**17,914**	17,622
Accumulated depreciation		
Beginning of financial year	**8,260**	8,097
Currency translation differences	**117**	(308)
Depreciation (Note 5)	**376**	402
Transferred from property, plant and equipment at carrying amount (Note 17)	**-**	69
End of financial year	**8,753**	8,260
Net book value		
End of financial year	**9,161**	9,362
Fair value		
End of financial year	**39,546**	26,704

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20. INVESTMENT PROPERTIES (CONTINUED)

The following amounts are recognised in profit or loss:

	Group	
	2024	2023
	$'000	$'000
Rental income	**2,965**	3,415
Direct operating expenses arising from:		
- Investment property that generate rental income	**(96)**	(412)

At the balance sheet date, the details of the Group's investment properties are as follows:

Location	**Description**	**Tenure**
No 611 Shen Fu Road, Shanghai 201108, PRC	Leasehold land and building	50 years lease from 14 June 1999
15, Jalan Jurutera U1/23, Seksyen U1, HICOM-Glenmarie Industrial Park, 40150 Shah Alam, Selangor, Malaysia	Freehold land and building	-
20, Jalan Mutiara Emas 7/5, Taman Mount Austin, 81100 Johor Bahru, Malaysia	Freehold land and building	-
12, Lorong Kikik 9, Taman Inderawasih, 13600 Prai, Pulau Pinang, Malaysia	Freehold land and building	-
Jl. Projakal KM 5, Samekarindo Warehousing Complex, Kariangau Center No. 16, RT 031, Balikpapan, Indonesia	Leasehold building	20 years lease from 6 October 2021

Fair value hierarchy

	Fair value measurements at 31 December using		
Description	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
	$'000	**$'000**	**$'000**
2024			
Recurring fair value measurements			
Investment properties:			
- Leasehold land and building - China	**-**	**-**	**28,044**
- Freehold land and building - Malaysia	**-**	**-**	**11,200**
- Leasehold building - Indonesia	**-**	**-**	**302**
2023			
Recurring fair value measurements			
Investment properties:			
- Leasehold land and building - China	-	-	20,167
- Freehold land and building - Malaysia	-	-	6,191
- Leasehold building - Indonesia	-	-	346

NOTES TO THE FINANCIAL STATEMENTS
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20. INVESTMENT PROPERTIES (CONTINUED)

The fair value disclosed above are based on Level 3, derived based on sales comparison and replacement cost methods for land and building respectively.

Under sales comparison method, sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input in this valuation approach is the selling price per square metre.

The replacement cost method is based on the cost to a market participant buyer to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence. The most significant input in this valuation approach is the Consumer Price Index.

21. INTANGIBLE ASSETS

Composition:

	Group	
		(Restated)
	2024	2023
	$'000	$'000
Goodwill arising on consolidation [Note (a)]	**1,165**	1,175
Trademark	**2,640**	2,907
Computer software	**388**	445
	4,193	4,527

Amortisation expense is included in the "Administrative expenses" on the Consolidated Income Statement.

	Goodwill [Note (a)]	Computer Software licences	Trademark & Rights	Customer Relationship	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
2024					
Cost					
Beginning of financial year	1,945	2,666	4,285	841	9,737
Addition	-	51	389	-	440
Disposal	-	-	(99)	-	(99)
Acquisition of subsidiary	-	-	-	-	-
Currency translation differences	(10)	(41)	(73)	(28)	(152)
End of financial year	1,935	2,676	4,502	813	9,926
Accumulated amortisation/impairment					
Beginning of financial year	770	2,221	2,219	-	5,210
Amortisation charge (Note 5)	-	100	459	142	701
Acquisition of subsidiary	-	-	-	-	-
Disposals	-	-	(97)	-	(97)
Currency translation differences	-	(33)	(46)	(2)	(81)
End of financial year	770	2,288	2,535	140	5,733
Net book value					
End of financial year	1,165	388	1,967	673	4,193

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

21. INTANGIBLE ASSETS (CONTINUED)

	Goodwill [Note (a)]	Computer Software licences	Trademark & Rights	Customer Relationship	Total
2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cost					
Beginning of financial year	1,923	2,399	2,063	-	6,385
Addition	-	175	-	-	175
Disposal	-	-	-	-	-
Acquisition of subsidiary	25	114	2,225	841	3,205
Currency translation differences	(3)	(22)	(3)	-	(28)
End of financial year	1,945	2,666	4,285	841	9,737
Accumulated amortisation/impairment					
Beginning of financial year	770	2,091	931	-	3,792
Amortisation charge (Note 5)	-	81	132	-	213
Acquisition of subsidiary	-	64	1,156	-	1,220
Disposals	-	-	-	-	-
Currency translation differences	-	(15)	-	-	(15)
End of financial year	770	2,221	2,219	-	5,210
Net book value					
End of financial year	1,175	445	2,066	841	4,527

(a) Goodwill arising on consolidation

Impairment tests for goodwill

Goodwill is allocated to the Group's cash generating units ("CGUs") identified according to countries of operation and business segments.

A segment-level summary of the goodwill allocation is as follows:

	Distribution of automotive and industrial products	
		(Restated)
	2024	2023
	$'000	$'000
Singapore	**881**	881
China/Hong Kong	**59**	59
New Zealand	**201**	211
Germany	**24**	24
	1,165	1,175

The recoverable amount of a CGU was determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long-term average growth rate for the automotive business in which the CGU operates.

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21. INTANGIBLE ASSETS (CONTINUED)

Key assumptions used for value-in-use calculations:

	Distribution of automotive and industrial products Singapore	
	2024	2023
Terminal growth rate	**2.0%**	2.5%
Pre-tax discount rate	**9.6%**	10.8%

These assumptions were used for the analysis of each CGU within the business segment. Management determined average growth rates used were consistent with forecasts for the relevant countries' inflationary or gross domestic product growth rate. The discount rate used was pre-tax and reflected specific risks relating to the segment.

Sensitivity to changes in key estimates

If the following key estimates change, the excess of fair value over carrying amount will be as follows:

	Distribution of automotive and industrial products Singapore	
	2024	2023
	$'000	$'000
An increase in terminal growth rate by 0.5%	**11,160**	9,705
An increase in pre-tax discount rate by 0.5%	**3.841**	4,244

22. TRADE AND OTHER PAYABLES

	Group	(Restated)	Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Trade payables to				
- Non-related parties	**26,829**	26,741	**-**	-
- An associated company	**14**	119	**-**	-
	26,843	26,860		
Due to a director (non-trade) [Note (a)]	**756**	962	**756**	962
Accrued operating expenses	**8,168**	7,554	**661**	568
Provision for employees leave benefits [Note (b)]	**2,834**	2,731	**-**	-
Other payables	**6,357**	5,736	**34**	6
Contract liabilities [Note (c)]	**705**	639	**-**	-
	45,663	44,482	**1,451**	1,536

(a) This amount relates primarily to performance bonus payable to the Executive Director of the Company based on the results of the financial year ended pursuant to the service agreement between the Executive Director and the Company.

(b) The non-current portion of employees leave benefits amount to $353,000 (2023: $328,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

22. TRADE AND OTHER PAYABLES (CONTINUED)

(c) Revenue recognised in relation to contract liabilities

	2024	2023
	$'000	$'000
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period	**639**	1,111

The contract liabilities relate to advance payments received from customers before the goods are delivered to them. Revenue will be recognised when the goods are delivered to the customers. Contract liabilities balance as at 1 January 2023 was $1,111,000.

The increase in contract liabilities balances is mainly due to more contracts in which the Group billed and received consideration ahead of the delivery of products closer to end of the financial period.

23. BORROWINGS

	Group	
	2024	2023
	$'000	$'000
Current		
Current portion of long-term bank loans	**-**	1,314
Short-term bank loans	**11,583**	7,590
Trust receipt loans	**30,126**	20,434
Bank overdrafts (Note 10)	**1,407**	-
	43,116	29,338
Non-current		
Long-term bank loans	**-**	1,206
Total borrowings	**43,116**	30,544

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group	
	2024	2023
	$'000	$'000
1 year or less	**43,116**	28,048

(a) Security granted

Total borrowings include secured liabilities of $5,227,000 (2023: $7,531,000) over a fixed and floating charge on all the assets of a subsidiary.

(b) Fair value of non-current bank loans

	Fair values	
	2024	2023
	$'000	$'000
Group		
Bank loans	**-**	1,278

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

24. SHARE CAPITAL AND TREASURY SHARES

	Group and company			
	No. of ordinary shares		Amount	
	Issued share capital	**Treasury shares**	**Share capital**	**Treasury shares**
	'000	**'000**	**$'000**	**$'000**
2024				
Beginning of financial year	**292,296**	**1,896**	**77,001**	**(671)**
Treasury shares reissued	**-**	**(1,315)**	**-**	**465**
End of financial year	**292,296**	**581**	**77,001**	**(206)**
2023				
Beginning and end of financial year	292,296	1,896	77,001	(671)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

On 24 December 2021, the Company granted an aggregate of 2,250,000 Incentive Options to eligible participants of the 2021 YHI Share Option Scheme. This entitled them to subscribe for a total number of 2,250,000 ordinary shares of the share capital of the Company, subsequent to acceptance by all eligible participants during the month of January 2023.

50,000 Incentive Options were forfeited during the financial year ended 31 December 2022 and the remaining 2,200,000 Incentive Options will expire on, inter alia, the tenth anniversary of the Offering Date. The outstanding share options represents approximately 0.75% of the Company's total number of issued shares as at 31 December 2024 based on the enlarged issued share capital of 292,599,811 (excluding 1,896,000 treasury shares).

The Company re-issued 1,315,000 treasury shares during the financial year pursuant to the 2021 YHI Share Option Scheme at the exercise price of $0.39 each. The cost of the treasury shares re-issued amounted to $465,000 (2023: Nil). The total consideration (net of expense) for the treasury shares issued is as follows:

	Company	
	31 December 2024	31 December 2023
	$'000	$'000
Exercise price paid by employees	**513**	-
Value of employee services [Note 25(b)(iii)]	**322**	-
Less: Transaction costs	**(1)**	-
Total net consideration	**834**	-

Accordingly, a gain on re-issue of treasury shares of $369,000 (2023: Nil) is recognised in the capital reserve.

NOTES TO THE FINANCIAL STATEMENTS
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24. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

Movements in the number of unissued ordinary shares under the 2021 YHI Share Option Scheme and their exercise prices are as follows:

	← No. of ordinary shares under option				→		
	Beginning of financial year	**Granted during financial year**	**Forfeited during financial year**	**Exercised during financial year**	**End of financial year**	**Exercise price**	**Exercise period**
Group and Company							
2024							
2021 Options	2,200,000	-	-	(1,315,000)	885,000	$0.39	24.12.2023 – 23.12.2031
2023							
2021 Options	2,200,000	-	-	-	2,200,000	$0.39	24.12.2023 – 23.12.2031

Out of the unexercised options for 885,000 (2023:2,200,000) shares, options for 885,000 (2023: Nil) are exercisable at the balance sheet date. Options exercised in 2024 resulted in 1,315,000 treasury shares (2023: Nil) being re-issued at the exercise price of $0.39 (2023: Nil) each. The weighted average share price at the time of exercise was $0.47 per share. The related transaction costs amounting to $1,000 (2023: $Nil) were deducted against the proceeds received.

The fair value of options granted on 24 December 2021, determined using the Black Scholes Option Pricing Model was $538,000. The significant inputs into the model were the estimated share price of $0.52 at the grant date, the exercise price of $0.39, standard deviation of expected share price returns of 38.50%, dividend yield of 5.15%, the expected option life of six years and the annual risk-free interest rate of 1.40%. The volatility measured on the standard deviation of expected share price returns was estimated based on statistical analysis of share prices over the last six years.

25. OTHER RESERVES

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
(a) Composition:				
General reserve	**8,348**	7,898	**369**	-
Capital reserve	**369**	-	**-**	-
Share option reserve	**216**	538	**216**	538
Currency translation reserve	**(24,619)**	(24,920)	**-**	-
Transactions with non-controlling interests	**(2,735)**	(2,735)	**-**	-
	(18,421)	(19,219)	**585**	538

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25. OTHER RESERVES (CONTINUED)

Other reserves are non-distributable.

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
(b) Movements:				
(i) General reserve				
Beginning of financial year	**7,898**	7,836	**-**	-
Currency translation differences	**155**	(21)	**-**	-
Transfer from retained profits	**295**	83	**-**	-
End of financial year	**8,348**	7,898	**-**	-
(ii) Capital reserve				
Beginning of financial year	**-**	-	**-**	-
Gain on re-issue of treasury shares (Note 24)	**369**	-	**369**	-
End of financial year	**369**	-	**369**	-
(iii) Share option reserve				
Beginning of financial year	**538**	269	**538**	269
Employee share option scheme				
- Value of employee services	**-**	269	**-**	269
Share options exercised (Note 24)	**(322)**	-	**(322)**	-
End of financial year	**216**	538	**216**	538
(iv) Currency translation reserve				
Beginning of financial year	**(24,920)**	(18,120)	**-**	-
Currency translation differences	**301**	(6,800)	**-**	-
End of financial year	**(24,619)**	(24,920)	**-**	-
(v) Transactions with non-controlling interests				
Beginning of financial year	**(2,735)**	(2,352)	**-**	-
Acquisition of additional interest in subsidiary	**-**	(383)	**-**	-
End of financial year	**(2,735)**	(2,735)	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
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25. OTHER RESERVES (CONTINUED)

General reserve

Subsidiaries established in the People's Republic of China (the "PRC Subsidiaries") are required to maintain certain statutory reserves by transferring from their profit after taxation in accordance with the relevant laws and regulations and, if applicable, Articles of Association of the PRC Subsidiaries, before any dividend is declared and paid.

The PRC Subsidiaries are required to transfer at least 10% of their profit after taxation calculated in accordance with the PRC Accounting Standards and Systems, to the general reserve fund until the balance reaches 50% of their respective registered capital, where further transfers will be at their directors' recommendation. The general reserve fund can only be used to make up prior year losses or to increase share capital, provided that the fund does not fall below 25% of the registered capital.

Capital reserve

Capital reserve of the Group and the Company comprises of the net gain on reissuance of treasury shares.

Share option reserve

Share option reserve represents the share option scheme granted to employees and is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the share options scheme and is reduced by the shares awarded.

Transactions with non-controlling interests

Transactions with non-controlling interests pertain to the differences between the consideration paid on acquisition of additional shareholdings and the reduction in carrying amount of the non-controlling interests and vice-versa.

26. RETAINED PROFITS

(a) Retained profits of the Group are distributable except for accumulated share of retained profits of associated companies amounting to $17,868,000 (2023: $19,840,000). Retained profits of the Company are distributable.

(b) Movement in retained profits for the Company is as follows:

	Company	
	2024	2023
	$'000	$'000
Beginning of financial year	**52,941**	60,819
Net profit	**3,019**	2,576
Dividends paid (Note 27)	**(9,189)**	(10,454)
End of financial year	**46,771**	52,941

27. DIVIDENDS

	Group and Company	
	2024	2023
	$'000	$'000
Ordinary dividends paid or proposed		
Final exempt dividend paid in respect of the previous financial year of 3.15 cents (2023: 3.60 cents) per share	**9,189**	10,454

A final exempt dividend of 2.30 cents per share amounting to a total of $6,709,000 will be recommended at the forthcoming Annual General Meeting. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

28. COMMITMENTS

Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	31 December	
	2024	2023
	$'000	$'000
Property, plant and equipment	**49**	47

29. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group's risk management policies and guidelines are set to monitor and control the potential material adverse impact of these exposures. The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group.

(a) Market risk

(i) Currency risk

The Group operates principally in Asia-Pacific with dominant operations in Singapore, Australia, New Zealand, Malaysia and the People's Republic of China. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the United States Dollar ("USD"), Renminbi ("RMB"), Malaysia Ringgit ("MYR"), Australia Dollar ("AUD"), New Zealand Dollar ("NZD") and Euro ("EUR"). To manage the currency risk, individual Group entities enter into currency forwards, where appropriate. As at 31 December 2024, the Group entered into currency forwards to manage currency risk from its foreign currency denominated sales in respect of which firm commitment existed at the balance sheet date as well as purchases in foreign currencies. The Group's exposures to foreign currencies are primarily managed through matching financial assets and financial liabilities denominated in foreign currencies. The Group does not utilise currency forwards or other arrangements for trading or speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	USD $'000	RMB $'000	AUD $'000	MYR $'000	NZD $'000	EUR $'000
At 31 December 2024						
Financial assets						
Cash and bank balances	17,200	18,967	976	4,998	-	2,801
Trade and other receivables	13,714	3,314	4,870	17,509	6,882	10,570
Inter-company balances	4,189	6,479	1,244	21,126	394	18,467
	35,103	28,760	7,090	43,633	7,276	31,838
Financial liabilities						
Borrowings	2,094	-	-	11,410	5,469	9,565
Inter-company balances	4,189	6,479	1,244	21,126	394	18,467
Trade and other payables	2,134	5,376	5,953	13,241	4,557	3,289
Lease liabilities	1,695	-	5,282	3,847	6,803	-
	10,112	11,855	12,479	49,624	17,223	31,321
Net financial assets/(liabilities)	24,991	16,905	(5,389)	(5,991)	(9,947)	517
Currency forwards	5,154	-	66	322	-	-
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	(5,687)	(16,801)	5,944	6,606	10,340	14,531
Currency exposure on financial assets	**24,458**	**104**	**621**	**937**	**393**	**15,048**
At 31 December 2023						
Financial assets						
Cash and bank balances	24,258	14,962	2,927	4,071	414	1,917
Trade and other receivables	9,031	7,352	11,944	6,623	6,763	3,994
Inter-company balances	8,059	9,186	2,364	17,559	402	4,117
	41,348	31,500	17,235	28,253	7,579	10,028
Financial liabilities						
Borrowings	801	-	6,533	1,330	6,845	4,178
Inter-company balances	8,059	9,186	2,364	17,559	402	4,117
Trade and other payables	6,101	6,280	5,057	6,222	5,185	1,765
Lease liabilities	2,123	-	11,346	860	7,087	-
	17,084	15,466	25,300	25,971	19,519	10,060
Net financial assets/(liabilities)	24,264	16,034	(8,065)	2,282	(11,940)	(32)
Currency forwards	4,582	-	402	-	-	-
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	(3,208)	(16,167)	9,455	652	12,342	9,668
Currency exposure on financial assets	**25,638**	**(133)**	**1,792**	**2,934**	**402**	**9,636**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	31 December 2024		31 December 2023	
	USD	**AUD**	USD	AUD
	$'000	**$'000**	$'000	$'000
Financial assets				
Cash and bank balances	**559**	**-**	973	3,372
Trade and other receivables	**38**	**1,244**	39	45
	597	**1,244**	1,012	3,417
Currency exposure on financial assets	**597**	**1,244**	1,012	3,417

If the USD and EUR change against the SGD by 2.2% (2023: 0.2%) and 2.4% (2023: 2.1%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset/ liability position will be as follows:

	← Increase/(decrease) →	
	31 December	
	2024	2023
	Profit after tax	Profit after tax
	$'000	$'000
Group		
USD against SGD		
- Strengthened	**438**	44
- Weakened	**(438)**	(44)
EUR against SGD		
- Strengthened	**302**	164
- Weakened	**(302)**	(164)

Reasonable possible changes in the currency exchange rates of RMB, AUD, MYR and NZD against SGD do not have significant effects on the results and the equity of the Group.

Reasonable possible changes in the currency exchange rates of USD and AUD against SGD do not have significant effects on the results and the equity of the Company.

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

The Group's policy is to maintain its borrowings to the extent possible in short-term or fixed rate. The Group's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings. The Company does not have significant exposure to cash flow interest rate risks. The Group manages these cash flow interest rate risks by reviewing the floating rates periodically.

The Group's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in AUD, NTD, NZD and MYR. If the AUD, NTD, NZD and MYR interest rates per annum increase/decrease by 0.8% (2023: 0.4%) with all other variables including tax rate being held constant, the profit after tax will be lower/higher by $46,000 (2023: $22,000), $40,000 (2023: $16,000), $36,000 (2023: $23,000) and $98,000 (2023: $20,000) respectively as a result of higher/lower interest expense on these borrowings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits, trade receivables and amount due from subsidiaries. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the respective head of companies of the various subsidiaries based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by Group Finance.

As the Group and Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Company 31 December	
	2024	2023
	$'000	$'000
Corporate guarantees provided to banks on subsidiaries' loans	**44,848**	32,037

The Company's investment holding activities do not expose it to significant credit risk.

The trade receivables at the Group comprise 3 debtors (2023: 3 debtors) that individually represent 3-5% (2023: 5-8%) of trade receivables.

The credit risk for net trade receivables based on the information provided to key management is as follows:

	Group 31 December	
	2024	2023
	$'000	$'000
By geographical areas		
Australia	**12,143**	11,743
Germany	**10,105**	2,997
Indonesia	**3,216**	1,168
Italy	**2,346**	985
Malaysia	**8,481**	5,953
New Zealand	**6,838**	6,746
People's Republic of China	**1,877**	1,647
Singapore	**9,575**	11,587
Sweden	**2,419**	1,679
Taiwan	**2,056**	2,552
Thailand	**1,056**	989
United Kingdom	**128**	225
United States	**3,037**	5,786
Other countries	**10,326**	10,531
	73,603	64,588
By types of customers		
Non-related parties	**73,590**	64,583
A related party	**13**	5
	73,603	64,588

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

The movements in credit loss allowance are as follows:

Group	**Trade receivables** **$'000**
Balance at 1 January 2024	2,852
Credit loss allowance recognised in profit or loss during the year on:	
- Allowances made	1,108
- Reversal of unutilised amounts	(1,470)
Receivables written off as uncollectible	(270)
Currency translation difference	27
Balance at 31 December 2024	2,247
Balance at 1 January 2023	6,790
Credit loss allowance recognised in profit or loss during the year on:	
- Acquisition of a subsidiary	47
- Allowances made	1,054
- Reversal of unutilised amounts	(4,256)
Receivables written off as uncollectible	(564)
Currency translation difference	(219)
Balance at 31 December 2023 (restated)	2,852

Lease receivables and other receivables are subject to immaterial credit loss.

(i) Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and debtor aging profile.

In calculating the expected credit loss rates for each debtor aging band, the Group considers historical loss rates for each group of customers and where required, adjusts to reflect applicable current and forward looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Where recoveries are made, these are recognised in profit or loss.

As at 31 December 2024 and 2023, management has identified certain specific debtors to be credit impaired as they experienced significant financial difficulties or are in the process of liquidation. For these specific debtors, the Group continues to engage in enforcement activities to attempt to recover the receivables due. Hence, management has assessed the recoverability of the outstanding balances separately from the provision matrix.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(i) Trade receivables (continued)

	31 December 2024	31 December 2023
Group	**$'000**	$'000
Gross carrying amount	**2,024**	2,521
Less: credit loss allowance	**(2,024)**	(2,521)
Carrying amount net of allowance	**-**	-

The Group's credit risk exposure in relation to trade receivables presented using debtor's aging based on invoice date as at 31 December 2024 and 2023 are set out as follows:

	Within 30 days	30 to 60 days	60 to 90 days	90 to 120 days	More than 120 days	Total
Group	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2024						
Distribution						
Expected credit loss rate	0.2%	0.2%	0.2%	0.8%	1.5%	
Trade receivables	28,266	12,454	9,366	4,844	5,461	60,391
Credit loss allowance	43	27	19	40	82	211
Manufacturing						
Expected credit loss rate	0.3%	0.2%	0.6%	1.2%	3.5%	
Trade receivables	5,683	3,397	2,829	1,170	343	13,422
Credit loss allowance	6	2	-	1	3	12

	Within 30 days	30 to 60 days	60 to 90 days	90 to 120 days	More than 120 days	Total
Group	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2023						
Distribution						
Expected credit loss rate	0.3%	0.2%	0.6%	1.2%	3.9%	
Trade receivables	23,805	13,920	8,053	2,910	3,503	52,191
Credit loss allowance	76	33	51	34	136	330
Manufacturing						
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.2%	
Trade receivables	4,607	3,135	3,281	1,337	368	12,728
Credit loss allowance	-	-	-	-	1	1

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(ii) Cash and bank balances

The Group and Company held cash and bank balances of $67,567,000 and $1,343,000 respectively (2023: $64,224,000 and $3,575,000) with banks which are rated BBB- to AA- and A+ to AA- respectively based on Standard & Poor and considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

(iii) Non-trade receivables due from subsidiaries

The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual obligations of $20,295,000 (2023: $23,742,000) and considered to have low credit risk. The non-trade receivables are measured on 12-month expected credit losses and subject to immaterial credit loss.

(iv) Financial guarantee contracts

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(c) Liquidity risk

The Group and Company manage liquidity risk by maintaining sufficient cash and other financial assets to enable them to meet their normal operating commitments and having an adequate amount of committed credit facilities. At the balance sheet date, assets held by the Group and Company for managing liquidity risk included cash and short-term bank deposits as disclosed in Note 10.

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year	**Between 1 and 5 years**	**Over 5 years**
	$'000	**$'000**	**$'000**
Group			
At 31 December 2024			
Trade and other payables	**42,179**	**-**	**-**
Lease liabilities	**7,838**	**14,028**	**5,484**
Borrowings	**43,116**	**-**	**-**
	93,133	**14,028**	**5,484**
At 31 December 2023			
Trade and other payables	40,200	-	-
Lease liabilities	8,187	18,365	8,399
Borrowings	29,338	1,206	-
	77,725	19,571	8,399

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

	Less than 1 year	Between 1 and 5 years	Over 5 years
	$'000	$'000	$'000
Company			
At 31 December 2024			
Trade and other payables	**1,450**	**-**	**-**
Financial guarantee	**44,848**	**-**	**-**
	46,298	**-**	**-**
At 31 December 2023			
Trade and other payables	1,536	-	-
Financial guarantee	32,037	-	-
	33,573	-	-

The table below analyses the derivative financial instruments of the Group for which the contractual maturity is essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 5 years
	$'000	$'000
Group		
At 31 December 2024		
Gross settled currency forwards		
- Receipts	11,302	-
- Payments	(11,302)	-
At 31 December 2023		
Gross settled currency forwards		
- Receipts	4,984	-
- Payments	(4,984)	-

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk (continued)

Management monitors capital based on a net gearing ratio. The Group's and Company's strategies are to maintain net gearing ratios below 50% and maximum 30% respectively.

The net gearing ratio is calculated as net debt divided by total capital and reserves attributable to equity holders of the Company. Net debt is calculated as borrowings plus lease liabilities less cash and bank balances.

	Group		Company	
	31 December		31 December	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Net debt	**509**	(5,472)	**(1,343)**	(3,575)
Total capital and reserves attributable to equity holders	**279,864**	278,505	**124,151**	129,809
Net gearing ratio	**0.2%**	NM	**NM**	NM

NM – Not meaningful

Financial covenants relating to the Group's and Company's borrowings include consolidated tangible net worth, debt service coverage ratio, net debt to earnings before interest, taxes, depreciation and amortisation ratio and gearing ratio.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2024 and 2023.

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	Group		Company	
	31 December		31 December	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Financial assets, at amortised cost	**147,904**	135,739	**21,651**	27,329
Financial liabilities, at amortised cost	**110,255**	99,952	**1,450**	1,536

30. IMMEDIATE AND ULTIMATE HOLDING CORPORATION

The immediate holding corporation is YHI Holdings Pte Ltd, incorporated in Singapore. The ultimate controlling party is Mr Tay Tian Hoe Richard.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2024	2023
	$'000	$'000
Sales of goods to an associated company	**10,395**	5,730
Purchases of goods from an associated company	**(1,686)**	(1,495)
Rental income from an associated company	**268**	258

Outstanding balances as at 31 December 2024, arising from sale/purchase of goods to/from associated companies, are unsecured, receivable/payable within 12 months from balance sheet date and are set out in Notes 11 and 22 respectively.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2024	2023
	$'000	$'000
Salaries and other short-term employee benefits	**3,317**	3,468
Employer's contribution to defined contribution plans, including Central Provident Fund	**62**	86
	3,379	3,554

Included in the above was total compensation to directors of the Company amounting to $1,556,000 (2023: $1,766,000).

32. SEGMENT INFORMATION

The Group has determined the operating segments based on the reports reviewed by senior management that are used to make strategic decisions.

Management manages and monitors three operating segments as follows:

- **Manufacturing**
  Regional areas include North East Asia and ASEAN which are engaged in the manufacturing of alloy wheels.

- **Distribution**
  Regional areas include North East Asia, ASEAN and Oceania regions which are engaged in the distribution of automotive and industrial products.

- **Rental**
  Regional area covers North East Asia and ASEAN which is engaged in rental activities. Management is of the opinion that the contribution from ASEAN is not significant for the financial year ended 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32. SEGMENT INFORMATION (CONTINUED)

The segment information provided to senior management for the year ended 31 December 2024 is as follows:

Segment	← Manufacturing segment →			← Distribution segment →					Rental segment	
Group	**North East Asia**	**ASEAN**	**Sub-total**	**North East Asia**	**ASEAN**	**Oceania**	**Others**	**Sub-total**	**North East Asia**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Sales										
Total segment sales	54,345	66,513	120,858	16,630	123,126	144,181	45,532	329,469	-	450,327
Inter-segment sales	(18,500)	(25,312)	(43,812)	-	-	-	-	-	-	(43,812)
Sales to external parties	35,845	41,201	77,046	16,630	123,126	144,181	45,532	329,469	-	406,515
Segment result	1,353	2,879	4,232	(50)	4,846	13,049	4,363	22,208	2,368	28,808
Interest Income	80	164	244	15	311	6	277	609	9	862
Finance expenses	(162)	(399)	(561)	(33)	(778)	(1,603)	(277)	(2,691)	-	(3,252)
Depreciation	(1,885)	(1,394)	(3,279)	(219)	(2,823)	(5,479)	(1,283)	(9,804)	(352)	(13,435)
Amortisation of intangible assets	(45)	-	(45)	-	(7)	(34)	(615)	(656)	-	(701)
Share of profit of associated companies	-	1,679	1,679	-	407	-	-	407	-	2,086
Profit before income tax	(659)	2,929	2,270	(287)	1,956	5,939	2,465	10,073	2,025	14,368
Income tax expense	(50)	(582)	(632)	94	(1,509)	(1,502)	(751)	(3,668)	(547)	(4,847)
Net profit	**(709)**	**2,347**	**1,638**	**(193)**	**447**	**4,437**	**1,714**	**6,405**	**1,478**	**9,521**
Segment assets	47,842	76,884	124,726	12,847	113,018	89,166	32,758	247,789	12,642	385,157
Segment assets includes:										
Investment in associated companies	-	22,954	22,954	-	4,207	-	-	4,207	-	27,161
Additions to:										
- Property, plant and equipment	1,076	2,464	3,540	10	1,037	1,328	79	2,454	1	5,995
- Intangible assets	-	47	47	-	-	-	393	393	-	440
- Right-of-use assets	-	-	-	9	1,240	3,449	3,372	8,070	-	8,070
Investment property	-	-	-	-	1,709	-	-	1,709	7,452	9,161
Segment liabilities	(4,933)	(4,343)	(9,276)	(1,191)	(19,414)	(32,672)	(7,223)	(60,500)	(1,200)	(70,976)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32. SEGMENT INFORMATION (CONTINUED)

The segment information provided to senior management for the year ended 31 December 2023 is as follows:

Segment	← Manufacturing segment →			← Distribution segment →					Rental segment	
Group	North East Asia	ASEAN	Sub-total	North East Asia	ASEAN	Oceania	Others	Sub-total	North East Asia	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Sales										
Total segment sales	57,866	47,717	105,583	18,291	120,102	136,968	22,365	297,726	-	403,309
Inter-segment sales	(13,175)	(13,194)	(26,369)	-	-	-	-	-	-	(26,369)
Sales to external parties	44,691	34,523	79,214	18,291	120,102	136,968	22,365	297,726	-	376,940
Segment result	3,230	978	4,208	765	5,916	11,949	5,107	23,737	2,399	30,344
Interest Income	122	94	216	25	134	-	123	282	12	510
Finance expenses	(168)	(178)	(346)	(34)	(840)	(1,971)	(132)	(2,977)	-	(3,323)
Depreciation	(2,223)	(1,310)	(3,533)	(234)	(2,760)	(5,071)	(695)	(8,760)	(384)	(12,677)
Amortisation of intangible assets	(46)	-	(46)	-	(8)	(26)	(133)	(167)	-	(213)
Share of profit of associated companies	-	2,713	2,713	-	994	-	-	994	-	3,707
Profit before income tax	915	2,297	3,212	522	3,436	4,881	4,270	13,109	2,027	18,348
Income tax expense	(192)	(298)	(490)	29	(1,695)	(1,293)	(1,049)	(4,008)	(435)	(4,933)
Net profit	**723**	**1,999**	**2,722**	**551**	**1,741**	**3,588**	**3,221**	**9,101**	**1,592**	**13,415**
Segment assets (Restated)	50,969	65,603	116,572	13,995	119,145	97,970	21,858	252,968	14,009	383,549
Segment assets includes:										
Investment in associated companies	-	24,039	24,039	-	4,625	-	-	4,625	-	28,664
Additions to:										
- Property, plant and equipment	208	348	556	16	623	1,567	37	2,243	7	2,806
- Intangible assets	-	70	70	-	-	104	-	104	-	174
- Right-of-use assets	-	(10)	(10)	259	562	3,408	2,488	6,717	-	6,707
Investment property	-	-	-	-	1,572	-	-	1,572	7,728	9,300
- transferred from property, plant and equipment	-	-	-	-	62	-	-	62	-	62
Segment liabilities	(5,516)	(3,638)	(9,154)	(1,864)	(19,924)	(37,066)	(4,226)	(63,080)	(784)	(73,018)

Inter-segment sales are carried out at market terms. The revenue from external parties reported to senior management is measured in a manner consistent with that in profit or loss.

Senior management assesses the performance of the operating segments based on segment result. This measurement basis excludes other gains and other unallocated costs. Finance expenses are not allocated to segments, as this type of activity is driven by the Group's treasury, which manages the cash position of the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32. SEGMENT INFORMATION (CONTINUED)

(a) Reconciliations

(i) Segment assets

The amounts provided to senior management with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, senior management monitors the property, plant and equipment, intangible assets, inventories, receivables and operating cash attributable to each segment. All assets are allocated to reportable segments other than deferred income tax assets, derivative financial instruments, short-term bank deposits and transferable club membership.

Segment assets are reconciled to total assets as follows:

	Group	
		(Restated)
	2024	2023
	$'000	$'000
Segment assets	**385,157**	383,549
Unallocated:		
Deferred income tax assets	**4,218**	4,173
Short-term bank deposits	**13,886**	5,862
Transferable club membership	**65**	65
Derivative financial instruments	**322**	-
	403,648	393,649

(ii) Segment liabilities

The amounts provided to senior management with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than income tax liabilities, deferred income tax liabilities and borrowings.

Segment liabilities are reconciled to total liabilities as follows:

	Group	
		(Restated)
	2024	2023
	$'000	$'000
Segment liabilities	**70,976**	73,018
Unallocated:		
Income tax liabilities	**1,713**	2,356
Deferred income tax liabilities	**2,026**	2,476
Borrowings	**43,116**	30,544
	117,831	108,394

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32. SEGMENT INFORMATION (CONTINUED)

(b) Revenue from major products and services

Revenues from external customers are derived mainly from distribution of automotive and industrial products and manufacturing of alloy wheels. Breakdown of the revenue is as follows:

	Group	
	2024	2023
	$'000	$'000
Distribution of automotive and industrial products	**329,469**	297,726
Manufacturing of alloy wheels	**77,046**	79,214
	406,515	376,940

(c) Geographical information

The Group operates in the following geographic areas:

	Sales * Group		Non-current assets Group	
				(Restated)
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Singapore	**67,550**	68,611	**47,111**	49,061
Malaysia	**71,732**	61,342	**28,504**	26,427
China/Hong Kong	**37,334**	48,013	**20,257**	21,280
Australia	**89,311**	84,132	**8,484**	13,013
New Zealand	**54,869**	52,836	**7,759**	8,201
Germany	**28,401**	2,745	**4,472**	2,052
USA	**17,131**	19,620	**2,749**	3,232
Other countries	**40,187**	39,641	**2,576**	2,678
	406,515	376,940	**121,912**	125,944

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

There are no revenues derived from transactions with a single external customer that amounted to 10% or more of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

33. ADJUSTMENTS OF PRIOR YEAR COMPARATIVES

The Group has restated prior year's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wheelworld (Note 16).

The following tables set out the prior year adjustments made to the consolidated balance sheet as at 31 December 2023:

	As previously stated	Adjustments	As restated
	$'000	$'000	$'000
Balance Sheet			
Trade and other receivables	80,206	202	80,408
Inventories	118,312	523	118,835
Intangible assets	2,645	1,882	4,527
Deferred income tax liabilities	2,322	154	2,476
Retained profits	218,938	2,456	221,394
Non-controlling interests	6,753	(3)	6,750

These adjustments have no impact to the Group's consolidated balance sheet as at the beginning of the preceding period, i.e. 1 January 2023, the third balance sheet as at the beginning of the preceding period was not prepared. These adjustments have no impact to net cash provided by operating activities in the consolidated statement of cash flows.

34. CONTINGENT ASSETS

Three subsidiaries and an associated company of the Group have filed insurance claims related to the fire incident that occurred at the Group's distribution warehouse located at Kuala Lumpur Malaysia. The Loss Adjuster has indicated that the assessment report is likely to be completed by early March 2025. Management believes a recovery is highly probable. However, the contingent asset has not been recognised as a receivable as at 31 December 2024 as receipt of the amount is dependent on the outcome of the insurance claim process.

In March 2025, one of the subsidiaries and the associated company received an interim payment of $100,000 (MYR 330,000) and $544,000 (MYR 1,800,000) respectively, from the insurer.

35. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2025 and which the Group has not early adopted.

Amendments to SFRS(I) 1-21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

SFRS(I) 1-21 is amended to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, SFRS(I) 1-21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

35. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

Amendments to SFRS(I) 9 and SFRS(I) 7 - Amendments to the Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 1 January 2026) SFRS(I) 9 and SFRS(I) 7 are amended to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

SFRS(I) 18 - Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 18 replaces SFRS(I) 1-1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising of the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements.

The Group is in the process of assessing the impact of the new standards and amendments to standards on its financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of SFRS(I) 18 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:

    - Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

    - SFRS(I) 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the group is currently evaluating the need for change.

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

35. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

The group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
- for the first annual period of application of SFRS(I) 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying SFRS(I) 18 and the amounts previously presented applying SFRS(I) 1-1.

- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows. The group will apply the new standard from its mandatory effective date of 1 January 2027.

Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with SFRS(I) 18.

SFRS(I) 19 - Subsidiaries without Public Accountability: Disclosures (effective for annual reporting periods beginning on or after 1 January 2027) SFRS(I) 19 allows for certain eligible subsidiaries of parent entities that report under SFRS(I) Accounting Standards to apply reduced disclosure requirements. This new standard works alongside other SFRS(I). An eligible subsidiary applies the requirements in other SFRS(I) except for the disclosure requirements; and it applies instead the reduced disclosure requirements in SFRS(I) 19.

SFRS(I) 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with SFRS(I) Accounting Standards.

The Group does not expect this standard to have an impact on its operations or financial statements.

36. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of YHI International Limited on 25 March 2025.

STATISTICS OF SHAREHOLDINGS
AS AT 18 MARCH 2025

ANALYSIS OF SHAREHOLDINGS

Number of shares	292,295,811
Number of treasury shares held	581,000
Number of subsidiary holdings held	Nil
Number of issued shares (excluding treasury shares)	291,714,811
Class of shares	Ordinary shares
Voting rights	One vote per share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 18 MARCH 2025

SIZE OF SHAREHOLDINGS	No. of Shareholders	%	No. of Shares	%
1 - 99	18	1.28	645	0.00
100 - 1,000	116	8.28	56,200	0.02
1,001 - 10,000	645	46.04	3,591,065	1.23
10,001 - 1,000,000	607	43.33	39,912,883	13.68
1,000,001 AND ABOVE	15	1.07	248,154,018	85.07
TOTAL	**1,401**	**100.00**	**291,714,811**	**100.00**

Note:
The percentage is based on 291,714,811 shares (excluding 581,000 shares held as treasury shares) as at 18 March 2025.

PUBLIC SHAREHOLDERS	No. of Shares	%
Non-public shareholders	173,521,697	59.48
Public shareholders	118,193,114	40.52
	291,714,811	100.00

Pursuant to Rule 723 of the Listing Manual of the SGX-ST, it is confirmed that at least 10% of the issued ordinary shares of the Company is at all times held by the public.

SUBSTANTIAL SHAREHOLDERS

	No. of Shares		
	Direct Interest	Deemed Interest	%
YHI Holdings Pte Ltd	94,100,846	–	32.26
Tay Tian Hoe Richard (1)	–	108,037,846	37.04
Tay Tiang Guan (2)	–	45,000,353	15.43
Tay Soek Eng Margaret (3)	–	20,483,498	7.02

Notes:

(1) Mr Tay Tian Hoe Richard is deemed to have an interest in the following shares by virtue of Section 7 of the Companies Act 1967 (the 'Act'):

Shares held in the name of YHI Holdings Pte Ltd	94,100,846
Shares held in the name of his nominees	13,937,000
	108,037,846

(2) Mr Tay Tiang Guan is deemed to have an interest in the 45,000,353 shares held in the name of his nominees by virtue of Section 7 of the Company Act.

(3) Mdm Tay Soek Eng Margaret is deemed to have an interest in the 20,483,498 shares held in the name of her nominees by virtue of Section 7 of the Company Act. Mdm Tay Soek Eng is the sister of the Company's executive Directors, Tay Tian Hoe Richard and Mr Tay Tiang Guan.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2025

TWENTY LARGEST SHAREHOLDERS AS AT 18 MARCH 2025

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	YHI HOLDINGS PTE LTD	94,100,846	32.26
2	CITIBANK NOMINEES SINGAPORE PTE LTD	74,898,943	25.68
3	DBS NOMINEES PTE LTD	30,025,098	10.29
4	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	9,886,900	3.39
5	DB NOMINEES (SINGAPORE) PTE LTD	7,129,500	2.44
6	TAY TIANG HONG	7,036,423	2.41
7	TAY TIAN KOI	6,401,093	2.19
8	GU JIAN LIN	6,323,600	2.17
9	LEE LING LING	3,245,100	1.11
10	PHILLIP SECURITIES PTE LTD	1,975,715	0.68
11	LIM MEE HWA	1,574,000	0.54
12	LEE WOON KIAT	1,488,000	0.51
13	LEW WING KIT	1,466,200	0.50
14	TAN KIA SIONG @ TAN AH KOW	1,457,800	0.50
15	DANIEL TAN POON KUAN	1,144,800	0.39
16	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	824,612	0.28
17	RAFFLES NOMINEES (PTE) LIMITED	819,000	0.28
18	HSBC (SINGAPORE) NOMINEES PTE LTD	720,200	0.25
19	OCBC NOMINEES SINGAPORE PTE LTD	684,400	0.23
20	GOH KEE CHEONG	660,000	0.23
	TOTAL	**251,862,230**	**86.33**

Note:

Percentage computed is based on 291,714,811 shares (excluding shares held as treasury shares) as at 18 March 2025. Treasury shares as at 18 March 2025 are 581,000 shares

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE OF ANNUAL GENERAL MEETING
NOTICE IS HEREBY GIVEN that the Annual General Meeting of YHI International Limited (the "**Company**") will be convened and held at 2 Pandan Road, Singapore 609254 on Friday, 25 April 2025 at 10.00 a.m. (Singapore Time) for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a first and final tax-exempt dividend of 2.30 Singapore cents per ordinary share for the financial year ended 31 December 2024 (2023: 3.15 Singapore cents). **(Resolution 2)**

3. To re-elect the following Directors retiring pursuant to Regulation 89 of the Company's Constitution:

   Mr Hong Pian Tee **(Resolution 3)**
   Mr Ong Kian Min **(Resolution 4**)

   Mr Hong Pian Tee will, upon re-election, remain as the Lead Independent Director, Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee of the Company.

   Mr Ong Kian Min will, upon re-election, remain as an independent director, Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee of the Company.

4. To approve the payment of Directors' fees of S$145,000 for the financial year ended 31 December 2024 (2023: S$145,000). **(Resolution 5)**

5. To re-appoint PricewaterhouseCoopers LLP, Certified Public Accounts as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to allot and issue shares in the capital of the Company ("Shares") - Share Issue Mandate**

   "That, pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Act**") and Rule 806 of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

   (A) (i) allot and issue shares in the capital of the Company (the "**Shares**") (whether by way of rights, bonus or otherwise); and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require new Shares to be allotted and issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company shall in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) allot and issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and convertible securities to be allotted and issued pursuant to this Resolution shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to the shareholders of the Company shall not exceed twenty per cent. (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as at the time of passing of this Resolution);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and convertible securities that may be allotted and issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares.

Any adjustments made in accordance with sub-paragraphs (2)(a) and (2)(b) above shall only be made in respect of new Shares arising from convertible securities and Instruments which were issued and outstanding and/or subsisting at the time of the passing of this Resolution.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST as amended from time to time (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting is required by law to be held, whichever is the earlier."
[See Explanatory Note (i) and (ii)] **(Resolution 7)**

8. **Authority to allot and issue Shares under the 2021 YHI Share Option Scheme**

"That pursuant to Section 161 of the Companies Act 1967, the Directors of the Company be and are hereby authorised to grant Options in accordance with the rules of the 2021 YHI Share Option Scheme, and to allot and issue from time to time such number of fully paid-up shares in the Company as may be required to be allotted and issued pursuant to the exercise of the Options granted under the 2021 YHI Share Option Scheme, provided always that the aggregate number of new shares to be allotted and issued pursuant to the exercise of the Options granted or to be granted under the 2021 YHI Share Option Scheme, when added to all shares, options or awards granted under any other share option scheme, performance share plan or share incentive scheme of the Company then in force, shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time."
[See Explanatory Note (iii)] **(Resolution 8)**

NOTICE OF ANNUAL GENERAL MEETING

9. **The Proposed Renewal of the Share Buy-Back Mandate**

"That:

(1) for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage (as defined below), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as defined below), whether by way of:

(a) on-market purchases on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**") ("**On-Market Purchases**"); and/or

(b) off-market purchases (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act 1967 of Singapore ("**Off-Market Purchases**"),

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**");

(2) the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earliest of:

(a) the date on which the next annual general meeting of the Company is held;

(b) the date by which the next annual general meeting of the Company is required by law to be held;

(c) the date when such mandate is revoked or varied by the Shareholders of the Company in general meeting; or

(d) the date on which the purchases or acquisitions of issued Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated.

(3) in this Ordinary Resolution:

"**Maximum Percentage**" means that number of issued Shares representing not more than 10.0% of the total number of issued Shares as at date of the passing of this Ordinary Resolution (excluding any treasury shares and subsidiary holdings as at that date);

"**Maximum Price**" in relation to a Share to be purchased or otherwise acquired, means the purchase price as determined by the Directors (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) and not exceeding:

(a) in the case of an On-Market Purchase, 105.0% of the Average Closing Price of the Shares. For this purpose, the Average Closing Price is:

(i) the average of the closing market prices of the Shares over the last five (5) market days (on which transactions in the Shares were recorded) immediately before the date of the Share Purchase by the Company; and

(ii) deemed to be adjusted for any corporate action that occurs during the relevant five (5) market day period and the day on which the Share Purchase is made; and

NOTICE OF ANNUAL GENERAL MEETING

(b) in the case of an Off-Market Purchase, 105.0% of the highest price at which a Share is transacted on the SGX-ST on the market day (when transactions in the Shares are recorded) immediately preceding the date on which the Company announces an Off-Market Purchase offer stating the purchase price and the relevant terms of the equal access scheme.

(4) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."
[See Explanatory Note (iv)] **(Resolution 9)**

To consider and if thought fit, to pass the following resolution as a Special Resolution, with or without any modifications:

10. **The Proposed Adoption of the New Constitution**

That:

(1) The regulations contained in the New Constitution as set out in Appendix 1 to the Letter to Shareholders be and are hereby approved and adopted as the constitution of the Company in substitution for, and to the exclusion of, the Existing Constitution; and

(2) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the proposed adoption of the New Constitution and/or the transactions authorised by this Special Resolution.
[See Explanatory Note (v)] **(Special Resolution)**

By Order of the Board
YHI International Limited

Tay Tian Hoe Richard
Executive Chairman and Group Managing Director

3 April 2025

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors of the Company to issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

(ii) For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution 7 is passed after adjusting for new Shares arising from the exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when Ordinary Resolution 7 is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

(iii) The Ordinary Resolution 8 proposed in item 8 above, if passed, will empower the Directors to grant options and to allot and issue Shares in accordance with the provisions of the 2021 YHI Share Option Scheme and pursuant to Section 161 of the Companies Act 1967 to allot and issue shares upon the exercise of such options in accordance with the 2021 YHI Share Option Scheme. Please refer to the circular dated 1 November 2021 for further details.

(iv) The Ordinary Resolution 9 proposed in item 9 above, if passed, will empower the Directors of the Company to purchase, on behalf of the Company, Shares in accordance with the terms set out in the letter to shareholders of the Company dated 3 April 2025 (the "**Letter to Shareholders**") as well as the rules and regulations set forth in the Companies Act 1967 of Singapore and the Listing Rules of the SGX-ST. Please refer to the Letter to Shareholders for more information relating to the renewal of the Share Buy-Back Mandate.

(v) The Special Resolution proposed in item 10 above, if passed, will result in the adoption of the New Constitution in place of the Existing Constitution of the Company, in accordance with the terms set out in the Letter to Shareholders. Please refer to the Letter to Shareholders for more information relating to the proposed adoption of the New Constitution.

Important Notes to Shareholders on arrangements for the Annual General Meeting:

1. The Annual General Meeting ("**AGM**") will be held at 2 Pandan Road, Singapore 609254 on Friday, 25 April 2025 at 10.00 a.m. (Singapore Time) for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolutions and the Special Resolution set out in this Notice of AGM. **There will be no option for Shareholders to participate virtually**.

2. **Printed copies of this Notice of AGM, Proxy Form, annual report for the financial year ended 31 December 2024 ("FY2024 Annual Report") and the Letter to Shareholders will be despatched to Shareholders**. In addition, this Notice of AGM, Proxy Form, FY2024 Annual Report and the Letter to Shareholders may be accessed at the Company's website at the URL https://www.yhigroup.com/investor/agm2025/ and through SGXNET at the URL https://www.sgx.com/securities/company-announcements.

3. Arrangements relating to attendance at the AGM, submission of comments, queries and/or questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant comments, queries and/or questions before the AGM, and voting by appointing proxy(ies) (including the Chairman of the Meeting), are set out in this Notice of AGM. Please refer to the section titled "Key dates/deadlines" below for the relevant steps and details for Shareholders to participate at the AGM.

4. **There will be no option for Shareholders to participate virtually at the AGM. A Shareholder (whether individual or corporate) must vote live at the AGM or must appoint proxy(ies) (including the Chairman of the Meeting), to attend, speak and vote on his/her/its behalf at the AGM if such Shareholder wishes to exercise his/her/its voting rights at the AGM**. The Proxy Form may be accessed at the Company's website at the URL https://www.yhigroup. com/investor/agm2025/ and is also available on SGXNET at the URL https://www.sgx.com/ securities/company-announcements.

NOTICE OF ANNUAL GENERAL MEETING

5. Where a Shareholder (whether individual or corporate) appoints proxy(ies) (including the Chairman of the Meeting) as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/their discretion.

   Only Shareholders or their appointed proxy(ies) who have been successfully verified will be entitled to attend the AGM.

6. CPF/SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes and/or questions relating to the resolutions tabled for approval at the AGM by 5.00 p.m. on Tuesday, 15 April 2025 (that is, at least seven (7) working days before the date of the AGM).

7. The Company may be required to change the arrangements for the AGM at short notice. For the latest updates on the arrangements for the AGM, Shareholders should check the Company's website at the URL https://www.yhigroup.com/investor/agm2025/. Such updates will also be made available on SGXNET at the URL https://www.sgx.com/securities/company-announcements.

8. Duly appointed proxy(ies), including the Chairman of the Meeting acting as proxy, need not be a Shareholder of the Company.

9. The Proxy Form must be submitted to the Company in the following manner:
   (a) if submitted by post, be deposited at the registered office of the Company at No. 2 Pandan Road, Singapore 609254; or
   (b) if submitted by way of electronic means, be submitted via email in Portable Document Format (PDF) to the Company at yhi-agm@yhi.com.sg,

   in either case, by 10.00 a.m. on Tuesday, 22 April 2025. A Shareholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. **Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email**.

Personal Data Privacy:

By submitting a Proxy Form appointing a proxy(ies) (including the Chaiman of the Meeting) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxy(ies) and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Shareholder discloses the personal data of the proxy(ies) and/or representative(s) to the Company (or its agents or services providers), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

NOTICE OF ANNUAL GENERAL MEETING

Key dates/deadlines:

Key Dates	Events and Information
10.00 a.m. on Friday, 11 April 2025	**Deadline for Shareholders to submit questions.** Shareholders may submit questions, queries and/or comments related to the resolutions to be tabled for approval at the AGM to the Chairman of the Meeting in advance of the AGM by submitting their questions (i) by post to the Company's registered office at No. 2 Pandan Road, Singapore 609254, addressed to the attention of the Chief Financial Officer; or (ii) by email to the Company at yhi-agm@yhi.com.sg from the date of this Notice of AGM until 10.00 a.m. on Friday, 11 April 2025. Shareholders and (where applicable) duly appointed proxies and representatives will also be able to raise questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.
5.00 p.m. on Tuesday, 15 April 2025	**Deadline for CPF and SRS investors**. CPF investors and SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), who wish to appoint the Chairman of the Meeting as proxy must approach their respective CPF agent banks or SRS operators or relevant intermediaries to submit their votes and/or questions relating to the resolutions tabled for approval at the AGM by 5.00 p.m. on Tuesday, 15 April 2025 (that is, at least seven (7) days before the date of the AGM).
Thursday, 17 April 2025	**Addressing questions**. The Company will endeavour to address all substantial and relevant questions, comments and/or queries received from Shareholders relating to the resolutions in the Notice of AGM prior to or at the AGM, by publishing its responses to the questions on the Company's website at the URL https://www.yhigroup.com/investor/agm2025/ and SGXNET at the URL https://www.sgx.com/securities/company-announcements on Thursday, 17 April 2025.
10.00 a.m. on Tuesday, 22 April 2025	**Submission of Proxy Forms**. Shareholders must submit the Proxy Forms (i) by post to the Company's registered office at No. 2 Pandan Road, Singapore 609254; or (ii) by email in Portable Document Format (PDF) to yhi-agm@yhi.com.sg by 10.00 a.m. on Tuesday, 22 April 2025 to enable the Company's Share Registrar to verify their status as Shareholders of the Company. A Shareholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. **Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email**. **Specific instructions as to voting must be given**. Where a Shareholder (whether individual or corporate) appoints proxy(ies) (including the Chairman of the Meeting), he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/their discretion. Only Shareholders or their appointed proxy(ies) who have been successfully verified will be entitled to attend the AGM. Duly appointed proxy(ies), including the Chairman of the Meeting acting as proxy, need not be a Shareholder of the Company.
10.00 a.m. on Friday, 25 April 2025	**AGM**. Shareholders and (where applicable) duly appointed proxies and representatives may participate at the AGM at No. 2 Pandan Road, Singapore 609254. **There will be no option for Shareholders to participate virtually**.
By Friday, 23 May 2025	**Minutes of AGM**. The Company will publish the minutes of AGM on the Company's website at the URL https://www.yhigroup.com/investor/agm2025/ and on SGXNET at the URL https://www.sgx.com/securities/company-announcements within one (1) month after the AGM.
5.00 p.m. on Thursday, 8 May 2025	**Record Date**. The Record Date for the purpose of determining Shareholders' entitlements to the first and final one-tier tax exempt dividend of 2.30 Singapore cents per ordinary share for the financial year ended on 31 December 2024.
Friday, 16 May 2025	**Payment of dividend**. The date of the payment of the first and final one-tier tax exempt dividend to entitled Shareholders.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

	HONG PIAN TEE	ONG KIAN MIN
Date of Appointment	01/09/2021	01/10/2021
Name of person	Hong Pian Tee	Ong Kian Min
Age	80	64
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors, having considered the recommendation of the Nominating Committee and having reviewed and considered the qualifications, working experience and suitability of Mr Hong Pian Tee, is of the view that Mr Hong Pian Tee has the requisite experience and capability to assume the responsibility as the Lead Independent Director of the Company. Accordingly, the Board of Directors approved the appointment of Mr Hong Pian Tee as the Lead Independent Director of the Company.	The Board of Directors, having considered the recommendation of the Nominating Committee and having reviewed and considered the qualifications, working experience and suitability of Mr Ong Kian Min, is of the view that Mr Ong Kian Min has the requisite experience and capability to assume the responsibility as an Independent Director of the Company. Accordingly, the Board of Directors approved the appointment of Mr Ong Kian Min as an Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Appointment: Non-Executive	Appointment: Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee	Independent Director, Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee
Professional qualifications	None	Bachelor of Laws (Honours) (external), University of London (1986) Bachelor of Science (Honours, Imperial College of Science and Technology (1982)
Working experience and occupation(s) during the past 10 years	1 January 2000 – 27 July 2024 Pei Hwa Foundation Ltd Executive Director/Chairman 26 April 2017 - 23 April 2024 Sinarmas Land Limited (Listed on SGX-ST) Lead Independent Director Chairman Audit Committee Chairman Nominating Committee Member Remuneration Committee 29 October 2010 - 28 Aug 2024 XMH Holdings Ltd. (Listed on SGX-ST) Lead Independent Director Chairman Remuneration Committee Member Audit Committee Member Nominating Committee	January 2010 - Present Kanesaka Sushi Private Limited Managing Director January 2007 – Present Alpha Advisory Pte. Ltd. Senior Adviser October 2000 – Present Drew & Napier LLC Consultant (non-practising)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

	HONG PIAN TEE	ONG KIAN MIN
Working experience and occupation(s) during the past 10 years	September 2018 - 29 April 2024 Yanlord Land Group Ltd (Listed on SGX-ST) Independent Director Chairman Audit Committee Chairman Remuneration Committee June 2020 – Present (In Liquidation) Hyflux Ltd (Listed on SGX-ST) Lead Independent Director 2013 - 2019 AsiaPhos Limited (Listed on SGXCatalist Board) Non-Executive Chairman Independent Director Member Audit Committee Member Remuneration Committee Member Nominating Committee 2001 - 2017 Golden Agri Resources Ltd (Listed on SGX-ST) Independent Director Chairman Audit Committee Chairman Nominating Committee Chairman Remuneration Committee 2010 - 2017 Memstar Technology Ltd (Listed on SGX-ST) Independent Director Chairman Audit Committee Member Nominating Committee Member Remuneration Committee	
Shareholding interest in the listed issuer and its subsidiaries	659,800 shares in YHI International Limited	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) or (in the format set out in Appendix 7.4.1) under Catalist Rule 720(1) has been submitted to the listed issuer	Yes	Yes

>> Other Principal Commitments * Including Directorships #
* "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9) or Catalist Rule 704(8)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

	HONG PIAN TEE	ONG KIAN MIN
Past (for the last 5 years)	Directorships • AsiaPhos Limited • Golden Agri Resources Ltd • Memstar Technology Ltd • Pei Hwa Foundation Limited • XMH Holdings Ltd. • Sinarmas Land Ltd • Yanlord Land Group Limited Principal Commitments Nil	Directorships • Penguin International Limited • Breadtalk Group Limited • HUPSteel Limited • Jaya Holdings Limited Principal Commitments NIL
Present	Directorships • Hyflux Ltd Principal Commitments Nil	Directorships • Food Empire Holdings Limited • OUE REIT Management Pte. Ltd. (Manager of OUE REIT and OUE Hospitality Sub-Trust) • SilverLake Axis Limited Principal Commitments NIL

(a)	**Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?**	No	No
(b)	**Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?**	Yes. Hyflux was under moratorium when Mr. Hong was appointed as Independent Director in June 2020 to help Hyflux in its negotiations with prospective buyers, creditor banks and bond holders. The moratorium expired on 30th July 2020 following which Judicial Managers were appointed. The JMs eventually concluded that there was no hope in the restructuring and in June 2021 applied to the High Court to wind up the Company. Hyflux was ordered to be wound up on 21st July 2021. Mr Hong was never involved in the management of Hyflux.	No
(c)	**Whether there is any unsatisfied judgment against him?**	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

		HONG PIAN TEE	ONG KIAN MIN
(d)	**Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?**	No	No
(e)	**Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?**	No	No
(f)	**Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?**	No	No
(g)	**Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?**	No	No
(h)	**Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?**	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

		HONG PIAN TEE	ONG KIAN MIN
(i)	**Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?**	No	No
(j)	**Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-**		
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k)	**Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?**	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

	HONG PIAN TEE	ONG KIAN MIN
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes
If YES, please provide details of prior experience.	26 April 2017 - 23 April 2024 Sinarmas Land Limited (Listed on SGX-ST) Lead Independent Director Chairman Audit Committee Chairman Nominating Committee Member Remuneration Committee 29 October 2010 - 28 Aug 2024 XMH Holdings Ltd. (Listed on SGX-ST) Lead Independent Director Chairman Remuneration Committee Member Audit Committee Member Nominating Committee September 2018 - 29 April 2024 Yanlord Land Group Ltd (Listed on SGX-ST) Independent Director Chairman Audit Committee Chairman Remuneration Committee June 2020 - Present Hyflux Ltd (Listed on SGX-ST) Lead Independent Director 2013 - 2019 AsiaPhos Limited (Listed on SGX-ST) Non-Executive Chairman Independent Director Member Audit Committee Member Nominating Committee Member Remuneration Committee 2001 - 2017 Golden Agri Resources Ltd (Listed on SGX-ST) Independent Director Chairman Audit Committee Chairman Nominating Committee Chairman Remuneration Committee 2010 - 2017 Memstar Technology Ltd (Listed on SGX-ST) Independent Director Chairman Audit Committee Member Nominating Committee Member Remuneration Committee 2007 - 2009 Sin Ghee Huat Corporation Ltd (Listed on SGX-ST) Non-Executive Chairman Independent Director Member of Audit Committee Member Nominating Committee Member Remuneration Committee	• Food Empire Holdings Limited • OUE Commercial REIT Management Pte. Ltd. • SilverLake Axis Limited • Penguin International Limited • Breadtalk Group Limited • OUE Hospitality REIT Management Pte. Ltd. • HUPSteel Limited • Jaya Holdings Limited • GMG Global Ltd
If NO, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	NA	NA
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	NA	NA

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

IMPORTANT:

1. The Annual General Meeting ("**AGM**") is being convened, and will be held at 2 Pandan Road, Singapore 609254. **There will be no option for shareholders to participate virtually**.
2. The Notice of AGM is also accessible (a) via publication on the Company's website at the URL https://www.yhigroup.com/ investor/agm2025/; and (b) via publication on the SGX website at the URL https://www.sgx.com/securities/company-announcements.
3. Arrangements relating to attendance at the AGM, submission of comments, queries and/or questions to the Chairman of the Meeting in advance of and live at the AGM, addressing of substantial and relevant comments, queries and/or questions before the AGM, and voting by appointing proxy(ies) (including the Chairman of the Meeting), are set out in the Notice of AGM dated 3 April 2025, which may be accessed at the Company's website at the https://www.yhigroup.com/ investor/agm2025/, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/ company-announcements.
4. A member (whether individual or corporate) must vote live at the AGM or must appoint proxy(ies) (including the Chairman of the Meeting) to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
5. CPF or SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks, SRS Operators or relevant intermediaries to submit their votes by 5.00 p.m. on Tuesday, 15 April 2025 (that is, at least seven (7) working days before the date of the AGM).
6. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 3 April 2025.
7. Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies) (including the Chairman of the Meeting) as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

PROXY FORM

(Please see notes overleaf before completing this Proxy Form)

I/We*, ______________________ (name) ______________ (NRIC/Passport No.)

of ____ (address)

being a member/members* of YHI International Limited (the "**Company**"), hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	**%**
Address			

and/or*

Name	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	**%**
Address			

or failing him/her*, the Chairman of the Annual General Meeting (the "**Chairman of the Meeting**"), as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the Annual General Meeting ("**AGM**") to be held at 2 Pandan Road, Singapore 609254 on Friday, 25 April 2025 at 10.00 a.m. and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for or against, or abstain from voting on, the resolutions proposed at the AGM as indicated hereunder.

No.	Resolutions relating to:	For	Against	Abstain
Ordinary Resolutions				
1.	Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Auditors' Report thereon (Ordinary Resolution)			
2.	Payment of proposed first and final tax-exempt dividend of 2.30 Singapore cents per ordinary share for the financial year ended 31 December 2024 (Ordinary Resolution)			
3.	Re-election of Mr Hong Pian Tee as Director of the Company pursuant to Regulation 89 of the Company's Constitution (Ordinary Resolution)			
4.	Re-election of Mr Ong Kian Min as Director of the Company pursuant to Regulation 89 of the Company's Constitution (Ordinary Resolution)			
5.	Approval of Directors' fees amounting to S$145,000 for the financial year ended 31 December 2024 (2023: S$145,000) (Ordinary Resolution)			
6.	Re-appointment of PricewaterhouseCoopers LLP, Certified Public Accountants as the Company's Auditors and to authorise the Directors to fix their remuneration (Ordinary Resolution)			
7.	Authority to allot and issue shares in the capital of the Company – Share Issue Mandate (Ordinary Resolution)			
8.	Authority to allot and issue Shares under the 2021 YHI Share Option Scheme (Ordinary Resolution)			
9.	The Proposed Renewal of the Share Buy-Back Mandate (Ordinary Resolution)			
Special Resolution				
The Proposed Adoption of the New Constitution (Special Resolution)				

*Delete as appropriate

If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate so with a (√) within the box provided. Alternatively, please indicate the number of votes as appropriate. **In the absence of specific directions in respect of a resolution, the proxy(ies) will vote or abstain from voting at his/her/their discretion**.

Dated this ________ day of ________ 2025

Total Number of Shares Held

____
Signature of Shareholder(s) or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ THE NOTES BELOW BEFORE COMPLETING THIS PROXY FORM.

NOTES:

1. The Annual General Meeting ("**AGM**") will be held at 2 Pandan Road, Singapore 609254 on Friday, 25 April 2025 at 10.00 a.m. (Singapore Time) for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolutions and the Special Resolution set out in this Notice of AGM. **There will be no option for Shareholders to participate virtually**.

2. Printed copies of the Notice of Annual General Meeting ("**Notice of AGM**"), Proxy Form, annual report for the financial year ended 31 December 2024 ("**FY2024 Annual Report**") and the Letter to Shareholders will be despatched to Shareholders. In addition, the Notice of AGM, Proxy Form, FY2024 Annual Report and the Letter to Shareholders may be accessed at the Company's website at the URL https://www.yhigroup.com/investor/agm2025/ and through SGXNET at the URL https://www.sgx.com/securities/company-announcements.

3. Arrangements relating to attendance at the AGM, submission of comments, queries and/or questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant comments, queries and/or questions before the AGM, and voting by appointing proxy(ies) (including the Chairman of the Meeting), are set out in the Notice of AGM. Please refer to the section titled "Key dates/deadlines" in the Notice of AGM for the relevant steps and details for Shareholders to participate at the AGM.

4. Please insert the total number of shares held by you. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If no number is inserted, this Proxy Form shall be deemed to relate to all the shares held by you.

5. **A Shareholder (whether individual or corporate) must vote live at the AGM or must appoint proxy(ies) (including the Chairman of the Meeting), to attend, speak and vote on his/her/its behalf at the AGM if such Shareholder wishes to exercise his/her/its voting rights at the AGM**. The Proxy Form may be accessed at the Company's website at the URL https://www.yhigroup.com/investor/agm2025/ and is also available on SGXNET at the URL https://www.sgx.com/securities/company-announcements. Where a Shareholder (whether individual or corporate) appoints proxy(ies) (including the Chairman of the Meeting), he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/their discretion.

6. CPF investors and SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), who wish to appoint the Chairman of the Meeting as proxy must approach their respective CPF agent banks or SRS operators or relevant intermediaries to submit their votes and/or questions relating to the resolutions tabled for approval at the AGM by 5.00 p.m. on Tuesday, 15 April 2025 (that is, at least seven (7) days before the date of the AGM). Duly appointed proxy(ies), including the Chairman of the Meeting acting as proxy, need not be a Shareholder of the Company.

7. The Proxy Form must be submitted to the Company in the following manner:
   (a) if submitted by post, be deposited at the registered office of the Company at No. 2 Pandan Road, Singapore 609254; or

   (b) if submitted electronically, be submitted via email in Portable Document Format (PDF) format to the Company at yhi-agm@yhi.com.sg,

   in either case, 10.00 a.m. on Tuesday, 22 April 2025 which is at least 72 hours before the time fixed for holding the AGM of the Company. A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. **Members are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email**.

8. Where the Proxy Form is executed by an individual, it must be executed under the hand of the individual or his attorney duly authorized. Where the proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorized.

9. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

10. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.

GENERAL:

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM.

A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the AGM.

PERSONAL DATA PRIVACY:

By submitting a Proxy Form appointing a proxy(ies) (including the Chaiman of the Meeting) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxy(ies) and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Shareholder discloses the personal data of the proxy(ies) and/or representative(s) to the Company (or its agents or services providers), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

YHI
Since 1948
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YHI INTERNATIONAL LIMITED
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