



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

# Enhancing Value

ANNUAL  
REPORT  
2023

# 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.

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# Enhancing Value

In the face of uncertainties, we will be tenacious in overcoming challenges and remain unwavering in our commitment to harness our strengths, global presence and proven capabilities to enhance our stability and deliver resilient value to stakeholders.

## Corporate Profile



“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 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”.






# 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.

 JAPAN	 ITALY	 GERMANY	 JAPAN	 JAPAN
 TAIWAN	 KOREA	 USA	 KOREA	 INDONESIA
 USA	 USA	 USA	 SINGAPORE	 THAILAND
 INDIA	 INDIA	 CHINA	 CHINA	 CHINA
 CHINA	 CHINA	 CHINA	 CHINA	



## ALLOY WHEELS

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

 SINGAPORE	 JAPAN	 USA	 ITALY	 ITALY
 GERMANY	 USA	 GERMANY	 GERMANY	

# Our Products




## BUGGY & UTILITY VEHICLES

Our range of environmentally friendly buggies and utility vehicles are used in golf courses, 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.



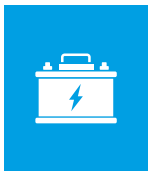
SINGAPORE



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



USA



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

## 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<sup>2</sup>

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<sup>2</sup>

Year of Production: 2006

Annual production capacity: 0.9 million



# Our Quality Certificates

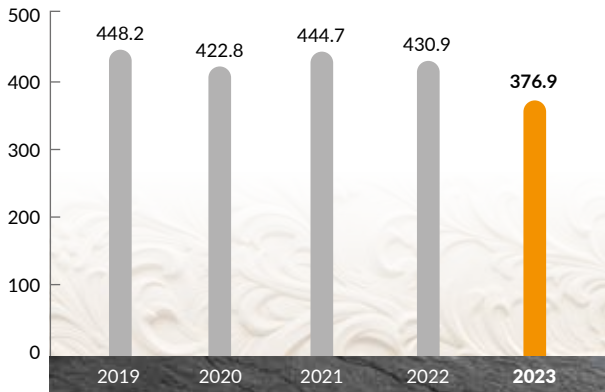


**YHI ADVANTI MANUFACTURING (SUZHOU) CO., LTD**  
**SUZHOU, CHINA**

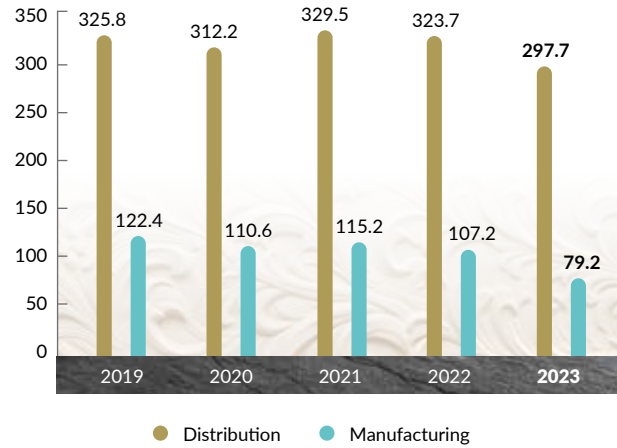
Products: Alloy Wheels & Precision Moulding Sets  
Land area: 75,600 m<sup>2</sup>  
Year of Production: 2006  
Annual production capacity: 1.2 million + 850 set mould

## Five-Year Financial Highlights

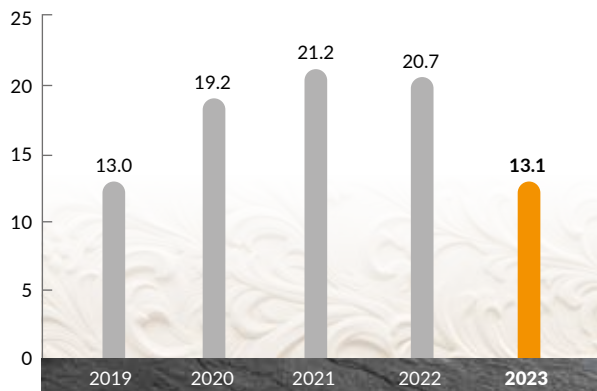
**GROUP REVENUE**  
(S\$ 'million)



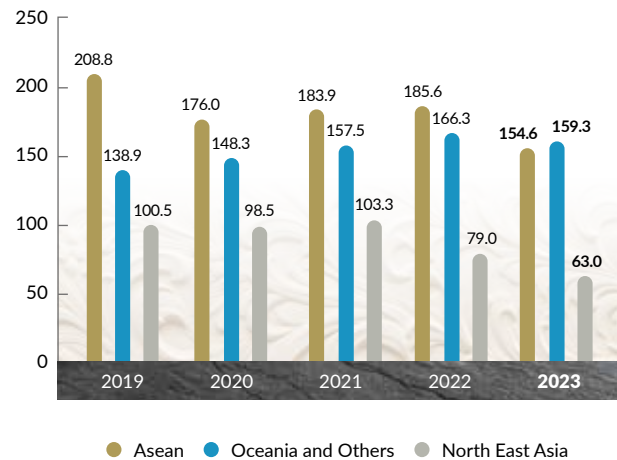
**REVENUE BY BUSINESS SEGMENTS**  
(S\$ 'million)



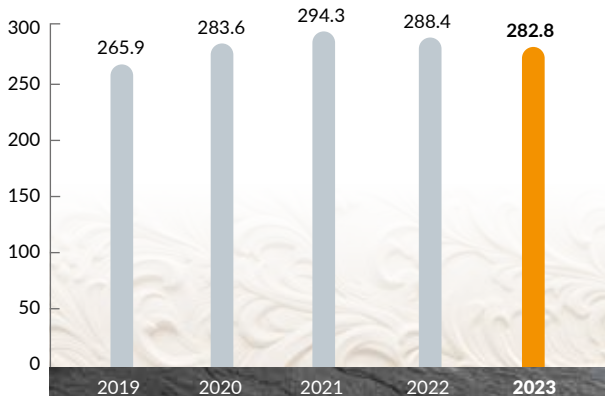
**NET PROFIT ATTRIBUTABLE TO EQUITY  
HOLDERS OF THE COMPANY**  
(S\$ 'million)



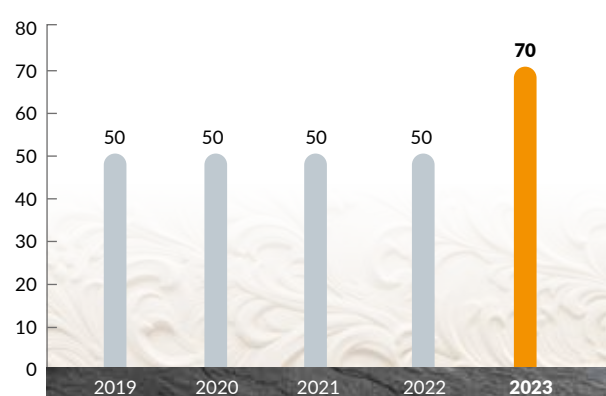
**REVENUE BY GEOGRAPHY**  
(S\$ 'million)



**NET ASSETS**  
(S\$ 'million)



**DIVIDEND PAYOUT**  
(%)



## Five-Year Financial Summary

### RESULTS OF OPERATIONS

FINANCIAL YEAR ENDED 31 DECEMBER	FY2023 S\$ '000	FY2022 S\$ '000	FY2021 S\$ '000	FY2020 S\$ '000	FY2019 S\$ '000
Sales	376,940	430,892	444,718	422,795	448,207
Gross Profit %	24.6	22.8	23.8	24.0	21.4
Profit before income tax	18,348	28,437	28,830	25,317	16,221
Net profit attributable to equity holders of the Company	13,053	20,722	21,165	19,155	12,956
Net Profit %	3.6	5.1	5.0	4.6	2.8
EBITDA	34,561	45,814	46,385	44,514	38,074

### FINANCIAL POSITION

AS AT 31 DECEMBER	FY2023 S\$ '000	FY2022 S\$ '000	FY2021 S\$ '000	FY2020 S\$ '000	FY2019 S\$ '000
Current assets	262,742	281,686	301,790	267,102	259,694
Non-current assets	128,300	132,634	137,233	138,021	138,878
Total assets	391,042	414,320	439,023	405,123	398,572
Current liabilities	82,864	98,741	113,474	94,242	108,276
Non-current liabilities	25,376	27,190	31,238	27,304	24,433
Total liabilities	108,240	125,931	144,712	121,546	132,709
Net assets	282,802	288,389	294,311	283,577	265,863
Capital and reserves attributable to equity holders of the Company	276,049	280,385	286,289	275,381	255,825
Non-controlling interests	6,753	8,004	8,022	8,196	10,038
Total equity	282,802	288,389	294,311	283,577	265,863

### FINANCIAL INDICATORS

	FY2023	FY2022	FY2021	FY2020	FY2019
Return on shareholders equity (%)	4.7	7.4	7.4	7.0	5.1
Earnings per share (cents)	4.49	7.14	7.29	6.57	4.43
Net asset value per share (cents)	95.06	96.55	98.58	94.83	87.52
Dividend per share (cents)	3.15	3.60	3.60	3.30	2.22
Cash and bank balances (S\$ '000)	64,224	60,576	84,854	84,620	56,392
Net debt to equity ratio (%)	NM	3.4	3.0	NM	15.0



# STRENGTH IN TENACITY

Driven by strong fundamentals, global presence and extensive expertise, we will be **leveraging the strength of our tenacity** to overcome the relentless challenges facing us and forge our way forward to stable growth.



## Chairman's Message



**I AM PLEASED TO NOTE THAT OUR COST AND PRODUCTIVITY IMPROVEMENT EFFORTS HAVE DELIVERED POSITIVE RESULTS IN TERMS OF OUR ABILITY TO MAINTAIN STRONG NET PROFIT MARGIN, A PROXY MEASURE OF OUR EFFICIENCY IN MANAGING OPERATIONS AND COST AND EFFECTIVENESS IN CREATING VALUE.**



### **DEAR SHAREHOLDERS,**

The business landscape in FY2023 was as challenging as in FY2022, if not more. In addition to the downside risks that I mentioned in last year's report, new challenges emerged. These included the rise of trade protectionism and conflicts in the Middle East. Negotiating expected and unexpected challenges tested our mettle, forging a tenacious resilience that anchors our commitment to deliver sustainable value for stakeholders.

### **AN UNEVEN GLOBAL RECOVERY**

The global economic recovery in 2023 was slow in the first half of the year, with the pace picking up slightly in the second half. The effects of tighter monetary policies, commodity, especially energy, price shocks, weak business and consumer confidence and geopolitical tensions experienced in 2022 lingered into 2023. However, the global economy proved to be more resilient than expected<sup>1</sup>. As inflation moderated in advanced economies, supply chains recovered and governments increased fiscal spending, growth began to gain momentum in many countries. But the rising momentum was not felt everywhere and global recovery was uneven, with emerging economies generally faring better than advanced economies, except the USA.

The US economy grew faster than expected on the back of strong consumer spending and government stimulus measures. The US's recovery was the strongest among major economies and avoided a recession in 2023.

Growth in the euro area lagged behind advanced economies, reflecting greater exposure to the Ukraine war, spike in energy prices and weak consumer sentiments. Energy-intensive and manufacturing-oriented economies were the hardest hit affecting Europe's major industrial economies.

## Chairman's Message

China's post-COVID recovery has been slower than expected due to multiple headwinds. The slump in the real estate sector which accounted for a significant proportion of China's GDP weighed on the economy. The sector's downturn adversely affected the broader economy and reduced the consumption power of households. In addition, manufacturers in China were affected by the continuing decline in exports as a result of weaker overseas demand and trade tensions with major export markets.

### NAVIGATING A PERFECT STORM

At the start of 2023, the Group continued to grapple with an adverse macro-economic environment spilling over from 2022. As the year progressed, while some risks such as inflation and banking instability began to moderate, new risks however emerged. Commodity price volatility and supply restrictions caused by renewed geopolitical tensions, impact of monetary tightening to curb inflation weighed on exports and consumer demand, slowing down economic recovery. Subdued growth in Europe was of particular concern as the region was a significant market for alloy wheels manufactured by the Group. As ASEAN's top trading partner, the slowdown in China had a significant impact on the Group's distribution and manufacturing businesses in the region. The Group's business in China was also affected by trade tensions between China and the U.S.. Global trade remained weak caused by weaker demand for goods exports and trade distortions. The Group was adversely affected by weak global trade activities and trade restriction measures implemented by regulators of some of its major markets.

As a global business with the world as its market, the convergence of the myriad challenges had a significant impact on both the Group's distribution and manufacturing businesses. It was a perfect storm, one in which we were able to leverage our experience and tenacity to navigate successfully and deliver a resilient performance for FY2023.

### A RESILIENT PERFORMANCE

Against a backdrop of a challenging business landscape, geopolitical tensions and changing trade regulatory regimes in the markets where we operate, the Group has delivered a resilient performance in FY2023, attesting to its tenacity to overcome adversities with agility, strong fundamentals and operational excellence.

Despite weak global demand and the rise of protectionism, the Group reported a net profit attributable to equity holders of \$13.1 million in FY2023. Although it was a 37.0% decline compared to \$20.7 million in FY2022, it was nonetheless comparable to the profits achieved during the years prior to the onset of the COVID-19 pandemic. The Group's ability to achieve stable profits reflects its commitment to deliver stable value to stakeholders over the long-term.

Reflecting overall weak demand in all the markets, the Group recorded a 12.5% decrease in total revenue to \$376.9 million in FY2023, compared to \$430.9 million in the previous year. Lower distribution and manufacturing sales contributed to the weaker turnover, with manufacturing accounting for a greater share of the decline. Manufacturing sales was significantly affected by cyclical factors such as excess inventory buildup by key customers in the previous year and trade tensions among major export markets.

The distribution business which accounted for 79.0% of total revenue, was affected by weaker sales of our core products across the board in all markets. The decline in tyre sales which contributed 49.3% of business in the distribution segment had a significant impact on revenue in this segment. In the same vein, the manufacturing business, also recorded a sharp decline in revenue attributed to subdued demand for alloy wheels in Europe and other key markets. Revenue from the manufacturing segment as a proportion of total revenue continued its downward trajectory, accounting for 21.1%.

As a result of lower sales, gross profit was lower by 5.5% year-on-year to \$92.7 million in FY2023 compared to \$98.2 million in the prior year period. Weaker sales and gross profit margins in the distribution of tyres contributed to the reduced gross profit but was mitigated by higher gross profit margins in the wheels & energy distribution business resulting in higher gross profit margins to 24.6% in FY2023 from 22.8% in the previous financial year. Challenging market conditions and higher operations costs combined to keep profit margins depressed.

### A STRONG FINANCIAL STRUCTURE

The Group continues to focus on building a strong financial structure underpinned by a healthy balance sheet. A strong financial position enhances its resilience to withstand



## Chairman's Message



headwinds and provides resources and headroom to capitalise on growth opportunities.

In FY2023, the Group generated net cash flow of \$37.6 million from its operations. As at 31 December 2023, cash and cash equivalents stood at \$64.2 million compared to \$60.6 million as at the end of the prior year period. Net assets attributable to shareholders was \$276.0 million resulting in net asset value per share of 95.06 cents based on 290.4 million shares in issue.

### ENHANCING VALUE AMID ADVERSITIES

The congruence of a sluggish global economy, weak business and consumer sentiments, slower trade flows, geopolitical tensions and emergence of protectionism in some markets has created a very challenging operating environment for YHI in FY2023. However, this did not distract the Group from its commitment and purpose to focus on optimising value creation that is sustainable for the long term. Over the years, as a global distributor of automotive and industrial products, the Group had accumulated deep domain knowledge, expertise, resources and resilience which it could effectively harness to strengthen our international distribution networks while navigating uncertainties and adversities. The Group's implementation over the years of the '3R' cost containment strategy involving reducing stock-holding, accounts receivables and operating costs has created a solid foundation of resilience in times of challenges. In addition, we will continue to enhance our '3M' – multi-product, multi-brand and multi-category – marketing strategy to expand our portfolio of products, with a focus on growing our energy solutions business to mitigate

the risk of concentration in our tyre and wheel distribution business and ensure that our business remains robust for long-term growth.

The '3R' culture which was deeply ingrained in the Group's culture provided the framework for the implementation of other cost optimisation measures across the whole value chain including diversifying supplier base and negotiating better terms with suppliers, customers and partners. The Group also intensified its digitalisation strategy to improve operations efficiency and productivity.

I am pleased to note that our cost and productivity improvement efforts have delivered positive results in terms of our ability to maintain strong net profit margin, a proxy measure of our efficiency in managing operations and cost and effectiveness in creating value. For FY2023 we achieved net profit margin of 3.54%. This ratio compared favourably with those in the years prior to the pandemic, attesting to the sustainability of our business model.

### A BRIGHTER OUTLOOK

The outlook for the global economy for 2024 is brighter than 2023. The International Monetary Fund (IMF) in its January 2024 World Economic Outlook<sup>1</sup> reported that the risks to global growth are broadly balanced and the likelihood of a hard landing has receded. The upgrade in the outlook is, among other factors, due to the stronger than expected growth in the United States and some emerging economies in the second half of 2023. Inflation continues to fall leading to expectation of looser monetary policies that will boost investments and consumption.

## Chairman's Message

Growth in the euro area is expected to recover from the low base in 2023 on the back of stronger household consumption as the effects of the energy price spike subside and inflation moderates<sup>1</sup>.

At the National People's Congress (NPC) held in March 2024, the Chinese government sets a growth target of around 5% for 2024, same as for the year before<sup>2</sup>. The government announced stimulus measures aimed at reviving the real estate sector, boosting market stability and stimulating consumer spending, giving rise to expectation that it is focused on boosting business and consumer confidence.

Economists are more optimistic about the outlook for Singapore's economy in 2024 on the back of faster than expected growth of 2.8 per cent in the fourth quarter of 2023<sup>3</sup>. For the whole 2023, the economy grew by 1.2 per cent according to advance estimates from the Ministry of Trade and Industry (MTI)<sup>4</sup>. Manufacturing and exports are returning to a stable growth trajectory brightening the outlook for 2024.

### CAUTIOUS OPTIMISM FOR BETTER GROWTH OPPORTUNITIES

During the year under review, the Group has in the face of severe macro-economic uncertainties and challenging market conditions, implemented strategic initiatives aimed at effectively weathering near-term headwinds as well as building up its core strengths for the future including global distribution networks, operations excellence, digital capability, capital structure and supply chain.

We will put more strategic focus on investing and deepening capabilities in the business segments and geographic markets that have the greatest potential for providing new opportunities for long-term sustainable growth. The energy distribution segment will continue to be the Group's main growth driver. The growth of electric vehicles will sustain the demand for tyres. As a leading global distributor with presence across 100 countries through 32 subsidiaries, the Group is well positioned to seize growth opportunities in traditional markets as well as in new fast-growing markets in ASEAN.

The Group's investments in the energy solutions segment are paying dividends. Revenue contribution from this segment was closely behind that of the wheels segment, contributing 30.1% of total revenue in FY2023. During the year, we have re-organised and resourced our global operations to realign our strategy with a greater focus on growing the energy solutions segment.

Supported by a brighter global outlook, our stronger fundamentals and improved demand for our products in the fourth quarter of 2023, we are cautiously optimistic that the Group will continue to deliver a respectable performance in FY2024.

### DELIVERING VALUE

We put the interests of shareholders at the centre of everything that we do. We are committed to deliver sustainable value to them and stand by them through thick and thin. In this respect, the Board is recommending a first and final tax-exempt dividend of 3.15 cents per ordinary share for FY2023, subject to approval by shareholders at the forthcoming Annual General Meeting. This constitutes a dividend yield of 6.6% based on the closing share price of \$0.48 as at the last practicable date before the printing of this report. The dividend to be paid out will amount to 70% of our net profit, reinforcing our commitment to share the Group's success with shareholders.

### ACKNOWLEDGEMENTS

The Group's resilient performance in FY2023 in the face of severe challenges could not have been possible without the contribution of many people. I would like to express my deepest appreciation to the Board of Directors for guiding and steering the Group through a difficult year. I would like to thank our partners, customers and shareholders for their undeviating support and cooperation in working closely together through the challenges. Last but not least, I would like to express my appreciation to the management and staff for their sacrifices, dedication and hard work during the year as we worked together to navigate the uncertainties and continued to deliver value to shareholders.

### RICHARD TAY

Executive Chairman & Group Managing Director

#### Reference

<sup>1</sup> World Economic Outlook Update, International Monetary Fund, January 2024

<sup>2</sup> "China sets GDP 2024 target of 'around 5%', plans to issue 'ultra-long' special bonds for major projects", CNBC, March 5, 2024

<sup>3</sup> "Economists more optimistic for 2024 as Singapore economy ends 2023 on a higher note", The Straits Times, January 2, 2024

<sup>4</sup> "Singapore's GDP Grew by 2.8 Per Cent in the Fourth Quarter of 2023 and by 1.2 Per Cent in 2023", Press Release, Ministry of Trade And Industry, January 2, 2024



## 董事长献词



### 亲爱的股东们

纵观2023财年的商业前景，其挑战性与2022财年相比，毫无缓和之迹象，犹有过之而无不及之势。除了我在去年的年报中提到的下行风险外，还出现了贸易保护主义的兴起和中东地区冲突等新的风险和新的挑战。面临这些预期的和不可预期的挑战，我们没有退缩，而是凭着坚韧的毅力，积极应对与谈判，攻克难题，完成了为我们股东提供可持续价值的承诺。

### 不均衡的全球复苏

2023年的全球经济复苏在上半年进行缓慢，下半年略有加速。货币政策收紧、大宗商品，尤其是能源价格的冲击、商家和消费者信心疲软以及地缘政治的紧张局势，这些在2022年经历的不利因素，其影响力一直持续到2023年。然而，事实证明，全球经济比我们预期的更具有弹性（见注释<sup>1</sup>）。随着发达经济体通货膨胀放缓，供应链恢复，政府增加财政支出，许多国家的经济增长势头开始冒出。新兴经济体的情况普遍好于发达经济体（美国除外），所以并非所有地方的经济都有这种上升势头，全球经济复苏并不均衡。

2023年美国的复苏是主要经济体中最强劲的，旺盛的市场购买力和政府对经济刺激措施的双管齐下，不仅没有让美国经济衰退，反而使其增长快于预期。

受乌克兰战争、能源价格飙升和消费者情绪疲软的主要影响，欧元区的增长落后于发达经济体。高耗能产业和制造型企业是最大程度上影响欧洲主要工业经济体的两大经济体。

多重不利因素下，中国新冠疫情后的复苏速度慢于预期。占

中国国内生产总值相当比重的房地产行业的衰退给经济带来了沉重打击。房地产的低迷影响了整体经济，并压制了家庭的消费能力。此外，由于海外市场需求疲软以及出口贸易紧张，使得中国制造企业的出口量持续下降。

### 成功度过风暴

2023年初，本集团继续加强应对从2022年蔓延而至的不利宏观经济环境。随着这一年的进展，通货膨胀和银行业不稳定等一些风险开始缓和，但新的问题却层出不穷。再次兴起的地缘政治紧张局势导致大宗商品价格波动和供应限制，以及为遏制通货膨胀而收紧货币政策对出口和消费需求造成的压力，减缓了经济的复苏。欧洲是本集团轮毂制造业的重要市场，其增长放缓尤其令人堪忧。中国作为东盟最大的贸易伙伴，其经济放缓对本集团在该地区的分销和制造业务都产生了重大的影响。由于商品出口需求疲软和贸易异常发展，加上中美贸易局势仍然紧张，本集团在中国的业务也不可避免受到影响。另外，全球贸易活动疲软以及部分主要市场监管机构实施的贸易限制措施，都使得本集团的业务受到了冲击。

作为一家以全球为市场的全球企业，诸多挑战的来袭对集团的分销和制造业务都产生了相当深远的影响。这是一场完美的风暴，我们凭借自己的经验和毅力成功驾驭了这场风暴，并在2023财年取得平稳业绩。

### 坚韧的业绩

尽管我们所在市场的商业环境充满挑战、地缘政治的局势紧张以及贸易监管制度不断变化，本集团在 2023 财年仍然取

## 董事长献词

得了坚韧的业绩，证明了其凭借商业敏锐性、强劲的基本面和卓越的运营能力，去克服逆境的顽强精神。

虽然全球需求疲软，保护主义抬头，但本集团宣布，2023财年归属于股权持有人的净利润为1,310万元。尽管这与2022财年的2,070万元相比下降了37.0%，但与新冠肺炎疫情爆发前几年的利润相当。集团实现稳定利润的能力反映了其长期为股东们提供稳定价值的承诺。

受所有市场总体需求疲软的影响，本集团2023财年的总收入下降12.5%，为3.769亿元，而前一年为4.309亿元。分销和制造业销售额双双下降，导致营业额整体下滑。制造业销售深受到一些周期性因素的影响，如前一年大客户的库存积压和主要出口市场之间的贸易紧张局势等，销售额下降所占份额更大。

占总收入79.0%的分销业务，受到我们核心产品在所有市场全面销售疲软的影响。轮胎销售额的下降很大程度上影响了分销部门的收入，仅占整个分销业务的49.3%。同样，由于欧洲和其他关键市场对轮毂的需求萎靡，制造业务的收入也大幅下降。制造业收入占总收入的比例也持续下跌，仅占21.1%。

由于销售额下降，2023财年毛利润同比下降5.5%，为9,270万元，而上年同期为9,820万元。轮胎分销业务的低销售额和低毛利率导致了整个毛利润的下降，但轮毂和能源批发业务的毛利率上升使整体毛利率从上一财年的22.8%上升到2023

财年的24.6%，从而缓解了轮胎业务带来的这一下降。充满挑战的市场经营环境和高运营成本共同压低了利润率。

### 强健的财务结构

集团继续专注于建立以健康资产负债表为基础的强大财务结构。良好的财务状况增强了集团抵御逆境的能力，并为开拓集团业务提供了资源和舞台。

2023财年，集团运营产生的净现金流为3,760万元。截至2023年12月31日，现金和现金等价物为6,420万元，而上年末为6,060万元。归属于股东的净资产为2.761亿元，基于已发行的2.904亿股，每股净资产价值为95.06分。

### 在逆境中提升价值

友发在2023财年面临极具挑战性的运营环境：全球经济低迷、商业不景气和消费者消费不振、贸易流动放缓、地缘政治紧张局势以及一些市场出现的保护主义，然而，这并没有使集团懈怠专注于优化长期可持续价值创造的承诺和目标。多年来，作为汽车和工业产品的全球分销商，集团积累了深厚的领域知识、专业知识、资源和战斗恢复力，能够有效利用这些知识、专业技能、资源和复原力来克服各种不确定性和困境，加强我们的国际分销网络。多年来，集团严格实施“3R”成本控制战略，即：减少库存、减少应收账款和缩减运营成本，为应对各种挑战打下了扎实的基础。此外，我们将继续加强



## 董事长献词

我们的“3M”营销战略,即:多产品、多品牌和多类别,以扩大我们的产品组合,并重点发展我们的能源批发业务,以降低我们的轮胎和轮毂分销业务带来的风险损失,并确保我们的业务能够稳固地长期增长。

集团文化中根深蒂固的“3R”政策,在整个价值链中为实施其他成本优化措施提供了框架,包括使供应商体系多元化,以及与供应商、客户和合作伙伴之间建立更好的商业条款。集团还加强提倡数字化战略,以提升运营效率和生产力。

我很高兴地看到,为维持一个好的净利润率,我们在成本控制和生产力改进方面所做的努力取得了显著成果,净利润率是衡量我们企业的整体运营能力以及投入成本资源能否转化为报酬的一个指标。2023财年,我们取得了3.54%的净利润率。这一比例与疫情前几年相比好多了,证明了我们的商业模式是可持续发展的。

### 光明的前景

2024年的全球经济前景比2023年更加看好。国际货币基金组织(IMF)在其2024年1月的《世界经济展望》报告中称,全球增长的风险大致平衡,硬着陆的可能性已经降低(见注释<sup>1</sup>)。除其他一些因素外,前景看好主要是因为美国和一些新兴经济体在2023年下半年的增长强于预期。通货膨胀率持续回落,导致人们预料将出台更宽松的货币政策,以促进投资和消费。

伴随着能源价格飙升影响的消退和通货膨胀放缓,在家庭消费的大力支持下,欧元区的增长预计将从2023年的低基数回弹(见注释<sup>1</sup>)。

在2024年3月举行的全国人民代表大会上,中国政府提出2024年与上年相同的5%左右的增长目标(见注释<sup>2</sup>)。政府宣布了针对振兴房地产行业、促进市场稳定、刺激消费方面制定相关的应对措施,这让人们对提振企业和消费者信心有了期待。

2023年第四季度新加坡经济增长率超过预期,为2.8%(见注释<sup>3</sup>),故经济学家对2024年新加坡经济前景更加乐观。根据新加坡工贸部的预估,2023年全年经济增长为1.2%(见注释<sup>4</sup>)。制造业和出口市场正在进入稳步增长的轨道,这为2024年的经济前景带来了光明。

### 展望未来需乐观谨慎

回顾整年度,集团面对宏观经济的极大不确定性和充满挑战的经营环境,实施了旨在有效抵御近期不利因素的战略举措,并未雨绸缪为未来建立一系列核心优势,包括全球分销网络、良好运营、数字化能力、资本结构和供应链。

我们将把更多的战略重点放在投资和资本深化能力上,为最有潜力长期可持续发展的业务部门和区域市场提供新的机会。能源批发业务将继续成为集团的主要增长动力。电动汽车的增长将维持对轮胎的需求。作为一家拥有33家子公司,业务范围涉及100个国家的全球领先企业,本集团稳占市场一席之地,并且能够抓住传统市场以及快速兴起的东盟市场的商业良机。

集团在能源批发领域的投资得到回报。该业务的创收紧跟轮胎业务之后,在2023财年占总收入的30.1%。在这一年中,我们对全球业务进行重新组织和资源整顿,以便调整战略,更好地专注于发展能源批发领域。

全球经济前景光明、加上强大的根基和2023年第四季度外界对我们产品需求的回暖,在这些前提下,我们有理由相信,集团将在2024财年继续取得令人满意的业绩。

### 提供价值

我们将股东的利益置于我们经营的中心。我们致力于为他们提供可持续的价值,并与他们同舟共济。于此,董事会建议2023财年派发每股普通股3.15分的最终股息,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\$0.48,股息收益率6.6%。将支付的股息占本集团净利润的70%,充分履行我们与股东分享集团成功的承诺。

### 致谢

如果没有大家的贡献,集团在2023财年攻克严峻挑战,取得良好表现是不可能的。我谨向董事会表达最深切的感谢,感谢他们的指导使集团度过艰难的一年。我要感谢我们的合作伙伴、客户和股东,感谢他们密切配合应对挑战,并给予坚定不移的支持与合作。最后但同样重要的是,我要感谢管理层和所有员工在这一年里做出的牺牲、奉献和辛勤汗水,与我们共同努力走出困境,并持续为股东创造价值。

执行主席兼集团董事总经理

郑添和

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<sup>3</sup> 《新加坡海峡时报》2024年1月2日刊登称:“随着新加坡经济2023年的高调结尾,经济学家对2024年持更加乐观态度”

<sup>4</sup> “新加坡工贸部2024年1月2日发表新闻称:“新加坡2023年全年GDP增长1.2%,第四季度则增长了2.8%,”

## Business Review



### BUSINESS REVIEW

In FY2023, we encountered extensive and complex challenges, impacting the Group's distribution and manufacturing businesses in all geographic markets. A series of interest rate hikes in advanced economies beginning in the latter half of 2022 to slow down inflation created ripple effects across the global economy especially in the first half of 2023. Business investments and consumption demand were weak. Supply disruptions and geopolitical tensions raised the cost of materials and other operations costs. Compounding these challenges, trade tensions and trade restrictive regulations implemented in some markets affected the exports of the Group's tyre and wheel products.

Under these difficult operating environment, the Group's distribution and manufacturing businesses inevitably recorded lower revenue in FY2023. However, the implementation of strategic measures to improve operations efficiency, strengthen cost and inventory management and harness digital technology enabled the Group to mitigate the adverse impact and delivered a resilient performance for the financial year under consideration.

### GEOGRAPHIC AND SEGMENTAL PERFORMANCE

As a leading global distributor of high-quality automotive and industrial products, the Group has a global presence spanning 100 countries across the Asia-Pacific, North America and Europe, supported by a distribution network of more than 33 subsidiaries and 3 associated companies. We have three manufacturing facilities in China, Malaysia and Taiwan.

The Group's core businesses comprise distribution and manufacturing. We distribute a diverse range of premium

automotive products which include tyres and alloy wheels, buggies and utility vehicles. We have also carved out niche product segments in energy solutions like rechargeable batteries and other renewal energy solutions as well as industrial products like solar panels, lubricants and inverters. Our products are sold to more than 5,000 customers globally. Our manufacturing business provides integrated manufacturing services as a trusted brand name in alloy wheel manufacturing as an Original Design Manufacturer ("ODM") supporting customers with a comprehensive suite of services including design conception, product development, marketing and distribution of final products.

ASEAN remained the leading market segment contributing 41.0% to total Group revenue in FY2023, compared to 43.1% in the previous year. The revenue contribution from the Oceania market segment, comprising Australia and New Zealand, continued to grow, accounting for 36.3%, up from 33.4% in FY2022. Over the years, we have been focusing and investing in expanding our global presence and strengthening our sales and marketing networks in key overseas markets. This strategy enables the Group to diversify its revenue stream, reducing concentration risks and strengthening business resilience. Northeast Asia accounted for 16.7% of FY2023 revenue, followed by the USA and Germany, 6.0%.

The distribution and sales of tyres remained the biggest business segment, accounting for 38.9% of total revenue in FY2023. This was followed by distribution of energy solutions and industrial products accounting for 30.1% of revenue and wheels, 10.0%. Since overtaking the wheels distribution in terms of contribution to total distribution revenue, the energy solutions and industrial product segment has continued to grow as we expanded our product range and geographic markets. The energy solutions segment will

## Business Review

continue to be the main growth driver in the distribution business. The Industrial Battery has a wide application in various industries such as mobile elevated work platform, elevator, uninterruptible power system and the cleaning equipment industries.

### DISTRIBUTION BUSINESS

The distribution business remained the key pillar driving growth momentum of the Group. The product portfolio of this business segment comprises tyre, wheel, energy solution, utility vehicle and industrial products. In addition to representing a wide range of established global brands, we also develop and market our own proprietary brands such as Advanti Racing wheels, Neuton Power batteries and Neuton Power electric buggies. Among these, the distribution of tyres continued to be the main revenue contributor. We have built up an extensive portfolio of tyres ranging from passenger cars to commercial and off-the-road vehicles covering a wide spectrum of market segments.

In FY2023, revenue from the distribution business reached \$297.7 million, a decrease of 8.0% compared to \$323.7 million in FY2022. The lower revenue was due to lower trading volume and sales margins, reflecting the difficult global trading environment due to lower demand across all markets prevailing during the year. This business segment continued to contribute the biggest share of Group revenue in the financial year under consideration, accounting for 79.0%, higher than the 75.1% in the previous year.

The tyre segment continued to be the mainstay of the Group's distribution business, accounting for 49.3% of distribution revenue. We represent and distribute many international tyre brands which include Yokohama, Nankang, Pirelli and Toyo Tires among others. The energy solutions and industrial products segment comprising batteries, lubricants, solar panels, chargers, buggies, utility vehicles, inverters and UPS achieved revenue of \$113.5 million in FY2023 declining 9.0% compared to \$124.7 million in FY2022 due to lower demand.

The distribution business across all our geographic markets saw decline in volume sales and revenues. The Oceania market comprising Australia and New Zealand was the biggest revenue contributor to the distribution business in FY2023. However, this market experienced a 4.9% decline in revenue reaching \$137.0 million during the financial year under consideration, compared to \$144.0 million in the prior year. This could be attributed to the fact that consumers were more cautious on consumption of discretionary items such as wheels during uncertain times. Nonetheless, our efforts in the past to strengthen the Group's distribution networks and marketing infrastructure have been able to strengthen our resilience against the demand slowdown.

In line with the challenging global trading environment, the ASEAN distribution business recorded a 13.2% decline in revenue to \$120.1 million. Northeast Asia also experienced a drop in distribution revenue of 3.8% to \$18.3 million due to poor business sentiments and higher interest rates.

### MANUFACTURING BUSINESS

In 2023, the Group's manufacturing business faced challenges on several fronts. The weak global economy, high interest rates and poor business and consumer sentiments affected demand for our alloy wheels. Supply disruptions and inflation raise material and other operations costs. Trade barriers, protectionist regulations and trade tensions prevalent in some key markets hampered the export of the Group's products to these markets. On the consumer front, due to the uncertain economic environment, many consumers were deferring the replacement of automotive wheels. Furthermore, some customers, faced with excess inventories accumulated in 2022 reduced their orders for our wheels in 2023 exacerbating our manufacturing business.

The Group's manufacturing plants in China, Malaysia and Taiwan experienced reduced production volumes and sales. Combined manufacturing business turnover from these three plants was \$79.2 million in FY2023, a decrease of 26.1% compared to \$107.2 million in FY2022. The revenue performance represented 21.0% of total Group revenue against 24.9% in the previous year.

The combined revenue from our plants in China and Taiwan contributed \$44.7 million or 56.4% of manufacturing revenue. The remaining \$34.5 million or 43.6% was recorded by our facility in Malaysia. The production volume of the plant in Suzhou, China, which was equipped with advanced manufacturing (MAT) and DST capabilities designed to produce premium wheels decreased sharply due to lower demand in Japan, ASEAN and trade tensions between China and the USA. Our manufacturing facility in Malaysia which is geared to produce wheels for the European market, also experienced lower production volume due to weaker demand in countries like Germany, Sweden and Italy affected by inflation and weak consumer sentiments.

### BUSINESS OUTLOOK

According to the International Monetary Fund (IMF), the risks to global growth in 2024 are broadly balanced<sup>1</sup>. Inflation in Singapore and many advanced economies which had moderated in 2023 is expected to remain in 2024 at levels that will engender looser monetary policies and greater credit availability leading to increased investments by businesses and consumption of goods and services by consumers.

## Business Review

Nonetheless, rising trade tensions and protectionist measures may weigh on global trade and dampen the Group's exports of wheels and tyres in key markets. Geopolitical tensions and regional conflicts may disrupt supplies and raise fuel and other commodity prices affecting the Group's operations.

In FY 2023, the Group has implemented several strategic initiatives tailored to the specific needs of the Group's regional facilities and international network. Building on the foundation of the Group's "3R" strategy of reducing inventory, accounts receivables and operating costs, the Group has streamlined operations, realigned resources and enhanced cost management to strengthen operations excellence and capital efficiency.

According to a report by MarketsandMarkets Research, the global automotive industry is estimated to grow from over 91 million units in 2023 to over 96 million units by 2024 at a year-on-year growth rate of 5.7% on the back of strong recovery in commercial vehicles and upward trend in the adoption of electric passenger cars<sup>2</sup>. In the same research report, global sales volumes of electric vehicles are projected to increase from 12-14 million units in 2013 to 15-17 million units in 2024. China is anticipated to contribute the largest share, reaching 9-10 million units in 2024.

The projected global growth in the automotive market in 2024 is supported by growth forecast in the major automotive markets. In the USA, auto sales are estimated to reach 15.2 million units in the same year<sup>3</sup>. The China Association of Auto Manufacturers (CAAM) forecast car sales to rise 3% to 31 million units in China in 2024<sup>4</sup>. In Europe, the S&P Global Mobility forecasts new vehicle sales of 15.1 million units in 2024, up by 2.9% year-on-year<sup>5</sup>.

Tyres are important components of an automotive vehicle. The steady growth of the automotive vehicle sales around the world will drive sales of automotive tyres and wheels. The global automotive tyre market will grow from US\$132.9 billion in 2023 to US\$140.6 billion in 2024 at a CAGR of 5.8%<sup>6</sup>.

According to a research report by ResearchandMarkets, the automotive alloy wheels market size will grow from



US\$18.26 billion in 2023 to US\$20.54 billion in 2024 at a compound annual growth rate (CAGR) of 9.5%<sup>7</sup>. The growth forecast is expected to be driven by several factors including the implementation of stringent fuel efficiency standards, the expanding market for electric vehicles (EVs), a heightened focus on sustainable materials, advancements in design and finishing innovations.

The improved business environment projected for 2024 augurs well for the Group's growth prospects. We have restructured and strengthened our operations, becoming more streamlined and responsive to changes in the operating environment and in the process, enhancing our position to capitalise on opportunities as the automotive industry recovers. We will continue to strengthen our portfolio of energy solutions and industrial products offerings, providing a strong growth engine to drive market expansion into emerging markets in ASEAN, particularly Indonesia, Philippines and Vietnam while deepening our presence in existing markets in the Oceania, Asia and the USA.

Given the improved business outlook for the global automotive industry in 2024, we are cautiously optimistic of the Group's performance in FY2024. Be that as it may, we will nonetheless remain vigilant and monitor the regional and global economic and geopolitical environment for any potential disruptions and leverage all our strengths and resources to navigate and respond decisively to ensure that the Group can stay on track to sustainable growth.

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# SHAPED BY RESILIENCE

As uncertainties continue to prevail, **our resilience will shape our focused strategy** of strengthening fundamentals, optimising cost and resource management and harness synergies of our global distribution channels.

## Financial Review

### FINANCIAL REVIEW

Financial year 2023 was a year filled with challenges. Interest rate hikes coupled with geopolitical tension raised the cost of materials and other operations costs, dampened consumption demand greatly and affected the exports of the Group's tyre and wheel products.

Despite the challenging business environment, through vigilance and unfaltering commitment to stakeholders, the Group continued to deliver a resilient performance in FY2023.

### GROUP REVENUE

The Group reported a 12.5% (or \$54.0 million) decrease in turnover to \$376.9 million (FY2023) from \$430.9 million (FY2022) mainly due to lower sales recorded in FY2023 from both our distribution and manufacturing businesses as global economic slowdown impacted consumer demand for our products.

Distribution business, accounting for 79.0% of the Group's total turnover, recorded a decrease of 8.0% (or \$26.0 million) in turnover, from \$323.7 million (FY2022) to \$297.7 million (FY2023) mainly due to lower sales from our core products across the board. Our wheel manufacturing business, accounting for 21.0% of the Group's total turnover, recorded a decrease of 26.1% (or \$28.0 million) in turnover from \$107.2 million (FY2022) to \$79.2 million (FY2023), attributed by all three factories.

A review of the Group's turnover by geographical markets of ASEAN, North East Asia, Oceania and others contributed 41.0%, 16.7%, 36.3% and 6.0% respectively. The turnover in ASEAN, our largest revenue contributor, decreased by 16.7% to \$154.6 million mainly due to lower revenue reported in Singapore, Malaysia, Indonesia and Vietnam. The turnover in North East Asia decreased by 20.3% to \$63.0 million mainly due to lower revenue from Hong Kong, China and Taiwan. The turnover in Oceania decreased by 4.9% to \$137.0 million due to lower revenue reported in New Zealand and Australia. Lastly, the turnover in others mainly from USA, remained at \$22.3 million.

### GROSS PROFIT

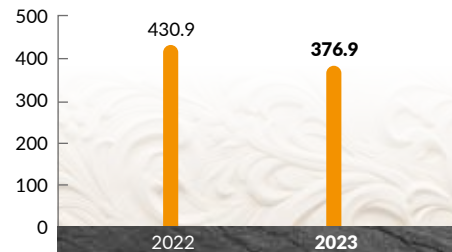
Gross Profit decreased by 5.5% (or \$5.5 million) to \$92.7 million (FY2023) from \$98.2 million (FY2022) mainly due to lower sales recorded by both distribution and wheel manufacturing business. Gross profit margin increased to 24.6% in FY2023 from 22.8% in FY2022 contributed by both our distribution and manufacturing business.

### OTHER GAINS

Other gains decreased by 43.1% (or \$6.1 million) to \$8.0 million (FY2023) from \$14.1 million (FY2022) mainly due to the absence of a one-off gain on disposal of YTSM of about \$5.7 million reported in FY2022.

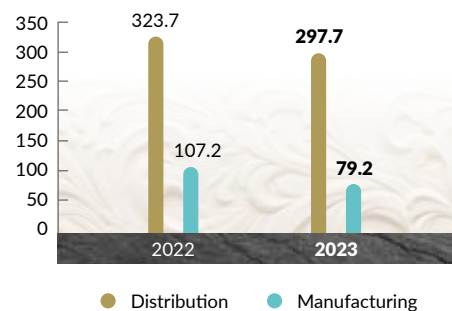
### GROUP REVENUE

(S\$ 'million)



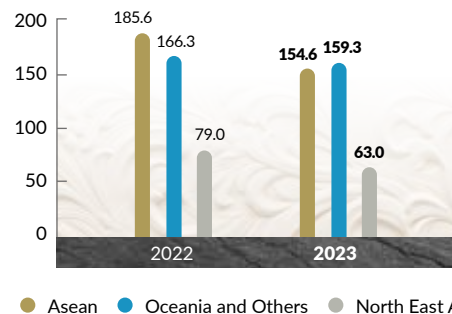
### REVENUE BY BUSINESS SEGMENTS

(S\$ 'million)



### REVENUE BY GEOGRAPHY

(S\$ 'million)



### OPERATING EXPENSES

The Group's total operating expenses increased by 2.2% (or \$1.9 million) to \$88.0 million in FY2023 compared to \$86.1 million in FY2022. Operating expenses to sales ratio increased to 22.8% from 20.4% in FY2022.

Distribution expenses decreased by 0.8% (or \$0.3 million) in FY2023 to \$39.1 million compared to \$39.4 million in FY2022 mainly due to lower carriage outwards in line with lower sales, offset by higher staff related costs.

Administrative expenses increased by 2.7% (or \$1.1 million) in FY2023 to \$43.1 million compared to \$42.0 million which was lowered by foreign exchange gain in FY2022.



## Financial Review

Financing costs remained flat at \$3.3 million despite lower bank borrowings reflecting higher interest rate in FY2023 compared to FY2022.

### SHARE OF PROFIT OF ASSOCIATED COMPANIES

Our share of profit from associated companies decreased by 11.7% (or \$0.5 million) to \$3.7 million in FY2023 as compared to \$4.2 million in FY2022 mainly due to lower profit reported by OZ SpA and YTSM.

### NET PROFIT AFTER TAX AND NON-CONTROLLING INTEREST

Net profit after tax and non-controlling interests attributable to shareholders of the Company decreased by 37.0% (or \$7.6 million) to \$13.1 million in FY2023 from \$20.7 million in FY2022 mainly due to the absence of a one-off gain on disposal of YTSM of about \$5.7 million reported in FY2022.

### 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 2023, total assets amounted to about \$391.0 million comprising \$262.7 million of current assets and \$128.3 million of non-current assets. Total liabilities amounted to about \$108.2 million comprising current liabilities of \$82.9 million and non-current liabilities of \$25.3 million. Shareholders' equity including non-controlling interests amounted to \$282.8 million. Shareholders' equity excluding non-controlling interests amounted to \$276.0 million, giving a net assets value of 95.06 Singapore cents per share.

The Group's net working capital decreased to \$179.9 million from \$182.9 million in FY2022 with current ratio at 3.2 and cash and cash equivalent of \$64.2 million as at 31 December 2023.

Trade and other receivables decreased to \$80.2 million from \$82.6 million in FY2022 in line with lower sales. Debtors Turnover increased to 63 days from 57 days in FY2022.

Inventories decreased from \$138.5 million to \$118.3 million, and Inventory Turnover remains at 152 days in FY2023, same as FY2022.

Investment in associated company increased from \$27.4 million to \$28.7 million mainly due to share of profit in FY2023 offset by dividend distribution.

Property, plant and equipment decreased to \$54.3 million from \$59.0 million in FY2022 mainly due to depreciation charged offset by capital expenditure incurred of about \$2.8 million during the year mainly on equipment, plant & machinery and motor vehicles.

Right-of-use assets decreased to \$29.1 million from \$30.1 million in FY2022 mainly due to depreciation charged and foreign exchange losses on Right-of-use assets during the year.

Right-of-use lease liabilities also decreased to \$28.2 million from \$28.4 million in FY2022 mainly due to payments made offset by additional lease liabilities from new leases.

Trade and other payables decreased to \$44.5 million from \$51.0 million in FY2022 mainly due to purchases were lower in 2H2023 and payments made to trade suppliers. Turnover days increased to 57 days from 56 days in FY2022.

Current income tax liabilities decreased from \$2.8 million to \$2.4 million mainly due to lower profit and income tax paid in FY2023.

Borrowings decreased from \$41.8 million to \$30.5 million due to repayment of bank borrowings in FY2023.

Group's net borrowings (net of cash) decreased from \$9.6 million to \$Nil and net gearing ratio decreased from 3.4% to Nil at the end of 31 December 2023. The Group's gross gearing ratio decreased from 25.0% to 21.3% at the end of 31 December 2023.

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

Other reserves, consist of foreign currency translation loss on overseas investments, decreased from negative \$12.4 million to negative \$19.2 million mainly due to weakening of RMB and MYR against SGD.

### STATEMENT OF CASHFLOW REVIEW

Operating activities generated \$37.6 million in FY2023. Investing activities utilised \$1.0 million mainly for purchase of property, plant & equipment offset by dividend received from associated companies. A total of \$31.3 million was utilised in financing activities mainly for dividend payment and repayment of bank borrowings. Cash and cash equivalents amounted to \$64.2 million as at 31 December 2023 compared to \$60.6 million reported as at 31 December 2022.

### DIVIDEND

The Board of Directors has proposed a first and final (one-tier tax-exempted) dividend payout of 3.15 Singapore cents per share, subject to shareholders' approval at the Company's Annual General Meeting on 26 April 2024.

This translates to a dividend yield of 6.7% based on \$0.47 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 4.49 Singapore cent for FY2023.

# 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 Wheelword a wheel distribution company based in Germany in November 2023.

## 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, 72**

*Executive Chairman & Group Managing Director*

Mr Richard Tay is the Executive Chairman & Group Managing Director of YHI International Limited and the key founder of our 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 is responsible 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 28 April 2022.

### **MR TAY TIANG GUAN, 71**

*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 2021.

## Board of Directors

### MR HONG PIAN TEE, 79

*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 is currently the Chairman of Pei Hwa Foundation Limited and sits 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. Mr Hong is also an independent director of Hyflux Ltd (in liquidation). Mr Hong was previously a Nonexecutive Chairman and Independent Director of AsiaPhos Limited from 2019 to 2021.

### MR ONG KIAN MIN, 63

*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. In addition to his legal practice, he is a senior adviser of Alpha Advisory Pte. Ltd., a boutique financial and corporate advisory firm, and is also the founder of Kanesaka Sushi Private Limited which owns and operates three fine dining Japanese restaurants in Singapore.

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, 53

*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 oversees the management of the Operation Process Centre (OPC), assist COO on special projects, spearheading the digitalisation 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 18 years of experience managing the YHI distribution group in ASEAN. He holds a Bachelor of Commerce (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**

Deputy 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 CHRISTOPHER  
TALBOT**  
Managing Director  
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

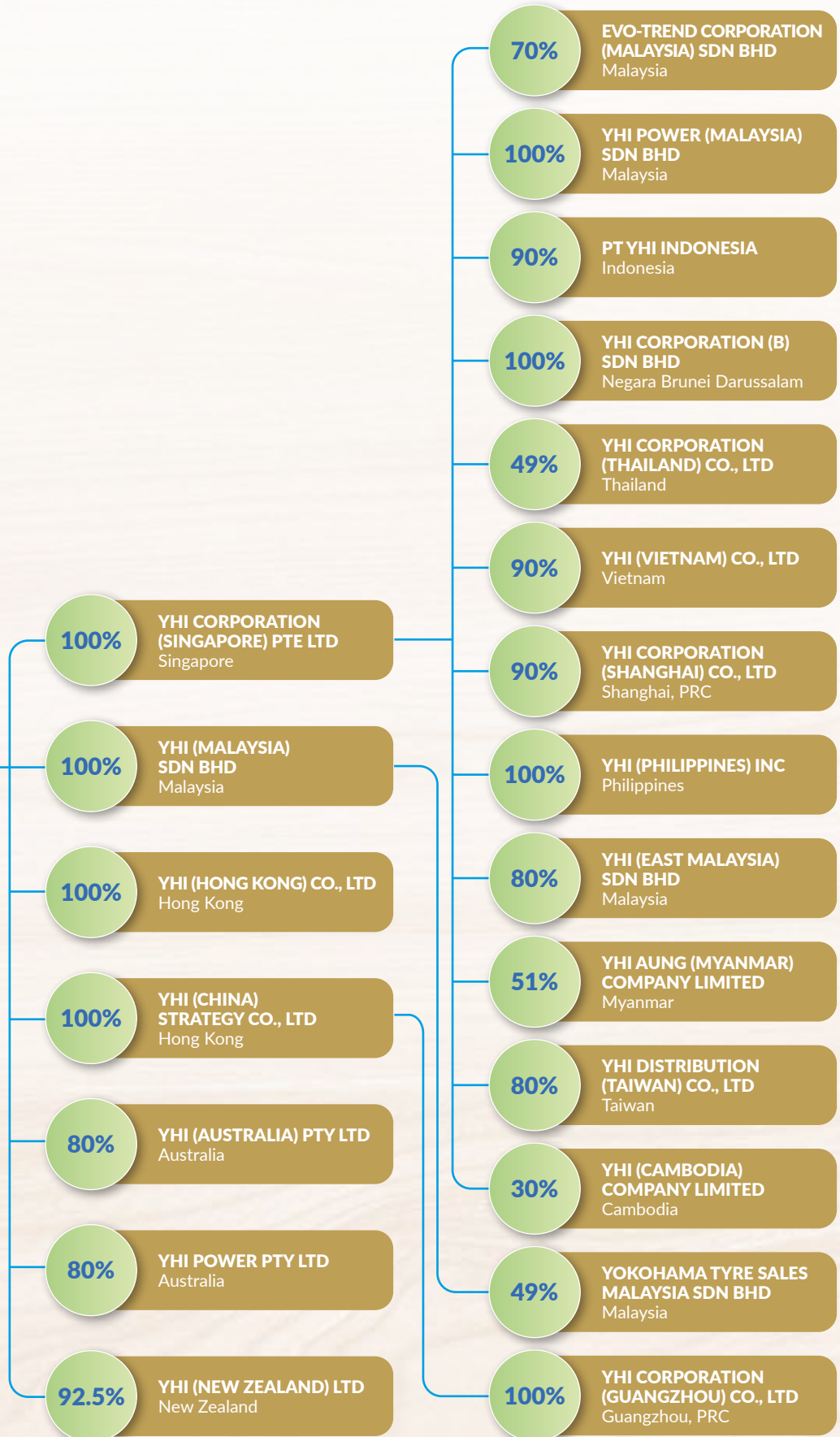


**MR AKIRA  
NAKAMOTO**  
Managing Director  
Yokohama Tyre  
Sales Malaysia  
Sdn Bhd.

# Corporate Structure



**YHI**  
Since 1948



# Corporate Structure



**MANUFACTURING**

100%

**YHI MANUFACTURING (SINGAPORE) PTE LTD**  
Singapore

100%

**YHI INTERNATIONAL (TAIWAN) CO., LTD**  
Taiwan

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 LOGISTICS (SINGAPORE) PTE LTD**  
Singapore

94%

**YHI LOGISTICS (MALAYSIA) SDN BHD**  
Malaysia



**LOGISTICS**

## 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

**YHI (Malaysia) Sdn Bhd**  
**YHI Logistics (Malaysia) Sdn Bhd**  
 Lot Pt 1754 Jalan Persiaran Kip Utama,  
 Taman Perindustrian Kip Kepong,  
 52200 Kuala Lumpur  
 T: (60) 3 6261 2929  
 E: yhim@yhim.com.my

### Evo-Trend Corporation (Malaysia) Sdn Bhd

Lot Pt 1754 Jalan Persiaran Kip Utama,  
 Taman Perindustrian Kip Kepong,  
 52200 Kuala Lumpur  
 T: (60) 3 6280 1333  
 F: (60) 3 6273 6333  
 E: kmtham@evotrend.com

### YHI Power (Malaysia) Sdn Bhd

Lot Pt 1754 Jalan Persiaran Kip Utama,  
 Taman Perindustrian Kip Kepong,  
 52200 Kuala Lumpur  
 T: (60) 3 6263 9789  
 F: (60) 3 6263 4117  
 E: info@yhipower.com.my

### YHI (East Malaysia) Sdn Bhd

Lot 30D, Jalan Nountun Kolombong,  
 88450, Kota Kinabalu, Sabah, Malaysia  
 T: (60) 8838 8383  
 F: (60) 8838 6686  
 E: info@yhiem.com.my

### YHI Manufacturing (Malaysia) Sdn Bhd YHI Advanti Manufacturing (Malaysia) Sdn Bhd

3533 Jalan P.B.R. 28,  
 Kawasan Perindustrian Bukit Rambai,  
 75250 Melaka Malaysia  
 T: (60) 6 351 8008  
 F: (60) 6 351 9008  
 E: jhdeng@yhiam.com /  
 ryantay@yhiam.com  
 W: www.advanti-wheel.com

### Yokohama Tyre Sales Malaysia Sdn Bhd

No. 15, Jalan Jurutera U1/23,  
 Seksyen U1,  
 HICOM-Glenmarie Industrial Park,  
 40150 Shah Alam, Selangor, Malaysia  
 T: (60) 3 7804 9880  
 F: (60) 3 7804 9878

### THAILAND

YHI Corporation (Thailand) Co., Ltd  
 204 Romkloa Rd,  
 Khwang Klongsampravet,  
 Khet Ladkrabang, Bangkok 10520,  
 Thailand  
 T: (66) 2360 8455  
 F: (66) 2360 8458  
 E: raymondta@yhi-thailand.com

### INDONESIA

**PT YHI Indonesia**  
 Jalan Danau Sunter Barat Blok A2  
 No.12, Sunter Agung Podomoro,  
 Jakarta Utara 14350, Indonesia  
 T: (62) 21 651 8719 / 645 9318  
 E: marketing@yhi.co.id  
 W: www.yhi.co.id

### VIETNAM

**YHI (Vietnam) Co., Ltd**  
 135/17/77 Nguyen Huu Canh Street,  
 Ward 22, Binh Thanh District,  
 Ho Chi Minh City, Vietnam  
 T: (84) 028 73033479  
 F: (84) 028 73033478  
 E: tfs@yhi.com.vn

### PHILIPPINES

**YHI (Philippines) Inc**  
 Blk. 2, Lot 3 Mt. View Industrial  
 Complex II,  
 Maguyam Road, Barrio Bancal,  
 Carmona Cavite, 4116 Philippines  
 T: (63) 46 235 1514  
 T: (63) 46 433 5305  
 E: yhiph@yhi.com.ph

### MYANMAR

**YHI Aung (Myanmar) Company Limited**  
 Room No.3/A, 3rd Floor,  
 Shwe Kainnaye Condominium,  
 Narnattaw Street, 8 Quarter,  
 Kaumayut Tsp, Yangon.  
 T: (95) 099 7790 7131 / 099 5820 6880  
 E: Enquiry@yhiangmm.com

### CAMBODIA

**YHI (Cambodia) Company Limited**  
 290, 1st Floor, Street 93,  
 Preah Monivong Blvd,  
 Phnom Penh, Cambodia  
 T: (855) 23 219 668  
 E: info@yhicambodia.com

### HONG KONG

**YHI (Hong Kong) Co., Ltd**  
**YHI (China) Strategy Co., Ltd**  
 Unit A & B, 11F Goodman Dynamic  
 Centre,  
 188 Yeung UK Road, Tsuen Wan,  
 New Territories, Hong Kong  
 T: (852) 2727 1883  
 F: (852) 2727 1301  
 E: bennykan@yhihk.com.hk /  
 kcwong@yhics.com.hk  
 W: www.yhi.com.hk

### TAIWAN

**YHI International (Taiwan) Co., Ltd**  
 (32668) No. 28, Lane 813, Kaoshi Road,  
 Youth Industrial District,  
 Yang-Mei, Taoyuan, Taiwan ROC  
 T: (886) 3 4966 777  
 F: (886) 3 4966 772  
 E: Amychao@yhi.com.tw  
 W: www.yhi.com.tw

### YHI Distribution (Taiwan) Co., Ltd

(32668) No. 28, Lane 813, Kaoshi Road,  
 Youth Industrial District,  
 Yang-Mei, Taoyuan, Taiwan ROC  
 T: (886) 3 4963 672  
 F: (886) 3 4963 682  
 E: klee@yhi.com.tw

### CHINA

**YHI Manufacturing (Shanghai) Co., Ltd**  
**YHI Advanti (Shanghai) Co., Ltd**  
 No. 611 Shen Fu Road,  
 Xinzhuang Industrial Zone,  
 Shanghai Zip Code 201108, PRC  
 T: (86) 21 3407 4121  
 F: (86) 21 6489 6326  
 E: wumeng@yhias.com  
 W: www.advanti-wheel.com

### YHI Corporation (Shanghai) Co., Ltd

No. 611 Shen Fu Road,  
 Xinzhuang Industrial Zone,  
 Shanghai Zip Code 201108, PRC  
 T: (86) 21 5227 2061

### YHI Advanti Manufacturing (Suzhou) Co., Ltd

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 Suzhou New District,  
 Suzhou Zip Code 215151, PRC  
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 W: www.advanti-wheel.com.cn

### YHI Corporation (Guangzhou) Co., Ltd

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 Tianhe District,  
 Guangzhou, China  
 T: (86) 20 8779 1526  
 E: gz\_bw@yhigz.com

## Global Presence

### AUSTRALIA

#### YHI (Australia) Pty Ltd

##### Sydney Head Office

8 Penelope Crescent,  
Arndell Park NSW 2148, Australia  
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E: nsw\_sales@yhi.com.au  
W: www.yhi.com.au

##### Adelaide Branch

8 Schenker Drive,  
Royal Park SA 5014, Australia  
T: (61) 8 8343 9100  
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##### Brisbane Branch

498 Progress Road,  
Wacol QLD 4076, Australia  
T: (61) 7 3379 7188  
E: qld\_sales@yhi.com.au

##### Launceston Branch

46 Garfield Street,  
South Launceston TAS 7250  
T: (61) 3 6344 7794

##### Melbourne Branch

45-50 Edison Road,  
Dandenong South, VIC 3175, Australia  
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E: vic\_sales@yhi.com.au

##### Perth Branch

37 Hector Street,  
Osborne Park, WA 6017, Australia  
T: (61) 8 9204 3400  
E: wa\_sales@yhi.com.au

#### YHI Power Pty Ltd

##### Melbourne Head Office

20-22 Venture Way, Braeside,  
VIC 3195, Australia  
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E: inquiry@yhipower.com.au  
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##### Melbourne-North Branch

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T: (61) 3 9973 6810  
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##### Victoria Branch

124 Fairbairn Road,  
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##### Adelaide Branch

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SA 5094, Australia  
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##### Brisbane Branch

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##### Perth Branch

16 Ernest Clark Road, Canning Vale,  
WA 6155, Australia  
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##### Sydney Branch

8 Penelope Crescent,  
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### NEW ZEALAND

#### YHI (New Zealand) Ltd

##### Auckland Head Office

17 Ha Crescent, Wiri, Auckland,  
2104, New Zealand  
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E: chris@yhi.co.nz  
W: www.yhi.co.nz

##### Hamilton Branch

1 Edgar Street, Frankton, Hamilton,  
New Zealand  
T: (64) 7 847 0526  
F: (64) 7 847 8714

##### Tauranga Branch

12 Mark Road, Mt Maunganui,  
New Zealand  
T: (64) 7 572 3391  
F: (64) 7 574 9123

##### Napier Branch

1/13, Northe Street, Napier,  
New Zealand  
T: (64) 6 600 0115  
F: (64) 6 600 0117

##### Palmerston North Branch

41 Kelvin Grove Road,  
Palmerston North,  
4414, New Zealand  
T: (64) 6 222 3150

##### Wellington Branch

21 Udy Street, Petone, Wellington,  
New Zealand  
T: (64) 4 569 6485  
F: (64) 4 569 6486

##### Christchurch Branch

5 William Lewis Drive, Christchurch  
New Zealand  
T: (64) 3 338 3125  
F: (64) 3 943 3961

##### Dunedin Branch

100 Glasgow Street, Dunedin,  
New Zealand  
T: (64) 3 455 0280  
F: (64) 3 456 3732

##### Invercargill Branch

73 Annan Street West, Invercargill,  
New Zealand  
T: (64) 3 777 9014  
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### USA

#### Pan-Mar Corporation D/B/A Konig (American)

##### New York Head Office

80 Skyline Drive Suite 102,  
Plainview, NY 11803  
T: (1) 516 822 5700  
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##### California Branch

10721 Business Drive  
Fontana, CA 92337  
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### ITALY

#### O.Z. S.p.A.

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35018 San Martino di Lupari (PD), Italy  
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### GERMANY

#### Wheelworld GmbH

Hüttenstraße 3 ; 38871 Ilsenburg (Harz)  
T: (49) 39452 4828 0  
F: (49) 39452 4828 28  
E: info@wheelworld.de  
W: www.wheelworld.de

## Corporate Information

### 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,  
Marina One, East Tower,  
Level 12, Singapore 018936  
Partner-in-charge :  
Chua Chin San  
Year of appointment: 2023

### SHARE REGISTRAR

Tricor Barbinder Share  
Registration Services  
(A division of Tricor Singapore Pte Ltd)  
9 Raffles Place,  
#26-01  
Republic Plaza Tower 1,  
Singapore 048619

### PRINCIPAL BANKERS

DBS Bank  
Standard Chartered Bank

### REGISTERED OFFICE

2 Pandan Road  
Singapore 609254  
Tel : (65) 6264 2155  
Fax : (65) 6265 9927  
Email: yhigroup@yhi.com.sg  
Website: www.yhigroup.com  
Company Registration No:  
200007455H

## Financial Calendar

**11 AUG 2023**

Announcement  
of half year  
unaudited results

**31 DEC 2023**

Financial year-end

**26 FEB 2024**

Announcement  
of full year  
unaudited results

**26 APR 2024**

Annual General  
Meeting





# UNWAVERING IN COMMITMENT

Notwithstanding complex challenges, we **remain unwavering in our commitment** to harness our strengths, proven strategies and innovations to build a solid business model that can create value for stakeholders.



# 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 2023 (“**FY2023**”), 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 25 March 2024, 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

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

Listing Rule 210(5)(e)

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 quarterly 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 FY2023 are set out in the table below Provision 1.5

Name of Director	Board Meeting		Nominating Committee Meeting		Remuneration Committee Meeting		Audit Committee Meeting	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Tay Tian Hoe Richard	3	3	1	1	1	1 <sup>^</sup>	3	3 <sup>^</sup>
Mr Tay Tiang Guan	3	3	1	1 <sup>^</sup>	1	1 <sup>^</sup>	3	3 <sup>^</sup>
Mr Hong Pian Tee	3	3	1	1	1	1	3	3
Ms Gn Jong Yuh Gwendolyn	3	3	1	1	1	1	3	3
Mr Ong Kian Min	3	3	1	1	1	1	3	3

### Notes:

<sup>^</sup> 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 quarterly 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 FY2023 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 FY2023 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 Tay Tian Hoe Richard and Ms Gn Jong Yuh Gwendolyn to be nominated for re-appointment at the forthcoming Annual General Meeting.

Please refer to page 147 for additional information on Directors to be re-elected.

## Corporate Governance

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

#### Performance Criteria for Board (including Board Committees)

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.

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.

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.

# Corporate Governance

## Evaluation of Individual Directors

Provision 5.1

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 FY2023. 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 FY2023.

## **(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;
- b. Reviewing and recommending to the Board the specific remuneration packages and terms of employment for each Director and key management personnel;
- 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.

## Corporate Governance

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 FY2023. 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 FY2023. 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.

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.

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 FY2023 for approval at the Annual General Meeting.

## Corporate Governance

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 remuneration for the Directors in bands of \$250,000 in FY2023 is as follows:

	Number of Directors	
	FY2023	FY2022
\$1,000,001 and above	1	1
\$750,001 to \$1,000,000	-	-
\$500,001 to \$750,000	-	-
\$250,000 to \$500,000	-	-
Below \$250,000	4	4
Total	5	5

The breakdown of the Directors' remuneration and fees, in percentage terms, for FY2023 is as follows:

			Directors	Other	Total
	Salary	Bonus	Fees	Benefits	
	%	%	%	%	%
Tay Tian Hoe Richard	31	67	-	2	100
Tay Tiang Guan	48	38	-	15	100
Hong Pian Tee	-	-	100	-	100
Gn Jong Yuh Gwendolyn	-	-	100	-	100
Ong Kian Min	-	-	100	-	100

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.

The Company operates in a niche industry in automotive manufacturing and distribution industry sector where relevant talent and expertise is limited. It has been facing and continues to face stiff competition in attracting and retaining talent in a small community of industry players. While the Company is cognizant of the need for corporate transparency in the remuneration of its Directors and key executives, the Company notes that the disclosure of details in excess of the above may be detrimental to its business interests, given the highly competitive industry conditions where poaching has become commonplace. The disclosure of specific detailed information on aggregate remuneration of individual director and key management personnel will affect its ability to retain its talent pool and is not in the best interests of the Company.

The Company views manpower as key source for the continuous success of the Company. The disclosure of the 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.

## Corporate Governance

In particular, the Company had previously announced its “3R” strategy and restructuring of its Group operations and the disclosure of remuneration matters are sensitive and confidential in light of its restructuring and resizing strategy. The Group also sees human capital as one of its key advantages over its competitors and, noting that the highly competitive industry which the Group operates in, believes that the disclosure above best preserves the business interests of the Group. As far as the Company is aware, the remuneration paid to Directors and key executives is in line with industry practices. Provision 8.1

In light of the spirit of Principle 8 of the Code, the Company has demonstrated the level and mix of remuneration by setting out the following:

- (a) directors’ remuneration in bands of \$250,000; and
- (b) a breakdown of each Director’s remuneration and fees in terms of percentage and the different components of the remuneration i.e. salary, bonus, director’s fees and other benefits.

Details of employees whose remuneration exceed S\$100,000 and are immediate family members of Executive Directors during FY2023 are set out below: Provision 8.2

Name of Employee	Remuneration Band
Tay Soek Eng Margaret <sup>(1)</sup>	S\$200,000 to S\$250,000
Tay Guoren Ryan <sup>(2)</sup>	S\$150,000 to S\$200,000

**Notes:**

<sup>(1)</sup> 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.

<sup>(2)</sup> 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 FY2023.

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 121 of this annual report.

# Corporate Governance

## (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.

#### Risk Management Framework

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 28 of the financial statements set out on pages 123 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.

## Corporate Governance

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 2023.

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.

### 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.



# Corporate Governance

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

Provision 10.1

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 2023 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.

### Whistle-Blowing Policy

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 FY2023.

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.

## Corporate Governance

### Nomination and Re-Appointment of External Auditors

Provision 10.1

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:

	2023	2022
	S\$	S\$
Fees on audit services paid/payable to:		
Auditors of the Company - PwC Singapore	<b>215,000</b>	249,250
Other PwC network firms	<b>257,951</b>	163,646
Other auditors	<b>184,071</b>	243,119
Fees on non-audit services paid/payable to:		
Auditors of the Company- PwC Singapore	-	16,500
Other PwC network firms	<b>14,275</b>	-
Other auditors	<b>135,041</b>	119,274
<b>Total</b>	<b>806,338</b>	791,789

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

Provision 10.2

- 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.

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.

Provision 10.3

## 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 FY2023, 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.*

Shareholders' Opportunity to Participate and Vote at General Meeting 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 FY2023, an annual general meeting was held on 28 April 2023 (“**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’s responses to the substantial and relevant comments or queries from shareholders relating to the agenda of the AGM, and responses from the Board and Management were published on SGXNet and the Company’s website on 18 May 2023. 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 26 February 2024, in its unaudited financial results for the financial year ended 31 December 2023, recommended a first and final tax exempt (one-tier) dividend of 3.15 cents per ordinary share for the financial year ended 31 December 2023. 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 FY2023 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 and return on investment	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 quarterly 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 2023 to 31 December 2023.

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 FY2023.

## 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 seventh sustainability report for the financial year ended 31 December 2023 ("**FY2023**") ("**Sustainability Report**") will be prepared with reference to the new 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 FY2023.

We look forward to updating you on our progress and the full Sustainability Report which will be available by end April 2024 at the URL <https://www.yhigroup.com/investor/sustainability-reports/> and the SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

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# **DIRECTORS' STATEMENT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2023 and the balance sheet of the Company as at 31 December 2023.

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 71 to 137 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 2023 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 2023

## 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 21.1.2024	At 31.12.2023	At 1.1.2023	At 21.1.2024	At 31.12.2023	At 1.1.2023
<b>Company</b>						
(No. of ordinary shares)						
Mr Tay Tian Hoe Richard <sup>(1), (2)</sup>	-	-	-	141,958,860	141,958,860	141,958,860
Mr Tay Tiang Guan <sup>(3)</sup>	-	-	-	45,000,353	45,000,353	45,000,353
Mr Hong Pian Tee	659,800	659,800	659,800	-	-	-
<b>Immediate and ultimate holding company</b>						
- YHI Holdings Pte Ltd <sup>(1)</sup>						
(No. of ordinary shares)						
Mr Tay Tian Hoe Richard <sup>(1), (2)</sup>	691,917	691,917	691,917	-	-	-

### Notes:

- <sup>(1)</sup> As at the date of this statement, YHI Holdings Pte Ltd directly holds 128,021,860 shares of the Company.
- <sup>(2)</sup> 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 128,021,860 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.
- <sup>(3)</sup> 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 2023

## 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 31.12.2023	At 1.1.2023
<b>YHI (Australia) Pty Limited</b>		
- No. of ordinary shares	80,000	80,000
<b>YHI (New Zealand) Limited</b>		
- No. of ordinary shares	92,500	85,000
<b>YHI Power Pty Limited</b>		
- No. of ordinary shares	8,000	8,000
<b>YHI Corporation (Thailand) Co., Ltd</b>		
- No. of ordinary shares	24,500	24,500
<b>Evo-Trend Corporation (Malaysia) Sdn Bhd</b>		
- No. of ordinary shares	140,000	140,000
<b>PT YHI Indonesia</b>		
- No. of ordinary shares	288,000	288,000
<b>YHI (Vietnam) Co., Ltd</b>	VND	VND
- Share capital	5,624,100,000	5,624,100,000
<b>YHI Corporation (Shanghai) Co., Ltd</b>		
- Share capital	US\$360,000	US\$360,000
<b>Pan-Mar Corporation D/B/A Konig (American)</b>		
- Common stock	US\$142,500	US\$142,500
<b>Advanti Racing USA, LLC</b>		
- Common stock	US\$85,500	US\$85,500
<b>YHI (East Malaysia) Sdn Bhd</b>		
- No. of ordinary shares	400,000	400,000
<b>YHI Logistics (Malaysia) Sdn Bhd</b>		
- No. of ordinary shares	22,560,000	22,560,000
<b>YHI Aung (Myanmar) Company Limited</b>		
- No. of ordinary shares	51,000	51,000
<b>YHI Distribution (Taiwan) Co., Ltd</b>		
- Share capital	NTD 2,000,000	NTD 2,000,000
<b>Wheelworld GmbH</b>		
- Share capital	EUR 15,000	-

- (c) The directors' interests in the ordinary shares of the Company as at 21 January 2024 are shown in Note (a).

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 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.

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.

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 2023

(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:

	<b>No. of unissued ordinary shares under option at 31.12.2023</b>	<b>Exercise price</b>	<b>Exercise period</b>
2021 Options	2,200,000	\$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

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 2023 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

25 March 2024

# 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 2023 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 2023;
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2023;
- the balance sheet of the Group and the balance sheet of the Company as at 31 December 2023;
- 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 2023. 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 2023, the Group's net trade receivables amounting to \$64,588,000, comprising gross trade receivables of \$67,440,000 and a corresponding allowance for impairment of \$2,852,000, accounted for 16.5% of the Group's total assets.

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 28(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 28(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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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, related safeguards.

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 2024



# CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$'000	2022 \$'000
Sales	4	376,940	430,892
Cost of sales	5	(284,226)	(332,741)
Gross profit		92,714	98,151
Other gains - net	4	8,009	14,080
Credit loss allowance on trade receivables		(483)	(3,217)
Expenses			
- Distribution	5	(39,131)	(39,429)
- Administrative	5	(43,145)	(42,007)
- Finance	6	(3,323)	(3,341)
Share of profit of associated companies		3,707	4,200
Profit before income tax		18,348	28,437
Income tax expense	8	(4,933)	(6,614)
<b>Net profit</b>		<b>13,415</b>	<b>21,823</b>
<b>Profit attributable to:</b>			
Equity holders of the Company		13,053	20,722
Non-controlling interests		362	1,101
		<b>13,415</b>	<b>21,823</b>
<b>Earnings per share attributable to the equity holders of the Company</b>			
- Basic	9	4.49 cents	7.14 cents
- Diluted	9	4.46 cents	7.14 cents

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

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>Profit for the year</b>	<b>13,415</b>	21,823
<b>Other comprehensive loss:</b>		
Items that may be reclassified subsequently to profit or loss:		
- Currency translation differences	<b>(7,204)</b>	(16,441)
Items that will not be reclassified subsequently to profit or loss:		
- Currency translation differences	<b>(173)</b>	(701)
<b>Total comprehensive income for the year</b>	<b>6,038</b>	4,681
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Company	<b>5,849</b>	4,281
Non-controlling interests	<b>189</b>	400
	<b>6,038</b>	4,681

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

# BALANCE SHEETS – GROUP AND COMPANY

AS AT 31 DECEMBER 2023

	Note	The Group		The Company	
		2023	(Restated) 2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	10	64,224	60,576	3,575	6,775
Trade and other receivables	11	80,206	82,600	23,765	30,659
Inventories	12	118,312	138,510	-	-
		<b>262,742</b>	<b>281,686</b>	<b>27,340</b>	<b>37,434</b>
<b>Non-current assets</b>					
Transferable club memberships		65	65	-	-
Investment in an associated company	13	28,664	27,432	-	-
Investments in subsidiaries	14	-	-	103,782	102,207
Property, plant and equipment	16	54,259	58,997	280	381
Right-of-use assets	17(a)	29,132	30,092	-	-
Investment properties	19	9,362	10,108	-	-
Intangible assets	20	2,645	2,594	-	-
Deferred income tax assets	8(c)	4,173	3,346	-	-
		<b>128,300</b>	<b>132,634</b>	<b>104,062</b>	<b>102,588</b>
<b>Total assets</b>		<b>391,042</b>	<b>414,320</b>	<b>131,402</b>	<b>140,022</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	21	44,482	51,001	1,536	2,313
Current income tax liabilities	8(b)	2,356	2,781	57	291
Borrowings	22	29,338	39,296	-	-
Lease liabilities	17(b)	6,688	5,663	-	-
		<b>82,864</b>	<b>98,741</b>	<b>1,593</b>	<b>2,604</b>
<b>Non-current liabilities</b>					
Borrowings	22	1,206	2,520	-	-
Lease liabilities	17(b)	21,520	22,739	-	-
Deferred income tax liabilities	8(c)	2,322	1,591	-	-
Other non-current liabilities		328	340	-	-
		<b>25,376</b>	<b>27,190</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>108,240</b>	<b>125,931</b>	<b>1,593</b>	<b>2,604</b>
<b>NET ASSETS</b>		<b>282,802</b>	<b>288,389</b>	<b>129,809</b>	<b>137,418</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	23	77,001	77,001	77,001	77,001
Treasury shares	23	(671)	(671)	(671)	(671)
Other reserves	24	(19,219)	(12,367)	538	269
Retained profits	25	218,938	216,422	52,941	60,819
		<b>276,049</b>	<b>280,385</b>	<b>129,809</b>	<b>137,418</b>
<b>Non-controlling interests</b>		<b>6,753</b>	<b>8,004</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>282,802</b>	<b>288,389</b>	<b>129,809</b>	<b>137,418</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Attributable to equity holders of the Company				Sub-total	Non- controlling interests	Total equity
		Share capital	Treasury shares	Other reserves	Retained profits			
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>2023</b>								
<b>Balance as at 1 January 2023</b>		<b>77,001</b>	<b>(671)</b>	<b>(12,367)</b>	<b>216,422</b>	<b>280,385</b>	<b>8,004</b>	<b>288,389</b>
Profit for the year		-	-	-	13,053	13,053	362	13,415
Other comprehensive loss for the year		-	-	(7,204)	-	(7,204)	(173)	(7,377)
<b>Total comprehensive (loss)/income for the year</b>		<b>-</b>	<b>-</b>	<b>(7,204)</b>	<b>13,053</b>	<b>5,849</b>	<b>189</b>	<b>6,038</b>
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	26	-	-	-	(10,454)	(10,454)	(254)	(10,708)
Transfer from retained profits to other reserves		-	-	83	(83)	-	-	-
<b>Balance as at 31 December 2023</b>		<b>77,001</b>	<b>(671)</b>	<b>(19,219)</b>	<b>218,938</b>	<b>276,049</b>	<b>6,753</b>	<b>282,802</b>
<b>2022</b>								
<b>Balance as at 1 January 2022</b>		<b>77,001</b>	<b>(671)</b>	<b>3,779</b>	<b>206,180</b>	<b>286,289</b>	<b>8,022</b>	<b>294,311</b>
Profit for the year		-	-	-	20,722	20,722	1,101	21,823
Other comprehensive loss for the year		-	-	(16,441)	-	(16,441)	(701)	(17,142)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>(16,441)</b>	<b>20,722</b>	<b>4,281</b>	<b>400</b>	<b>4,681</b>
Employee share option scheme								
- value of employee services		-	-	269	-	269	-	269
Dividends relating to 2021 paid	26	-	-	-	(10,454)	(10,454)	(418)	(10,872)
Transfer from retained profits to other reserves		-	-	26	(26)	-	-	-
<b>Balance as at 31 December 2022</b>		<b>77,001</b>	<b>(671)</b>	<b>(12,367)</b>	<b>216,422</b>	<b>280,385</b>	<b>8,004</b>	<b>288,389</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$'000	(Restate) 2022 \$'000
<b>Cash flows from operating activities</b>			
Net profit		13,415	21,823
Adjustments for:			
- Income tax expense		4,933	6,614
- Depreciation of property, plant and equipment and investment properties		6,136	7,105
- Depreciation of right-of-use assets		6,541	6,701
- Amortisation of intangible assets		213	230
- Gain on disposal of property, plant and equipment		(334)	(299)
- Gain on disposal of disposal group held for sale		-	(5,680)
- Loss on early termination of leases		580	135
- Interest expense		3,323	3,341
- Interest income		(510)	(220)
- Share of profit of associated companies		(3,707)	(4,200)
- Unrealised currency translation differences		(220)	(1,338)
Operating cash flow before working capital changes		30,370	34,212
Changes in working capital			
- Inventories		18,544	(17,903)
- Trade and other receivables		2,996	(2,242)
- Trade and other payables		(9,443)	7,512
Cash generated from operations		42,467	21,579
Interest received		510	220
Income tax paid		(5,403)	(5,672)
<b>Net cash provided by operating activities</b>		<b>37,574</b>	<b>16,127</b>
<b>Cash flows from investing activities</b>			
Dividends received from associated companies		2,785	1,490
Acquisition of additional interest in subsidiary	15	(1,575)	-
Acquisition of a subsidiary, net of cash	15	374	-
Proceeds from sale of property, plant and equipment		468	621
Proceeds from sale of disposal group held for sale		-	4,327
Purchase of property, plant and equipment		(2,806)	(5,958)
Purchase of intangible assets		(232)	(108)
<b>Net cash (used in)/provided by investing activities</b>		<b>(986)</b>	<b>372</b>
<b>Cash flows from financing activities</b>			
Dividends paid to equity holders of the Company		(10,454)	(10,454)
Dividends paid to non-controlling interest		(254)	(418)
Interest paid		(3,323)	(3,341)
Proceeds from borrowings		453	9,182
Repayments of borrowings		(11,235)	(25,174)
Principal payment of lease liabilities		(6,519)	(5,967)
<b>Net cash used in financing activities</b>		<b>(31,332)</b>	<b>(36,172)</b>
<b>Net decrease/(increase) in cash and bank balances</b>		<b>5,256</b>	<b>(19,673)</b>
Cash and bank balances at beginning of the financial year		60,576	83,642
Effects of currency translation on cash and bank balances		(1,608)	(3,393)
<b>Cash and bank balances at end of the financial year</b>	10	<b>64,224</b>	<b>60,576</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## Reconciliation of liabilities arising from financing activities

	Opening balance \$'000	Proceeds, principal and interest payments \$'000	Non-cash changes \$'000			Closing balance \$'000
			Additions during the year	Interest expense	Foreign exchange movement	
<b>2023</b>						
<b>Bank borrowings</b>	<b>41,816</b>	<b>(12,765)</b>	<b>-</b>	<b>1,983</b>	<b>(490)</b>	<b>30,544</b>
<b>Lease liabilities</b>	<b>28,402</b>	<b>(7,859)</b>	<b>6,673</b>	<b>1,340</b>	<b>(348)</b>	<b>28,208</b>
<b>2022</b>						
Bank borrowings	62,582	(19,244)	-	2,040	(3,562)	41,816
Lease liabilities	30,973	(7,268)	5,227	1,301	(1,831)	28,402

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 14 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 2023

On 1 January 2023, 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 2023:

1 January 2023	Amendments to:
	SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies
	SFRS(I) 1-8: Definition of Accounting Estimates
	SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
	SFRS(I) 1-12: International Tax Reform—Pillar Two Model Rules

### 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 2023

## 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 2023

## 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 2023

## 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 2023

## 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:

	<u>Useful lives</u>
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

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 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 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.6 Intangible assets (continued)

#### (c) *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 two to five 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 2023

## 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 property**

##### **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 2023

## 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 28(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 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (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.

### 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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 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 it 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.

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.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.16 Leases (continued)

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

- 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 17.

#### (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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.18 Income taxes (continued)

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 2023

## 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 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.21 Currency translation (continued)

#### (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 2023

## 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 2023, the Group's gross trade receivables of \$67,440,000 (2022: \$74,613,000) (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 \$2,852,000 (2022: \$6,790,000) for trade receivables was recognised as at 31 December 2023.

The Group's credit risk exposure for trade receivables by different revenue segment are set out in Note 28(b).

If the estimated loss rate for each age category were to increase by 0.5% (2022: 0.5%), an additional credit loss allowance of \$325,000 (2022: \$339,000) 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 20.

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 20). 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 2023 was \$118,312,000 (2022: \$138,510,000). The allowance on the Group's inventories as at 31 December 2023 is \$1,719,000 (2022: \$1,756,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 4. REVENUE AND OTHER GAINS

	Group	
	2023	2022
	\$'000	\$'000
<u>At a point in time</u>		
Sale of goods		
- Automotive and industrial products (Distribution)		
North-east Asia	18,291	19,008
ASEAN	120,102	138,432
Oceania	136,968	144,009
Other	22,365	22,286
	<u>297,726</u>	<u>323,735</u>
- Alloy wheels (Manufacturing)		
North-east Asia	44,691	60,022
ASEAN	34,523	47,135
	<u>79,214</u>	<u>107,157</u>
<b>Total sales</b>	<u><b>376,940</b></u>	<u><b>430,892</b></u>

	Group	
	2023	2022
	\$'000	\$'000
<u>Other gains:</u>		
- Rental income	5,094	5,390
- Interest income from banks	510	220
- Gain on disposal of property, plant and equipment	334	299
- Gain on disposal of disposal group held for sale	-	5,680
- Government grant income	24	65
- Other	2,047	2,426
<b>Total other gains</b>	<u><b>8,009</b></u>	<u><b>14,080</b></u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 5. EXPENSES BY NATURE

	Group	
	2023	2022
	\$'000	\$'000
Amortisation of intangible assets [Note 20(b),(c)]	213	230
Depreciation of property, plant and equipment (Note 16)	5,734	6,671
Depreciation of investment property (Note 19)	402	434
Depreciation of right-of-use assets [Note 17(a)]	6,541	6,701
Changes in inventories of raw materials, work-in-progress and finished goods	(20,198)	6,421
Purchases of raw materials, finished goods and consumables	285,674	307,099
Write-down of inventories	1,719	1,756
Transportation and travelling	3,873	3,527
Advertising and promotion	2,392	2,734
Commission charges	3,565	4,340
Employee compensation (Note 7)	51,760	54,757
Directors' fees	228	226
Repair and maintenance	1,515	1,523
Rental on leases for premises [Note 17(d)]	560	349
Currency translation gain – net	(622)	(2,044)
Others	23,146	19,453
Total cost of sales, distribution and administrative expenses	<b>366,502</b>	<b>414,177</b>

## 6. FINANCE EXPENSES

	Group	
	2023	2022
	\$'000	\$'000
Interest expense:		
- Bank loans	490	689
- Bank overdrafts	9	23
- Trust receipts	1,484	1,328
- Lease liabilities	1,340	1,301
	<b>3,323</b>	<b>3,341</b>

## 7. EMPLOYEE COMPENSATION

	Group	
	2023	2022
	\$'000	\$'000
Wages and salaries	47,403	50,661
Employer's contribution to defined contribution plans including Central Provident Fund	4,053	3,734
Other long-term benefits	35	93
Share option expense (Note 24(b)(ii))	269	269
	<b>51,760</b>	<b>54,757</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 8. INCOME TAX

### (a) Income tax expense

	Group	
	2023	2022
	\$'000	\$'000
Tax expense attributable to profit is made up of:		
Current income tax		
- Singapore	947	740
- Foreign	4,457	4,847
	<u>5,404</u>	<u>5,587</u>
Deferred income tax [Note 8(c)]	(286)	266
	<u>5,118</u>	<u>5,853</u>
(Over)/under provision in previous financial years		
- Current income tax	(131)	648
- Deferred income tax [Note 8(c)]	(54)	113
	<u>4,933</u>	<u>6,614</u>

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	
	2023	2022
	\$'000	\$'000
Profit before income tax	18,348	28,437
Less:		
Share of profit of associated companies, net of tax	(3,707)	(4,200)
Profit before tax and share of profit of associated companies	<u>14,641</u>	<u>24,237</u>
Tax calculated at a tax rate of 17% (2022: 17%)	2,489	4,120
Effects of:		
- Singapore statutory stepped income exemption	(35)	(52)
- Effects of different tax rates in other countries	1,066	1,530
- Withholding tax	289	426
- Expenses not deductible for tax purposes	1,236	307
- Income not subject to tax	(499)	(279)
- Tax incentive	(16)	(6)
- Tax losses for which no deferred income tax asset was recognised	460	140
- Utilisation of previously unrecognised tax losses	(2)	(438)
- Deferred tax liability on an associated company's unremitted profits	79	64
- (Over)/under provision of income tax in prior years	(185)	761
- Others	51	41
Tax charge	<u>4,933</u>	<u>6,614</u>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 8. INCOME TAX (CONTINUED)

### (b) Current income taxes

	Group		Company	
	31 December		31 December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Tax recoverable assets (Note 11)	(1,476)	(1,583)	-	-
Current income tax liabilities	2,356	2,781	57	291

### (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	
	2023	2022
	\$'000	\$'000
Deferred income tax assets	(4,173)	(3,346)
Deferred income tax liabilities	2,322	1,591

Movement in deferred income tax account is as follows:

	Group	
	2023	2022
	\$'000	\$'000
Beginning of financial year	(1,755)	(2,215)
Currency translation differences	244	81
(Credited)/charged to income statement [Note 8(a)]	(340)	379
End of financial year	(1,851)	(1,755)

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	
	2023	2022
	\$'000	\$'000
Beginning of financial year	1,591	1,653
Currency translation differences	162	(181)
Charged to income statement	569	119
End of financial year	2,322	1,591

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 8. INCOME TAX (CONTINUED)

### (c) *Deferred income taxes* (continued)

*Deferred income tax assets*

	Provisions	Excess of tax written-down value over net book value	Other	Total
	\$'000	\$'000	\$'000	\$'000
<b>2023</b>				
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	<b>(4,273)</b>	<b>166</b>	<b>(66)</b>	<b>(4,173)</b>
<b>2022</b>				
Beginning of financial year	(3,666)	40	(242)	(3,868)
Currency translation differences	173	90	(1)	262
(Credited)/charged to income statement	(17)	-	277	260
End of financial year	<b>(3,510)</b>	<b>130</b>	<b>34</b>	<b>(3,346)</b>

The Group has unrecognised tax losses of \$8,763,000 (2022: \$8,314,000) 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 \$3,788,000 (2022: \$3,026,000) which will expire between 2024 and 2033 (2022: 2023 and 2032).

The cumulative retained earnings of \$23,278,000 (2022: \$38,246,000) 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.

## 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			
	2023		2022	
	Basic	Diluted	Basic	Diluted
Net profit attributable to equity holders of the Company (\$'000)	<b>13,053</b>	<b>13,053</b>	20,722	20,722
Weighted average number of ordinary shares	<b>290,400</b>	<b>290,400</b>	290,400	290,400
Adjustment for dilutive potential ordinary shares	-	<b>2,200</b>	-	-
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	<b>290,400</b>	<b>292,600</b>	290,400	290,400
Earnings per ordinary share	<b>4.49 cents</b>	<b>4.46 cents</b>	7.14 cents	7.14 cents

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 9. EARNINGS PER SHARE (CONTINUED)

Diluted EPS was the same as basic EPS as there are no dilutive potential ordinary shares for the financial years ended 31 December 2022.

## 10. CASH AND BANK BALANCES

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	48,244	55,030	2,068	4,770
Short-term bank deposits	15,980	5,546	1,507	2,005
	<b>64,224</b>	<b>60,576</b>	<b>3,575</b>	<b>6,775</b>

## 11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	67,435	73,734	-	-
- An associated company	5	879	-	-
	<b>67,440</b>	<b>74,613</b>	<b>-</b>	<b>-</b>
Less: Credit loss allowance	(2,852)	(6,790)	-	-
Trade receivables - net	<b>64,588</b>	<b>67,823</b>	<b>-</b>	<b>-</b>
Due from subsidiaries (non-trade) [Note (a)]	-	-	23,742	30,644
Deposits	1,262	1,103	-	-
Prepayments	7,417	6,857	11	13
Lease receivables	684	861	-	-
Other receivables	4,779	4,373	12	2
Tax recoverable assets [Note 8(b)]	1,476	1,583	-	-
Total	<b>80,206</b>	<b>82,600</b>	<b>23,765</b>	<b>30,659</b>

Trade receivables as at 1 January 2022 amounted to \$70,034,000, net of credit loss of \$4,779,000.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 12. INVENTORIES

	Group	
	2023	(Restated) 2022
	\$'000	\$'000
Materials and supplies	9,530	14,801
Work-in-progress	4,640	5,174
Finished goods	104,142	118,535
	<b>118,312</b>	<b>138,510</b>

The cost of inventories recognised as an expense and included in "cost of sales" amounted to \$265,476,000 (2022: \$313,520,000).

The Group has written down inventories amounting to \$1,719,000 (2022: \$1,756,000) and the amount has been included in "cost of sales".

## 13. INVESTMENT IN ASSOCIATED COMPANIES

	Group	
	2023	2022
	\$'000	\$'000
Carrying value of Group's investment in associated companies	<b>28,664</b>	27,432

Set out below are the associated companies of the Group as at 31 December 2023, 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	
			2023	2022
			%	%
<i>Held by a subsidiary:</i>				
(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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 13. INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current assets	65,832	64,147	15,590	16,897
Current liabilities	(21,618)	(25,051)	(10,922)	(11,908)
Non-current assets	29,337	30,528	4,826	5,856
Non-current liabilities	(5,855)	(6,800)	(55)	(389)
<b>Net assets</b>	<b>67,696</b>	<b>62,824</b>	<b>9,439</b>	<b>10,456</b>

### Summarised statement of comprehensive income

	O.Z. S.p.A		Yokohama Tyre Sales Malaysia Sdn Bhd	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Revenue	89,113	96,254	39,639	40,101
Expenses				
Includes:				
- Depreciation and amortisation	(4,235)	(4,444)	(730)	(744)
- Interest expense	(52)	(54)	-	-
<b>Profit before income tax</b>	<b>10,252</b>	<b>11,890</b>	<b>2,800</b>	<b>2,968</b>
Income tax expense	(2,613)	(3,070)	(771)	(788)
<b>Profit for the year and total comprehensive income</b>	<b>7,639</b>	<b>8,820</b>	<b>2,029</b>	<b>2,180</b>
<b>Dividends received from associated companies</b>	<b>1,639</b>	<b>1,490</b>	<b>1,146</b>	<b>-</b>

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 13. INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

### 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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Net assets</b>	<b>67,696</b>	62,824	<b>9,439</b>	10,456
Group's equity interest	<b>35.51%</b>	35.51%	<b>49.0%</b>	49.0%
<b>Carrying value of Group's investment in associated companies</b>	<b>24,039</b>	22,309	<b>4,625</b>	5,123

## 14. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023	2022
	\$'000	\$'000
<i>Equity investment at cost</i>		
Beginning of financial year	<b>102,207</b>	102,207
Addition	<b>1,575</b>	-
End of financial year	<b>103,782</b>	102,207

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries as at 31 December 2023 and 2022:

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	
			2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
<i>Held by the Company:</i>								
(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 of tyres, alloy wheels and related goods and industrial batteries	Malaysia	100	100	100	100	-	-
(c) YHI (China) Strategy Company Limited	Investment holding and trading of batteries	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	85	92.5	85	7.5	15
(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 and value-added logistics provider	Singapore	100	100	100	100	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 14. 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	
			2023	2022	2023	2022	2023	2022
<i>Held by the subsidiaries:</i>								
(g) YHI Manufacturing (Shanghai) Co., Ltd	Rental of investment property	People's Republic of China	-	-	100	100	-	-
(g) YHI Precision Moulding (Shanghai) Co., Ltd*	Manufacturing and supply of alloy wheels moulds	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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 14. 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	
			2023	2022	2023	2022	2023	2022
<i>Held by the subsidiaries (continued):</i>								
(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	Wholesale distribution of automotive parts, tyres and accessories	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
(n) YHI Corporation (B) Sdn Bhd	Distribution of tyres, alloy wheels and related goods	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	Trading of tyres, rims and all kinds of auto spare parts	Malaysia	-	-	80	80	20	20
(b) YHI Power (Malaysia) Sdn Bhd	Trading 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 2023

## 14. 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	
			2023	2022	2023	2022	2023	2022
<i>Held by the subsidiaries (continued):</i>								
(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	Manufacturing, distribution and export of alloy wheels	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
(s) Wheelworld GmbH	Importer and distributor of alloy wheels	Germany	-	-	60	-	40	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

- (a) Audited by PricewaterhouseCoopers LLP, Singapore
- (b) Audited by SE Lai CK Chartered Accountants, Malaysia (Effective 1 Jan 2024 change to 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 PKF (Brunei), Brunei Darussalam
- (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
- (s) Audited by Drangemister, Scholz & Collegen GmbH, Germany

\* Dormant

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Carrying value of non-controlling interests

	2023	2022
	\$'000	\$'000
YHI (Australia) Pty Limited	2,932	3,120
YHI (New Zealand) Limited	1,262	2,486
YHI Power Pty Limited	2,541	2,357
Other subsidiaries with immaterial non-controlling interests	18	41
	<b>6,753</b>	<b>8,004</b>

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	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current</b>						
Assets	30,021	36,181	22,856	24,065	24,084	22,211
Liabilities	(16,513)	(22,601)	(9,555)	(9,871)	(14,137)	(12,855)
Total current net assets	13,508	13,580	13,301	14,194	9,947	9,356
<b>Non-current</b>						
Assets	8,437	8,107	8,679	11,815	5,609	4,709
Liabilities	(5,118)	(5,116)	(7,320)	(10,411)	(2,848)	(2,279)
Total non-current net assets	3,319	2,991	1,359	1,404	2,761	2,430
<b>Net assets</b>	<b>16,827</b>	<b>16,571</b>	<b>14,660</b>	<b>15,598</b>	<b>12,708</b>	<b>11,786</b>

Summarised income statement

	YHI (New Zealand) Limited		YHI (Australia) Pty Limited		YHI Power Pty Limited	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	52,836	56,530	30,471	32,755	53,661	54,903
<b>Profit/(loss) before income tax</b>	<b>1,923</b>	<b>2,841</b>	<b>(807)</b>	<b>7</b>	<b>2,382</b>	<b>2,034</b>
Income tax expense	(546)	(802)	-	-	(717)	(615)
<b>Profit/(loss) for the year and total comprehensive income</b>	<b>1,377</b>	<b>2,039</b>	<b>(807)</b>	<b>7</b>	<b>1,665</b>	<b>1,419</b>
Total comprehensive income/(loss) allocated to non-controlling interests	103	306	(161)	1	333	284
Dividends paid to non-controlling interests	122	192	-	-	132	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Summarised cash flows

	YHI (New Zealand) Limited		YHI (Australia) Pty Limited		YHI Power Pty Limited	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Net cash generated from/ (used in) operating activities</b>	<b>6,114</b>	1,623	<b>(1,995)</b>	2,123	<b>3,830</b>	2,579
<b>Net cash (used in)/ generated from investing activities</b>	<b>(365)</b>	(429)	<b>(177)</b>	939	<b>(561)</b>	(1,190)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(6,252)</b>	(150)	<b>(476)</b>	(1,692)	<b>(3,020)</b>	(168)
<b>Net (decrease)/increase in cash and bank balances</b>	<b>(503)</b>	1,044	<b>(2,648)</b>	1,370	<b>249</b>	1,221
Cash and bank balances at beginning of year	<b>954</b>	(98)	<b>3,768</b>	2,588	<b>1,601</b>	410
Exchange (losses)/gains on cash and bank balances	<b>(20)</b>	8	<b>(30)</b>	(190)	<b>(13)</b>	(30)
Cash and bank balances at end of year	<b>431</b>	954	<b>1,090</b>	3,768	<b>1,837</b>	1,601

## 15. BUSINESS COMBINATION

### Acquisition of additional interest in subsidiary

During the financial year, 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 which is currently in progress. Pending the finalisation of the PPA report, the purchase consideration has been provisionally allocated.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 15. BUSINESS COMBINATION (CONTINUED)

### (a) Purchase consideration

	<b>Total \$'000</b>
Cash paid	21
Consideration transferred for the business	<u>21</u>

### (b) Effect on cash flows of the Group

Cash paid (as above)	(21)
Less: Cash and cash equivalents in subsidiary acquired	<u>395</u>
Cash inflow on acquisition	<u>374</u>

### (c) Identifiable assets acquired and liabilities assumed

Property, plant and equipment	135
Intangible assets	47
Inventories	4,389
Trade and other receivables	2,193
Cash and cash equivalents	<u>395</u>
Total assets	<u>7,159</u>
Trade and other payables	6,734
Short term bank loans	<u>399</u>
Total liabilities	<u>7,133</u>
Total net identifiable assets acquired	26
Less: Non-controlling interest	<u>(5)</u>
	<u>21</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 16. PROPERTY, PLANT AND EQUIPMENT

	Buildings		Office				Total			
	Freehold land	on freehold land	Leasehold properties	equipment, plant and machinery	Motor vehicles	Renovation		Computers and fittings	Furniture	Construction in-progress
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group 2023</b>										
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 19)	-	-	(131)	-	-	-	-	-	-	(131)
Acquisition of subsidiary (Note 15)	-	-	-	465	-	-	1	-	-	466
End of financial year	7,885	-	53,133	94,713	8,464	1,742	3,549	1,422	9	170,917
<i>Accumulated depreciation and impairment loss</i>										
Beginning of financial year	-	-	19,028	87,635	5,393	1,208	3,124	1,422	-	117,810
Currency translation differences	-	-	(259)	(3,413)	(75)	(47)	(85)	(40)	-	(3,919)
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 19)	-	-	(69)	-	-	-	-	-	-	(69)
Acquisition of subsidiary (Note 15)	-	-	-	331	-	-	-	-	-	331
End of financial year	-	-	20,106	85,555	5,698	1,181	2,833	1,285	-	116,658
<b>Net book value</b>	<b>7,885</b>	<b>-</b>	<b>33,027</b>	<b>9,158</b>	<b>2,766</b>	<b>561</b>	<b>716</b>	<b>137</b>	<b>9</b>	<b>54,259</b>
<b>End of financial year</b>	<b>7,885</b>	<b>-</b>	<b>33,027</b>	<b>9,158</b>	<b>2,766</b>	<b>561</b>	<b>716</b>	<b>137</b>	<b>9</b>	<b>54,259</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land	Buildings		Office equipment, plant and machinery			Motor vehicles	Renovation	Computers	Furniture and fittings	Construction in-progress	Total
		on freehold land	leasehold properties	leasehold properties	plant and machinery	vehicles						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group 2022</b>												
Cost												
Beginning of financial year	9,057	1,794	56,472	105,346	8,625	1,922	3,655	1,655	235	188,761		
Currency translation differences	511	(744)	(2,103)	(7,936)	(441)	(101)	(260)	(79)	(23)	(11,176)		
Additions	-	-	16	4,149	946	78	226	27	516	5,958		
Disposals	-	-	-	(3,302)	(991)	(57)	(142)	(30)	-	(4,522)		
Reclassification	-	-	-	717	-	-	2	-	(719)	-		
Reclassification to investment property (Note 19)	(1,164)	(1,050)	-	-	-	-	-	-	-	(2,214)		
End of financial year	8,404	-	54,385	98,974	8,139	1,842	3,481	1,573	9	176,807		
<b>Accumulated depreciation and impairment loss</b>												
Beginning of financial year	-	91	17,845	94,398	5,804	1,217	3,318	1,466	-	124,139		
Currency translation differences	-	405	(479)	(7,551)	(308)	(66)	(241)	(66)	-	(8,306)		
Depreciation (Note 5)	-	(2)	1,641	3,895	795	105	185	52	-	6,671		
Disposals	-	-	21	(3,107)	(898)	(48)	(138)	(30)	-	(4,200)		
Reclassification	-	-	-	-	-	-	-	-	-	-		
Reclassification to investment property (Note 19)	-	(494)	-	-	-	-	-	-	-	(494)		
End of financial year	-	-	19,028	87,635	5,393	1,208	3,124	1,422	-	117,810		
<b>Net book value</b>												
End of financial year	8,404	-	35,357	11,339	2,746	634	357	151	9	58,997		



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	<b>Motor vehicle and others</b>	
	<b>2023</b>	2022
<u>Company</u>	<b>\$'000</b>	\$'000
<i>Cost</i>		
Beginning of financial year	<b>522</b>	522
Additions	<b>4</b>	-
End of financial year	<b>526</b>	522
<i>Accumulated depreciation</i>		
Beginning of financial year	<b>141</b>	37
Depreciation charge	<b>105</b>	104
End of financial year	<b>246</b>	141
<b>Net book value</b>		
<b>End of financial year</b>	<b>280</b>	381

- (a) Bank borrowings (Note 22) are secured on property, plant and equipment of the Group with carrying amounts as follows:

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Leasehold properties	<b>17,330</b>	18,370
Plant and machinery	<b>402</b>	449
Office equipment	<b>1,535</b>	1,460
	<b>19,267</b>	20,279

## 17. 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 2023

## 17. 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
<u>Group</u>					
<b>2023</b>					
<i>Cost</i>					
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
Disposals	-	(3,988)	(404)	(108)	(4,500)
End of financial year	<u>12,923</u>	<u>35,311</u>	<u>963</u>	<u>137</u>	<u>49,334</u>
<i>Accumulated depreciation</i>					
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
Disposals	-	(3,376)	(404)	(108)	(3,888)
End of financial year	<u>4,072</u>	<u>15,595</u>	<u>482</u>	<u>53</u>	<u>20,202</u>
<b>Net book value</b>					
<b>End of financial year</b>	<b><u>8,851</u></b>	<b><u>19,716</u></b>	<b><u>481</u></b>	<b><u>84</u></b>	<b><u>29,132</u></b>
<u>Group</u>					
<b>2022</b>					
<i>Cost</i>					
As at 1 January 2022	13,628	33,084	922	202	47,836
Currency translation differences	(598)	(2,294)	(69)	(14)	(2,975)
Additions	169	4,736	261	-	5,166
Disposals	-	(1,984)	(63)	-	(2,047)
End of financial year	<u>13,199</u>	<u>33,542</u>	<u>1,051</u>	<u>188</u>	<u>47,980</u>
<i>Accumulated depreciation</i>					
As at 1 January 2022	3,133	10,611	512	82	14,338
Currency translation differences	(205)	(916)	(47)	(9)	(1,177)
Depreciation charge during the year (Note 5)	615	5,789	247	50	6,701
Disposals	-	(1,911)	(63)	-	(1,974)
End of financial year	<u>3,543</u>	<u>13,573</u>	<u>649</u>	<u>123</u>	<u>17,888</u>
<b>Net book value</b>					
<b>End of financial year</b>	<b><u>9,656</u></b>	<b><u>19,969</u></b>	<b><u>402</u></b>	<b><u>65</u></b>	<b><u>30,092</u></b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 17. LEASES – THE GROUP AS A LESSEE (CONTINUED)

	2023	2022
	\$'000	\$'000
<b>(b) Lease liabilities</b>		
Current	6,688	5,663
Non-current	21,520	22,739
	<b>28,208</b>	<b>28,402</b>
	2023	2022
	\$'000	\$'000
<b>(c) Interest expense</b>		
Interest expense on lease liabilities	1,340	1,301
	2023	2022
	\$'000	\$'000
<b>(d) Lease expense not capitalised in lease liabilities</b>		
Lease expense – short-term leases	9	10
Variable lease payments which do not depend on an index or rate	551	339
Total (Note 5)	560	349

**(e)** Total cash outflow for all the leases in 2023 was \$8,419,000 (2022: \$7,617,000).

**(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 \$551,000 (2022: \$339,000) [Note 17(d)] for the financial year ended 31 December 2023.

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 2023, potential future (undiscounted) cash outflows of approximately \$10,386,000 (2022: \$11,232,000) 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 2023

## 18. 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 19.

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

	<b>31 December 2023</b>	31 December 2022
	<b>\$'000</b>	\$'000
Less than one year	<b>3,671</b>	3,845
One to two years	<b>3,070</b>	3,717
Two to three years	<b>3,070</b>	3,262
Three to four years	<b>1,577</b>	3,314
Later than four years	<b>-</b>	1,705
Total undiscounted lease payment	<b>11,388</b>	15,843

## 19. INVESTMENT PROPERTIES

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<i>Cost</i>		
Beginning of financial year	<b>18,205</b>	17,555
Currency translation differences	<b>(714)</b>	(1,564)
Transferred from property, plant and equipment at carrying amount (Note 16)	<b>131</b>	2,214
End of financial year	<b>17,622</b>	18,205
<i>Accumulated depreciation</i>		
Beginning of financial year	<b>8,097</b>	7,892
Currency translation differences	<b>(308)</b>	(723)
Depreciation (Note 5)	<b>402</b>	434
Transferred from property, plant and equipment at carrying amount (Note 16)	<b>69</b>	494
End of financial year	<b>8,260</b>	8,097
<b>Net book value</b>		
<b>End of financial year</b>	<b>9,362</b>	10,108
<b>Fair value</b>		
<b>End of financial year</b>	<b>26,704</b>	29,824

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 19. INVESTMENT PROPERTIES (CONTINUED)

The following amounts are recognised in profit or loss:

	Group	
	2023	2022
	\$'000	\$'000
Rental income	3,415	3,265
Direct operating expenses arising from:		
- Investment property that generate rental income	(412)	(113)

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*

Description	Fair value measurements at 31 December using		
	Quoted prices in active markets for identical assets (Level 1) \$'000	Significant other observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000
<b>2023</b>			
Recurring fair value measurements			
Investment properties:			
- Leasehold land and building - China	-	-	20,164
- Freehold land and building - Malaysia	-	-	6,191
- Leasehold building - Indonesia	-	-	346
<b>2022</b>			
Recurring fair value measurements			
Investment properties:			
- Leasehold land and building - China	-	-	23,983
- Freehold land and building - Malaysia	-	-	5,841

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 19. INVESTMENT PROPERTY (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.

## 20. INTANGIBLE ASSETS

Composition:

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Goodwill arising on consolidation [Note (a)]	<b>1,151</b>	1,153
Trademark [Note (b)]	<b>1,049</b>	1,133
Computer software [Note (c)]	<b>445</b>	308
	<b>2,645</b>	2,594

Amortisation expense is included in the "Administrative expenses" on the Consolidated Income Statement.

### (a) Goodwill arising on consolidation

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<i>Cost</i>		
Beginning of financial year	<b>1,923</b>	1,934
Currency translation differences	<b>(2)</b>	(11)
End of financial year	<b>1,921</b>	1,923
<i>Accumulated impairment</i>		
Beginning and end of financial year	<b>770</b>	770
<i>Net book value</i>	<b>1,151</b>	1,153

### *Impairment tests for goodwill*

Goodwill is allocated to the Group's cash generating units ("CGUs") identified according to countries of operation and business segments.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 20. INTANGIBLE ASSETS (CONTINUED)

A segment-level summary of the goodwill allocation is as follows:

	Distribution of automotive and industrial products	
	2023	2022
	\$'000	\$'000
Singapore	881	881
China/Hong Kong	59	59
New Zealand	211	213
	<b>1,151</b>	<b>1,153</b>

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.

*Key assumptions used for value-in-use calculations:*

	Distribution of automotive and industrial products	
	Singapore	
	2023	2022
Terminal growth rate	2.5%	2.5%
Pre-tax discount rate	10.8%	11.2%

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	
	2023	2022
	\$'000	\$'000
An increase in terminal growth rate by 0.5%	9,705	35,012
An increase in pre-tax discount rate by 0.5%	4,244	27,670

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 20. INTANGIBLE ASSETS (CONTINUED)

### (b) Trademark

	Group	
	2023	2022
	\$'000	\$'000
<i>Cost</i>		
Beginning of financial year	2,063	2,063
Currency translation differences	(4)	-
End of financial year	<u>2,059</u>	<u>2,063</u>
<i>Accumulated amortisation</i>		
Beginning of financial year	930	868
Amortisation charge (Note 5)	132	62
Currency translation differences	(52)	-
End of financial year	<u>1,010</u>	<u>930</u>
<i>Net book value</i>	<u>1,049</u>	<u>1,133</u>

### (c) Computer software

	Group	
	2023	2022
	\$'000	\$'000
<i>Cost</i>		
Beginning of financial year	2,400	2,382
Currency translation differences	(80)	(90)
Additions	232	108
Acquisition of subsidiary (Note 15)	114	-
End of financial year	<u>2,666</u>	<u>2,400</u>
<i>Accumulated amortisation</i>		
Beginning of financial year	2,092	1,990
Currency translation differences	(19)	(66)
Amortisation charge (Note 5)	81	168
Acquisition of subsidiary (Note 15)	67	-
End of financial year	<u>2,221</u>	<u>2,092</u>
<i>Net book value</i>	<u>445</u>	<u>308</u>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 21. TRADE AND OTHER PAYABLES

	Group (Restated)		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade payables to				
- Non-related parties	26,741	31,057	-	-
- An associated company	119	1	-	-
	26,860	31,058		
Due to a director (non-trade) [Note (a)]	962	1,574	962	1,574
Accrued operating expenses	7,554	7,411	568	661
Provision for employees leave benefits [Note (b)]	2,731	2,637	-	-
Other payables	5,736	7,210	6	78
Contract liabilities [Note (c)]	639	1,111	-	-
	<b>44,482</b>	<b>51,001</b>	<b>1,536</b>	<b>2,313</b>

- (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 \$328,000 (2022: \$340,000).
- (c) *Revenue recognised in relation to contract liabilities*

	2023 \$'000	2022 \$'000
<i>Revenue recognised in current period that was included in the contract liability balance at the beginning of the period</i>	<b>1,111</b>	1,153

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 2022 was \$1,153,000.

The decrease in contract liabilities balances is mainly due to fewer contracts in which the Group billed and received consideration ahead of the delivery of products closer to end of the financial period.

## 22. BORROWINGS

	Group	
	2023 \$'000	2022 \$'000
<i>Current</i>		
Current portion of long-term bank loans	1,314	1,331
Short-term bank loans	7,590	9,207
Trust receipt loans	20,434	28,758
	<b>29,338</b>	<b>39,296</b>
<i>Non-current</i>		
Long-term bank loans	1,206	2,520
	<b>1,206</b>	<b>2,520</b>
Total borrowings	<b>30,544</b>	<b>41,816</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 22. BORROWINGS (CONTINUED)

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	
	2023	2022
	\$'000	\$'000
1 year or less	<b>28,048</b>	38,056

### (a) Security granted

Certain borrowings granted to the Group are guaranteed by the Company and secured on the following:

Borrowings of \$7,531,000 (2022: \$11,320,000) are secured over a fixed and floating charge on all the assets of certain subsidiaries.

### (b) Fair value of non-current bank loans

	Fair values	
	2023	2022
	\$'000	\$'000
Group		
Bank loans	<b>1,278</b>	2,671

## 23. SHARE CAPITAL AND TREASURY SHARES

	Group and company			
	No. of		Amount	
	← ordinary shares →		← Amount →	
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	\$'000	\$'000
<b>2023</b>				
<b>Beginning and end of financial year</b>	292,296	1,896	77,001	(671)
<b>2022</b>				
<b>Beginning and end of financial year</b>	292,296	1,896	77,001	(671)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 23. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

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 2023 based on the enlarged issued share capital of 292,599,811 (excluding 1,896,000 treasury shares).

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.

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					Exercise price	Exercise period
	Beginning of financial year	Granted during financial year	Forfeited during financial year	Exercised during financial year	End of financial year		
<b>2023</b>							
2021 Options	2,200,000	-	-	-	2,200,000	\$0.39	24.12.2023 - 23.12.2031
<b>2022</b>							
2021 Options	-	2,250,000	(50,000)	-	2,200,000	\$0.39	24.12.2023 - 23.12.2031

Out of the unexercised options for 2,200,000 shares, none were exercisable at the balance sheet date.

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.

## 24. OTHER RESERVES

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
(a) Composition:				
General reserve	7,898	7,836	-	-
Share option reserve	538	269	538	269
Currency translation reserve	(24,920)	(18,120)	-	-
Transactions with non-controlling interests	(2,735)	(2,352)	-	-
	<b>(19,219)</b>	<b>(12,367)</b>	<b>538</b>	<b>269</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 24. OTHER RESERVES (CONTINUED)

Other reserves are non-distributable.

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
(b) <u>Movements:</u>				
<b>(i) General reserve</b>				
Beginning of financial year	7,836	7,749	-	-
Currency translation differences	(21)	61	-	-
Transfer from retained profits	83	26	-	-
End of financial year	<b>7,898</b>	7,836	-	-
<b>(ii) Share option reserve</b>				
Beginning of financial year	269	-	269	-
Value of employee services	269	269	269	269
End of financial year	<b>538</b>	269	<b>538</b>	269
<b>(iii) Currency translation reserve</b>				
Beginning of financial year	(18,120)	(1,618)	-	-
Currency translation differences	(6,800)	(16,502)	-	-
End of financial year	<b>(24,920)</b>	(18,120)	-	-
<b>(iv) Transactions with non-controlling interests</b>				
Beginning of financial year	(2,352)	(2,352)	-	-
Acquisition of additional interest in subsidiary	(383)	-	-	-
End of financial year	<b>(2,735)</b>	(2,352)	-	-

### General reserve fund

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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 25. RETAINED PROFITS

- (a) Retained profits of the Group are distributable except for accumulated share of retained profits of associated companies amounting to \$19,840,000 (2022: \$18,294,000). Retained profits of the Company are distributable.
- (b) Movement in retained profits for the Company is as follows:

	<b>Company</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Beginning of financial year	<b>60,819</b>	57,339
Net profit	<b>2,576</b>	13,934
Dividends paid (Note 26)	<b>(10,454)</b>	(10,454)
End of financial year	<b>52,941</b>	60,819

## 26. DIVIDENDS

	<b>Group and Company</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<i>Ordinary dividends paid or proposed</i>		
Final exempt dividend paid in respect of the previous financial year of 3.60 cents (2022: 3.60 cents) per share	<b>10,454</b>	10,454

A final exempt dividend of 3.15 cents per share amounting to a total of \$9,148,000 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 2023.

## 27. COMMITMENTS

Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	<b>Group</b>	
	<b>31 December</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Property, plant and equipment	<b>47</b>	125

## 28. 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (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 2023, 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.

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
<b>At 31 December 2023</b>						
<b>Financial assets</b>						
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
<b>Financial liabilities</b>						
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
<b>Net financial assets/ (liabilities)</b>	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
<b>Currency exposure on financial assets</b>	<b>25,638</b>	<b>(133)</b>	<b>1,792</b>	<b>2,934</b>	<b>402</b>	<b>9,636</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (a) Market risk (continued)

#### (i) Currency risk (continued)

	USD \$'000	RMB \$'000	AUD \$'000	MYR \$'000	NZD \$'000	EUR \$'000
<b>At 31 December 2022</b>						
<b>Financial assets</b>						
Cash and bank balances	23,893	11,731	5,369	4,704	938	1,556
Trade and other receivables	11,909	7,530	12,945	5,251	8,080	301
Inter-company balances	4,772	8,782	967	15,523	281	295
	<u>40,574</u>	<u>28,043</u>	<u>19,281</u>	<u>25,478</u>	<u>9,299</u>	<u>2,152</u>
<b>Financial liabilities</b>						
Borrowings	3,377	-	8,048	2,127	10,629	2,292
Inter-company balances	4,772	8,782	967	15,523	281	295
Trade and other payables	8,301	5,664	9,853	3,379	5,285	148
Lease liabilities	329	-	14,728	2,422	6,744	-
	<u>16,779</u>	<u>14,446</u>	<u>33,596</u>	<u>23,451</u>	<u>22,939</u>	<u>2,735</u>
<b>Net financial assets/ (liabilities)</b>	23,795	13,597	(14,315)	2,027	(13,640)	(583)
Currency forwards	3,796	-	910	-	-	-
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	(2,535)	(12,796)	13,880	1,681	13,920	-
<b>Currency exposure on financial assets</b>	<u>25,056</u>	<u>801</u>	<u>475</u>	<u>3,708</u>	<u>280</u>	<u>(583)</u>

The Company's currency exposure based on the information provided to key management is as follows:

	31 December 2023		31 December 2022	
	USD \$'000	AUD \$'000	USD \$'000	AUD \$'000
<b>Financial assets</b>				
Cash and bank balances	973	-	3,372	-
Trade and other receivables	39	1,011	45	967
	<u>1,012</u>	<u>1,011</u>	<u>3,417</u>	<u>967</u>
<b>Currency exposure on financial assets</b>	<u>1,012</u>	<u>1,011</u>	<u>3,417</u>	<u>967</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (a) Market risk (continued)

#### (i) Currency risk (continued)

If the USD change against the SGD by 0.2% (2022: 0.5%) 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	
	2023	2022
	Profit	Profit
	after tax	after tax
	\$'000	\$'000
<hr/>		
Group		
USD against SGD		
- Strengthened	44	97
- Weakened	(44)	(97)
	<hr/>	<hr/>

Reasonable possible changes in the currency exchange rates of RMB, AUD, MYR, NZD and EUR 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, RMB, NZD and MYR. If the AUD, RMB, NZD and MYR interest rates per annum increase/decrease by 0.4% (2022: 0.4%) with all other variables including tax rate being held constant, the profit after tax will be lower/higher by \$22,000 (2022: \$27,000), \$Nil (2022: \$2,000), \$23,000 (2022: \$35,000) and \$20,000 (2022: \$24,000) respectively as a result of higher/lower interest expense on these borrowings.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 28. 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:

	<b>Company</b>	
	<b>31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Corporate guarantees provided to banks on subsidiaries' loans	<b>32,037</b>	43,451

The Company's investment holding activities do not expose it to significant credit risk.

The trade receivables at the Group comprise 3 debtors (2022: 3 debtors) that individually represent 5-8% (2022: 3-5%) of trade receivables.

The credit risk for net trade receivables based on the information provided to key management is as follows:

	<b>Group</b>	
	<b>31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>By geographical areas</u>		
Australia	<b>11,743</b>	12,627
Germany	<b>2,997</b>	1,485
Indonesia	<b>1,168</b>	2,735
Italy	<b>985</b>	1,097
Malaysia	<b>5,953</b>	4,777
New Zealand	<b>6,746</b>	8,066
People's Republic of China	<b>1,647</b>	2,048
Singapore	<b>11,587</b>	12,221
Sweden	<b>1,679</b>	487
Taiwan	<b>2,552</b>	1,883
Thailand	<b>989</b>	1,081
United Kingdom	<b>225</b>	1,943
United States	<b>5,786</b>	5,896
Other countries	<b>10,531</b>	11,477
	<b>64,588</b>	67,823
<u>By types of customers</u>		
Non-related parties	<b>64,583</b>	66,944
A related party	<b>5</b>	879
	<b>64,588</b>	67,823

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Credit risk (continued)

The movements in credit loss allowance are as follows:

Group	Trade receivables \$'000
<b>Balance at 1 January 2023</b>	<b>6,790</b>
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	2,852
<b>Balance at 1 January 2022</b>	4,779
Credit loss allowance recognised in profit or loss during the year on:	
- Allowances made	4,554
- Reversal of unutilised amounts	(1,334)
Receivables written off as uncollectible	(812)
Currency translation difference	(397)
Balance at 31 December 2023	6,790

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 2023 and 2022, 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 2023

## 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Credit risk (continued)

#### (i) Trade receivables (continued)

	31 December	
	2023	2022
Group	\$'000	\$'000
Gross carrying amount	2,521	6,494
Less: credit loss allowance	(2,521)	(6,494)
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 2023 and 2022 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 2023						
<b>Distribution</b>						
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
<b>Manufacturing</b>						
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
	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 2022						
<b>Distribution</b>						
Expected credit loss rate	0.1%	0.1%	0.3%	1.0%	7.8%	
Trade receivables	31,092	13,039	6,987	2,606	2,690	56,414
Credit loss allowance	21	15	19	25	211	291
<b>Manufacturing</b>						
Expected credit loss rate	0.1%	0.1%	0.1%	0.2%	0.2%	
Trade receivables	5,680	3,173	1,648	587	617	11,705
Credit loss allowance	1	1	1	1	1	5

#### (ii) Cash and bank balances

The Group and Company held cash and bank balances of \$64,224,000 and \$3,575,000 respectively (2022: \$60,576,000 and \$6,775,000) 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Credit risk (continued)

#### (iii) Non-trade receivables due from subsidiaries

The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual obligations of \$23,742,000 (2022: \$30,644,000) 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 \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
<b>Group</b>			
<b>At 31 December 2023</b>			
Trade and other payables	40,200	-	-
Lease liabilities	8,187	18,365	8,399
Borrowings	29,338	1,206	-
	<b>77,725</b>	<b>19,571</b>	<b>8,399</b>
<b>At 31 December 2022</b>			
Trade and other payables	47,253	-	-
Lease liabilities	6,358	16,484	10,022
Borrowings	39,360	2,570	-
	92,971	19,054	10,022
<b>Company</b>			
<b>At 31 December 2023</b>			
Trade and other payables	1,536	-	-
Financial guarantee	23,037	-	-
	<b>24,573</b>	-	-
<b>At 31 December 2022</b>			
Trade and other payables	2,313	-	-
Financial guarantee	43,451	-	-
	45,764	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Liquidity risk (continued)

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 \$'000	Between 1 and 5 years \$'000
<u>Group</u>		
<b>At 31 December 2023</b>		
Gross settled currency forwards		
- Receipts	4,984	-
- Payments	(4,984)	-
	<u>          </u>	<u>          </u>
<b>At 31 December 2022</b>		
Gross settled currency forwards		
- Receipts	4,705	-
- Payments	(4,705)	-
	<u>          </u>	<u>          </u>

### (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.

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 31 December		Company 31 December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Net debt	<u>(5,472)</u>	9,642	<u>(3,575)</u>	(6,775)
Total capital and reserves attributable to equity holders	<u>276,049</u>	280,385	<u>129,809</u>	137,418
Net gearing ratio	<u>NM</u>	3%	<u>NM</u>	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 2023 and 2022.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	Group		Company	
	31 December		31 December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Financial assets, at amortised cost	135,537	134,736	27,329	37,421
Financial liabilities, at amortised cost	99,612	117,471	1,536	2,313

## 29. 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.

## 30. 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	
	2023	2022
	\$'000	\$'000
Sales of goods to an associated company	5,730	9,457
Purchases of goods from an associated company	(1,495)	(211)
Rental income from an associated company	258	274

Outstanding balances as at 31 December 2023, 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 21 respectively.

### (b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2023	2022
	\$'000	\$'000
Salaries and other short-term employee benefits	3,468	4,282
Employer's contribution to defined contribution plans, including Central Provident Fund	86	63
	3,554	4,345

Included in the above was total compensation to directors of the Company amounting to \$1,766,000 (2022: \$2,302,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 31. 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 2023.

The segment information provided to senior management for the year ended 31 December 2023 is as follows:

Segment Group	← Manufacturing segment →			← Distribution segment →				Rental segment		Total
	North East Asia	ASEAN	Sub-total	North East Asia	ASEAN	Oceania	Others	Sub-total	North East Asia	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Sales</b>										
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
<b>Segment result</b>										
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
<b>Profit before income tax</b>	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)
<b>Net profit</b>	<b>723</b>	<b>1,999</b>	<b>2,722</b>	<b>551</b>	<b>1,741</b>	<b>3,588</b>	<b>3,221</b>	<b>9,101</b>	<b>1,592</b>	<b>13,415</b>
<b>Segment assets</b>	50,969	65,603	116,572	13,995	119,145	97,970	19,251	250,361	14,009	380,942
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
<b>Segment liabilities</b>	(5,516)	(3,638)	(9,154)	(1,864)	(19,924)	(37,066)	(4,226)	(63,080)	(784)	(73,018)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 31. SEGMENT INFORMATION (CONTINUED)

The segment information provided to senior management for the year ended 31 December 2022 is as follows:

Segment Group	← Manufacturing segment →			← Distribution segment →				Rental segment		Total
	North East Asia	ASEAN	Sub- total	North East Asia	ASEAN	Oceania	Others	Sub- total	North East Asia	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Sales</b>										
Total segment sales	76,847	60,034	136,881	19,008	138,432	144,009	22,286	323,735	-	460,616
Inter-segment sales	(16,825)	(12,899)	(29,724)	-	-	-	-	-	-	(29,724)
Sales to external parties	60,022	47,135	107,157	19,008	138,432	144,009	22,286	323,735	-	430,892
<b>Segment result</b>	5,627	(35)	5,592	2,094	13,634	13,585	3,684	32,997	2,805	41,394
Interest Income	89	56	145	9	55	4	-	68	7	220
Finance expenses	(250)	(289)	(539)	(61)	(962)	(1,734)	(45)	(2,802)	-	(3,341)
Depreciation	(3,209)	(1,170)	(4,379)	(244)	(2,921)	(5,331)	(517)	(9,013)	(414)	(13,806)
Amortisation of intangible assets	(49)	-	(49)	-	(80)	(39)	(62)	(181)	-	(230)
Share of profit of associated companies	-	3,132	3,132	-	1,068	-	-	1,068	-	4,200
<b>Profit before income tax</b>	2,208	1,694	3,902	1,798	10,794	6,485	3,060	22,137	2,398	28,437
Income tax expense	(660)	(729)	(1,389)	(134)	(3,109)	(1,390)	(592)	(5,225)	-	(6,614)
<b>Net profit</b>	<b>1,548</b>	<b>965</b>	<b>2,513</b>	<b>1,664</b>	<b>7,685</b>	<b>5,095</b>	<b>2,468</b>	<b>16,912</b>	<b>2,398</b>	<b>21,823</b>
<b>Segment assets</b>	56,234	68,291	124,525	15,295	133,343	107,900	10,903	267,441	13,397	405,363
Segment assets includes:										
Investment in associated companies	-	22,309	22,309	-	5,123	-	-	5,123	-	27,432
Additions to:										
- Property, plant and equipment	728	3,076	3,804	32	966	1,156	-	2,154	-	5,958
- Intangible assets	-	-	-	1	35	72	-	108	-	108
- Right-of-use assets	-	-	-	16	1,508	3,632	10	5,166	-	5,166
Investment property	-	-	-	-	-	-	-	-	8,388	8,388
- transferred from property, plant and equipment	-	-	-	-	1,720	-	-	1,720	-	1,720
<b>Segment liabilities</b>	(5,570)	(3,037)	(8,607)	(1,698)	(23,667)	(43,159)	(1,760)	(70,284)	(852)	(79,743)

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 2023

## 31. 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	
	2023	2022
	\$'000	\$'000
Segment assets	380,942	405,363
Unallocated:		
Deferred income tax assets	4,173	3,346
Short-term bank deposits	5,862	5,546
Transferable club membership	65	65
	<b>391,042</b>	<b>414,320</b>

#### (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	
	2023	2022
	\$'000	\$'000
Segment liabilities	73,018	79,743
Unallocated:		
Income tax liabilities	2,356	2,781
Deferred income tax liabilities	2,322	1,591
Borrowings	30,544	41,816
	<b>108,240</b>	<b>125,931</b>

### (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	
	2023	2022
	\$'000	\$'000
Distribution of automotive and industrial products	297,726	323,735
Manufacturing of alloy wheels	79,214	107,157
	<b>376,940</b>	<b>430,892</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 31. SEGMENT INFORMATION (CONTINUED)

### (c) Geographical information

The Group operates in the following geographic areas:

	Sales *		Non-current assets	
	Group	Group	Group	Group
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Singapore	68,611	78,251	49,008	48,673
Malaysia	61,342	74,235	26,427	29,669
China/Hong Kong	48,013	59,816	21,280	24,086
Taiwan	14,969	19,215	1,881	2,381
Australia	84,132	87,659	13,013	14,334
New Zealand	52,836	56,350	8,201	7,901
Other countries	47,037	55,366	4,198	2,179
	<b>376,940</b>	<b>430,892</b>	<b>124,008</b>	<b>129,223</b>

\* 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.

## 32. ADJUSTMENTS OF PRIOR YEAR COMPARATIVES

The financial information as at 31 December 2022 has been adjusted in relation to the understatement of goods in transit and corresponding trade payables of \$3,160,000.

The following tables set out the prior year adjustments made to the consolidated balance sheet as at 31 December 2022:

	As previously stated	Adjustments	As restated
	\$	\$	\$
	\$'000	\$'000	\$'000
<b>Balance Sheet</b>			
Inventories	135,350	3,160	138,510
Trade and other payables	47,841	3,160	51,001

This adjustment has no impact to the Group's consolidated balance sheet as at the beginning of the preceding period, i.e. 1 January 2022, the third balance sheet as at the beginning of the preceding period was not prepared. This adjustment has no impact to net cash flow provided by the operating activities in the consolidated statement of cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 33. 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 2024 and which the Group has not early adopted.

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).

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.

## 34. 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 2024.

# STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2024

## 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

Size Of Shareholdings	No. of		No. Of Shares	
	Shareholders	%		%
1 - 99	17	1.18	644	0.00
100 - 1,000	117	8.09	54,074	0.02
1,001 - 10,000	671	46.40	3,759,952	1.29
10,001 - 1,000,000	627	43.36	40,094,138	13.74
1,000,001 and above	14	0.97	247,806,003	84.95
<b>TOTAL</b>	<b>1,446</b>	<b>100.00</b>	<b>291,714,811</b>	<b>100.00</b>

**Note:**

The percentage is based on 291,714,811 shares (excluding 581,000 shares held as treasury shares) as at 18 March 2024.

## PUBLIC SHAREHOLDERS

	No. of Shares	%
Non-public shareholders	186,959,213	64.09
Public shareholders	104,755,598	35.91
	<b>291,714,811</b>	<b>100.00</b>

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	128,021,860	-	43.89
Tay Tian Hoe Richard <sup>(1)</sup>	-	141,958,860	48.66
Tay Tiang Guan <sup>(2)</sup>	-	45,000,353	15.43
Tay Soek Eng Margaret <sup>(3)</sup>	-	128,021,860	43.89

**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	128,021,860
Shares held in the name of his nominees	13,937,000
	<b>141,958,860</b>

(2) Mr Tay Tiang Guan is deemed to have an interest in 45,000,353 shares held in the name of his nominees by virtue of Section 7 of the Act.

(3) Mdm Tay Soek Eng Margaret is deemed to have an interest in 128,021,860 shares held in the name of YHI Holdings Pte Ltd by virtue of Section 7 of the Act.

# STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2024

## TWENTY LARGEST SHAREHOLDERS AS AT 18 MARCH 2024

	<b>NAME OF SHAREHOLDER</b>	<b>NO. OF SHARES</b>	<b>% OF SHARES</b>
1	YHI HOLDINGS PTE LTD	128,021,860	43.89
2	CITIBANK NOMINEES SINGAPORE PTE LTD	72,505,343	24.85
3	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	9,877,300	3.39
4	DBS NOMINEES PTE LTD	9,102,600	3.12
5	DB NOMINEES (SINGAPORE) PTE LTD	7,379,500	2.53
6	GU JIAN LIN	5,970,000	2.05
7	RAFFLES NOMINEES (PTE) LIMITED	3,266,300	1.12
8	LEE LING LING	3,245,100	1.11
9	PHILLIP SECURITIES PTE LTD	1,712,800	0.59
10	LIM MEE HWA	1,574,000	0.54
11	LEE WOON KIAT	1,453,000	0.50
12	TAN KIA SIONG @ TAN AH KOW	1,333,600	0.46
13	LEW WING KIT	1,219,800	0.42
14	DANIEL TAN POON KUAN	1,144,800	0.39
15	OCBC SECURITIES PRIVATE LTD	765,500	0.26
16	HSBC (SINGAPORE) NOMINEES PTE LTD	738,810	0.25
17	OCBC NOMINEES SINGAPORE PTE LTD	678,700	0.23
18	GOH KEE CHEONG	660,000	0.23
19	HONG PIAN TEE	659,800	0.23
20	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	656,200	0.22
	<b>Total:</b>	<b>251,965,013</b>	<b>86.38</b>

**Note :**

The percentage is based on 291,714,811 shares (excluding 581,000 shares held as treasury shares) as at 18 March 2024.

# 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 26 April 2024 (Friday) 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 2023 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a first and final tax-exempt dividend of 3.15 Singapore cents per ordinary share for the financial year ended 31 December 2023 (2022: 3.60 Singapore cents). **(Resolution 2)**
3. To re-elect the following Directors retiring pursuant to Regulation 89 of the Company’s Constitution:
 

Mr Tay Tian Hoe, Richard **(Resolution 3)**  
Ms Gn Jong Yuh Gwendolyn **(Resolution 4)**

*Mr Tay Tian Hoe, Richard will, upon re-election, remain as the Executive Chairman and Group Managing Director, and a member of the Nominating Committee of the Company.*

*Ms Gn Jong Yuh Gwendolyn will, upon re-election, remain as an independent director, the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee of the Company.*
4. To approve the payment of Directors’ fees of S\$145,000 for the financial year ended 31 December 2023 (2022: 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)**

By Order of the Board  
**YHI International Limited**

Tay Tian Hoe Richard  
Executive Chairman and Group Managing Director

8 April 2024

## 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 8 April 2024 (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.

# NOTICE OF ANNUAL GENERAL MEETING

## 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 26 April 2024 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 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 2023 (“FY2023 Annual Report”) and the Letter to Shareholders will be despatched to Shareholders.** In addition, this Notice of AGM, Proxy Form, FY2023 Annual Report and the Letter to Shareholders may be accessed at the Company’s website at the URL <https://www.yhigroup.com/investor/agm2024/> 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/agm2024/> and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
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 appointment of the proxy(ies) for that resolution will be treated as invalid.

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 10.00 a.m. on Tuesday, 16 April 2024 (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/agm2024/>. 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 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](mailto:yhi-agm@yhi.com.sg),  
in either case, by 10.00 a.m. on Tuesday, 23 April 2024. 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.**

# NOTICE OF ANNUAL GENERAL MEETING

## Personal Data Privacy:

By submitting a Proxy Form appointing a proxy(ies) (including the Chairman 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.

## Key dates/deadlines:

Key Dates	Events and Information
<b>10.00 a.m. on Tuesday, 16 April 2024</b>	<b>Deadline for CPF and SRS investors.</b> 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 10.00 a.m. on Tuesday, 16 April 2024 (that is, at least seven (7) days before the date of the AGM).
<b>10.00 a.m. on Tuesday, 16 April 2024</b>	<b>Deadline for Shareholders to submit questions.</b> 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 <a href="mailto:yhi-agm@yhi.com.sg">yhi-agm@yhi.com.sg</a> from the date of this Notice of AGM until 10.00a.m. on Tuesday, 16 April 2024.  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.
<b>Friday, 19 April 2024</b>	<b>Addressing questions.</b> 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 <a href="https://www.yhigroup.com/investor/agm2024/">https://www.yhigroup.com/investor/agm2024/</a> and SGXNET at the URL <a href="https://www.sgx.com/securities/company-announcements">https://www.sgx.com/securities/company-announcements</a> on Friday, 19 April 2024.

## NOTICE OF ANNUAL GENERAL MEETING

<p><b>10.00 a.m. on Tuesday, 23 April 2024</b></p>	<p><b>Submission of Proxy Forms.</b> 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 <a href="mailto:yhi-agm@yhi.com.sg">yhi-agm@yhi.com.sg</a> by 10.00 a.m. on Tuesday, 23 April 2024 to enable the Company's Share Registrar to verify their status as Shareholders of the Company.</p> <p>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. <b>Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.</b></p> <p><b>Specific instructions as to voting must be given.</b> 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 appointment of proxy(ies) (including the Chairman of the Meeting) for that resolution will be treated as invalid. Only Shareholders or their appointed proxy(ies) who have been successfully verified will be entitled to attend the AGM.</p> <p>Duly appointed proxy(ies), including the Chairman of the Meeting acting as proxy, need not be a Shareholder of the Company.</p>
<p><b>10.00 a.m. on Friday, 26 April 2024</b></p>	<p><b>AGM.</b> Shareholders and (where applicable) duly appointed proxies and representatives may participate at the AGM at No. 2 Pandan Road, Singapore 609254. <b>There will be no option for Shareholders to participate virtually.</b></p>
<p><b>Friday, 24 May 2024</b></p>	<p><b>Minutes of AGM.</b> The Company will publish the minutes of AGM on the Company's website at the URL <a href="https://www.yhigroup.com/investor/agm2024/">https://www.yhigroup.com/investor/agm2024/</a> and on SGXNET at the URL <a href="https://www.sgx.com/securities/company-announcements">https://www.sgx.com/securities/company-announcements</a> within one (1) month after the AGM.</p>
<p><b>5.00 p.m. on Wednesday, 8 May 2024</b></p>	<p><b>Record Date.</b> The Record Date for the purpose of determining Shareholders' entitlements to the first and final one-tier tax exempt dividend of 3.15 Singapore cents per ordinary share for the financial year ended on 31 December 2023.</p>
<p><b>Friday, 17 May 2024</b></p>	<p><b>Payment of dividend.</b> The date of the payment of the first and final one-tier tax exempt dividend to entitled Shareholders.</p>

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

	TAY TIAN HOE RICHARD	GN JONG YUH GWENDOLYN
<b>Date of Appointment</b>	26 / 08 / 2000	01 October 2021
<b>Date of last re-appointment (if applicable)</b>	28 / 04 / 2022	28 April 2022
<b>Name of Person</b>	Tay Tian Hoe Richard	Gn Jong Yuh Gwendolyn
<b>Age</b>	72	53
<b>Country of Principal Residence</b>	Singapore	Singapore
<b>The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)</b>	<p>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 Tay Tian Hoe Richard, is of the view that Mr Tay Tian Hoe Richard has the requisite experience and capability to assume the responsibility as Executive Chairman and Group Managing Director of the Company.</p> <p>Accordingly, the Board of Directors approved the appointment of Mr Tay Tian Hoe Richard as Executive Chairman and Group Managing Director of the Company.</p>	<p>The Board of Directors, having considered the recommendation of the Nominating Committee and having reviewed and considered the qualifications, working experience and suitability of Ms Gn Jong Yuh Gwendolyn, is of the view that Ms Gn Jong Yuh Gwendolyn has the requisite experience and capability to assume the responsibility as an Independent Director of the Company.</p> <p>Accordingly, the Board of Directors approved the appointment of Ms Gn Jong Yuh Gwendolyn as an Independent Director of the Company.</p>
<b>Whether appointment is executive, and if so, the area of responsibility</b>	Executive	Non-Executive
<b>Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)</b>	Executive Chairman and Group Managing Director	Independent Director, the Chairman of the Nominating Committee, a member of the Audit Committee and a member of the Remuneration Committee.
<b>Professional qualifications</b>	Member of the Singapore Institute of Directors	LLB (Hons), National University of Singapore (1994) Advocate & Solicitor of Singapore (1995)
<b>Working experience and occupation(s) during the past 10 years</b>	Executive Chairman and Group Managing Director of YHI Group	Partner of Shook Lin & Bok LLP (2006 – Present)
<b>Shareholding interest in the listed issuer and its subsidiaries</b>	Mr Tay Tian Hoe Richard is deemed to have an interest in YHI Holdings Pte Ltd with 128,021,860 (or approximately 43.89%) of YHI International Limited and 13,937,000 ordinary shares (or approximately 4.78% of shareholding) of YHI International Limited, held in the name of his nominees by virtue of Section 7 of the Companies Act 1967.	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

	TAY TIAN HOE RICHARD	GN JONG YUH GWENDOLYN
<b>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</b>	Mr Tay Tian Hoe Richard is brother of Mr Tay Tiang Guan, Executive Director (Sales and Business Development) of YHI International Limited.	No
<b>Conflict of interest (including any competing business)</b>	No	No
<b>Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer</b>	Yes	Yes
<b>&gt;&gt; Other Principal Commitments* Including Directorships</b>		
* "Principal Commitments" has the same meaning as defined in the Code.		
<b>Past (for the last 5 years)</b>	Director of the following Non Public Listed Companies: <ul style="list-style-type: none"> <li>YHI Corporation (Beijing) Co Ltd</li> </ul>	<u>Directorships:</u> <ul style="list-style-type: none"> <li>Libra Group Limited</li> <li>Mary Chia Holdings Limited</li> </ul> <u>Principal Commitments:</u> <ul style="list-style-type: none"> <li>Nil</li> </ul>
<b>Present</b>	Director of the following Non Public Listed Companies: <ul style="list-style-type: none"> <li>YHI Holdings Pte Ltd</li> <li>YHI (Malaysia) Sdn Bhd</li> <li>YHI (Australia) Pty Limited</li> <li>YHI Power Pty Ltd</li> <li>YHI (New Zealand) Limited</li> <li>YHI (Hong Kong) Co., Ltd</li> <li>YHI (China) Strategy Co., Ltd</li> <li>YHI Corporation (Guangzhou) Co., Ltd</li> <li>YHI Corporation (Singapore) Pte Ltd</li> <li>Evo-Trend Corporation (Malaysia) Sdn Bhd</li> <li>YHI Corporation (Thailand) Co., Ltd</li> <li>YHI (Philippines) Inc</li> <li>YHI Aung (Myanmar) Company Limited</li> <li>YHI (Cambodia) Company Limited</li> <li>YHI Corporation (Shanghai) Co., Ltd</li> <li>YHI (America) Pte Ltd</li> <li>Pan-mar Corporation D/B/A Konig (American)</li> <li>Advanti Racing USA, LLC</li> <li>YHI Manufacturing (Singapore) Pte Ltd</li> <li>YHI Manufacturing (Malaysia) Sdn Bhd</li> <li>YHI Advanti Manufacturing (Malaysia) Sdn Bhd</li> <li>YHI International (Taiwan) Co., Ltd</li> <li>YHI Manufacturing (Shanghai) Co Ltd</li> <li>YHI Advanti (Shanghai) Co., Ltd</li> <li>YHI Advanti Manufacturing (Suzhou) Co., Ltd</li> <li>YHI Precision Moulding (Shanghai) Co., Ltd</li> <li>YHI Logistics (Singapore) Pte Ltd</li> <li>YHI Logistics (Malaysia) Sdn Bhd</li> <li>O.Z S.p.A</li> </ul>	<u>Directorships:</u> <ul style="list-style-type: none"> <li>UMS Holdings Limited</li> <li>Tata Precision Industries Pte Ltd</li> <li>Darco Water Technologies Limited</li> <li>Huationg Global Limited</li> </ul> <u>Principal Commitments:</u> <ul style="list-style-type: none"> <li>Shook Lin &amp; Bok LLP</li> </ul>

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

	TAY TIAN HOE RICHARD	GN JONG YUH GWENDOLYN	
<b>Other Information</b>			
(a)	<p><b>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?</b></p>	No	No
(b)	<p><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?</b></p>	No	No
(c)	<p><b>Whether there is any unsatisfied judgment against him?</b></p>	No	No
(d)	<p><b>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?</b></p>	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

		TAY TIAN HOE RICHARD	GN JONG YUH GWENDOLYN
(e)	<b>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?</b>	No	No
(f)	<b>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?</b>	No	No
(g)	<b>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?</b>	No	No
(h)	<b>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?</b>	No	No
(i)	<b>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?</b>	No	No



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

		TAY TIAN HOE RICHARD	GN JONG YUH GWENDOLYN
(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,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(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

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**YHI INTERNATIONAL LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 200007455H)

**IMPORTANT:**

- 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.**
- The Notice of AGM is also accessible (a) via publication on the Company's website at the URL <https://www.yhigroup.com/investor/aggm2024/>; and (b) via publication on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- 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 8 April 2024, which may be accessed at the Company's website at the URL <https://www.yhigroup.com/investor/aggm2024/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- 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.
- 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 Tuesday, 16 April 2024 (that is, at least seven (7) working days before the date of the AGM).
- By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 8 April 2024.
- 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, 26 April 2024 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
1.	Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Auditors' Report thereon (Ordinary Resolution)			
2.	Payment of proposed first and final tax-exempt dividend of 3.15 Singapore cents per ordinary share for the financial year ended 31 December 2023 (Ordinary Resolution)			
3.	Re-election of Mr Tay Tian Hoe, Richard as Director of the Company pursuant to Regulation 89 of the Company's Constitution (Ordinary Resolution)			
4.	Re-election of Ms Gn Jong Yuh Gwendolyn 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 2023 (2022: 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			
9.	The Proposed Renewal of the Share Buy-Back Mandate (Ordinary 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 appointment of proxy(ies) (including the Chairman of the Meeting) for that resolution will be treated as invalid.**

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

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 26 April 2024 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 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 2023 (“**FY2023 Annual Report**”) and the Letter to Shareholders will be despatched to Shareholders. In addition, the Notice of AGM, Proxy Form, FY2023 Annual Report and the Letter to Shareholders may be accessed at the Company’s website at the URL <https://www.yhigroup.com/investor/agm2024/> 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/agm2024/> 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 appointment of proxy(ies) (including the Chairman of the Meeting) for that resolution will be treated as invalid.
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 10.00 a.m. on Tuesday, 16 April 2024 (that is, at least seven (7) working 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](mailto:yhi-agm@yhi.com.sg),  
  
in either case, 10.00 a.m. on Tuesday, 23 April 2024 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 Chairman 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

友发国际有限公司

**YHI INTERNATIONAL LIMITED**

Listed on the mainboard of the Singapore Exchange  
Company Registration Number 200007455H

2 Pandan Road Singapore 609254

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**Email:** [yhigroup@yhi.com.sg](mailto:yhigroup@yhi.com.sg)

**Website:** [www.yhi.com.sg](http://www.yhi.com.sg)