



**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

(Incorporated in Singapore. Registration Number: 200007455H)

**CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2024**

Contents

	Page
Condensed Interim Consolidated Income Statement	3
Condensed Interim Consolidated Statement of Comprehensive Income	4
Condensed Interim Balance Sheets – Group and Company	5
Condensed Interim Statement of Changes in Equity	6
Condensed Interim Consolidated Statement of Cash Flows	8
Notes to the Condensed Interim Consolidated Financial Statements	9
Other informational required by Listing rule Appendix 7.2	22

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

		The Group		
		6 months ended 30 June 2024	6 months ended 30 June 2023	Increase/ (Decrease)
Note		\$'000	\$'000	%
	Sales	198,613	186,563	6.5%
	Cost of sales	(146,102)	(141,565)	3.2%
	Gross profit	52,511	44,998	16.7%
	Other gains - net	3,829	4,517	(15.2%)
	Credit loss allowance on trade receivables	(698)	(655)	6.6%
	Expenses			
	- Distribution	(22,365)	(18,901)	18.3%
	- Administrative	(22,627)	(19,729)	14.7%
	- Finance	(1,599)	(1,749)	(8.6%)
	Share of profit of associated companies	1,459	1,721	(15.2%)
	Profit before income tax	10,510	10,202	3.0%
	Income tax expense	(2,783)	(2,253)	23.5%
	Net profit	7,727	7,949	(2.8%)
	Profit Attributable to:			
	Equity holders of the Company	7,710	7,474	3.2%
	Non-controlling interests	17	475	(96.4%)
		7,727	7,949	(2.8%)
	Earnings per share attributable to the equity holders of the Company			
	- Basic	2.65	2.57	3.1%
	- Diluted	2.64	2.57	2.7%

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

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**

	The Group		
	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000	Increase/ (Decrease) %
Profit for the period	7,727	7,949	(2.8%)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss			
- Currency translation differences	350	(5,115)	NM
Items that will not be reclassified subsequently to profit or loss			
- Currency translation differences	(17)	(101)	(83.2%)
Total comprehensive income for the period	8,060	2,733	194.9%
Total comprehensive income to:			
Equity holders of the Company	8,060	2,359	241.7%
Non-controlling interests	-	374	NM
	8,060	2,733	194.9%

NM – not meaningful

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

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

CONDENSED INTERIM BALANCE SHEETS – GROUP AND COMPANY

	Note	The Group		The Company	
		30 June	31 December	30 June	31 December
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and bank balances		58,478	64,224	1,503	3,575
Trade and other receivables		91,569	80,206	19,746	23,765
Inventories		113,215	118,312	-	-
		263,262	262,742	21,249	27,340
Non-current assets					
Transferable club memberships		65	65	-	-
Investment in associated companies		29,421	28,664	-	-
Investments in subsidiaries		-	-	103,782	103,782
Property, plant and equipment	9	53,308	54,259	227	280
Right-of-use assets		30,987	29,132	-	-
Investment property		9,215	9,362	-	-
Intangible assets		2,523	2,645	-	-
Deferred income tax assets		4,128	4,173	-	-
		129,647	128,300	104,009	104,062
Total assets		392,909	391,042	125,258	131,402
LIABILITIES					
Current liabilities					
Trade and other payables		46,376	44,482	1,207	1,536
Current income tax liabilities		1,401	2,356	14	57
Borrowings	10	29,246	29,338	-	-
Lease liabilities		5,896	6,688	-	-
Derivative financial instruments	11	83	-	-	-
		83,002	82,864	1,221	1,593
Non-current liabilities					
Borrowings	10	551	1,206	-	-
Lease liabilities		24,286	21,520	-	-
Deferred income tax liabilities		2,338	2,322	-	-
Other non-current liabilities		783	328	-	-
		27,958	25,376	-	-
Total liabilities		110,960	108,240	1,221	1,593
NET ASSETS		281,949	282,802	124,037	129,809
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	12	77,001	77,001	77,001	77,001
Treasury shares	12	(206)	(671)	(206)	(671)
Other reserves		(18,785)	(19,219)	585	538
Retained profits		217,422	218,938	46,657	52,941
		275,432	276,049	124,037	129,809
Non-controlling interests		6,517	6,753	-	-
Total equity		281,949	282,802	124,037	129,809

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

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

The Group

	Note	Attributable to equity holders of the Company				Sub-total \$'000	Non- controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Treasury shares \$'000	Other reserves \$'000	Retained profits \$'000			
2024								
Balance as at 1 January 2024		77,001	(671)	(19,219)	218,938	276,049	6,753	282,802
Profit for the period		-	-	-	7,710	7,710	17	7,727
Other comprehensive loss for the period		-	-	350	-	350	(17)	333
Total comprehensive income for the period		-	-	350	7,710	8,060	-	8,060
Employee share option scheme								
- Treasury shares re-issued		-	465	47	-	512	-	512
Dividends relating to 2023 paid	7	-	-	-	(9,189)	(9,189)	(236)	(9,425)
Transfer from retained profits to other reserves		-	-	37	(37)	-	-	-
Balance as at 30 June 2024		77,001	(206)	(18,785)	217,422	275,432	6,517	281,949
2023								
Balance as at 1 January 2023		77,001	(671)	(12,367)	216,422	280,385	8,004	288,389
Profit for the period		-	-	-	7,474	7,474	475	7,949
Other comprehensive income for the period		-	-	(5,115)	-	(5,115)	(101)	(5,216)
Total comprehensive income for the period		-	-	(5,115)	7,474	2,359	374	2,733
Employee share option scheme								
- value of employee services		-	-	135	-	135	-	135
Dividends relating to 2022 paid	7	-	-	-	(10,454)	(10,454)	(341)	(10,795)
Balance as at 30 June 2023		77,001	(671)	(17,347)	213,442	272,425	8,037	280,462

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

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

The Company

	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total S\$'000
Balance at 1 January 2024	77,001	(671)	538	52,941	129,809
Total comprehensive income for the period	-	-	-	2,905	2,905
Employee share option scheme					
- Treasury shares re-issued	-	465	47	-	512
Dividends relating to 2023 paid	-	-	-	(9,189)	(9,189)
Balance at 30 June 2024	77,001	(206)	585	46,657	124,037

	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total S\$'000
Balance at 1 January 2023	77,001	(671)	269	60,819	137,418
Total comprehensive income for the period	-	-	-	3,147	3,147
Employee share option scheme					
- Value of employee services	-	-	135	-	135
Dividends relating to 2022 paid	-	-	-	(10,454)	(10,454)
Balance at 30 June 2023	77,001	(671)	404	53,512	130,246

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

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Cash flows from operating activities		
Net profit	7,727	7,949
Adjustments for:		
- Income tax expense	2,783	2,253
- Depreciation of property, plant and equipment and investment property	3,009	3,088
- Depreciation of right-of-use assets	3,747	3,312
- Amortisation of intangible assets	275	68
- Gain on disposal of property, plant and equipment	(156)	(166)
- Loss on early termination of leases	11	-
- Interest expense	1,599	1,749
- Interest income	(428)	(200)
- Share of profit of an associated company	(1,459)	(1,721)
- Fair value loss on derivative financial instruments	83	-
- Unrealised currency translation differences	205	24
Operating cash flow before working capital changes	<u>17,396</u>	<u>16,356</u>
Changes in working capital		
- Inventories	4,784	20,685
- Trade and other receivables	(11,761)	(599)
- Trade and other payables	2,451	(11,972)
Cash generated from operations	<u>12,870</u>	<u>24,470</u>
Interest received	428	200
Income tax paid	(3,686)	(2,733)
Net cash provided by operating activities	<u>9,612</u>	<u>21,937</u>
Cash flows from investing activities		
Dividends received from an associated company	551	583
Proceeds from sale of property, plant and equipment	260	216
Purchase of property, plant and equipment	(1,842)	(1,021)
Purchase of intangible assets	(156)	-
Net cash used in investing activities	<u>(1,187)</u>	<u>(222)</u>
Cash flows from financing activities		
Dividends paid to equity holders of the Company	(9,189)	(10,454)
Dividends paid to non-controlling interest	(236)	(341)
Interest paid	(1,599)	(1,749)
Proceeds from borrowings	3,612	2,342
Repayments of borrowings	(3,995)	(11,492)
Principal payment of lease liabilities	(3,650)	(3,047)
Proceeds from re-issuance of treasury shares	512	-
Net cash used in financing activities	<u>(14,545)</u>	<u>(24,741)</u>
Net decrease in cash and bank balances	(6,120)	(3,026)
Cash and bank balances at beginning of the financial year	64,224	60,576
Effects of currency translation on cash and bank balances	305	(1,046)
Cash and bank balances at end of the financial year	<u>58,409</u>	<u>56,504</u>
Consolidated cash and bank balances represented by		
Cash and bank balances	58,478	56,504
Less: Bank Overdrafts	(69)	-
Cash and bank balances as per consolidated statement of cash flows	<u>58,409</u>	<u>56,504</u>

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

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General information

YHI International Limited (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. These interim consolidated financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the Group). The principal activity of the Company is that of an investment holding company.

The principal activities of the Group are distribution of automotive & related products and manufacturing of alloy wheels

2. Basis of preparation

The interim financial statements for the six months ended 30 June 2024 have been prepared in accordance SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024) Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024).

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2.1 New and amended standards adopted by the Group (continued)

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The Group does not expect any significant impact arising from applying these amendments.

2.2 Critical accounting estimates, assumptions and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue 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 which is engaged in rental activities.

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. Segment and revenue information (continued)

The segment information provided to senior management for the period ended 30 June 2024 is as follows:

Segment Group	← Manufacturing segment →			← Distribution segment →					Rental segment	Total
	North			North				North		
	East Asia	ASEAN	Sub-total	East Asia	ASEAN	Oceania	Others	Sub-total	East Asia	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales										
Total segment sales	29,073	30,523	59,596	8,596	56,377	73,656	21,688	160,317	-	219,913
Inter-segment sales	(9,457)	(11,843)	(21,300)	-	-	-	-	-	-	(21,300)
Sales to external parties	19,616	18,680	38,296	8,596	56,377	73,656	21,688	160,317	-	198,613
Segment result										
Interest Income	2,308	2,427	4,735	254	2,155	6,755	2,185	11,349	1,169	17,253
Finance expenses	37	67	104	9	180	-	129	318	6	428
Depreciation	(70)	(167)	(237)	(17)	(309)	(892)	(144)	(1,362)	-	(1,599)
Amortisation of intangible assets	(977)	(641)	(1,618)	(110)	(1,389)	(2,824)	(638)	(4,961)	(177)	(6,756)
	(22)	-	(22)	-	(4)	(17)	(232)	(253)	-	(275)
Share of profit of associated companies	-	904	904	-	555	-	-	555	-	1,459
Profit before income tax	1,276	2,590	3,866	136	1,188	3,022	1,300	5,646	998	10,510
Income tax expense	(74)	(474)	(548)	8	(776)	(716)	(476)	(1,960)	(275)	(2,783)
Net profit	1,202	2,116	3,318	144	412	2,306	824	3,686	723	7,727
Segment assets	49,843	64,526	114,369	13,519	105,741	92,663	28,777	240,700	11,598	366,667
Segment assets includes										
Investment in associated companies	-	24,726	24,726	-	4,695	-	-	4,695	-	29,421
Additions to:										
- Property, plant and equipment	557	102	659	6	495	644	38	1,183	-	1,842
- Intangible assets	-	23	23	-	-	-	133	133	-	156
- Right-of-use assets	-	(10)	(10)	9	75	2,043	3,520	5,647	-	5,637
Investment properties	-	-	-	-	1,631	-	-	1,631	7,584	9,215
Segment liabilities	(6,691)	(3,337)	(10,028)	(1,543)	(21,413)	(36,893)	(6,684)	(66,533)	(780)	(77,341)

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. Segment and revenue information (continued)

The segment information provided to senior management for the period-ended 30 June 2023 is as follows:

Segment Group	← Manufacturing segment →			← Distribution segment →				Rental segment	Total	
	North		Sub-total	North		Oceania	Others	Sub-total		North
	East Asia	ASEAN		East Asia	ASEAN					East Asia
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Sales										
Total segment sales	29,741	23,195	52,936	8,897	57,079	70,382	10,748	147,106	-	200,042
Inter-segment sales	(6,778)	(6,701)	(13,479)	-	-	-	-	-	-	(13,479)
Sales to external parties	22,963	16,494	39,457	8,897	57,079	70,382	10,748	147,106	-	186,563
Segment result										
Interest Income	1,507	72	1,579	472	3,163	6,517	3,523	13,675	1,244	16,498
Finance expenses	51	39	90	13	58	-	33	104	6	200
Depreciation	(94)	(67)	(161)	(16)	(432)	(1,092)	(48)	(1,588)	-	(1,749)
Amortisation of intangible assets	(1,143)	(649)	(1,792)	(112)	(1,391)	(2,661)	(249)	(4,413)	(195)	(6,400)
	(23)	-	(23)	-	(5)	(9)	(31)	(45)	-	(68)
Share of profit of associated companies	-	1,158	1,158	-	563	-	-	563	-	1,721
Profit before income tax	298	553	851	357	1,956	2,755	3,228	8,296	1,055	10,202
Income tax expense	(234)	(161)	(395)	3	(836)	(694)	(255)	(1,782)	(76)	(2,253)
Net profit	64	392	456	360	1,120	2,061	2,973	6,514	979	7,949
Segment assets	51,904	65,450	117,354	13,184	119,628	94,472	8,884	236,168	13,956	367,478
Segment assets includes										
Investment in associated companies	-	23,743	23,743	-	4,839	-	-	4,839	-	28,582
Additions to:										
- Property, plant and equipment	41	226	267	3	161	578	7	749	5	1,021
- Right-of-use assets	-	(11)	(11)	-	87	2,124	-	2,211	-	2,200
Investment properties	-	-	-	-	1,673	-	-	1,673	7,956	9,629
Segment liabilities	(5,263)	(3,203)	(8,466)	(1,346)	(15,721)	(35,846)	(578)	(53,491)	(858)	(62,815)

4. Segment and revenue information (continued)

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.

(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	
	30 June 2024 \$'000	30 June 2023 \$'000
Segment assets	366,667	367,478
Unallocated:		
Deferred income tax assets	4,128	3,203
Short-term bank deposits	22,049	8,026
Transferable club membership	65	65
	392,909	378,772

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. Segment and revenue information (continued)

(a) Reconciliations (continued)

(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, borrowings and derivative financial instruments.

Segment liabilities are reconciled to total liabilities as follows:

	Group	
	30 June 2024 \$'000	30 June 2023 \$'000
Segment liabilities	77,341	62,815
Unallocated:		
Income tax liabilities	1,401	1,826
Deferred income tax liabilities	2,338	1,624
Borrowings	29,797	32,045
Derivative financial instruments	83	-
	110,960	98,310

(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	
	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Distribution of automotive and industrial products	160,317	147,106
Manufacturing of alloy wheels	38,296	39,457
	198,613	186,563

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. Segment and revenue information (continued)

(c) Geographical information

The Group operates in the following geographic areas:

	Group			
	Sales *		Non-current assets	
	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
Singapore	30,950	33,660	49,189	49,240
Malaysia	33,211	27,322	25,999	27,644
China/Hong Kong	20,662	24,740	20,877	22,259
Taiwan	7,551	7,120	1,635	2,067
Australia	46,407	43,549	11,832	13,671
New Zealand	27,249	26,833	9,096	8,124
Other countries	32,583	23,339	6,826	1,771
	198,613	186,563	125,454	124,776

* 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.

5. Profit before taxation

5.1 Significant items

	Group	
	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Interest income	428	200
Rental income	2,621	2,586
Interest on borrowings	(908)	(1,068)
Lease interest	(691)	(681)
Depreciation of property, plant and equipment and investment property	(3,009)	(3,088)
Depreciation of right-of-use assets	(3,747)	(3,312)
Amortisation of intangible assets	(275)	(68)
Credit loss allowance on trade receivables	(698)	(655)
Write-down of inventories	(942)	(582)
Currency exchange gain - net	544	1,059
Share of profit of associated companies	1,459	1,721
Gain on disposal of property, plant and equipment	156	166

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

5.2 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:

Sales and purchases of goods and services

	Group	
	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Sales of goods to associated companies	4,709	1,815
Purchases of goods from associated companies	(699)	(883)
Rental income from associated company	125	131

Outstanding balances as at 30 June 2024, arising from sale/purchase of goods to/from associated companies, are unsecured, receivable/payable within 6 months from balance sheet date.

6. Income tax

	Group	
	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Tax expense attributable to profit is made up of:		
Current income tax		
- Singapore	311	226
- Foreign	2,444	1,806
	2,755	2,032
Deferred income tax	41	191
	2,796	2,223
(Over)/Under provision in previous financial years		
- Current income tax	(40)	(2)
- Deferred income tax	27	32
	2,783	2,253

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

7. Dividends

	Company	
	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
<i>Ordinary dividends paid or proposed</i>		
Final exempt dividend paid in respect of the previous financial year of 3.15 cent (2023: 3.60 cent) per share	9,189	10,454

8. Net asset value per share

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Net asset value per ordinary share	94.42 cents	95.06 cents	42.52 cents	44.70 cents
Number of shares used in calculating net asset value per share	291,714,811	290,399,811	291,714,811	290,399,811

9. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to \$1,842,000 (30 June 2023: \$1,021,000) and disposed of assets amounting to \$104,000 (30 June 2023: \$50,000).

10. Borrowings

	Group	
	30 June 2024 \$'000	31 December 2023 \$'000
<u>Amount repayable within one year or in demand</u>		
Secured	29,246	29,338
<u>Amount repayable after one year</u>		
Secured	551	1,206
Total borrowings	29,797	30,544

Details of any collateral

The Group's borrowings are secured over a fixed and floating charge on all the assets of certain subsidiaries.

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

11. Derivative financial instruments

	Contract notional amount \$'000	Group Fair value	
		Asset \$'000	Liability \$'000
30 June 2024			
<i>Non-hedging instruments</i>			
- Currency forwards	11,205	-	83
Less: Current portion		-	(83)
Non-current portion		-	-
	Contract notional amount \$'000	Group Fair value	
		Asset \$'000	Liability \$'000
31 December 2023			
<i>Non-hedging instruments</i>			
- Currency forwards	4,984	-	-
Less: Current portion		-	-
Non-current portion		-	-

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).

	<u>Level 2</u> \$'000
<u>Group</u>	
As at 30 June 2024	
Derivative financial instruments	
- Asset	-
- Liability	83
	<hr/>
As at 31 December 2023	
Derivative financial instruments	
- Asset	-
- Liability	-
	<hr/>

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

12. Share capital and treasury shares

	← No. of ordinary shares →		← Amount →	
	Issued share capital '000	Treasury shares '000	Share capital \$'000	Treasury shares \$'000
2024				
Balance as at 1 January 2024	292,296	1,896	77,001	(671)
Treasury shares reissued	-	(1,315)	-	465
Balance as at 30 June 2024	292,296	581	77,001	(206)
2023				
Balance as at 1 January 2023 and 31 December 2023	292,296	1,896	77,001	(671)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

There was no change in the Company's number of shares since 31 December 2023. The share capital of the Company as at 30 June 2024 was 292,295,811 ordinary shares.

The 581,000 treasury shares held by the Company represented 0.20% of the total number of issued shares (excluding treasury shares) as at 30 June 2024 (30 June 2023: 1,896,000). The Company transferred 1,315,000 (30 June 2023: Nil) ordinary shares to employees upon vesting of shares released under the 2021 YHI Share Option Scheme during the half year ended 30 June 2024.

There were no outstanding convertibles issued by the Company as at 30 June 2024.

The total number of issued shares excluding treasury shares are as set out below.

	Company	
	30 June 2024	31 December 2023
Total numbers of issued shares	292,295,811	292,295,811
Less: Treasury shares	(581,000)	(1,896,000)
Total number of issued shares excluding treasury shares	291,714,811	290,399,811

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

12. Share capital and treasury shares (continued)

Movements in the number of unissued ordinary shares under the 2021 YHI Share Option Scheme and their exercise price are as follows:

<u>Group and Company</u>	← No. of ordinary shares under option →				<u>End of period</u>	<u>Exercise price</u>	<u>Exercise period</u>
	<u>Beginning of period</u>	<u>Granted during the period</u>	<u>Forfeited during the period</u>	<u>Exercised during the period</u>			
30 June 2024							
2021 Options	2,200,000	-	-	(1,315,000)	885,000	\$0.39	24.12.2023 – 23.12.2031
31 December 2023							
2021 Options	2,200,000	-	-	-	2,200,000	\$0.39	24.12.2023 – 23.12.2031

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**OTHER INFORMATION REQUIRED BY LISTING RULE
APPENDIX 7.2**

OTHER INFORMATION

- 1. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The condensed consolidated balance sheet of YHI International Limited and its subsidiaries as at 30 June 2024 and the related condensed consolidated income statement and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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

REVIEW OF SIX-MONTH YEAR-TO-DATE FINANCIAL RESULTS (1H2024 VS 1H2023)

Turnover

The Group reported a 6.5% (or \$12.0 million) increase in turnover to \$198.6 million (1H2024) from \$186.6 million (1H2023) mainly due to higher sales recorded in 1H2024 from our distribution business.

Distribution business, accounting for 80.7% of the Group's total turnover, recorded an increase of 9.0% (or \$13.2 million) in turnover, from \$147.1 million (1H2023) to \$160.3 million (1H2024) mainly due to higher sales from our wheels and energy distribution segments. Our wheel manufacturing business, accounting for 19.3% of the Group's total turnover, recorded a decrease of 2.9% (or \$1.2 million) in turnover from \$39.5 million (1H2023) to \$38.3 million (1H2024), mainly attributed by our China factory.

Gross Profit

Gross Profit increased by 16.7% (or \$7.5 million) to \$52.5 million (1H2024) from \$45.0 million (1H2023) mainly due to higher sales from our distribution business and higher gross profit margin from our manufacturing business. Gross profit margin increased to 26.4% in 1H2024 compared to 24.1% in 1H2023 contributed mainly by our wheel manufacturing business.

Other gains

Other gains decreased by 15.2% (or \$0.7 million) to \$3.8 million (1H2024) from \$4.5 million (1H2023) mainly due to lower sundry income.

OTHER INFORMATION

REVIEW OF SIX-MONTH YEAR-TO-DATE FINANCIAL RESULTS (1H2024 VS 1H2023) (continued)

Operating Expenses

Distribution expenses increased by 18.3% (or \$3.5 million) in 1H2024 to \$22.4 million compared to \$18.9 million in 1H2023 mainly due to higher staff related cost, carriage outwards, and sales & advertising promotion expenses in line with higher sales.

Administrative expenses increased by 14.7% (or \$2.9 million) in 1H2024 to \$22.6 million compared to \$19.7 million in 1H2023 mainly due to higher staff related cost, depreciation and general expenses and lower foreign exchange gain reported in 1H2024.

Financing costs decreased by 8.6% (or \$0.1 million) in 1H2024 to \$1.6 million compared to \$1.7 million in 1H2023 in line with lower bank borrowings.

Share of Profit of Associated Companies

Our share of profit from associated companies decreased by 15.2% (or \$0.2 million) to \$1.5 million in 1H2024 as compared to \$1.7 million in 1H2023 mainly due to lower profit reported by OZ SpA.

Income Tax expense

Income tax expense increased by 23.5% (or \$0.5 million) in 1H2024 to \$2.8 million from \$2.3 million in 1H2023 mainly due to higher profit before tax for the year.

Net Profit after Tax and Non-controlling Interests

Net profit after tax and non-controlling interests attributable to shareholders of the Company increased by 3.2% (or \$0.2 million) to \$7.7 million in 1H2024 from \$7.5 million in 1H2023.

BALANCE SHEET REVIEW

As at 30 June 2024, total assets amounted to about \$392.9 million comprising \$263.3 million of current assets and \$129.6 million of non-current assets. Total liabilities amounted to about \$111.0 million comprising current liabilities of \$83.0 million and non-current liabilities of \$28.0 million. Shareholders' equity including non-controlling interests amounted to 281.9 million.

The substantial changes in the balance sheet compared to 31 December 2023 are as follows:

Trade and other receivables

Trade and other receivables increased from \$80.2 million to \$91.6 million mainly due to higher sales and prepayment in 1H2024.

OTHER INFORMATION

BALANCE SHEET REVIEW (continued)

Inventories

Inventories decreased from \$118.3 million to \$113.2 million mainly due to better inventory management.

Current income tax liabilities

Income tax liabilities decreased from \$2.4 million to \$1.4 million mainly due to income tax paid in 1H2024.

Lease liabilities (current & non-current)

Lease liabilities increased from \$28.2 million to \$30.2 million mainly due to new leases entered in 1H2024.

Other non-current liabilities

Other non-current liabilities increased from \$0.3 million to \$0.8 million mainly due to increase in provision for long service entitlement in 1H2024.

STATEMENT OF CASHFLOW REVIEW

Operating activities generated \$9.6 million in 1H2024. The Group utilised \$1.2 million in investing activities mainly for the purchase of property, plant and equipment offset with dividend received from associated company. A total of \$14.5 million was utilised in financing activities mainly for payment of dividend, interest and lease liabilities. Cash and cash equivalents amounted to \$58.4 million as at 30 June 2024 compared to \$64.2 million reported as at 31 December 2023.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no forecast or prospect statement previously disclosed.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The Israel-Hamas conflict in the middle east has caused disruptions in supply chain with escalating ocean freight costs. Coupled with the on-going Russia-Ukraine war in Europe, we expect the business landscape to remain challenging in the second half of FY2024.

Against a backdrop of global economic uncertainties and the rising trade tensions with China, we expect the demand for our wheel products to remain subdued globally in the second half of FY2024.

OTHER INFORMATION

4. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months** (continued)

However, the Group's distribution businesses are expected to remain resilient in our key regional markets and to contribute positively to the second half of FY2024. The Group will strengthen its distribution networks and pursue new business opportunities actively with a focus on growing our energy solutions business across the various markets regionally.

The Group will continue to navigate the challenging business landscape carefully, to optimize resources and operating costs, to intensify its digital strategy to improve operations efficiency and productivity, and to mitigate the financial impact on our businesses where appropriate.

5. **Dividend information**

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been recommended for the period ended 30 June 2024 as the Company generally recommends dividend at the end of the financial year.

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

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

OTHER INFORMATION

7. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

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

We, Tay Tian Hoe Richard and Tay Tiang Guan, being two of the directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the six months ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tay Tian Hoe Richard
Executive Chairman and Group
Managing Director

Tay Tiang Guan
Director

Singapore
13 August 2024