



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



STRENGTHENING THROUGH CONSOLIDATION

ANNUAL REPORT 2025

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STRENGTHENING THROUGH CONSOLIDATION

We are strengthening our organisation through consolidation, bringing complementary capabilities together to operate as a more connected, agile, and resilient business positioned for sustainable long-term growth.

OUR MISSION



To be a recognised global distributor of high quality automotive and industrial products, and a familiar and trusted brand name in alloy wheels manufacturing as an Original Design Manufacturer.



To be committed to quality, professional and personnel management, sound business practices and teamwork.



To position our company effectively by continuously providing our customers with quality products and distinctive customer services so as to build strong customer relationships.



To provide growth and opportunities for our employees and to consistently generate stable returns to our shareholders.

CORPORATE PROFILE

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

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

Today, YHI's international presence spans across over 100 countries through its 30 subsidiaries and 4 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 one alloy wheels manufacturing plant located in Malacca in Malaysia, with a current production capacity of 840,000 units per annum. As an integrated ODM solutions provider, it provides services from the design and development to the manufacturing, marketing and distribution of alloy wheels.

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



YHI's international presence spans across over 100 countries through its 30 subsidiaries and 4 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
















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	 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, Konig 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
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ENERGY SOLUTIONS

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

 SINGAPORE	 USA	 CHINA	 TAIWAN	 GERMANY
 INDIA	 KOREA	 ITALY	 USA	 INDIA
 JAPAN	 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
 SWEDEN	 CHINA	 UK	 GERMANY	 TAIWAN
 FINLAND	 NORWAY	 CHINA		

MANUFACTURING CAPABILITIES

As an Original Design Manufacturer (“ODM”), the Group’s value proposition is built on providing a fully integrated, end-to-end supply chain, encompassing design and development, manufacturing, marketing and distribution of alloy wheels through its established global network.

While distribution was historically the Group’s core business, YHI commenced alloy wheel manufacturing in 1996 as part of its strategy to enhance control over product quality, innovation and supply chain efficiency. From an initial single production line in Taoyuan, Taiwan, the Group progressively expanded its manufacturing footprint over the years to support growing global demand.

In 2000, the Group invested in its first manufacturing plant in Shanghai. This was followed in 2006 by the establishment of two major alloy wheel manufacturing facilities, namely YHI Advanti Manufacturing (Suzhou) Co., Ltd in Suzhou, China and YHI Manufacturing (Malaysia) Sdn Bhd in Sepang, Malaysia. In 2011, a further manufacturing facility in Malacca, Malaysia was commissioned, adding approximately 0.6 million units of annual production capacity.

To enhance its capabilities as an integrated ODM, the Group established YHI Precision Moulding (Shanghai) Co., Ltd in 2004 to manufacture alloy wheel moulds for its production facilities. Through continuous process improvements and collaboration with Enkei Corporation, the Group adopted advanced manufacturing technologies, including its proprietary Most Advanced Technology (“MAT”), which enhanced material properties and structural strength of its alloy wheels.

From 2015 onwards, the Group undertook a series of manufacturing consolidation and restructuring initiatives aimed at improving operational efficiency and optimising capital deployment. In Malaysia, manufacturing operations were consolidated at the Malacca facility following the disposal of the Sepang plant in 2015. In China, precision moulding operations were relocated from Shanghai to Suzhou in 2016, followed by the cessation of manufacturing activities in Shanghai by the end of 2016, with production capacity transferred to Suzhou and Malaysia by 2017.

In the area of manufacturing research and development, the Group introduced its proprietary Dynamic Spinning Technology (“DST”) in 2014. Based on flow-forming technology, DST enables the production of lighter and stronger alloy wheels with enhanced performance characteristics compared to conventional cast wheels. By 2018, flow-forming technology and supporting infrastructure had been deployed across the Group’s manufacturing operations, strengthening its competitive positioning and ability to serve international customers.

MANUFACTURING DEVELOPMENTS IN 2025

In 2025, the Group undertook a significant restructuring of its manufacturing footprint as part of its ongoing efforts to enhance efficiency and align manufacturing capabilities with its long-term strategic focus. Manufacturing operations in Suzhou, China and Taoyuan, Taiwan were discontinued, and all production activities were consolidated into Malaysia.

As part of this consolidation, the Group renewed its production equipment, scrapping older machinery and investing in upgraded facilities. Following the restructuring, YHI Manufacturing (Malaysia) operates six gravity casting lines, with tilt-casting capability implemented on top of these lines, and has a total annual manufacturing capacity of approximately 840,000 alloy wheels.

In addition, the Group invested significantly in flow-forming facilities, expanding its capability to eight flow-forming lines with an annual capacity of up to 336,000 wheels. The Group targets flow-formed products to account for approximately 40% of total production, reflecting a strategic emphasis on higher-performance alloy wheels.

As the Group’s sole remaining manufacturing facility, YHI Manufacturing (Malaysia) will continue to serve as the Group’s core production platform. The facility is positioned to support the Group’s focus on premium and high-end brand customers, advanced manufacturing technologies and sustainable long-term growth.



YHI MANUFACTURING (MALAYSIA) SDN BHD
YHI ADVANTI MANUFACTURING (MALAYSIA) SDN BHD

MALACCA, MALAYSIA

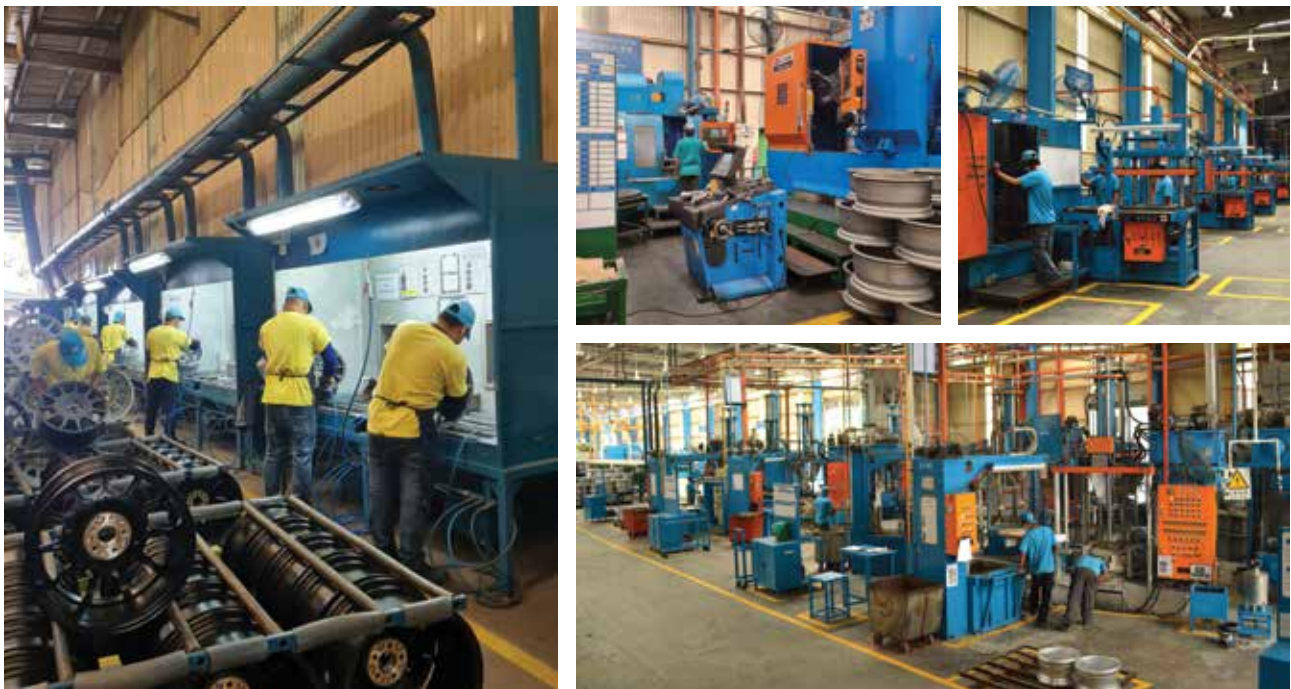
Products: Alloy Wheels

Land area: 88,000 m²

Year of Production: 2006

Annual production capacity: 0.84 million

MANUFACTURING CAPABILITIES



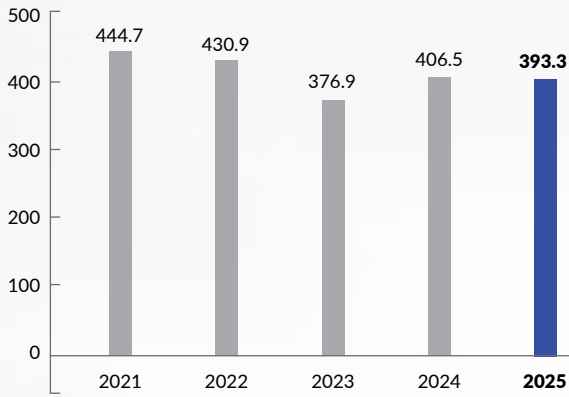
DIGITALISATION OF SUPPLY CHAIN: ORBIT PLATFORM

In 2025, the Group also commenced the deployment of Orbit, a digitalised supply chain platform developed to enhance visibility, collaboration and supply continuity across the alloy wheel ecosystem. Orbit is designed to support the Group's manufacturing and procurement processes by standardising supplier engagement, improving data transparency and reinforcing adherence to approved best practices. The

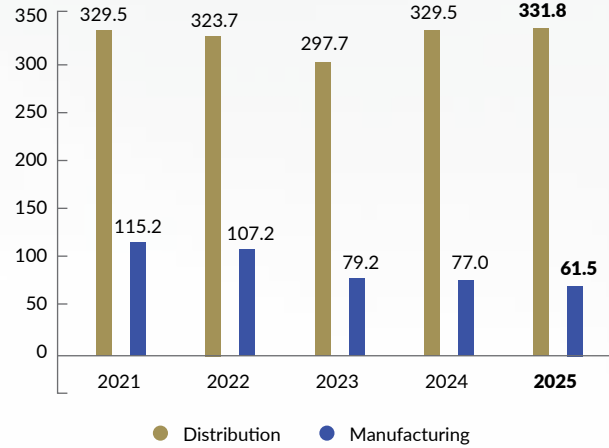
platform is expected to strengthen relationships with key suppliers, support more reliable supply commitments to the Group's network and enhance operational execution. Orbit will be managed by the Group's Manufacturing Group team, ensuring alignment with broader production planning and supplier quality objectives.

FIVE-YEAR FINANCIAL HIGHLIGHTS

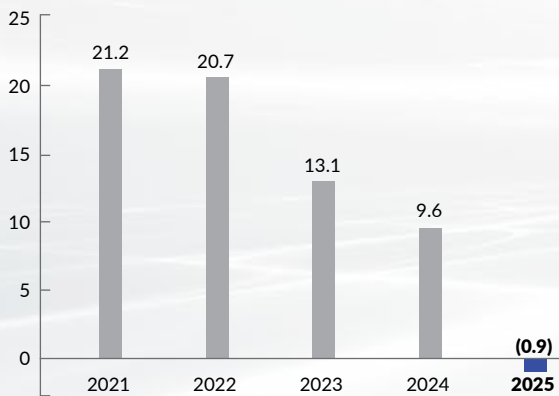
GROUP REVENUE (S\$ 'million)



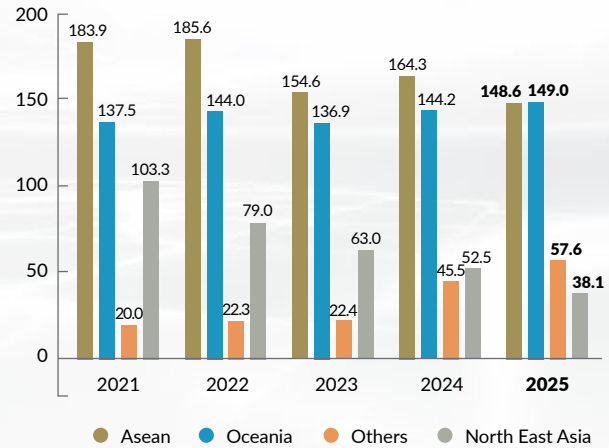
REVENUE BY BUSINESS SEGMENTS (S\$ 'million)



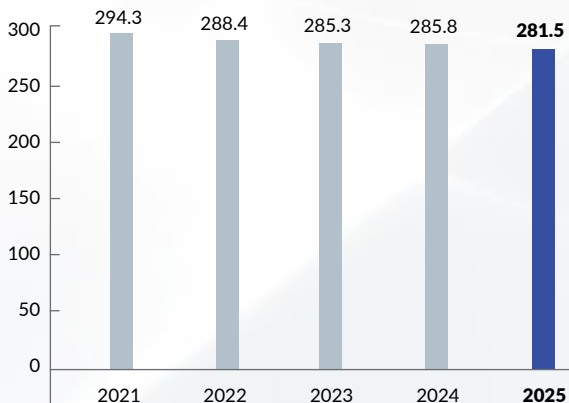
NET PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (S\$ 'million)



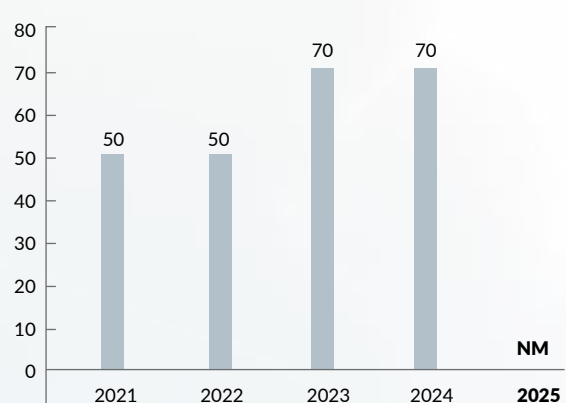
REVENUE BY GEOGRAPHY (S\$ 'million)



NET ASSETS (S\$ 'million)



DIVIDEND PAYOUT (%)



FIVE-YEAR FINANCIAL SUMMARY

RESULTS OF OPERATIONS

FINANCIAL YEAR ENDED 31 DECEMBER	FY2025 S\$ '000	FY2024 S\$ '000	FY2023 S\$ '000	FY2022 S\$ '000	FY2021 S\$ '000
Sales	393,323	406,515	376,940	430,892	444,718
Gross Profit %	24.5	25.2	24.6	22.8	23.8
Profit before income tax	5,133	14,368	18,348	28,437	28,830
Net (loss)/profit attributable to equity holders of the Company	(910)	9,580	13,053	20,722	21,165
Net (loss)/profit %	(0.0)	2.3	3.6	5.1	5.0
EBITDA	23,218	31,756	34,561	45,814	46,385

FINANCIAL POSITION

AS AT 31 DECEMBER	FY2025 S\$ '000	FY2024 S\$ '000	FY2023 S\$ '000	FY2022 S\$ '000	FY2021 S\$ '000
Current assets	264,804	277,453	263,467	281,686	301,790
Non-current assets	128,402	126,195	130,182	132,634	137,233
Total assets	393,206	403,648	393,649	414,320	439,023
Current liabilities	93,776	96,990	82,864	98,741	113,474
Non-current liabilities	17,962	20,841	25,530	27,190	31,238
Total liabilities	111,738	117,831	108,394	125,931	144,712
Net assets	281,468	285,817	285,255	288,389	294,311
Capital and reserves attributable to equity holders of the Company	275,035	279,864	278,505	280,385	286,289
Non-controlling interests	6,433	5,953	6,750	8,004	8,022
Total equity	281,468	285,817	285,255	288,389	294,311

FINANCIAL INDICATORS

	FY2025	FY2024	FY2023	FY2022	FY2021
Return on shareholders equity (%)	(0.3)	3.4	4.7	7.4	7.4
(Loss)/earnings per share (cents)	(0.31)	3.29	4.49	7.14	7.29
Net asset value per share (cents)	94.24	95.94	95.90	96.55	98.58
Dividend per share (cents)	1.72	2.30	3.15	3.60	3.60
Cash and bank balances (S\$ '000)	64,538	66,160	64,224	60,576	83,642
Net debt to equity ratio (%)	NM	0.2	NM	3.4	3.0



ADVANCING THROUGH RESTRUCTURING

We are reshaping our business to meet both current and future challenges, taking a long-term view to optimise operations and resources.

Through deliberate restructuring, we enhance operational agility, sharpen competitiveness, and strengthen global partnerships, laying the foundation for resilient progress and sustainable value creation.

CHAIRMAN'S MESSAGE



WE BELIEVE YHI IS WELL POSITIONED TO CAPTURE A MEANINGFUL SHARE OF THE RESULTING OPPORTUNITY, BOTH THROUGH OUR NEWLY CONSOLIDATED AND EXPANDED MANUFACTURING HUB IN MALAYSIA AND THROUGH OUR BROAD AND ESTABLISHED DISTRIBUTION NETWORKS ACROSS SOUTHEAST ASIA AND BEYOND.



RICHARD TAY

Executive Chairman &
Group Managing Director



Dear Shareholders,

A GLOBAL ECONOMY UNDER PRESSURE

The global economy in 2025 demonstrated a degree of resilience in the face of extraordinary headwinds. The International Monetary Fund, in its October 2025 World Economic Outlook, estimated global growth at approximately 3.2% for the year, a modest step down from 3.3% in 2024, as the escalation of US trade tariffs and retaliatory measures by affected trading partners weighed on trade flows, investment confidence and supply chain stability¹. Inflation continued to ease in most economies, and monetary authorities in a number of markets were able to proceed cautiously with interest rate reductions. Nonetheless, the IMF cautioned that risks to the outlook remain firmly tilted to the downside, with protectionist policies and geopolitical fragmentation posing the most significant structural threats to sustained global growth.

The World Bank, in its January 2026 Global Economic Prospects report, similarly acknowledged the surprising resilience of the global economy, whilst projecting that growth would ease further to 2.6% in 2026. The Bank cautioned that the 2020s are on course to be the weakest decade for global growth since the 1960s, and that risks from renewed trade frictions, tighter financial conditions and elevated fiscal vulnerabilities continue to cloud the outlook². Against this backdrop, the economies of ASEAN, which represent YHI's most significant market,

demonstrated notable buoyancy. The Asian Development Bank, in its December 2025 Asian Development Outlook, revised its growth forecast for developing Asia upward to 5.1% for 2025 and raised its Southeast Asia projection to 4.5% for the year, underpinned by resilient domestic consumption, solid technology and electronics exports and robust performances across key ASEAN economies including Malaysia, Singapore and Indonesia³.

For YHI, as an international company with operations spanning more than 100 countries and with ASEAN as our largest market, FY2025 was a year in which two very different stories unfolded at the same time. On one side was the severe structural disruption caused by escalating US tariffs on Chinese manufactured goods, which struck directly at our alloy wheel manufacturing operations in China and Taiwan. On the other was the comparative resilience of consumer demand in our key distribution markets across Oceania, Southeast Asia and Europe, which provided a firm and stabilising foundation for the Group's overall performance.

A YEAR OF NECESSARY DECISIONS

FY2025 was among the most demanding years in the Group's history. The intensification of US import tariffs on goods manufactured in China rendered our Suzhou alloy wheel factory increasingly uncompetitive, as order cancellations mounted and the cumulative tariff burden

CHAIRMAN'S MESSAGE

made it impossible for our China-produced wheels to remain competitively priced in the US market.

Meanwhile, our Taiwan factory had been generating losses for three consecutive years, burdened by sharply rising energy costs, unfavourable exchange rate movements and relentless price competition that had eroded its margins to an unsustainable level.

We entered FY2025 knowing that difficult decisions had to be made. As conditions deteriorated further across the year, the Group took the painful but necessary decision to cease production at our Suzhou factory in the third quarter of FY2025 and at our Taiwan factory in the fourth quarter. Engineers and key production capabilities were transferred to our Malaysia facility, preserving institutional knowledge and maintaining continuity for our valued customers. These actions resulted in the Group recording its first full-year net loss attributable to shareholders since our listing on the Singapore Exchange in July 2003.

RESULTS SHAPED BY TRANSFORMATION

Despite the extraordinary circumstances of the year, our distribution business held steady throughout FY2025, providing a cushion against the losses incurred in manufacturing. Total Group revenue for FY2025 was S\$393.3 million, a decrease of 3.2% from S\$406.5 million in FY2024. The decrease was driven by the sharp fall in manufacturing revenue, which fell by 20.1% to S\$61.5 million, reflecting the progressive closure of our Suzhou and Taiwan operations. The distribution segment, which accounted for approximately 84.4% of Group turnover, recorded modest revenue growth to S\$331.8 million from S\$329.5 million in FY2024, supported by stronger sales of tyres and wheels across our key markets.

Net loss attributable to equity holders of the Company amounted to approximately S\$0.9 million for FY2025, against a net profit of S\$9.6 million in FY2024, principally on account of S\$8.3 million in retrenchment costs and S\$2.8 million in other closure-related costs, including losses on disposal of immovable assets, incurred in connection with the factory restructuring. The Group also received fire insurance compensation of approximately S\$1.7 million during FY2025 in settlement of inventory losses sustained in the October 2024 fire at our Kuala Lumpur distribution warehouse, which provided a partial offset to the impact of the restructuring charges.



Mr Richard Tay, YHI group Executive Chairman

BUILDING ON SOLID FOUNDATIONS

The challenges of FY2025 have underscored the importance of disciplined cost management and a relentless focus on operational efficiency. In this regard, we will redouble our commitment to our '3R' cost management strategy, driving initiatives across all business segments to reduce operating costs, inventories and accounts receivable. This framework has been embedded in our management culture for a number of years and has proven effective in sharpening the Group's ability to withstand adversity, manage through cycles of uncertainty and emerge in a stronger competitive position.

Alongside this, we are also continuing to build on our '3M' marketing strategy, spanning multi-product, multi-brand and multi-category products and services to meet the diverse and evolving needs of our customers across all our markets. This approach enables the Group to diversify its revenue streams across product categories, brands and geographies, reducing reliance on any single market or revenue source and enhancing the long-term resilience of our business. In the financial year ending 31 December 2026 ("FY2026"), we will deepen our focus on cost discipline and operational excellence across the Group, whilst accelerating the expansion of our energy solutions business across our key ASEAN markets, where current penetration remains at a relatively early stage and the medium-term growth opportunity is substantial.

CHAIRMAN'S MESSAGE

MALAYSIA:

OUR CONSOLIDATED MANUFACTURING BASE

To support the consolidation of our wheel manufacturing into Malaysia, we have invested approximately MYR25 million to expand the Malaysia facility's production capacity by approximately 30%. This investment includes a significant increase in the number of flow forming machines, rising from four to eight by March 2026, enabling the production of higher value, premium alloy wheels tailored to the exacting specifications of customers in the United States and Europe. The full consolidation of manufacturing into Malaysia is expected to be completed by the end of March 2026.

The strategic rationale for consolidating into Malaysia is compelling. US import tariffs applicable to alloy wheels of Malaysian origin are substantially lower than those applied to wheels manufactured in China, giving our Malaysia factory a meaningful structural pricing advantage in serving customers in North America and Europe who have been redirecting their procurement away from Chinese sources. We are actively engaged with premium customers in the United States and Europe to transfer and grow order volumes at the Malaysia facility, and we are cautiously optimistic that the manufacturing business will return to a more sustainable and improving trajectory in FY2026 as the benefits of consolidation are progressively realised.

FINANCIAL DISCIPLINE AND CAPITAL MANAGEMENT

Preserving financial strength has always been central to how we manage the business, and FY2025 was no exception. The Group ended the year with cash and cash equivalents of approximately S\$64.5 million and generated operating cash inflows of approximately S\$23.0 million. Net assets attributable to shareholders amounted to S\$275.0 million as at 31 December 2025, representing a net asset value of 94.24 cents per share based on 291.8 million shares in issue. These outcomes reflect the Board's disciplined approach to capital management and confirm that the Group's balance sheet continues to support both our ongoing consolidation and our ability to deliver long-term value to shareholders.

THE ROAD AHEAD

The operating environment entering FY2026 remains characterised by considerable uncertainty. The IMF's January 2026 World Economic Outlook Update projected global growth at 3.3% for 2026, broadly in line with the 3.3% estimated 2025 outturn, but cautioned that risks from renewed trade tensions, fiscal vulnerabilities and tighter financial conditions remain present and could weigh on global activity⁴.

For our key ASEAN markets, the ADB projects that regional growth will moderate to 4.4% in 2026, reflecting the delayed but cumulative impact of higher US tariffs on export-oriented economies across Southeast Asia⁵.

The Group is also mindful of the intensifying conflict involving the United States, Israel and Iran, which has added a new level of uncertainty to global energy markets, shipping routes and global economic sentiment, with escalating pressure on ocean freight rates, energy costs, raw material costs such as aluminium ingots, and operating margins. We are monitoring these developments closely and will adjust our plans accordingly as the situation evolves.

The automotive and tyre industries continue to evolve rapidly, driven by the accelerating adoption of electric vehicles and the consequent changes in component and tyre requirements. We are working closely with our brand partners and downstream dealers to ensure that our product portfolio across tyres, wheels and energy products continues to meet the evolving preferences of consumers in each of our markets. We will also continue to explore collaboration opportunities with strategic partners in both the manufacturing and distribution segments to capture new growth opportunities as they emerge.

As global trade flows progressively shift and sourcing is redirected from China towards ASEAN and other regions with lower tariff exposure, we believe YHI is well positioned to capture a meaningful share of the resulting opportunity, both through our newly consolidated and expanded manufacturing hub in Malaysia and through our broad and established distribution networks across Southeast Asia and beyond. Our core tyre and energy distribution businesses are expected to remain resilient across our key regional markets in FY2026. We will remain vigilant, formulating flexible action plans to mitigate emerging risks whilst continuing to pursue growth opportunities with the discipline and focus that have characterised the Group's approach across decades of operation.

CHAIRMAN'S MESSAGE

OUR COMMITMENT TO SHAREHOLDERS

Even in a year of significant restructuring, our commitment to sharing the returns of the business with shareholders has not wavered. Notwithstanding the Group's first full-year net loss since listing, the Board is recommending a first and final tax exempt dividend of 1.72 Singapore cents per ordinary share for FY2025, subject to shareholder approval at the forthcoming Annual General Meeting. This represents a dividend yield of 4.6% based on the last closing price of S\$0.375 as at the latest practicable date before the printing of this report. This recommendation reflects the Board's conviction in the underlying strength of the Group's business, its confidence in the recovery trajectory following the manufacturing restructuring, and its commitment to rewarding shareholders whilst preserving the financial flexibility required to support our ongoing growth and consolidation programmes.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to thank our shareholders, business partners, customers and suppliers for their patience and continued confidence through an exceptionally challenging year. I am grateful to my fellow directors for their wise counsel and steady guidance, and to our management and staff across all operations, particularly those directly affected by the manufacturing restructuring, for their dedication and resilience throughout this period of change.

I am confident that the difficult but necessary actions taken in FY2025, our year of strengthening through consolidation, have laid a firmer, more focused and more competitive foundation for the Group's future. We move forward with resolve and determination, fully committed to restoring sustainable growth and to creating long-term value for all our stakeholders.

RICHARD TAY

Executive Chairman & Group Managing Director

Reference

- ¹ International Monetary Fund. World Economic Outlook, October 2025: *Global Economy in Flux, Prospects Remain Dim*. Published 14 October 2025. <https://www.imf.org/en/publications/weo/issues/2025/10/14/world-economic-outlook-october-2025>
- ² World Bank Group. Global Economic Prospects, January 2026: *Global Economy Shows Resilience Amid Historic Trade, Policy Uncertainty*. Published 13 January 2026. <https://www.worldbank.org/en/publication/global-economic-prospects>
- ³ Asian Development Bank. Asian Development Outlook, December 2025: *Growth Steadies But Uncertainty Lingers*. Published 10 December 2025. <https://www.adb.org/publications/asian-development-outlook-december-2025>
- ⁴ International Monetary Fund. World Economic Outlook Update, January 2026: *Global Economy: Steady amid Divergent Forces*. Published 19 January 2026. <https://www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026>
- ⁵ Asian Development Bank. Asian Development Outlook, December 2025: *Growth Steadies But Uncertainty Lingers*. Published 10 December 2025. <https://www.adb.org/publications/asian-development-outlook-december-2025>

董事长献词



亲爱的股东们，

全球经济面临压力

2025年全球经济在面临诸多不利因素的情况下展现出一定的韧性。国际货币基金组织在其2025年10月发布的《世界经济展望》中预测，2025年全球经济增长率约为3.2%，较2024年的3.3%略有下降。不断升级的美国贸易关税以及受影响贸易伙伴的报复性措施对贸易流动、投资信心和供应链稳定性造成了压力。¹大多数经济体的通胀持续放缓，一些市场的货币当局得以谨慎地推进降息。尽管如此，国际货币基金组织仍警告称，经济前景面临的风险依然明显偏向下行，其中保护主义政策和地缘政治分裂对全球经济的持续增长构成最重大的结构性威胁。

世界银行在其2026年1月发布的《全球经济展望》报告中，同样肯定了全球经济出人意料的韧性，但同时预测2026年经济增长将进一步放缓至2.6%。世界银行警告称，2020年代有望成为自20世纪60年代以来全球经济增长最疲软的十年，贸易摩擦再度加剧、金融环境收紧以及财政脆弱性上升等风险持续笼罩着经济前景。²在此背景下，作为友发集团最重要市场的东盟经济体展现出显著的活力。亚洲开发银行在其2025年12月发布的《亚洲发展展望》中，将2025年亚洲发展中经济体的增长预测上调至5.1%，并将东南亚地区的增长预测上调至4.5%。这主要得益于国内消费的韧性、稳健的科技和电子产品出口以及包括马来西亚、新加坡和印度尼西亚在内的东盟主要经济体的强劲表现。³

对于友发集团而言，作为一家业务遍及全球100多个国家且以东盟为最大市场的国际化企业，2025财年可谓是两种截然

不同的局面同时上演。一方面，美国不断升级对中国制造商品的关税，造成了严重的结构性冲击，直接影响了我们在中国大陆和台湾的合金轮毂生产业务。另一方面，我们在大洋洲、东南亚及欧洲等主要分销市场的消费需求表现出相对的韧性，为集团的整体业绩提供了稳固的支撑。

必要抉择的一年

2025财年是集团历史上最具挑战性的年份之一。美国对中国制造商品加征的进口关税持续加码，导致苏州合金轮毂工厂的竞争力日益下降。随着订单取消数量不断增加，叠加不断累积的关税负担，使得我们中国生产的轮毂在美国市场已无法保持价格竞争力。

与此同时，由于能源成本急剧上涨、汇率波动不利以及持续激烈的价格竞争，我们的台湾工厂连续三年亏损，利润率已被压缩至无法持续的水平。

我们在进入2025财年时便已清楚认识到必须做出艰难的抉择。随着全年形势的进一步恶化，集团做出了痛苦但必要的决定：于2025财年第三季度停止苏州工厂的生产，并在第四季度停止台湾工厂的生产。工程技术人员和关键生产能力已转移至马来西亚工厂，从而保留了宝贵的技术与经验积累，并保障了我们尊贵客户的业务连续性。这些举措导致集团自2003年7月在新加坡交易所上市以来，首次出现净亏损。

董事长献词

变革塑造结果

尽管本年度形势特殊，但我们的分销业务在2025财年保持稳健，为制造业务的亏损提供了一定的缓冲。本集团2025财年总收入为3.933亿新元，较2024财年的4.065亿新元下降了3.2%。收入下降主要源于制造业务收入大幅下滑，下降20.1%至6,150万新元，这反映了我们苏州和台湾工厂的逐步关闭。批发业务约占集团总营业额的84.4%，在轮胎和轮毂产品在主要市场销售强劲的推动下，收入从2024财年的3.295亿新元温和增长至2025财年的3.318亿新元。

2025财年净亏损约为90万新元，而2024财年则实现净利润960万新元。亏损的主要原因是裁员成本830万新元以及与工厂重组相关的其他关闭成本280万新元，其中包括处置不动产的损失。此外，集团在2025财年还收到约170万新元的火灾保险赔偿，用于赔偿2024年10月吉隆坡批发仓库火灾造成的存货损失，这部分抵消了重组费用的影响。

建立在坚实的基础上

2025财年的挑战进一步凸显了严格的成本管理和持续提升运营效率的重要性。为此，我们将进一步强化对“3R”成本管理战略的执行力度，在所有业务板块推行各项举措，以降低运营成本、库存和应收账款。这一框架已融入我们的管理文化多年，并已被证明能够有效提升集团抵御逆境、应对不确定周期并最终获得更强竞争优势的能力。

与此同时，我们正持续推进“3M”营销战略，涵盖多产品、多品牌和多品类产品及服务，以满足我们所有市场客户多样化且不断变化的需求。该策略有助于集团在不同产品类别、品牌和地区之间能够实现收入来源多元化，从而降低对单一市场或收入来源的依赖，并增强业务的长期韧性。在2026年12月31日的财政年度（“2026财年”），我们将进一步加强集团的成本控制和卓越运营，同时加速拓展能源业务在东盟主要市场的份额。目前，该业务在这些市场的渗透率仍处于相对早期阶段，中期增长潜力巨大。

马来西亚：我们的整合制造基地

为支持将轮毂制造业务整合至马来西亚，我们已投入约2,500万令吉，将马来西亚工厂的产能扩张约30%。该投资包括大幅增加旋压成型设备的数量，预计到2026年3月，旋压成型设备的数量将从4台增至8台，从而能够生产更高价值的高端合金轮毂，以满足美国及欧洲客户的严格规格要求。预计到2026年3月底，预计制造业务向马来西亚的全面整合将于2026年3月底前完成。

将生产整合至马来西亚的战略理由十分充分。美国对马来西亚产合金轮毂的进口关税远低于中国产轮毂，这使得我们在服务北美和欧洲客户时拥有显著的价格优势，而这些客户已逐渐将采购重心从中国转移。我们正积极与美国和欧洲的高端客户接洽，以增加马来西亚工厂的订单量。我们谨慎乐观地预计，随着整合效益的逐步显现，制造业务将在2026财年重回更可持续、更稳步增长的轨道。

财务纪律与资本管理

保持稳健的财务实力一直是公司经营的核心原则，2025财年也不例外。集团年末现金及现金等价物约为6,450万新元，运营产生的净现金流为2,300万新元。截至2025年12月31日，归属于股东的净资产为2.815亿新元，按已发行2.918亿股计算，每股净资产价值为94.24分。这些业绩体现了董事会严谨的资本管理方针，并证实集团的资产负债表依然稳健，足以支撑我们当前的整合以及为股东创造长期价值的 ability。

未来的路

进入2026财年，经营环境依然充满不确定性。国际货币基金组织在其2026年1月发布的《世界经济展望更新》报告预测，2026年全球经济增长率为3.3%，与2025年3.3%的预期基本一致，但同时警告称，贸易紧张局势再度升级、财政脆弱性加剧以及金融环境趋紧带来的风险依然存在，并可能对全球经济活动构成压力。⁴

亚洲开发银行预测我们主要的东盟市场区域经济增长2026年将放缓至4.4%，这反映出美国提高关税对东南亚出口导向型经济体造成的滞后但累积性的影响。⁵

董事长献词

本集团亦密切关注美国、以色列和伊朗之间不断升级的冲突，该冲突为全球能源市场、航运路线和全球经济形势增添新的不确定性，并对海运费率、能源成本、铝锭等原材料成本以及运营利润率造成越来越大的压力。我们将密切关注事态发展，并根据形势变化相应调整我们的经营计划。

在电动汽车快速普及以及由此带来的零部件和轮胎需求变化的推动下，汽车和轮胎行业正持续快速发展。我们正与品牌合作伙伴和下游经销商紧密合作，确保我们的轮胎、轮毂和能源产品组合能够持续满足各个市场消费者不断变化的需求。同时，我们也将继续探索与制造和分销领域的战略合作伙伴的合作机会，以把握新增长机遇。

随着全球贸易流向的逐步重构，采购重心从中国转向东盟及其他关税较低的地区，我们相信，凭借我们在马来西亚新近整合扩建的制造中心，以及遍布东南亚及其他地区的广泛且成熟的分销网络，友发集团已做好充分准备，把握由此带来的机遇。我们预计，在2026财年，我们的核心轮胎和能源批发业务将在主要区域市场保持稳健发展。我们将保持高度警惕，制定灵活的应对方案以应对新兴风险，同时秉持集团数十年来一贯的严谨和专注，继续寻求增长机遇。

对股东的承诺

即使在经历了重大重组的一年中，我们与股东分享业务成果的承诺也从未动摇。尽管集团自上市以来首次出现全年净亏损，董事会仍建议派发2025财年每股普通股1.72分的首期和末期免税股息，但须经即将召开的年度股东大会批准。根据本报告印发前最近可实现日期的最后收盘价\$0.375计算，该股息收益率为4.6%。此项建议体现了董事会对集团业务基本面的信心，对制造业重组后复苏前景的信心，以及在保持财务灵活性以支持持续增长和整合计划的同时，致力于回报股东的承诺。

致谢

我谨代表董事会，感谢各位股东、业务伙伴、客户和供应商在过去一年中给予的耐心和持续信任，这一年对我们来说充满挑战。我衷心感谢各位董事的睿智建议和稳健指导，也感谢所有运营部门的管理人员和员工，特别是那些直接受到生产重组影响的员工，感谢他们在这一变革时期所展现出的奉献精神 and 坚韧不拔的精神。

我相信，在2025财年我们采取的艰难但必要的举措，通过整合来增强实力，已经为集团的未来奠定了更加稳固、更加专注、更具竞争力的基础。我们将继续坚定不移地前进，致力于恢复可持续增长，并为所有利益相关者创造长期价值。

郑添和

执行主席兼集团董事长兼总经理

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- 3 亚洲开发银行。《亚洲发展展望，2025年12月：增长趋于稳定，但不确定性依然存在》。发布日期：2025年12月10日。
- 4 国际货币基金组织。《2026年1月世界经济展望更新》：全球经济：多元力量下的稳定。发布日期：2026年1月19日。
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BUSINESS REVIEW

BUSINESS REVIEW

The business environment in FY2025 was dominated by the intensification of US trade tariffs and geopolitical tensions, which weighed heavily on global trade flows and created significant headwinds for the Group's manufacturing operations. The ongoing US tariffs severely impacted the order books of the Group's Suzhou and Taiwan factories, ultimately leading to the decision to cease production at both facilities, Suzhou in the third quarter and Taiwan in the fourth quarter, and to consolidate wheels manufacturing into Malaysia.

Against this backdrop, the Group's distribution business demonstrated resilience, with revenue growing modestly, driven by higher sales from tyres and wheels distribution. The core tyres and energy distribution businesses continued to perform well across key regional markets. Manufacturing revenue, however, fell sharply following the factory closures, and significant retrenchment costs were incurred in connection with the restructuring. As a result, total Group revenue decreased for the year, and the Group recorded a net loss attributable to shareholders, compared to a net profit in FY2024.

GEOGRAPHIC AND SEGMENTAL PERFORMANCE

The Group has an international presence spanning more than 100 countries through its 30 subsidiaries and 4 associated companies located in Asia Pacific, North America and Europe. In addition to our global network of distribution offices and channels, we have manufacturing operations providing integrated services from design, research and development to manufacturing, logistics and distribution of final products. Following the cessation of production at the Suzhou and Taiwan facilities in FY2025, the Group's wheels manufacturing operations are being fully consolidated into the Malaysia factory by the end of March 2026.

The Group operates two core businesses: the distribution of high quality automotive and industrial products, and the manufacture of alloy wheels as an Original Design Manufacturer (ODM). Our distribution portfolio spans premium wheels and tyres as well as a broad range of energy and industrial products, including commercial and industrial batteries, electric buggies, utility vehicles, solar panels, chargers, inverters and lubricants. As a trusted ODM to customers worldwide, we leverage advanced manufacturing technology to produce high quality alloy wheels, continuously sharpening our competitive edge and our ability to serve the evolving needs of global markets.

In FY2025, Oceania, comprising Australia and New Zealand, delivered a resilient performance, contributing 37.9% of Group's total revenue. The solid result of this segment could be attributed to the Group's unremitting efforts in strengthening marketing, sales and service networks and infrastructure in this growing market. ASEAN recorded combined revenue of \$148.6 million for both manufacturing and distribution businesses, accounting for 37.8% of total Group revenue, a decrease of 9.6% from S\$164.3 million in FY2024. Our wheels distribution business in Germany continued to grow strongly, with revenue increasing significantly from S\$28.4 million in FY2024 to S\$42.6 million, driven by higher sales volumes, further reinforcing our position in the European market. Our wheels distribution business in the USA declined 12.4% year-on-year to S\$15.0 million, impacted by ongoing US trade tariffs.

The tyre distribution business segment remained the largest contributor to the Group, with sales revenue accounting for 38.4% of Group's total revenue. This was followed by the energy and industrial product segment, accounting for 28.3% of revenue, with revenue from distribution of wheels contributing 17.7%. Revenue from the wheel manufacturing business accounted for the remaining 15.6% of total Group revenue, a decrease of



The YHI Singapore team, together with Yokohama Rubber Co., Ltd., hosted their annual dealers' appreciation night at Parkroyal Collection Picketing Hotel on 6 April 2025.



From November 28 to December 7, 2025, Wheelworld GmbH participated in the ESSEN MOTOR SHOW and looks back on a highly successful trade fair appearance.

BUSINESS REVIEW

20.1% (or S\$15.5 million) in turnover from S\$77.0 million (FY2024) to S\$61.5 million (FY2025), reflecting the impact of the Suzhou and Taiwan factory closures.

DISTRIBUTION BUSINESS

In FY2025, the Group's distribution business continued to be the main growth driver, demonstrating resilience across our key markets despite the challenging global trade environment. The Group distributes a wide portfolio of products comprising tyre, wheel, energy solutions, utility vehicles and industrial products represented by 45 leading brands. In addition to representing global brands, the Group also develops and distributes its own proprietary brands such as Advanti Racing alloy wheels, Neuton Power batteries and Neuton Power electric buggies.

Distribution revenue in FY2025 increased by S\$2.3 million (0.7%) to S\$331.8 million, from S\$329.5 million in FY2024. The higher proportion of distribution revenue reflected lower wheel manufacturing revenue, stronger sales of wheels in the Europe market and continued deepening and strengthening of distribution networks, including enhanced customer support services, brand building and sharper marketing strategies across the Group's key markets.

Within the distribution business, tyres continued to be the main pillar of growth, contributing 45.5% of the segment's revenue. The Group distributes a broad range of tyres from affordable to high-end models from brands like Yokohama, Pirelli, Continental, Nitto, Toyo and Nankang, providing diversity to meet the needs of a wide spectrum of customers. Revenue from the energy solutions and industrial product segment declined 8.0% year-on-year to S\$111.3 million. This segment comprising batteries, lubricants, solar panels, chargers, inverters, buggies, utility vehicles and UPS accounted for 33.5% of distribution revenue, while the wheels accounted for the remaining 21.0% with sales of S\$69.6 million, representing year-on-year growth of 18.6%.

Reflecting an improved trading climate, the distributing business saw better performance in volume sales and revenues across the Group's geographic markets. Oceania, consisting of Australia and New Zealand, delivered stronger results with combined sales of approximately S\$149.0 million in FY2025 (Australia S\$93.9 million, New Zealand S\$55.1 million), up from about S\$144.2 million in FY2024. The positive result reflected the Group's sustained efforts over the years to enhance its competitiveness in this robust market as well as the resilient economy driving consumer spending. ASEAN markets, led by Singapore and Malaysia contributed an estimated S\$109.6 million of sales in FY2025 (Singapore S\$65.3 million, Malaysia \$16.2 million), compared with about S\$123.1 million in FY2024 as weaker Malaysia performance offset growth in other ASEAN markets. The Group's distribution business in Germany continued to stand out, recording sales of S\$42.6 million in FY2025, up from S\$28.4 million in FY2024 as the first full year of contribution since the November 2023 acquisition and stronger wheel sales set the foundation for future growth in Europe.



YHI Power Pty Ltd is pleased to participate in the CSB Global Channel Summit 2025, held in Karuizawa, Japan, in November 2025, where global partners came together to explore new pathways for innovation and collaboration.

In contrast, sales in Northeast Asia (China/Hong Kong) declined to \$15.6 million in FY2025 from S\$16.6 million in FY2024, while the US market recorded sales of S\$15.0 million compared with S\$17.1 million previously, reflecting the impact of US trade tariffs and the restructuring of the Group's manufacturing footprint.

MANUFACTURING BUSINESS

In FY2025, the Group's manufacturing business faced a severe deterioration in trading conditions as the ongoing US trade tariffs dramatically reduced demand for wheels produced in China and Taiwan. The sustained decline in order books, particularly from the US market, made it no longer viable to continue operating the Suzhou and Taiwan facilities. The Group therefore took the painful but necessary decision to cease production at the Suzhou factory in the third quarter of FY2025 and at the Taiwan factory in the fourth quarter, with manufacturing operations to be fully consolidated into the Malaysia factory by the end of March 2026.

The Group operated manufacturing facilities in China, Malaysia and Taiwan during FY2025, though production at the Suzhou and Taiwan plants wound down progressively through the year. Revenue from wheel manufacturing activities fell by 20.1% to S\$61.5 million in FY2025, compared to S\$77.0 million in FY2024, representing 15.6% of Group's total revenue, down from 19.0% in FY2024. Retrenchment costs of S\$8.3 million were incurred in FY2025 in connection with the factory closures. In addition, the building on leasehold land at the Suzhou factory was reclassified to investment property following the cessation of production and the conversion of the facility to a rental business.

The Group's manufacturing plant in Malaysia remained the anchor of the manufacturing segment, generating revenue of S\$39.0 million and accounting for 63.4% of total manufacturing revenue in FY2025, compared to 53.5% in FY2024. While Malaysia revenue declined modestly by 5.3% from S\$41.2 million in FY2024, its share of the manufacturing segment increased significantly as China and Taiwan output contracted sharply. The combined revenue from the China and Taiwan operations decreased by 37.2% to S\$22.5 million,

BUSINESS REVIEW

as tariff pressures and the wind-down of production at both plants severely reduced output. The Malaysia factory is expected to absorb consolidated production following the full closure of the Suzhou and Taiwan facilities.

BUSINESS OUTLOOK

The intensification of US trade tariffs and their severe impact on the Group's manufacturing operations resulted in the Group reporting a first-ever loss attributable to shareholders since its listing on the Singapore Exchange in July 2003. The Group's wheels manufacturing business will now be fully consolidated into the Malaysia factory by the end of March 2026, and the Group is cautiously optimistic about the business outlook of its wheels manufacturing business in FY2026.

According to the World Bank's latest Global Economic Prospects report, global growth is projected to remain broadly steady, easing to 2.6% in 2026 before rising to 2.7% in 2027¹. While the global economy has shown notable resilience to heightened trade tensions and policy uncertainty, near-term risks to the global outlook remain tilted to the downside, and growth could falter if trade tensions escalate, barriers rise further, or financial market sentiment deteriorates. The Group is also mindful of the intensifying conflict in the Middle East involving the United States, Israel and Iran, which has introduced additional uncertainty into global energy markets, shipping routes and broader economic sentiment, with escalating pressure on ocean freight rates, energy and raw material costs such as aluminium ingots, and production costs. We will monitor closely the risks presented by these developments and formulate flexible action plans to mitigate threats even as we continue to explore growth opportunities.

Based on MarketsandMarkets' Global Automotive Outlook report, global light vehicle volumes are expected to reach close to 90 million units in 2026². While internal combustion engine (ICE) vehicles will continue to form the bulk of new vehicles sold, the transition to electric vehicles continues to gather pace, with electrification scaling across regions at an uneven but accelerating rate.

The tyre market is expected to grow steadily, rising from US\$202.83 billion in 2025 to US\$210.33 billion in 2026, and further to US\$249.51 billion by 2030 at a CAGR of 4.4%³. Demand in the tyre replacement market continues to be supported by consumer confidence and growing transportation activity. The industry is also advancing towards smart and sustainable tyre technologies, with innovations increasingly geared towards meeting the evolving requirements of electric and autonomous vehicles.

The Group's core tyres and energy distribution businesses remain resilient in our key regional markets and are expected to contribute positively in FY2026, notwithstanding the



Mr Richard Tay, YHI group Executive Chairman (Right) and Mr Yoshikuni Nakamura-Managing Officer, Chairman of Yokohama Asia Co., Ltd., Chairman of Yokohama Tire Manufacturing (Thailand) Co., Ltd (Left).

global economic uncertainty. In view of the global trade tensions and economic uncertainty, the Group is taking steps to review and restructure its businesses, including right-sizing of resources to improve operational efficiency and lower its cost structure to mitigate the negative impact on the Group's business.

On the insurance front, the Group received payment of approximately S\$1.7 million (MYR5.6 million) in settlement of the fire incident claim at our Kuala Lumpur distribution warehouse. An outstanding insurance claim of approximately S\$0.8 million (MYR2.5 million) by Evo Tend Corporation (Malaysia) Sdn Bhd remains under legal proceedings and the Group will continue to update shareholders as the matter progresses. Our associated company, Yokohama Tyre Sales Malaysia Sdn Bhd ("YTSM"), received its insurance claim settlement of approximately S\$1.8 million (MYR6.0 million) in August 2025, with the Group's share of approximately S\$0.9 million (MYR3.0 million) recorded in the second half of FY2025.

Putting in perspective the challenging operating environment and the actions taken to strengthen our business, we are cautiously optimistic about the Group's prospects in FY2026. The core distribution businesses in tyres and energy products are expected to remain resilient across our key regional markets. Following the consolidation of manufacturing into Malaysia, the Group's wheels manufacturing business is expected to be on a more sustainable footing. We have a deep reservoir of past experience in managing adversity and rich resources to sharpen our resilience and agility to adapt to changing conditions and stay on our growth trajectory.

¹ World Bank, "Global Economic Prospects," January 2026 <https://www.worldbank.org/en/publication/global-economic-prospects>

² MarketsandMarkets, "Global Automotive Outlook – 2026," December 2025 <https://www.marketsandmarkets.com/Market-Reports/global-automotive-industry-outlook-77960341.html>

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CONSOLIDATING OUR CAPABILITIES

With a focus on building a resilient foundation that supports agility and innovation, we are integrating strengths across our business, fostering collaboration and consolidating our capabilities to navigate new pathways for growth in a dynamic market.

FINANCIAL REVIEW

FINANCIAL REVIEW

The rising trade tensions and the imposition of tariffs announced by the US in the 4QFY2024 continued to affect the demand of our wheels products in FY2025 and severely impacted the order books of our Suzhou and Taiwan factories. The Group took the painful decision to cease production at both factories in the second half of FY2025. Consequently, the Group reported a first ever loss for FY2025 since listed in July 2003, compared to a net profit in FY2024.

GROUP REVENUE

The Group reported a 3.2% (or \$13.2 million) decrease in turnover to \$393.3 million (FY2025) from \$406.5 million (FY2024) mainly due to lower sales recorded in FY2025 from our manufacturing business, attributed by the closure of our Suzhou and Taiwan factories in the second half of FY2025.

Distribution business, accounting for 84.4% of the Group's total turnover, recorded an increase of 0.7% (or \$2.3 million) in turnover, from \$329.5 million (FY2024) to \$331.8 million (FY2025) mainly due to higher sales from our wheels distribution business.

Our wheels distribution business reported an increase of 18.6% in revenue to \$69.6 million in FY2025 mainly due to higher sales from our wheel distribution company in Germany as compared to FY2024. Our tyres distribution business remains resilient in FY2025, reported an increase of 0.8% in sales to \$150.8 million. However, our energy distribution business recorded lower sales, a decrease of 8% to \$111.3 million in FY2025, due to the absence of a telecom project in Malaysia, which was completed at the end of FY2024.

Our wheel manufacturing business, accounting for 15.6% of the Group's total turnover, recorded a decrease of 20.1% (or \$15.5 million) in turnover from \$77.0 million (FY2024) to \$61.5 million (FY2025), attributed by the closure of our Suzhou and Taiwan factories in the second half of FY2025.

A review of the Group's turnover by geographical markets of Oceania, ASEAN, Europe, North East Asia and USA contributed 37.9%, 37.8%, 10.8%, 9.7% and 3.8% respectively. The turnover in Oceania, our largest revenue contributor, increased by 3.4% to \$149.0 million mainly due to higher revenue reported in New Zealand and Australia. The turnover in ASEAN decreased by 9.5% to \$148.6 million due to lower revenue reported in Singapore and Malaysia. The turnover in North East Asia decreased by 27.4% to \$38.1 million mainly due to lower revenue from China. The turnover in Europe increased by 49.9% to \$42.6 million. Lastly, the turnover in USA decreased by 12.4% to \$15.0 million.

GROSS PROFIT

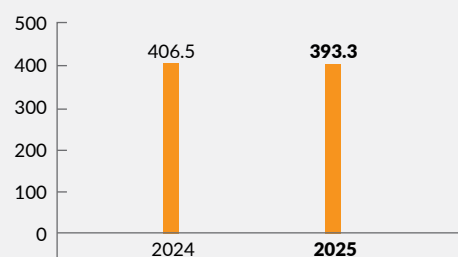
Gross Profit decreased by 5.6% (or \$5.8 million) to \$96.5 million (FY2025) from \$102.3 million (FY2024) mainly due to lower sales and gross profit margin from our manufacturing business, attributed by the closure of our Suzhou and Taiwan factories in the second half of FY2025. Consequently, Gross Profit margin decreased to 24.5% in FY2025 from 25.2% in FY2024.

OTHER GAINS/(LOSSES) - NET

Other gain/(losses) - net increased to a gain of \$1.8 million (FY2025) from a loss of \$1.1 million mainly due to fire insurance compensation of \$1.7 million in FY2025 as compared to a loss of \$2.4 million of inventories damaged by the fire in FY2024.

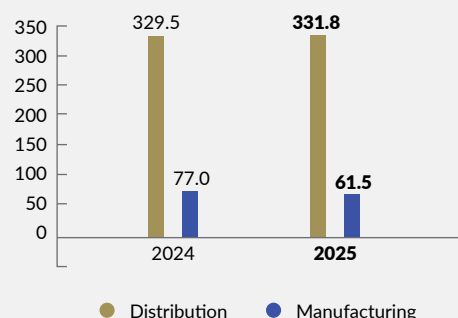
GROUP REVENUE

(\$' million)



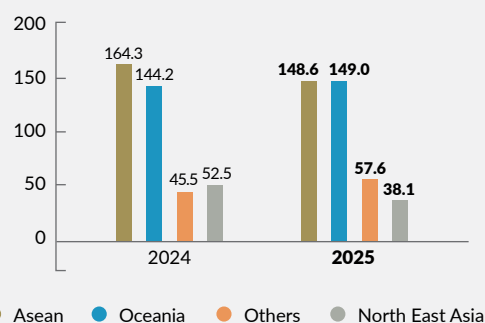
REVENUE BY BUSINESS SEGMENTS

(\$' million)



REVENUE BY GEOGRAPHY

(\$' million)



OPERATING EXPENSES

The Group's total operating expenses increased by 8.7% (or \$8.2 million) to \$102.8 million in FY2025 compared to \$94.6 million in FY2024. Operating expenses to sales ratio increased to 26.1% from 23.3% in FY2024.

Distribution expenses decreased by 0.3% (or \$0.2 million) in FY2025 to \$44.3 million compared to \$44.5 million in FY2024 mainly due to lower commission paid in line with lower sales.

Administrative expenses increased by 17.1% (or \$8.1 million) in FY2025 to \$54.9 million compared to \$46.8 million mainly due to \$8.3 million retrenchment cost incurred related to the closure of our Suzhou and Taiwan factories in FY2025.

Finance costs increased by 10.7% (or \$0.3 million) in FY2025 to \$3.6 million compared to \$3.3 million in FY2024.

FINANCIAL REVIEW

mainly due to higher borrowings during the year, despite substantial repayment made in December FY2025.

SHARE OF PROFIT OF ASSOCIATED COMPANIES

Our share of profit from associated companies increased by 67.3% (or \$1.4 million) to \$3.5 million in FY2025 as compared to \$2.1 million in FY2024 mainly due to higher profit reported by OZ SpA and YTSM. Share of profit from YTSM includes a \$0.9 million insurance claim from the inventories damaged by the fire incident in FY2024.

NET PROFIT AFTER TAX AND NON-CONTROLLING INTEREST

Net profit after tax and non-controlling interests attributable to shareholders of the Company recorded a loss of \$0.9 million in FY2025 compared to a profit of \$9.6 million in FY2024 mainly due to cost incurred related to the closure of our Suzhou and Taiwan factories. Excluding the one-off non-recurring costs and insurance payments gains, the Group would have reported a net profit after tax and non-controlling interest of \$8.4 million in FY2025 as compared to \$9.6 million in FY2024.

BALANCE SHEET REVIEW

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

As at 31 December 2025, total assets amounted to about \$393.2 million comprising \$264.8 million of current assets and \$128.4 million of non-current assets. Total liabilities amounted to about \$111.7 million comprising current liabilities of \$93.7 million and non-current liabilities of \$18.0 million. Shareholders' equity including non-controlling interests amounted to \$281.5 million, giving a net assets value of 94.24 Singapore cents per share.

The Group's net working capital decreased to \$171.0 million from \$180.5 million in FY2024 with current ratio at 2.8 and cash and cash equivalent of \$64.5 million as at 31 December 2025.

Trade and other receivables decreased to \$79.9 million from \$90.4 million in FY2024 in line with lower sales and lower turnover day in FY2025. Debtors Turnover decreased to 59 days from 66 days in FY2024.

Investment in associated companies increased from \$27.2 million to \$31.4 million mainly due to higher share of profit from both YTSM and Oz SpA in FY2025 and higher share of our investment value in SGD arising from the strengthening of EUR against SGD as compared to FY2024

Property, plant and equipment decreased from \$55.3 million to \$47.8 million as the building on leasehold land at our Suzhou factory was reclassified to investment property following its cessation of production and converted the building for rental business.

Right-of-use assets decreased from \$26.1 million to \$22.1 million as the leasehold land at our Suzhou factory was reclassified to investment property following its conversion to the rental business.

Trade and other payables decreased to \$44.3 million from \$45.7 million in FY2024 due to lower purchases and

payment made to suppliers. Turnover days decreased to 54 days from 55 days in FY2024.

Investment properties increased from \$9.2 million to \$17.8 million, as the leasehold property at our Suzhou factory was reclassified from property, plant and equipment and right-of-use assets to investment property following its conversion to the rental business.

Intangible assets increased from \$4.2 million to \$4.6 million mainly due to the implementation of a new ERP system by our Germany subsidiary.

Finance lease receivables relate to a finance lease between one of our Malaysia subsidiaries, a third party, involving sale of 80 units of buggies under a finance lease term of five years.

Borrowings decreased from \$43.1 million to \$40.6 million due to lower short-term bank loans in FY2025.

Group's net borrowings (net of cash) decreased from \$0.5 million to \$Nil and net gearing ratio decreased from 0.2% to \$Nil at the end of 31 December 2025. The Group's gross gearing ratio decreased from 24.3% to 23.2% at the end of 31 December 2025.

The Group is in compliance with all borrowings covenants for the financial year ended 31 December 2025.

Lease liabilities decreased from \$25.0 million to \$23.1 million mainly due to repayment of leases in FY2025.

Other non-current liabilities decreased from \$0.4 million to \$0.3 million mainly due to reduction in provision for retirement obligation.

Treasury shares decreased from \$0.2 million to \$0.1 million. The Company re-issued 135,000 treasury shares during the financial year pursuant to the 2021 YHI Share Option Scheme to employees upon vesting of shares under the Scheme.

Other reserves, consist of foreign currency translation loss on overseas investments, recorded a gain from negative \$18.4 million to negative \$15.8 million mainly due to strengthening of EUR and MYR against SGD.

STATEMENT OF CASHFLOW REVIEW

Operating activities generated \$23.0 million in FY2025. Investing activities utilised \$4.4 million mainly for purchase of property, plant & equipment offset by dividend received from associated companies. A total of \$19.4 million was utilised in financing activities mainly for dividend payment and repayment of lease liabilities. Cash and cash equivalents amounted to \$64.5 million as at 31 December 2025 compared to \$66.2 million reported as at 31 December 2024.

DIVIDEND

The Board of Directors has proposed a first and final (one-tier tax-exempted) dividend payout of 1.72 Singapore cents per share, subject to shareholders' approval at the Company's Annual General Meeting on 29 April 2026.

This translates to a dividend yield of 4.6% based on \$0.375 as at the closing share price of last practicable date before printing of the Annual Report.

CORPORATE MILESTONES

1948



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

1973 - 1975



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

1980 - 1995



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

1996



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

1997



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

1999



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

CORPORATE MILESTONES

2000



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

2003 - 2004



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

2005



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

2006



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

2007



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

2008



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

CORPORATE MILESTONES

2009



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

2010



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

2011



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

2012



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

2013



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



2014

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

CORPORATE MILESTONES

2015



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

2016



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

2017



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

2018



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

2019

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

2021

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

2022

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

2023

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

2024



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

2025

- Acquisition of 30% shareholding in 苏州云科智驭企业管理有限责任公司 a China-based company engaged in property management and non-residential real estate leasing project, in July 2025

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, 74

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 26 April 2024.

MR TAY TIANG GUAN, 73

Executive Director

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

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

BOARD OF DIRECTORS

MR HONG PIAN TEE, 81

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. He had been a Corporate/Financial Advisor to clients with businesses in Singapore and Indonesia and in addition was engaged to restructure companies with operations in Taiwan, Indonesia and Malaysia.

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

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

MR ONG KIAN MIN, 65

Independent Director

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

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

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

MS GN JONG YUH GWENDOLYN, 55

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 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

MR ALEX ONG CHIN KIONG

*Chief Operating Officer (COO)
Distribution Group*

Mr. Alex Ong is responsible for Strategic Business Planning and Operational Management for the YHI Distribution Group. In this role, he provides leadership across the Group's distribution subsidiaries, guiding business performance, growth initiatives, and organisational alignment.

He oversees supplier relationship management, drives collaboration across regional markets, and leads initiatives to streamline the supply chain and enhance operational efficiency.

Mr. Ong brings over 20 years of leadership experience in management and sales operations. His career spans diverse commercial environments, where he has developed strong expertise in strategic planning, business development, and operational transformation. He also possesses domain knowledge in the automotive industry, as well as in energy solutions and industrial equipment.

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

SENIOR MANAGEMENT TEAM



MS AMY SOO WEE HSIEN

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 JACKY KOK

General Manager
YHI Power (Malaysia)
Sdn Bhd

MALAYSIA



MR SHAWN NG

Deputy General Manager
YHI (East Malaysia)
Sdn Bhd

THAILAND



MR RAYMOND TAY

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

INDONESIA



MR EKA SATRIA

Deputy General Manager
PT YHI Indonesia

VIETNAM



MR IAN TAN

Deputy General Manager
YHI (Vietnam) Co., Ltd

PHILIPPINES



**MR JASON G.
DELLOSO**

General Manager
YHI (Philippines) Inc

MYANMAR



**MR U MAUNG
MAUNG LATT**

Managing Director
YHI Aung (Myanmar)
Company Limited

HEAD OF SUBSIDIARIES

TAIWAN



MR KEVIN LEE

General Manager
YHI Distribution
(Taiwan) Co., Ltd

HONG KONG



MR BENNY KAN

General Manager
YHI (Hong Kong) Co., Ltd

CHINA



MR WU MENG

General Manager
YHI Advanti (Shanghai)
Co., Ltd

NEW ZEALAND



**MR BEVAN
MESSENGER**

General Manager
YHI (New Zealand) Ltd.

AUSTRALIA



MR TONY SUHAN

Managing Director
YHI (Australia) Pty Ltd

GERMANY



MR DAVID CHEN

Managing Director
YHI Power Pty Ltd

USA



MR SCOTT WEISS

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

ASSOCIATED COMPANIES

ITALY



**MR CLAUDIO
BERNONI**

Managing Director
O.Z. S.p.A

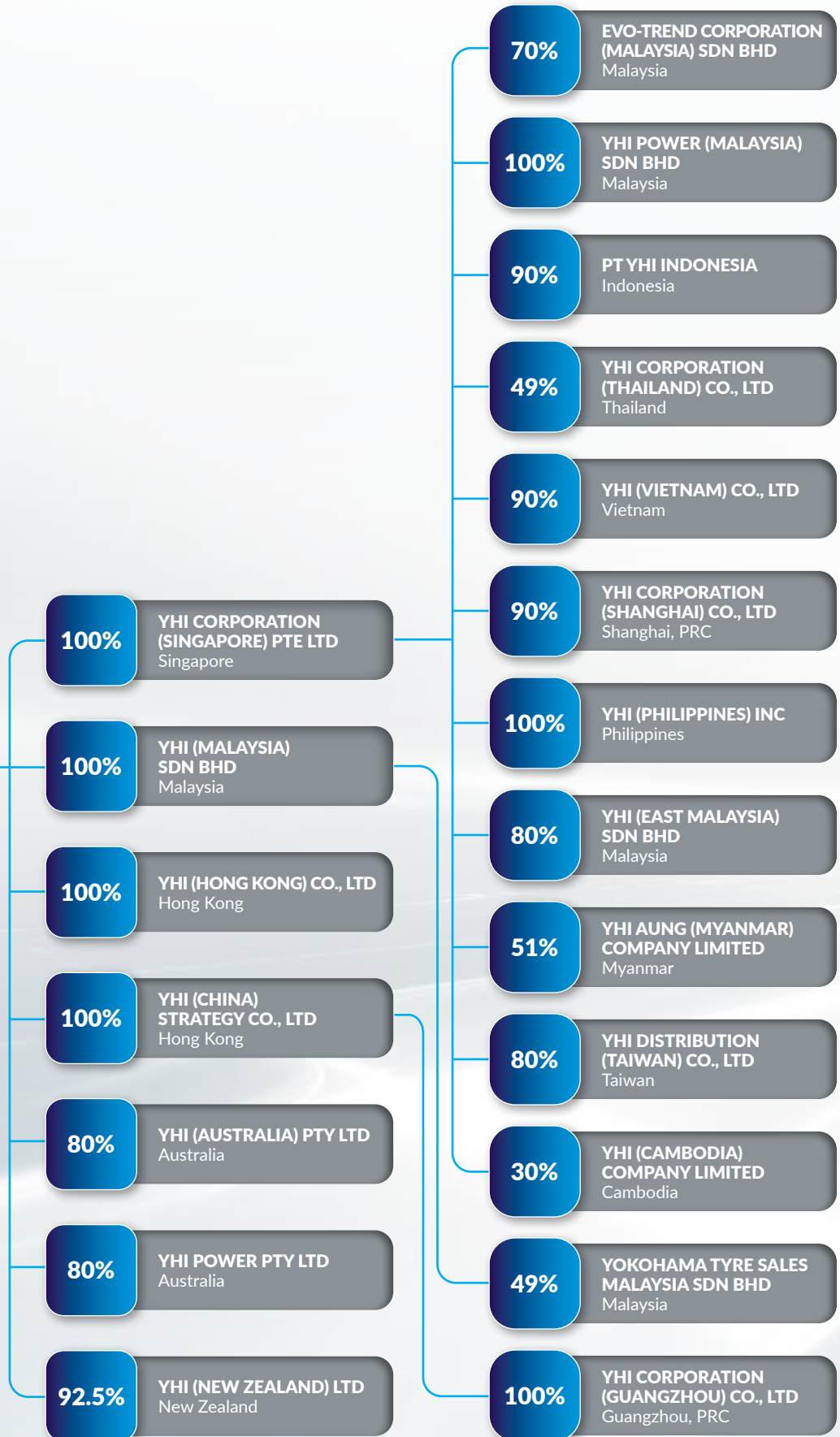
MALAYSIA



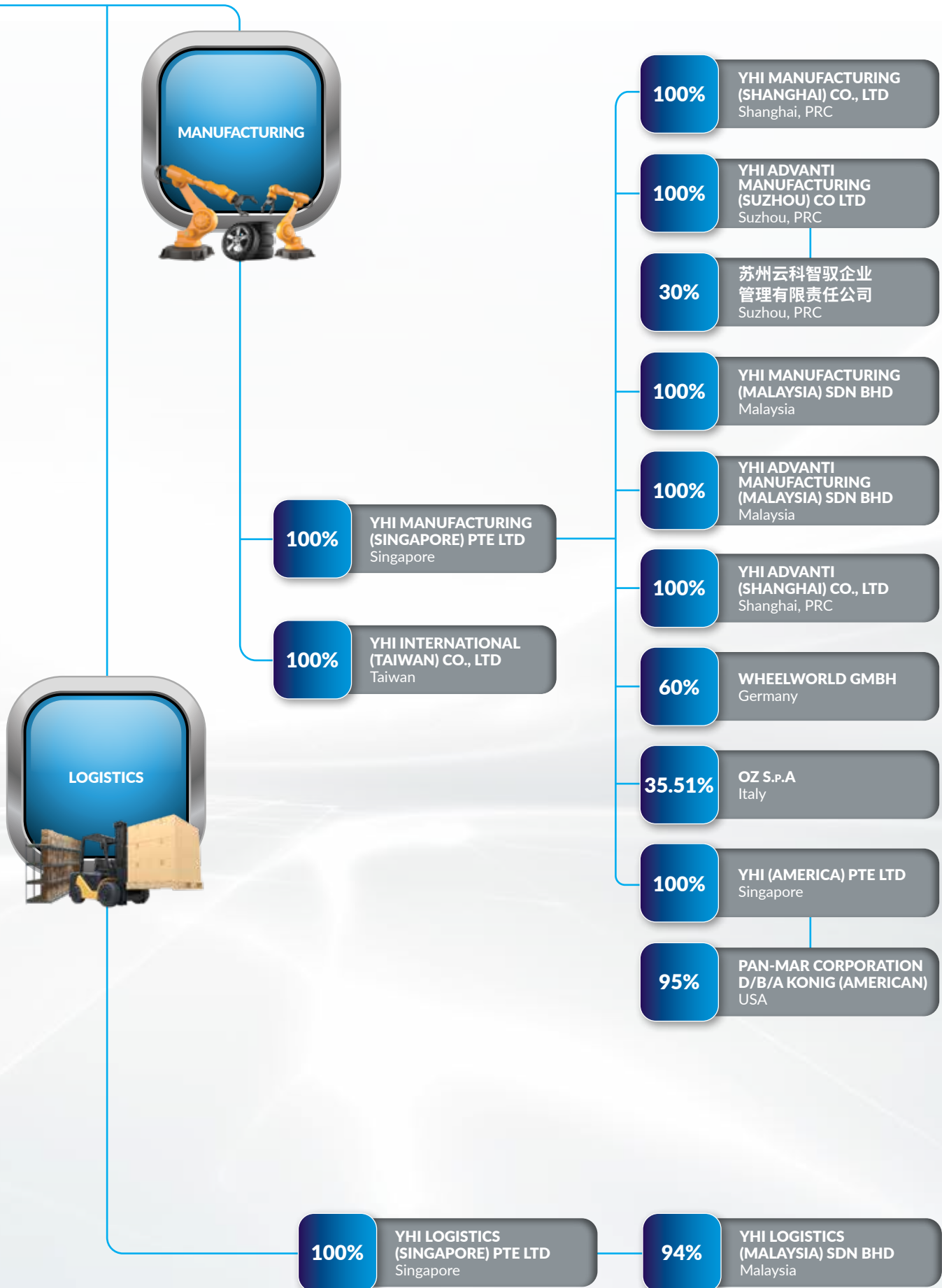
**MR TAKESHI
HARADA**

Managing Director
Yokohama Tyre
Sales Malaysia
Sdn Bhd.

CORPORATE STRUCTURE



CORPORATE STRUCTURE



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
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YHI Advanti Manufacturing (Malaysia) Sdn Bhd
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CORPORATE INFORMATION / FINANCIAL CALENDAR

BOARD OF DIRECTORS

Tay Tian Hoe Richard
Executive Chairman &
Group Managing Director

Tay Tiang Guan
Executive Director

Hong Pian Tee
Lead Independent Director

Ong Kian Min
Independent Director

Gn Jong Yuh Gwendolyn
Independent Director

AUDIT COMMITTEE

Hong Pian Tee
Chairman

Ong Kian Min
Member

Gn Jong Yuh Gwendolyn
Member

REMUNERATION COMMITTEE

Ong Kian Min
Chairman

Hong Pian Tee
Member

Gn Jong Yuh Gwendolyn
Member

NOMINATING COMMITTEE

Gn Jong Yuh Gwendolyn
Chairman

Tay Tian Hoe Richard
Member

Hong Pian Tee
Member

Ong Kian Min
Member

COMPANY SECRETARY

Gary Su Thiam Huat

AUDITOR

PricewaterhouseCoopers LLP
7 Straits View,
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Level 12, Singapore 018936
Partner-in-charge :
Chua Chin San
Year of appointment: 2023

SHARE REGISTRAR

Tricor Barbinder Share
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Singapore 048619

PRINCIPAL BANKERS

DBS Bank
Standard Chartered Bank

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Website: www.yhigroup.com
Company Registration No:
200007455H

FINANCIAL CALENDAR





DRIVING LASTING VALUE

Our value proposition is driven by our disciplined approach to growth, ensuring that our progress is anchored in resilience and an unwavering commitment to deliver value across cycles and uncertain times.

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 2025 (“**FY2025**”), with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”), which forms part of the continuing obligations of the listing rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Listing Rules**”). The Company has complied with the principles and provisions as set out in the Code where applicable and where there are variations from the provisions of the Code, explanations and alternative corporate governance practices adopted by the Company which are consistent with the aim and philosophy of the principles of the Code have been provided.

THE CODE

The Code is divided into five main sections:

- (A) Board Matters
- (B) Remuneration Matters
- (C) Accountability and Audit
- (D) Shareholder Rights and Engagement
- (E) Managing Stakeholders Relationships

(A) BOARD MATTERS

PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

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

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

As at the date of this report, the Board comprises the following Directors:

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

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

Mr Tay Tiang Guan will cease to be an Executive Director of the Company following the conclusion of the Company’s forthcoming annual general meeting (“**AGM**”) on 29 April 2026. Please refer to the Company’s disclosures under Principle 4 of this report for further details.

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

Provision 1.5

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

CORPORATE GOVERNANCE

The attendance of the Directors at meetings of the Board and Board Committees during FY2025 are set out in the table below:

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	2	2	1	1	1	1 [^]	2	2 [^]
Mr Tay Tiang Guan	2	2	1	1 [^]	1	1 [^]	2	2 [^]
Mr Hong Pian Tee	2	2	1	1	1	1	2	2
Ms Gn Jong Yuh Gwendolyn	2	2	1	1	1	1	2	2
Mr Ong Kian Min	2	2	1	1	1	1	2	2

Notes:

[^] By invitation

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

Provision 1.6

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

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

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

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

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

CORPORATE GOVERNANCE

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

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

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

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

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

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

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

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

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

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 FY2025 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.

As at the date of this 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

CORPORATE GOVERNANCE

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. Provision 2.4

Pursuant to Listing Rule 710A(1), the Company has adopted a formal board diversity policy, with the Nominating Committee responsible for reviewing and assessing the Board composition on behalf of the Board and recommending the appointment of new Directors.

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.

In recognition of the importance and value of gender diversity in the composition of the Board, the Company currently has one (1) female Director on the Board. Further, the Company has set a target to ensure that the Board has a minimum of one (1) female director on the Board, and as at the date of this report, the Company has achieved the said target. In addition, the current Board consists of Directors with ages ranging from 55 to 81, who have served on the Board for different tenures. The Company will review and work towards having greater diversity in its Board, such as gender and age, if the opportunity arises and as and when required in accordance with the Company's strategic directions.

Further, 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 seven (7) members as appropriate and facilitates effective decision-making. The current Board comprises of Independent Directors with finance, accounting, corporate finance and/or business expertise, with successful careers in professional firms, MNCs 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.

In view of the foregoing, after considering the current Board composition and experience of the Directors, the Board, in consultation with the Nominating Committee, is of the view that, for the time being, the Board Diversity Policy has allowed the Company to achieve diversity in the Board. Notwithstanding, the Nominating Committee will continuously review the relevant objectives and potential targets to be set for promoting and achieving diversity on the Board, and make recommendations for approval by the Board. The Nominating Committee will also review the Board Diversity Policy from time to time as appropriate.

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 FY2025 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 comprises 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 Ms Gn Jong Yuh Gwendolyn be nominated for re-appointment at the forthcoming Annual General Meeting. Ms Gn Jong Yuh Gwendolyn, being a member of the Nominating Committee, abstained from voting on the resolution in respect of her re-appointment as a Director 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.

CORPORATE GOVERNANCE

Mr Tay Tiang Guan, an Executive Director of the Company, has informed the Nominating Committee and the Board of his intention not to seek re-election at the forthcoming AGM to be held on 29 April 2026. Accordingly, following the retirement of Mr Tay Tiang Guan at the conclusion of the forthcoming AGM on 29 April 2026, Mr Ryan Tay Guoren is proposed to be appointed as an Executive Director at the forthcoming AGM in place of Mr Tay Tiang Guan, and his appointment shall be subject to the passing of the relevant resolution by the shareholders at the AGM. Mr Ryan Tay Guoren is the son of the Executive Chairman and Group Managing Director, Mr Tay Tian Hoe Richard.

Provision 4.3

In view of Mr Tay Tiang Guan's retirement, the Nominating Committee has recommended the nomination of Mr Ryan Tay Guoren for election at the forthcoming AGM to replace the retiring Mr Tay Tiang Guan. In reviewing the nomination of Mr Ryan Tay Guoren, the Nominating Committee evaluated, amongst others, his professional experience and credentials.

Proposed Executive Director: Mr Ryan Tay Guoren

Mr Ryan Tay Guoren, aged 42, is proposed to be appointed as an Executive Director at the forthcoming AGM. Mr Ryan Tay Guoren is currently the General Manager of the Commercial Division of the YHI Group. He oversees the Division's commercial strategy and revenue management across its manufacturing and distribution operations, including global sales coordination, key account management, pricing strategy and regional business development initiatives. He is also a Director and Head of YHI Corporation (Singapore) Pte Ltd, where he is responsible for the overall management and operational direction of the company.

Mr Ryan Tay Guoren has over 18 years of experience within the YHI Group, having progressed through roles spanning business development, international export sales, manufacturing commercial leadership and subsidiary governance across multiple jurisdictions. Mr Ryan Tay Guoren holds Bachelor of Science in Administration Double Major in International Business and Operations from Boston University.

As at the date of this report, Mr Ryan Tay Guoren held 67,500 shares in YHI Holdings Pte Ltd. YHI Holdings Pte Ltd is a substantial shareholder of the Company which has a direct interest of 32.26% in the Company.

Please refer to page 150 for additional information on Mr Ryan Tay Guoren including his other directorships in the YHI Group.

Save as disclosed above, Mr Ryan Tay Guoren does not (i) hold any directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Singapore or overseas; and (ii) have any other major appointments or professional qualifications.

As far as the Directors are aware, save as disclosed above, there is no other information relating to Mr Ryan Tay Guoren which is required to be disclosed pursuant to Rule 704(7) of the Listing Rules, nor are there any other matters concerning Mr Ryan Tay Guoren that need to be brought to the attention of Shareholders.

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

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

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

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, with Mr Hong Pian Tee, Mr Ong Kian Min and Ms Gn Jong Yuh Gwendolyn abstaining in respect of their own independence, 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 FY2025. 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 FY2025.

(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 comprises 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 FY2025. 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 FY2025. 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 FY2025 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 breakdown of the Directors' remuneration and fees, in percentage terms, for FY2025 is as follows:

	Salary	Bonus	Directors Fees	Other Benefits	Total
	%	%	%	%	S\$
Tay Tian Hoe Richard	82	14	-	4	587,411
Tay Tiang Guan ⁽¹⁾	48	38	-	14	125,894
Hong Pian Tee	-	-	100	-	50,000
Gn Jong Yuh Gwendolyn	-	-	100	-	47,500
Ong Kian Min	-	-	100	-	47,500

Note:

⁽¹⁾ Mr Tay Tiang Guan will cease to be an Executive Director of the Company following the conclusion of the Company's forthcoming AGM on 29 April 2026.

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

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

The remuneration of the top five (5) key executives of the Group (who are not director) for FY2025 is set out below: -

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

For FY2025, the Company wishes not to disclose the names of the key executives in the table above, which constitutes a variation from Provision 8.1(b) of the Code.

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

The Company views manpower as key source for the continuous success of the Company. The detailed disclosure of each key executive's remuneration of the top five (5) key management personnel (who are not directors or the CEO) would be detrimental to the Company's ability to retain its existing key management personnel. The Company believes that the current disclosure is adequate for shareholders to understand the Group's remuneration level of its top five (5) key executives. Accordingly, the Company is of the view that the intent of Principle 8 was met.

The total remuneration paid to the Directors and its key executives are stated on page 135 of the Annual Report.

CORPORATE GOVERNANCE

Details of employees whose remuneration exceed S\$100,000 and are immediate family members of Executive Directors during FY2025 are set out below: Provision 8.2

Name of Employee	Remuneration Band
Tan Soek Eng Margaret ⁽¹⁾	S\$150,000 to S\$200,000
Ryan Tay Guoren ⁽²⁾	S\$150,000 to S\$200,000

Notes:

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

⁽²⁾ Mr Ryan Tay Guoren is the son of our Executive Chairman and Group Managing Director, Mr Tay Tian Hoe Richard. Mr Ryan Tay Guoren is proposed to be appointed as an Executive Director at the forthcoming AGM to be held on 29 April 2026.

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 FY2025.

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 comprises 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 28 March 2025, the Company had transferred 135,000 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.

(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.

CORPORATE GOVERNANCE

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.

Provision 9.1

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 27 of the financial statements set out on pages 125 to 134.

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 takes charge of the sustainability and climate risks related issues pertinent to the business.

The RMEC performs the following principal functions:

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

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

Provision 9.2

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

The Board, with the assistance of the Audit Committee, reviews the adequacy and effectiveness of the internal controls (including financial, operational, compliance and information technology controls) and risk management systems through deliberating the internal audit reports, the audit findings and results of the control self-assessment exercise. 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 2025. The Management also provides full commitment to rectify control and risk related findings and exposures.

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

CORPORATE GOVERNANCE

PRINCIPLE 10: AUDIT COMMITTEE

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

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

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

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

Review of full-year financial statements and the key audit matters highlighted by the external auditors 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 2025 are provided as follows:

Credit loss allowance on trade receivables

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

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

CORPORATE GOVERNANCE

Whistle-Blowing Policy

Provision 10.1

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

The Policy provides employees with clearly defined processes and channels through which they can raise their concerns or complaints in relation to possible violations of the Group's Code of Ethics and Business Conduct or suspected irregularities to the Audit Committee through the internal audit function. There were no instances where concerns were raised under the Policy during FY2025.

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

Nomination and Re-Appointment of External Auditors

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

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

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

	<u>2025</u>	<u>2024</u>
	S\$	S\$
Fees on audit services paid/payable to:		
Auditors of the Company – PwC Singapore	246,710	246,710
Other PwC network firms	297,865	265,995
Other auditors	196,074	179,750
Fees on non-audit services paid/payable to:		
Auditors of the Company- PwC Singapore	-	-
Other PwC network firms	15,168	14,992
Other auditors	90,446	78,955
Total	846,263	786,402

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.

CORPORATE GOVERNANCE

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

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 auditors may be involved in ad-hoc projects initiated by the Management which require the assurance of the internal auditors in specific areas of concern.

The internal and the external auditors are invited to attend the Audit Committee meetings to table their plans and reports respectively. During FY2025, 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.

CORPORATE GOVERNANCE

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. Provision 11.1

During FY2025, an AGM was held on 25 April 2025. Each item of special business included in the notice of the meetings was accompanied by a full explanation of the effects of the proposed resolution at all general meetings. Separate resolutions were proposed for substantially separate issues at the general meetings. Provision 11.2

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

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

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

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

Minutes of the AGM were prepared and made available to shareholders by publishing them on SGXNet and the Company's website within 1 month after the AGM. The Company did not receive any substantial and relevant comments or queries from shareholders relating to the agenda of the AGM. The minutes of the AGM was published on SGXNet and the Company's website on 22 May 2025. 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 29 April 2026, in its unaudited financial results for the financial year ended 31 December 2025, recommended a first and final tax exempt (one-tier) dividend of 1.72 cents per ordinary share for the financial year ended 31 December 2025. The recommended dividend was determined after the Board considered the retained earnings and cash position of the Company, and the one-off nature of the events that affected the financial performance of FY2025. 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 FY2025 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 half-yearly to review all interested person transactions of the Company.

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

There was no interested person transaction exceeding S\$100,000 in value during the financial period from 1 January 2025 to 31 December 2025.

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 FY2025.

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 ninth sustainability report for the financial year ended 31 December 2025 ("**FY2025**") ("Sustainability Report") will be prepared with reference to the Global Reporting Initiative ("**GRI**") Sustainability Reporting Guidelines and is in line with the requirements on sustainability reporting under the Listing Manual of the Singapore Exchange Securities Trading Limited. Our Sustainability Report will include YHI's stakeholder engagement mechanism to gather feedback as well as our policies, practices and actual performance on each material ESG factor in FY2025.

We look forward to updating you on our progress and the full Sustainability Report which will be available by end April 2026 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 2025

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2025 and the balance sheet of the Company as at 31 December 2025.

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 140 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2025 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 2025

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 21.1.2026	At 31.12.2025	At 1.1.2025	At 21.1.2026	At 31.12.2025	At 1.1.2025
Company						
(No. of ordinary shares)						
Mr Tay Tian Hoe Richard ^{(1), (2)}	-	-	-	108,037,846	108,037,846	108,037,846
Mr Tay Tiang Guan ⁽³⁾	-	-	-	45,000,353	45,000,353	45,000,353
Mr Hong Pian Tee	689,800	689,800	659,800	-	-	-
Immediate and ultimate holding company						
- YHI Holdings Pte Ltd ⁽¹⁾						
(No. of ordinary shares)						
Mr Tay Tian Hoe Richard ^{(1), (2)}	691,917	691,917	691,917	-	-	-

Notes:

- ⁽¹⁾ As at the date of this statement, YHI Holdings Pte Ltd directly holds 94,100,846 shares of the Company.
- ⁽²⁾ As at the date of this statement, Mr Tay Tian Hoe Richard is interested in 691,917 shares of YHI Holdings Pte Ltd and accordingly is deemed interested in 94,100,846 shares of the Company held by YHI Holdings Pte Ltd and 13,937,000 shares of the Company held in the name of his nominees. Mr Tay Tian Hoe Richard is not directly interested in shares of the Company.
- ⁽³⁾ As at the date of this statement, Mr Tay Tiang Guan is deemed interested in 45,000,353 shares of the Company held in the name of his nominees. Mr Tay Tiang Guan is not directly interested in shares of the Company.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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 31.12.2025	At 1.1.2025
YHI (Australia) Pty Limited		
- No. of ordinary shares	80,000	80,000
YHI (New Zealand) Limited		
- No. of ordinary shares	92,500	92,500
YHI Power Pty Limited		
- No. of ordinary shares	8,000	8,000
YHI Corporation (Thailand) Co., Ltd		
- No. of ordinary shares	24,500	24,500
Evo-Trend Corporation (Malaysia) Sdn Bhd		
- No. of ordinary shares	140,000	140,000
PTYHI Indonesia		
- No. of ordinary shares	288,000	288,000
YHI (Vietnam) Co., Ltd	VND	VND
- Share capital	5,624,100,000	5,624,100,000
YHI Corporation (Shanghai) Co., Ltd		
- Share capital	US\$360,000	US\$360,000
Pan-Mar Corporation D/B/A Konig (American)		
- Common stock	US\$142,500	US\$142,500
Advanti Racing USA, LLC		
- Common stock	-	US\$85,500
YHI (East Malaysia) Sdn Bhd		
- No. of ordinary shares	400,000	400,000
YHI Logistics (Malaysia) Sdn Bhd		
- No. of ordinary shares	22,560,000	22,560,000
YHI Aung (Myanmar) Company Limited		
- No. of ordinary shares	51,000	51,000
YHI Distribution (Taiwan) Co., Ltd		
- Share capital	NTD 2,000,000	NTD 2,000,000
Wheelworld GmbH		
- Share capital	EUR 15,000	EUR 15,000

- (c) The directors' interests in the ordinary shares of the Company as at 21 January 2026 are shown in Note (a).

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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 periods 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 750,000 (2024: 885,000) incentive options expire on 23 December 2031.

During the financial year, 135,000 treasury shares of the Company were re-issued at the exercise price of \$0.39 per share, upon the exercise of the 2021 Options.

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

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

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

SHARE OPTIONS (CONTINUED)

(b) Share options outstanding

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

	No. of unissued ordinary shares under option at 31.12.2025	Exercise price	Exercise period
2021 Options	446,000	\$0.39	24.12.2023 – 23.12.2031

AUDIT COMMITTEE

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

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

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

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

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor;
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2025 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

27 March 2026

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 2025 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 2025;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the balance sheet of the Group and the balance sheet of the Company as at 31 December 2025;
- 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"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also 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 2025. 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
<p>Credit loss allowance on trade receivables</p> <p>As at 31 December 2025, the Group's net trade receivables of \$63,838,000, comprising gross trade receivables of \$66,903,000 and a corresponding credit loss allowance of \$3,065,000, accounted for 16.2% of the Group's total assets (Note 11).</p> <p>Significant 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.</p> <p>We focused on this area due to the significant management judgements required in estimating the credit loss allowance.</p> <p>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 27(b) to the financial statements.</p>	<p>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.</p> <p>We found the judgements and estimations used by management in determining the credit losses on trade receivables to be supportable based on available evidence.</p> <p>We also found that the disclosures provided in the financial statements as disclosed in Notes 3(a) and 27(b) to be appropriate.</p>

Other Information

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YHI INTERNATIONAL LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YHI INTERNATIONAL LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants Singapore,

27 March 2026

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$'000	2024 \$'000
Sales	4	393,323	406,515
Cost of sales	5	(296,780)	(304,221)
Gross profit		96,543	102,294
Other income	4	7,415	6,445
Other gains/(losses) - net	4	1,810	(1,050)
Credit loss allowance on trade receivables		(1,325)	(839)
Expenses			
- Distribution	5	(44,343)	(44,485)
- Administrative	5	(54,855)	(46,831)
- Finance	6	(3,601)	(3,252)
Share of profit of associated companies		3,489	2,086
Profit before income tax		5,133	14,368
Income tax expense	8	(5,234)	(4,847)
Net (loss)/profit		(101)	9,521
(Loss)/profit attributable to:			
Equity holders of the Company		(910)	9,580
Non-controlling interests		809	(59)
		(101)	9,521
(Loss)/earnings per share attributable to the equity holders of the Company			
- Basic	9	(0.31) cents	3.29 cents
- Diluted	9	(0.31) cents	3.28 cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	2025	2024
	\$'000	\$'000
(Loss)/profit for the year	(101)	9,521
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss:		
- Currency translation differences	2,741	456
Items that will not be reclassified subsequently to profit or loss:		
- Currency translation differences	138	(517)
Total comprehensive income for the year	2,778	9,460
Total comprehensive income attributable to:		
Equity holders of the Company	1,831	10,036
Non-controlling interests	947	(576)
	2,778	9,460

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

BALANCE SHEETS – GROUP AND COMPANY

AS AT 31 DECEMBER 2025

	Note	The Group		The Company	
		2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and bank balances	10	64,538	67,567	3,168	1,343
Trade and other receivables	11	79,938	90,359	13,680	20,316
Inventories	12	120,328	119,205	-	-
Derivative financial instruments		-	322	-	-
		264,804	277,453	16,848	21,659
Non-current assets					
Transferable club memberships		65	65	-	-
Investment in associated companies	13	31,456	27,161	-	-
Investments in subsidiaries	14	-	-	97,270	103,782
Property, plant and equipment	15	47,824	55,304	70	175
Right-of-use assets	16(a)	22,136	26,093	-	-
Investment properties	18	17,777	9,161	-	-
Intangible assets	19	4,633	4,193	-	-
Deferred income tax assets	8(c)	3,814	4,218	2	114
Finance lease receivables	17	697	-	-	-
		128,402	126,195	97,342	104,071
Total assets		393,206	403,648	114,190	125,730
LIABILITIES					
Current liabilities					
Trade and other payables	20	44,275	45,663	717	1,451
Current income tax liabilities	8(b)	1,553	1,713	271	128
Borrowings	21	40,569	43,116	-	-
Lease liabilities	16(b)	7,379	6,498	-	-
		93,776	96,990	988	1,579
Non-current liabilities					
Lease liabilities	16(b)	15,753	18,462	-	-
Deferred income tax liabilities	8(c)	1,907	2,026	-	-
Other non-current liabilities		302	353	-	-
		17,962	20,841	-	-
Total liabilities		111,738	117,831	988	1,579
NET ASSETS		281,468	285,817	113,202	124,151
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	22	77,001	77,001	77,001	77,001
Treasury shares	22	(158)	(206)	(158)	(206)
Other reserves	23	(15,817)	(18,421)	590	585
Retained profits	24	214,009	221,490	35,769	46,771
		275,035	279,864	113,202	124,151
Non-controlling interests		6,433	5,953	-	-
Total equity		281,468	285,817	113,202	124,151

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Note	Attributable to equity holders of the Company					Sub-total \$'000	Non- controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Other reserves \$'000	Retained profits \$'000				
2025								
	Balance as at 1 January 2025	77,001	(206)	(18,421)	221,490	279,864	5,953	285,817
	(Loss)/profit for the year	-	-	-	(910)	(910)	809	(101)
	Other comprehensive income/ (loss) for the year	-	-	2,741	-	2,741	138	2,879
	Total comprehensive income/(loss) for the year	-	-	2,741	(910)	1,831	947	2,778
	Employee share option scheme							
	- Treasury shares re-issued	-	48	5	-	53	-	53
	Dividends relating to 2024 paid	25	-	-	(6,713)	(6,713)	(467)	(7,180)
	Transfer upon liquidation of subsidiaries	-	-	(142)	142	-	-	-
	Balance as at 31 December 2025	77,001	(158)	(15,817)	214,009	275,035	6,433	281,468
2024								
	Balance as at 1 January 2024	77,001	(671)	(19,219)	221,394	278,505	6,750	285,255
	Profit for the year	-	-	-	9,580	9,580	(59)	9,521
	Other comprehensive income/ (loss) for the year	-	-	456	-	456	(517)	(61)
	Total comprehensive income/(loss) for the year	-	-	456	9,580	10,036	(576)	9,460
	Employee share option scheme							
	- Treasury shares re-issued	-	465	47	-	512	-	512
	Dividends relating to 2023 paid	25	-	-	(9,189)	(9,189)	(221)	(9,410)
	Transfer from retained profits to other reserves	-	-	295	(295)	-	-	-
	Balance as at 31 December 2024	77,001	(206)	(18,421)	221,490	279,864	5,953	285,817

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Net (loss)/profit		(101)	9,521
Adjustments for:			
- Income tax expense		5,234	4,847
- Depreciation of property, plant and equipment and investment properties		6,177	6,151
- Depreciation of right-of-use assets		7,638	7,284
- Amortisation of intangible assets		668	701
- Impairment of right-of-use assets		590	-
- Loss/(gain) on disposal of property, plant and equipment		96	(266)
- Gain on early termination of leases		(7)	(3)
- Interest expense		3,601	3,252
- Interest income		(614)	(862)
- Share of profit of associated companies		(3,489)	(2,086)
- Fair value loss/(gain) on derivative financial instruments		320	(322)
- Unrealised currency translation differences		272	818
Operating cash flow before working capital changes		20,385	29,035
Changes in working capital			
- Inventories		(704)	(3,230)
- Trade and other receivables		9,768	(10,870)
- Trade and other payables		(2,468)	2,852
Cash generated from operations		26,981	17,787
Interest received		614	862
Income tax paid		(4,560)	(6,576)
Net cash provided by operating activities		23,035	12,073
Cash flows from investing activities			
Dividends received from associated companies		2,187	2,677
Acquisition of investments in associated company		(275)	-
Proceeds from sale of property, plant and equipment		583	429
Proceeds from sale of intangible assets		-	2
Purchase of property, plant and equipment		(5,934)	(5,995)
Purchase of intangible assets		(992)	(440)
Net cash used in investing activities		(4,431)	(3,327)
Cash flows from financing activities			
Dividends paid to equity holders of the Company		(6,713)	(9,189)
Dividends paid to non-controlling interest		(467)	(221)
Interest paid		(3,601)	(3,252)
Proceeds from borrowings		3,038	15,380
Repayments of borrowings		(4,136)	(3,423)
Principal payment of lease liabilities		(7,533)	(7,069)
Proceeds from re-issuance of treasury shares		48	465
Net cash used in financing activities		(19,364)	(7,309)
Net (decrease)/increase in cash and bank balances		(760)	1,437
Cash and bank balances at beginning of the financial year		66,160	64,224
Effects of currency translation on cash and bank balances		(862)	499
Cash and bank balances at end of the financial year	10	64,538	66,160
Consolidated cash and bank balances represented by			
Cash and bank balances		64,538	67,567
Less: Bank overdrafts	21	-	(1,407)
Cash and bank balances as per consolidated statement of cash flows	10	64,538	66,160

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Reconciliation of liabilities arising from financing activities

	Opening balance \$'000	Proceeds, principal and interest payments \$'000	Non-cash changes \$'000			Closing balance \$'000
			Additions/ modifications during the year	Interest expense	Foreign exchange movement	
2025						
Bank borrowings	41,709	(3,355)	-	2,257	(42)	40,569
Lease liabilities	24,960	(8,877)	5,723	1,344	(18)	23,132
2024						
Bank borrowings	30,544	10,050	-	1,907	(792)	41,709
Lease liabilities	28,208	(8,414)	5,037	1,345	(1,216)	24,960

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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 2025

On 1 January 2025, 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 2025:

1 January 2025	Amendments to: SFRS(I) 1-21: Lack of Exchangeability
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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 2025

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 2025

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 2025

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).

The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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/rights

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 Intangible assets (continued)

(c) *Customer relationship*

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

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

(d) *Acquired computer software*

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

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

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

2.7 Borrowing costs

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

2.8 Investment properties

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

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

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

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

2.9 Investments in subsidiaries

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Impairment of non-financial assets

(a) *Goodwill*

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

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

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

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

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

(b) *Intangible assets*

Property, plant and equipment

Right-of-use assets

Investment properties

Investments in subsidiaries and associated companies

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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 27(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 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Financial assets (continued)

(c) *Recognition and derecognition (continued)*

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

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

2.12 Financial guarantees

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

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

- (a) amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- (b) the amount of expected loss allowance computed using the impairment methodology under Note 2.11.

2.13 Borrowings

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

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

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

2.14 Trade and other payables

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Derivative financial instruments

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

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

2.16 Leases

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

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

- Right-of-use assets

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

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

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

- Lease liabilities

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

Lease payments include the following:

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Leases (continued)

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

- Lease liabilities (continued)

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

- Short-term leases

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

- Variable lease payments

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

- Lessor – Finance leases

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognised and the present value of the lease receivable is recognised on the balance sheet and included in finance lease receivables. The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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.

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.

Pillar Two related top-up tax expenses are recognised and disclosed separately from other current income tax expenses. Qualified domestic top-up tax expenses are recognised and presented as current income tax expenses by the relevant entities in the Group that have the legal obligation to settle qualifying domestic top-up taxes with the tax authorities. This includes the designated filing entity and any other entities that have elected to pay a portion of the qualified domestic top-up tax expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.21 Currency translation (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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.

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 2025, the Group's gross trade receivables of \$66,903,000 (2024: \$75,850,000) (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 \$3,065,000 (2024: \$2,247,000) for trade receivables was recognised as at 31 December 2025.

The Group's credit risk exposure for trade receivables by different revenue segment are set out in Note 27(b).

If the estimated loss rate for each age category were to increase by 0.5% (2024: 0.5%), an additional credit loss allowance of \$314,000 (2024: \$320,000) would have been recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(b) Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Management regularly reviews the Group's inventory balance to identify slow-moving, obsolete, or market-priced inventories where the market price, based on the selling price of similar items in the market, is lower than the carrying amount.

Estimates of net realisable value are made using the most reliable evidence available as of the balance sheet date. These estimates consider market demand, selling prices, and costs directly related to events occurring.

As at 31 December 2025, the carrying amount of the Group's inventories is \$120,328,000 (2024: \$119,205,000). The related inventory provision is \$2,879,000 (2024: \$3,879,000).

4. SALES, OTHER INCOME AND OTHER GAINS

	Group	
	2025	2024
	\$'000	\$'000
<u>At a point in time</u>		
Sale of goods		
- Automotive and industrial products (Distribution)		
North-east Asia	15,551	16,630
ASEAN	109,611	123,126
Oceania	149,031	144,181
Europe	42,582	28,401
USA	15,003	17,131
	331,778	329,469
- Alloy wheels (Manufacturing)		
North-east Asia	22,521	35,845
ASEAN	39,024	41,201
	61,545	77,046
Total sales	393,323	406,515

	Group	
	2025	2024
	\$'000	\$'000
Other income:		
- Rental income	5,393	4,961
- Interest income from banks	614	862
- Government grant income	55	103
- Sales of dross and scrap	938	513
- Bad debt recovered	415	6
Total other income	7,415	6,445

	Group	
	2025	2024
	\$'000	\$'000
Other gains/(losses) - net:		
- Fair value (loss)/gain on derivative financial instrument	(320)	322
- (Loss)/gain on disposal of property, plant and equipment	(96)	266
- Inventory loss due to fire incident	-	(2,448)
- Insurance compensation due to fire incident	1,715	-
- Impairment of right-of-use assets	(590)	-
- Other	1,101	810
Total other gains/(losses) - net	1,810	(1,050)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. EXPENSES BY NATURE

	Group	
	2025	2024
	\$'000	\$'000
Amortisation of intangible assets (Note 19)	668	701
Depreciation of property, plant and equipment (Note 15)	5,711	5,775
Depreciation of investment property (Note 18)	466	376
Depreciation of right-of-use assets [Note 16(a)]	7,638	7,284
Changes in inventories of raw materials, work-in-progress and finished goods	1,123	(370)
Purchases of raw materials, finished goods and consumables	280,473	285,458
Write-down of inventories	813	1,847
Logistics costs	9,004	8,632
Transportation and travelling	4,273	4,210
Advertising and promotion	2,822	3,022
Commission charges	3,072	3,453
Employee compensation (Note 7)	53,345	57,477
Directors' fees	188	209
Repair and maintenance	1,851	1,333
Rental on leases for premises [Note 16(d)]	523	422
Currency translation (loss)/gain – net	(155)	807
Retrenchment cost	8,287	-
Others	15,876	14,901
Total cost of sales, distribution and administrative expenses	395,978	395,537

6. FINANCE EXPENSES

	Group	
	2025	2024
	\$'000	\$'000
Interest expense:		
- Bank loans	649	801
- Bank overdrafts	78	23
- Trust receipts	1,530	1,083
- Lease liabilities [Note 16(c)]	1,344	1,345
	3,601	3,252

7. EMPLOYEE COMPENSATION

	Group	
	2025	2024
	\$'000	\$'000
Wages and salaries	48,330	52,735
Employer's contribution to defined contribution plans including Central Provident Fund	4,975	4,725
Other long-term benefits	40	17
	53,345	57,477

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8. INCOME TAX

(a) Income tax expense

	Group	
	2025	2024
	\$'000	\$'000
Tax expense attributable to profit is made up of:		
Current income tax		
- Singapore	910	1,002
- Foreign	4,692	4,405
	5,602	5,407
Deferred income tax [Note 8(c)]	(18)	(377)
	5,584	5,030
Over provision in previous financial years		
- Current income tax	(538)	(88)
- Deferred income tax [Note 8(c)]	188	(95)
	5,234	4,847

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	
	2025	2024
	\$'000	\$'000
Profit before income tax	5,133	14,368
Less:		
Share of profit of associated companies, net of tax	(3,489)	(2,086)
Profit before tax and share of profit of associated companies	1,644	12,282
Tax calculated at a tax rate of 17% (2024: 17%)	280	2,088
Effects of:		
- Singapore statutory stepped income exemption	(35)	(52)
- Effects of different tax rates in other countries	232	836
- Withholding tax	433	487
- Expenses not deductible for tax purposes	1,250	1,372
- Income not subject to tax	(1,718)	(300)
- Tax incentive	(22)	(116)
- Tax losses for which no deferred income tax asset was recognised	5,269	735
- Over provision of income tax in prior years	(350)	(183)
- Others	(105)	(20)
Tax charge	5,234	4,847

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8. INCOME TAX (CONTINUED)

(b) Current income taxes

	Group		Company	
	31 December		31 December	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Tax recoverable assets (Note 11)	(1,257)	(2,173)	-	-
Current income tax liabilities	1,553	1,713	271	128

(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		Company	
	2025		2024	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Deferred income tax assets	(3,814)	(4,218)	(2)	(114)
Deferred income tax liabilities	1,907	2,026	-	-

Movement in net deferred income tax account is as follows:

	Group		Company	
	2025		2024	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	(2,192)	(1,697)	(114)	-
Currency translation differences	115	(23)	-	-
Charged/(credited) to income statement [Note 8(a)]	170	(472)	112	(114)
End of financial year	(1,907)	(2,192)	(2)	(114)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8. INCOME TAX (CONTINUED)

(c) Deferred income taxes (continued)

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

Group

Deferred income tax liabilities

	Accelerated tax depreciation	
	2025	2024
	\$'000	\$'000
Beginning of financial year	2,026	2,476
Currency translation differences	64	(126)
Credited to income statement	(183)	(324)
End of financial year	1,907	2,026

Deferred income tax assets

	Excess of tax written-down value over net book value			
	Provisions	value	Other	Total
	\$'000	\$'000	\$'000	\$'000
2025				
Beginning of financial year	(4,469)	239	12	(4,218)
Currency translation differences	55	25	(29)	51
Charged/(credited) to income statement	1,728	591	(1,966)	353
End of financial year	(2,686)	855	(1,983)	(3,814)
2024				
Beginning of financial year	(4,273)	166	(66)	(4,173)
Currency translation differences	96	(10)	17	103
(Credited)/charged to income statement	(292)	83	61	(148)
End of financial year	(4,469)	239	12	(4,218)

The Group has unrecognised tax losses of \$36,220,000 (2024: \$17,020,000) 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 \$27,291,000 (2024: \$5,464,000) which will expire between 2026 and 2036 (2024: 2025 and 2035).

The cumulative retained earnings of \$27,348,000 (2024: \$33,715,000) for which deferred tax liabilities arising on temporary differences associated with overseas investments in subsidiaries have not been recognised as there is no current intention of remitting the retained earnings of these subsidiaries to the holding company in the foreseeable future.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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			
	2025		2024	
	Basic	Diluted	Basic	Diluted
Net (loss)/profit attributable to equity holders of the Company (\$'000)	(910)	(910)	9,580	9,580
Weighted average number of ordinary shares	291,818	291,818	291,449	291,449
Adjustment for dilutive potential ordinary shares	-	750	-	885
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	291,818	292,568	291,449	292,334
(Loss)/earnings per ordinary share	(0.31 cents)	(0.31 cents)	3.29 cents	3.28 cents

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares: share options.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

10. CASH AND BANK BALANCES

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	45,941	53,681	3,168	1,343
Short-term bank deposits	18,597	13,886	-	-
	64,538	67,567	3,168	1,343

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

	Group	
	2025	2024
	\$'000	\$'000
Cash and bank balances (as above)	64,538	67,567
Less: Bank overdrafts (Note 21)	-	(1,407)
Cash and bank balances per consolidated statement of cash flows	64,538	66,160

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	65,409	75,837	-	-
- An associated company	1,494	13	-	-
	66,903	75,850	-	-
Less: Credit loss allowance	(3,065)	(2,247)	-	-
Trade receivables – net	63,838	73,603	-	-
Due from subsidiaries (non-trade) [Note (a)]	-	-	13,629	20,295
Deposits	905	990	-	-
Prepayments	7,588	7,849	36	8
Lease receivables	250	474	-	-
Other receivables	4,873	4,269	15	13
Accrued revenue [Note (b)]	994	1,001	-	-
Tax recoverable assets [Note 8(b)]	1,257	2,173	-	-
Finance lease receivables (Note 17)	233	-	-	-
Total	79,938	90,359	13,680	20,316

Trade receivables as at 1 January 2024 amounted to \$64,588,000, net of credit loss of \$2,852,000.

- (a) The non-trade amounts due from subsidiaries are unsecured, interest-free and are repayable on demand.
- (b) The accrued revenue balance as at 1 January 2024 was \$684,000.

12. INVENTORIES

	Group	
	2025	2024
	\$'000	\$'000
Materials and supplies	7,785	6,041
Work-in-progress	1,970	7,705
Finished goods	110,573	105,459
	120,328	119,205

The cost of inventories recognised as an expense and included in "cost of sales" amounted to \$279,350,000 (2024: \$285,088,000).

The Group has written down inventories amounting to \$813,000 (2024: \$1,847,000) and the amount has been included in "cost of sales".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. INVESTMENT IN ASSOCIATED COMPANIES

	Group	
	2025	2024
	\$'000	\$'000
Carrying value of Group's investment in associated companies	31,456	27,161

Set out below are the associated companies of the Group as at 31 December 2025, 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	
			2025	2024
			%	%
Held by a subsidiary:				
(a) O.Z. S.p.A	Investment holding, manufacturer, importer, exporter and distributor of alloy wheels	Italy	35.51	35.51
(b) Yokohama Tyre Sales Malaysia Sdn Bhd	Distribution of tyres and related goods	Malaysia	49.0	49.0
(c) 苏州云科智驭企业管理有限责任公司	Property management, park management services, parking lot services, non-residential real estate leasing, housing leasing, environmental protection consulting services and landscaping engineering construction.	China	30.0	-

- (a) Audited by Deloitte and Touche, Italy.
 (b) Audited by PricewaterhouseCoopers PLT, Malaysia
 (c) Audited by Suzhou Xingruitianheng CPA Co.,Ltd

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

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

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

Summarised balance sheet

	O.Z. S.p.A		Yokohama Tyre Sales Malaysia Sdn Bhd		苏州云科智驭企业管 理有限责任公司	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets	71,611	69,443	18,307	19,222	813	-
Current liabilities	(23,752)	(25,517)	(11,699)	(15,194)	(475)	-
Non-current assets	28,461	25,395	4,506	4,590	-	-
Non-current liabilities	(3,357)	(4,679)	-	(33)	-	-
Net assets	72,963	64,642	11,114	8,585	338	-

Summarised statement of comprehensive income

	O.Z. S.p.A		Yokohama Tyre Sales Malaysia Sdn Bhd		苏州云科智驭企业管 理有限责任公司	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	99,676	88,217	43,952	40,912	234	-
Expenses						
Includes:						
- Depreciation and amortisation	(3,866)	(3,820)	(501)	(700)	-	-
- Interest expense	(198)	(253)	-	-	-	-
Profit/(loss) before income tax	8,541	9,345	4,368	1,223	(574)	-
Income tax expense	(2,728)	(3,023)	(1,113)	(391)	-	-
Profit for the year and total comprehensive income	5,813	6,322	3,255	832	(574)	-
Dividends received from associated companies	1,611	1,542	576	1,135	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

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

Reconciliation of summarised financial information

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

	O.Z. S.p.A		Yokohama Tyre Sales Malaysia Sdn Bhd		苏州云科智驭企业 管理有限责任公司	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Net assets	72,963	64,642	11,114	8,585	338	-
Group's equity interest	35.51%	35.51%	49.0%	49.0%	30.0%	-
Carrying value of Group's investment in associated companies	25,909	22,954	5,446	4,207	101	-

In July 2025, YHI Advanti Manufacturing (Suzhou) Co. Ltd ("YHI SZ"), a subsidiary of the Group, has together with 汉津实业(上海)有限公司, incorporated 苏州云科智驭企业管理有限责任公司 ("SZYKZY") in the People's Republic of China with an issued and paid-up share capital of RMB 5,000,000 (\$275,000). SZYKZY was incorporated to undertake projects in relation to property management, park management services, parking lot services, non-residential real estate leasing, housing leasing, environmental protection consulting services and landscaping engineering construction. YHI SZ has 30% shareholding interest in SZYKZY.

14. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 \$'000	2024 \$'000
<i>Equity investment at cost</i>		
Beginning of financial year	103,782	103,782
Accumulated impairment losses	(6,512)	-
End of financial year	97,270	103,782

During the financial year ended 31 December 2025, management identified indicators of impairment relating to its investment in the subsidiaries. An impairment loss of S\$6,512,000 made to the investment in YHI International (Taiwan) Co., Ltd. and YHI (China) Strategy Company Limited due to the estimated recoverable amount of the subsidiaries is expected to be below the Company's cost of investment. The recoverable amount was determined based on the value in use calculation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries as at 31 December 2025 and 2024:

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	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
<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, alloy wheels and related goods	Malaysia	100	100	100	100	-	-
(c) YHI (China) Strategy Company Limited	Investment holding	Hong Kong	100	100	100	100	-	-
(c) YHI (Hong Kong) Co., Limited	Trading of tyres, alloy wheels and batteries	Hong Kong	100	100	100	100	-	-
(d) YHI International (Taiwan) Co., Ltd.	Manufacturing, distribution and export of alloy wheels	Taiwan	100	100	100	100	-	-
(e) YHI (Australia) Pty Limited	Importer and distributor of tyres, alloy wheels and related goods	Australia	80	80	80	80	20	20
(f) YHI (New Zealand) Limited	Importer and distributor of tyres, alloy wheels and related goods	New Zealand	92.5	92.5	92.5	92.5	7.5	7.5
(e) YHI Power Pty Limited	Importer and distributor of industrial batteries	Australia	80	80	80	80	20	20
(a) YHI Logistics (Singapore) Pte Ltd	Investment holding	Singapore	100	100	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
<i>Held by the subsidiaries:</i>								
(g) YHI Manufacturing (Shanghai) Co., Ltd	Rental of investment property	People's Republic of China	-	-	100	100	-	-
(l) YHI Precision Moulding (Shanghai) Co., Ltd	Dormant	People's Republic of China	-	-	-	100	-	-
(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 2025

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	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
<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	Dormant	United States of America	-	-	-	86	-	14
(m) PT YHI Indonesia	Distribution of tyres, alloy wheels and related goods	Indonesia	-	-	90	90	10	10
(n) YHI Corporation (B) Sdn Bhd	Dormant	Negara Brunei Darussalam	-	-	-	100	-	-
(g) YHI Corporation (Shanghai) Co., Ltd	Distribution of tyres, alloy wheels and related goods	People's Republic of China	-	-	90	90	10	10
(b) YHI (East Malaysia) Sdn Bhd	Distribution of tyres, rims and all kinds of auto spare parts	Malaysia	-	-	80	80	20	20
(b) YHI Power (Malaysia) Sdn Bhd	Distribution of batteries, golf carts and all kinds of auto spare parts	Malaysia	-	-	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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	
			2025	2024	2025	2024	2025	2024
<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	Property investment holding company	Malaysia	-	-	100	100	-	-
(o) YHI (Vietnam) Co., Ltd	Distribution of tyres, alloy wheels and related goods	Vietnam	-	-	90	90	10	10
(p) YHI (Philippines) Inc.	Distribution of tyres, alloy wheels and related goods	Philippines	-	-	100	100	-	-
(b) YHI Logistics (Malaysia) Sdn Bhd	Value-added logistics provider	Malaysia	-	-	94	94	6	6
(q) YHI Aung (Myanmar) Company Limited	Consultancy services, technology related services and marketing services	Myanmar	-	-	51	51	49	49
(r) YHI Distribution (Taiwan) Co., Ltd	Importer and distributor of tyres	Taiwan	-	-	80	80	20	20
(n) Wheelworld GmbH	Importer and distributor of alloy wheels	Germany	-	-	60	60	40	40

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Carrying value of non-controlling interests

	2025	2024
	\$'000	\$'000
YHI (Australia) Pty Limited	2,405	2,635
YHI (New Zealand) Limited	1,219	1,225
YHI Power Pty Limited	2,697	2,553
Other subsidiaries with immaterial non-controlling interests	112	(460)
	6,433	5,953

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	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current						
Assets	31,040	27,420	22,958	22,484	26,436	24,533
Liabilities	(18,015)	(14,083)	(11,924)	(10,235)	(16,952)	(14,804)
Total current net assets	13,025	13,337	11,034	12,249	9,484	9,729
Non-current						
Assets	7,071	8,069	2,247	4,230	6,048	5,458
Liabilities	(3,842)	(5,073)	(1,257)	(3,303)	(2,047)	(2,421)
Total non-current net assets	3,229	2,996	990	927	4,001	3,037
Net assets	16,254	16,333	12,024	13,176	13,485	12,766

Summarised income statement

	YHI (New Zealand) Limited		YHI (Australia) Pty Limited		YHI Power Pty Limited	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	55,085	54,869	33,586	32,998	60,481	56,329
Profit/(loss) before income tax	1,933	2,636	(1,354)	(598)	1,871	2,449
Income tax expense	(549)	(749)	-	-	(569)	(744)
Profit/(loss) for the year and total comprehensive income	1,384	1,887	(1,354)	(598)	1,302	1,705
Total comprehensive income/(loss) allocated to non-controlling interests	104	142	(271)	(120)	260	341
Dividends paid to non-controlling interests	74	71	-	-	163	123

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Summarised cash flows

	YHI (New Zealand) Limited		YHI (Australia) Pty Limited		YHI Power Pty Limited	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net cash generated from/ (used in) operating activities	2,199	3,375	3,040	3,018	599	2,025
Net cash (used in)/ generated from investing activities	(434)	(163)	325	160	(809)	(827)
Net cash (used in)/ generated from financing activities	(1,023)	(3,686)	(2,040)	(3,225)	(136)	(844)
Net increase/(decrease) in cash and bank balances	742	(474)	1,325	(47)	(346)	354
Cash and bank balances at beginning of year	(79)	431	974	1,089	2,078	1,838
Exchange gains/(losses) on cash and bank balances	2	(36)	17	(68)	36	(114)
Cash and bank balances at end of year	665	(79)	2,316	974	1,768	2,078

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold	Leasehold	Office	Motor	Renovation	Computers	Furniture	Construction	Total
	land	properties	equipment, plant and machinery	vehicles			and fittings	in-progress	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Group</u>									
2025									
Cost									
Beginning of financial year	8,390	53,728	94,123	9,042	1,853	3,676	1,232	51	172,095
Currency translation differences	360	(109)	46	59	(210)	(1)	(12)	(55)	78
Additions	-	8	873	1,420	882	245	25	2,481	5,934
Disposals	-	(1,331)	(34,129)	(832)	(237)	(848)	(104)	(6)	(37,487)
Reclassification to investment property (Note 18)	-	(12,235)	-	-	-	-	-	-	(12,235)
End of financial year	8,750	40,061	60,913	9,689	2,288	3,072	1,141	2,471	128,385
Accumulated depreciation and impairment loss									
Beginning of financial year	-	21,793	83,894	6,053	1,291	2,682	1,078	-	116,791
Currency translation differences	-	(92)	(156)	33	(190)	(14)	(16)	-	(435)
Depreciation (Note 5)	-	1,545	2,634	908	118	475	31	-	5,711
Disposals	-	(1,158)	(33,730)	(792)	(213)	(814)	(101)	-	(36,808)
Reclassification to investment property (Note 18)	-	(4,698)	-	-	-	-	-	-	(4,698)
End of financial year	-	17,390	52,642	6,202	1,006	2,329	992	-	80,561
Net book value									
End of financial year	8,750	22,671	8,271	3,487	1,282	743	149	2,471	47,824

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicle and others	
	2025	2024
	\$'000	\$'000
<u>Company</u>		
<i>Cost</i>		
Beginning of financial year	526	526
Additions	-	-
End of financial year	526	526
<i>Accumulated depreciation</i>		
Beginning of financial year	351	246
Depreciation charge	105	105
End of financial year	456	351
Net book value		
End of financial year	70	175

Bank borrowings (Note 21) are secured on property, plant and equipment of the Group with carrying amounts as follows:

	Group	
	2025	2024
	\$'000	\$'000
Leasehold properties	15,253	16,291
Motor vehicles	2,596	1,744
Others	729	431
	18,578	18,466

16. 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 2025

16. 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 \$'000	Office and warehouse \$'000	Motor vehicles \$'000	Plant and equipment \$'000	Total \$'000
Group					
2025					
<i>Cost</i>					
As at 1 January 2025	13,330	34,156	887	132	48,505
Currency translation differences	19	(144)	(26)	(1)	(152)
Additions	177	4,952	885	260	6,274
Derecognition	-	(1,482)	(321)	-	(1,803)
Reclassification to investment Property (Note 18)	(2,580)	-	-	-	(2,580)
End of financial year	<u>10,946</u>	<u>37,482</u>	<u>1,425</u>	<u>391</u>	<u>50,244</u>
<i>Accumulated depreciation</i>					
As at 1 January 2025	4,671	17,188	471	82	22,412
Currency translation differences	(14)	(95)	(16)	1	(124)
Depreciation charge during the year (Note 5)	630	6,514	398	96	7,638
Derecognition	-	(1,171)	(308)	-	(1,479)
Reclassification to investment Property (Note 18)	(929)	-	-	-	(929)
Impairment provision	-	590	-	-	590
End of financial year	<u>4,358</u>	<u>23,026</u>	<u>545</u>	<u>179</u>	<u>28,108</u>
Net book value					
End of financial year	<u>6,588</u>	<u>14,456</u>	<u>880</u>	<u>212</u>	<u>22,136</u>
Group					
2024					
<i>Cost</i>					
As at 1 January 2024	12,923	35,311	963	137	49,334
Currency translation differences	115	(1,838)	(79)	(5)	(1,807)
Additions	292	7,556	222	-	8,070
Derecognition	-	(3,095)	(219)	-	(3,314)
Lease modification	-	(3,778)	-	-	(3,778)
End of financial year	<u>13,330</u>	<u>34,156</u>	<u>887</u>	<u>132</u>	<u>48,505</u>
<i>Accumulated depreciation</i>					
As at 1 January 2024	4,072	15,595	482	53	20,202
Currency translation differences	7	(966)	(52)	(2)	(1,013)
Depreciation charge during the year (Note 5)	592	6,401	260	31	7,284
Derecognition	-	(2,666)	(219)	-	(3,245)
Lease modification	-	(816)	-	-	(816)
End of financial year	<u>4,671</u>	<u>17,188</u>	<u>471</u>	<u>82</u>	<u>22,412</u>
Net book value					
End of financial year	<u>8,659</u>	<u>19,968</u>	<u>416</u>	<u>50</u>	<u>26,093</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

	2025	2024
	\$'000	\$'000
(b) Lease liabilities		
Current	7,379	6,498
Non-current	15,753	18,462
	<u>23,132</u>	<u>24,960</u>
	2025	2024
	\$'000	\$'000
(c) Interest expense		
Interest expense on lease liabilities	<u>1,344</u>	1,345
	2025	2024
	\$'000	\$'000
(d) Lease expense not capitalised in lease liabilities		
Lease expense – short-term leases	10	9
Variable lease payments which do not depend on an index or rate	513	413
Total (Note 5)	<u>523</u>	<u>422</u>

(e) Total cash outflow for all the leases in 2025 was \$9,400,000 (2024: \$8,836,000).

(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 \$513,000 (2024: \$413,000) [Note 16(d)] for the financial year ended 31 December 2025.

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 2025, potential future (undiscounted) cash outflows of approximately \$10,415,000 (2024: \$7,476,000) 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 2025

17. LEASES – THE GROUP AS A LESSOR

Operating lease – 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 18.

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

	31 December 2025	31 December 2024
	\$'000	\$'000
Less than one year	3,662	3,952
One to two years	1,690	3,385
Two to three years	12	1,647
Total undiscounted lease payment	5,364	8,984

Finance lease – Group as a lessor

During the financial year, the Group commenced finance lease arising from the sale of 80 units of buggies to a third party, under a lease term of five years.

Finance income on the net investment in finance lease during the financial year is \$127,000.

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	31 December 2025	31 December 2024
	\$'000	\$'000
Less than one year	233	-
One to two years	465	-
Two to three years	232	-
	930	-
Less: Unearned finance income	(278)	-
Total undiscounted lease payment	652	-
Current		
Finance lease receivable (Note 11)	233	-
Unearned finance income (Note 20)	(112)	-
	121	-
Non-current		
Finance lease receivable	697	-
Unearned finance income	(166)	-
	531	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. INVESTMENT PROPERTIES

	Group	
	2025	2024
	\$'000	\$'000
<u>Cost</u>		
Beginning of financial year	17,914	17,622
Currency translation differences	(289)	292
Transferred from property, plant and equipment at carrying amount (Note 15)	12,235	-
Transferred from right-of-use assets at carrying amount (Note 16)	2,580	-
End of financial year	32,440	17,914
<u>Accumulated depreciation</u>		
Beginning of financial year	8,753	8,260
Currency translation differences	(183)	117
Depreciation (Note 5)	466	376
Transferred from property, plant and equipment at carrying amount (Note 15)	4,698	-
Transferred from right-of-use assets at carrying amount (Note 16)	929	-
End of financial year	14,663	8,753
Net book value		
End of financial year	17,777	9,161
Fair value		
End of financial year	59,263	39,546

The following amounts are recognised in profit or loss:

	Group	
	2025	2024
	\$'000	\$'000
Rental income	4,272	2,965
Direct operating expenses arising from:		
- Investment property that generate rental income	(590)	(96)

During the financial year, the Group made the decision to cease production activities in Suzhou New District. Consequently, the related leasehold land and buildings have been reclassified as investment properties, as these assets have been leased to third parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. INVESTMENT PROPERTY (CONTINUED)

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
No 138 Hong Xi Road, Suzhou New District, Suzhou 215151 PRC	Leasehold land and building	50 years lease from 20 September 2006
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)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	\$'000	\$'000	\$'000
2025			
Recurring fair value measurements			
Investment properties:			
- Leasehold land and building - China	-	-	48,216
- Freehold land and building - Malaysia	-	-	10,772
- Leasehold building - Indonesia	-	-	275
2024			
Recurring fair value measurements			
Investment properties:			
- Leasehold land and building - China	-	-	28,044
- Freehold land and building - Malaysia	-	-	11,200
- Leasehold building - Indonesia	-	-	302

The fair value disclosed above are based on Level 3, derived based on sales comparison and replacement cost methods for land and building respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. INVESTMENT PROPERTY (CONTINUED)

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.

19. INTANGIBLE ASSETS

(a) Composition:

	Group	
	2025	2024
	\$'000	\$'000
Goodwill arising on consolidation [Note (b)]	1,163	1,165
Trademark	2,038	1,967
Customer relationship	650	673
Computer software	782	388
	4,633	4,193

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

	Goodwill	Computer	Trademark	Customer	Total
	[Note (b)]	Software	& Rights	Relationship	
	\$'000	licences	\$'000	\$'000	\$'000
2025					
<i>Cost</i>					
Beginning of financial year	1,935	2,676	4,502	813	9,926
Addition	-	491	501	-	992
Currency translation differences	(2)	34	164	54	250
End of financial year	1,933	3,201	5,167	867	11,168
<i>Accumulated amortisation impairment</i>					
Beginning of financial year	770	2,288	2,535	140	5,733
Amortisation charge (Note 5)	-	115	486	67	668
Disposals	-	-	-	-	-
Currency translation differences	-	16	108	10	134
End of financial year	770	2,419	3,129	217	6,535
Net book value					
End of financial year	1,163	782	2,038	650	4,633

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19. INTANGIBLE ASSETS (CONTINUED)

(a) Composition: (continued)

	Goodwill [Note (b)] \$'000	Computer Software licences \$'000	Trademark & Rights \$'000	Customer Relationship \$'000	Total \$'000
2024					
<i>Cost</i>					
Beginning of financial year	1,945	2,666	4,285	841	9,737
Addition	-	51	389	-	440
Disposal	-	-	(99)	-	(99)
Acquisition of subsidiary	-	-	-	-	-
Currency translation differences	(10)	(41)	(73)	(28)	(152)
End of financial year	1,935	2,676	4,502	813	9,926
<i>Accumulated amortisation/impairment</i>					
Beginning of financial year	770	2,221	2,219	-	5,210
Amortisation charge (Note 5)	-	100	459	142	701
Acquisition of subsidiary	-	-	-	-	-
Disposals	-	-	(97)	-	(97)
Currency translation differences	-	(33)	(46)	(2)	(81)
End of financial year	770	2,288	2,535	140	5,733
Net book value					
End of financial year	1,165	388	1,967	673	4,193

(b) Goodwill arising on consolidation

Impairment tests for goodwill

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

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

	Distribution of automotive and industrial products	
	2025 \$'000	2024 \$'000
Singapore	881	881
China/Hong Kong	59	59
New Zealand	197	201
Germany	26	24
	1,163	1,165

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19. INTANGIBLE ASSETS (CONTINUED)

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	
	2025	2024
Terminal growth rate	2.0%	2.0%
Pre-tax discount rate	9.3%	9.6%

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	
	2025	2024
	\$'000	\$'000
A decrease in terminal growth rate by 0.5%	12,142	11,160
An increase in pre-tax discount rate by 0.5%	11,209	3,841

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Trade payables to				
- Non-related parties	26,327	26,829	-	-
- An associated company	207	14	-	-
	26,534	26,843	-	-
Due to a director (non-trade) [Note (a)]	-	756	-	756
Accrued operating expenses	9,145	8,168	646	661
Unearned Finance Income (Note 17)	112	-	-	-
Provision for employees leave benefits [Note (b)]	2,770	2,834	-	-
Other payables	4,368	6,357	71	34
Contract liabilities [Note (c)]	1,346	705	-	-
	44,275	45,663	717	1,451

(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 amounts to \$302,000 (2024: \$353,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

20. TRADE AND OTHER PAYABLES (CONTINUED)

(c) Revenue recognised in relation to contract liabilities

	2025	2024
	\$'000	\$'000
<i>Revenue recognised in current period that was included in the contract liability balance at the beginning of the period</i>	705	639

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 2024 was \$639,000.

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

21. BORROWINGS

	Group	
	2025	2024
	\$'000	\$'000
<i>Current</i>		
Short-term bank loans	10,066	11,583
Trust receipt loans	30,503	30,126
Bank overdrafts (Note 10)	-	1,407
Total borrowings	40,569	43,116

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	
	2025	2024
	\$'000	\$'000
1 year or less	40,569	43,116

(a) Security granted

Total borrowings include secured liabilities of \$16,497,000 (2024: \$5,227,000) over a floating charge over circulating assets and a fixed charge over all other property.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

22. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	← No. of ordinary shares →		← Amount →	
	Issued share capital '000	Treasury shares '000	Share capital \$'000	Treasury shares \$'000
2025				
Beginning of financial year	292,296	581	77,001	(206)
Treasury shares reissued	-	(135)	-	48
End of financial year	292,296	446	77,001	(158)
2024				
Beginning of financial year	292,296	1,896	77,001	(671)
Treasury shares reissued	-	(1,315)	-	465
End of financial year	292,296	581	77,001	(206)

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 750,000 (2024: 885,000) incentive options will expire on 23 December 2031.

The Company re-issued 135,000 treasury shares during the financial year pursuant to the 2021 YHI Share Option Scheme at the exercise price of \$0.39 each. The cost of the treasury shares re-issued amounted to \$48,000 (2024: \$465,000). The total consideration (net of expense) for the treasury shares issued is as follows:

	Company	
	31 December 2025	2024
	\$'000	\$'000
Exercise price paid by employees	53	513
Value of employee services [Note 23(b)(iii)]	33	322
Less: Transaction costs	-	(1)
Total net consideration	86	834

Accordingly, a gain on re-issue of treasury shares of \$38,000 (2024: \$369,000) is recognised in the capital reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

22. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

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

	← No. of ordinary shares under option →				End of financial year	Exercise price	Exercise period
	Beginning of financial year	Granted during financial year	Forfeited during financial year	Exercised during financial year			
Group and Company							
2025							
2021 Options	885,000	-	-	(135,000)	750,000	\$0.39	24.12.2023 – 23.12.2031
2024							
2021 Options	2,200,000	-	-	(1,315,000)	885,000	\$0.39	24.12.2023 – 23.12.2031

Out of the unexercised options for 750,000 (2024: 885,000) shares, options for 750,000 (2024: 885,000) are exercisable at the balance sheet date. Options exercised in 2025 resulted in 135,000 treasury shares (2024: 1,315,000) being re-issued at the exercise price of \$0.39 (2024: \$0.39) each. The weighted average share price at the time of exercise was \$0.45 per share. The related transaction costs amounting to \$Nil (2024: \$1,000) were deducted against the proceeds received.

The fair value of options granted on 24 December 2021, determined using the Black Scholes Option Pricing Model was \$538,000. The significant inputs into the model were the estimated share price of \$0.52 at the grant date, the exercise price of \$0.39, standard deviation of expected share price returns of 38.50%, dividend yield of 5.15%, the expected option life of six years and the annual risk-free interest rate of 1.40%. The volatility measured on the standard deviation of expected share price returns was estimated based on statistical analysis of share prices over the last six years.

23. OTHER RESERVES

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
(a) Composition:				
General reserve	7,829	8,348	-	-
Capital reserve	407	369	407	369
Share option reserve	183	216	183	216
Currency translation reserve	(21,501)	(24,619)	-	-
Transactions with non-controlling interests	(2,735)	(2,735)	-	-
	(15,817)	(18,421)	590	585

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

23. OTHER RESERVES (CONTINUED)

Other reserves are non-distributable.

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
(b) <u>Movements:</u>				
(i) General reserve				
Beginning of financial year	8,348	7,898	-	-
Currency translation differences	(377)	155	-	-
Transfer upon liquidation of subsidiaries	(142)	-	-	-
Transfer from retained profit	-	295	-	-
End of financial year	7,829	8,348	-	-
(ii) Capital reserve				
Beginning of financial year	369	-	369	-
Gain on re-issue of treasury shares (Note 22)	38	369	38	369
End of financial year	407	369	407	369
(iii) Share option reserve				
Beginning of financial year	216	538	216	538
Employee share option scheme				
- Share options exercised (Note 22)	(33)	(322)	(33)	(322)
End of financial year	183	216	183	216
(iv) Currency translation reserve				
Beginning of financial year	(24,619)	(24,920)	-	-
Currency translation differences	3,118	301	-	-
End of financial year	(21,501)	(24,619)	-	-
(v) Transactions with non-controlling interests				
Beginning of financial year	(2,735)	(2,735)	-	-
Acquisition of additional interest in subsidiary	-	-	-	-
End of financial year	(2,735)	(2,735)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

23. OTHER RESERVES (CONTINUED)

General reserve

Subsidiaries established in the People's Republic of China (the "PRC Subsidiaries") are required to maintain certain statutory reserves by transferring from their profit after taxation in accordance with the relevant laws and regulations and, if applicable, Articles of Association of the PRC Subsidiaries, before any dividend is declared and paid.

The PRC Subsidiaries are required to transfer at least 10% of their profit after taxation calculated in accordance with the PRC Accounting Standards and Systems, to the general reserve fund until the balance reaches 50% of their respective registered capital, where further transfers will be at their directors' recommendation. The general reserve fund can only be used to make up prior year losses or to increase share capital, provided that the fund does not fall below 25% of the registered capital.

Capital reserve

Capital reserve of the Group and the Company comprises of the net gain on reissuance of treasury shares.

Share option reserve

Share option reserve represents the share option scheme granted to employees and is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the share options scheme and is reduced by the shares awarded.

Transactions with non-controlling interests

Transactions with non-controlling interests pertain to the differences between the consideration paid on acquisition of additional shareholdings and the reduction in carrying amount of the non-controlling interests and vice-versa.

24. RETAINED PROFITS

- (a) Retained profits of the Group are distributable except for accumulated share of retained profits of associated companies amounting to \$19,487,000 (2024: \$17,868,000). Retained profits of the Company are distributable.
- (b) Movement in retained profits for the Company is as follows:

	Company	
	2025	2024
	\$'000	\$'000
Beginning of financial year	46,771	52,941
Net (loss)/profit	(4,289)	3,019
Dividends paid (Note 25)	(6,713)	(9,189)
End of financial year	35,769	46,771

25. DIVIDENDS

	Group and Company	
	2025	2024
	\$'000	\$'000
<i>Ordinary dividends paid or proposed</i>		
Final exempt dividend paid in respect of the previous financial year of 2.30 cents (2024: 3.15 cents) per share	6,713	9,189

A final exempt dividend of 1.72 cents per share amounting to a total of \$5,020,000 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 2025.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

26. COMMITMENTS

Capital commitments

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

	Group	
	31 December	
	2025	2024
	\$'000	\$'000
Property, plant and equipment	57	49

27. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group's risk management policies and guidelines are set to monitor and control the potential material adverse impact of these exposures. The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group.

(a) Market risk

(i) *Currency risk*

The Group operates principally in Asia-Pacific with dominant operations in Singapore, Australia, New Zealand, Malaysia and the People's Republic of China. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the United States Dollar ("USD"), Renminbi ("RMB"), Malaysia Ringgit ("MYR"), Australia Dollar ("AUD"), New Zealand Dollar ("NZD") and Euro ("EUR"). To manage the currency risk, individual Group entities enter into currency forwards, where appropriate. As at 31 December 2025, the Group entered into currency forwards to manage currency risk from its foreign currency denominated sales in respect of which firm commitment existed at the balance sheet date as well as purchases in foreign currencies. The Group's exposures to foreign currencies are primarily managed through matching financial assets and financial liabilities denominated in foreign currencies. The Group does not utilise currency forwards or other arrangements for trading or speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

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

	USD \$'000	RMB \$'000	AUD \$'000	MYR \$'000	NZD \$'000	EUR \$'000
At 31 December 2025						
Financial assets						
Cash and bank balances	17,696	12,678	2,317	5,916	648	1,659
Trade and other receivables	8,471	1,581	5,703	12,638	6,957	13,256
Inter-company balances	4,288	10,734	1,739	23,287	420	19,798
	<u>30,455</u>	<u>24,993</u>	<u>9,759</u>	<u>41,841</u>	<u>8,025</u>	<u>34,713</u>
Financial liabilities						
Borrowings	7,770	-	-	8,799	7,032	8,643
Inter-company balances	4,288	10,734	1,739	23,287	420	19,798
Trade and other payables	3,058	3,002	8,450	9,704	6,007	2,705
Lease liabilities	721	-	3,333	3,834	5,741	3,715
	<u>15,837</u>	<u>13,736</u>	<u>13,522</u>	<u>45,624</u>	<u>19,200</u>	<u>34,861</u>
Net financial assets/ (liabilities)	14,618	11,257	(3,763)	(3,783)	(11,175)	(147)
Currency forwards	1,620	-	578	-	-	7
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	(10,302)	(15,619)	3,991	1,861	11,594	22,709
Currency exposure on financial assets	5,936	(4,362)	806	(1,922)	419	22,569
At 31 December 2024						
Financial assets						
Cash and bank balances	17,200	18,967	976	4,998	-	2,801
Trade and other receivables	13,714	3,314	4,870	17,509	6,882	10,570
Inter-company balances	4,189	6,479	1,244	21,126	394	18,467
	<u>35,103</u>	<u>28,760</u>	<u>7,090</u>	<u>43,633</u>	<u>7,276</u>	<u>31,838</u>
Financial liabilities						
Borrowings	2,094	-	-	11,410	5,469	9,565
Inter-company balances	4,189	6,479	1,244	21,126	394	18,467
Trade and other payables	2,134	5,376	5,953	13,241	4,557	3,289
Lease liabilities	1,695	-	5,282	3,847	6,803	-
	<u>10,112</u>	<u>11,855</u>	<u>12,479</u>	<u>49,624</u>	<u>17,223</u>	<u>31,321</u>
Net financial assets/ (liabilities)	24,991	16,905	(5,389)	(5,991)	(9,947)	517
Currency forwards	5,154	-	66	322	-	-
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	(5,687)	(16,801)	5,944	6,606	10,340	14,531
Currency exposure on financial assets	24,458	104	621	937	393	15,048

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

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

	31 December 2025		31 December 2024	
	USD	AUD	USD	AUD
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and bank balances	492	-	559	-
Trade and other receivables	39	1,720	38	1,244
	531	1,720	597	1,244
Currency exposure on financial assets	531	1,720	597	1,244

If the USD, EUR and RMB change against the SGD by 2.9% (2024: 2.2%), 0.6% (2024: 2.4%) and 2.8% (2024:1.2%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	← Increase/(decrease) →	
	31 December 2025	2024
	Profit after tax	Profit after tax
	\$'000	\$'000
<u>Group</u>		
USD against SGD		
- Strengthened	144	438
- Weakened	(144)	(438)
EUR against SGD		
- Strengthened	108	302
- Weakened	(108)	(302)
RMB against SGD		
- Strengthened	(101)	1
- Weakened	101	(1)

Reasonable possible changes in the currency exchange rates of AUD, MYR and NZD against SGD do not have significant effects on the results and the equity of the Group.

Reasonable possible changes in the currency exchange rates of USD and AUD against SGD do not have significant effects on the results and the equity of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) *Cash flow and fair value interest rate risks*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

The Group's policy is to maintain its borrowings to the extent possible in short-term or fixed rate. The Group's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings. The Company does not have significant exposure to cash flow interest rate risks. The Group manages these cash flow interest rate risks by reviewing the floating rates periodically.

The Group's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in AUD, NTD, NZD and MYR. If the AUD, NTD, NZD and MYR interest rates per annum increase/decrease by 0.03% (2024: 0.8%) with all other variables including tax rate being held constant, the results will be lower/higher by \$2,000 (2024: \$46,000), Nil (2024: \$40,000), \$2,000 (2024: \$36,000) and \$3,000 (2024: \$98,000) respectively as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits, trade receivables and amount due from subsidiaries. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the respective head of companies of the various subsidiaries based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by Group Finance.

As the Group and Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Company	
	31 December	
	2025	2024
	\$'000	\$'000
Corporate guarantees provided to banks on subsidiaries' loans	42,806	44,848

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

The trade receivables at the Group comprise 2 debtors (2024: 3 debtors) that individually represent 3-5% (2024: 3-5%) of trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

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

	Group	
	31 December	
	2025	2024
	\$'000	\$'000
<u>By geographical areas</u>		
Australia	13,328	12,143
Germany	12,251	10,105
Indonesia	2,281	3,216
Italy	1,496	2,346
Malaysia	2,797	8,481
New Zealand	6,772	6,838
People's Republic of China	1,111	1,877
Singapore	8,517	9,575
Sweden	1,156	2,419
Taiwan	811	2,056
Thailand	1,571	1,056
United Kingdom	410	128
United States	1,894	3,037
Philippines	4,044	3,538
Other countries	5,399	6,788
	63,838	73,603
<u>By types of customers</u>		
Non-related parties	62,344	73,590
A related party	1,494	13
	63,838	73,603

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

The movements in credit loss allowance are as follows:

Group	Trade receivables \$'000
Balance at 1 January 2025	2,247
Credit loss allowance recognised in profit or loss during the year on:	
- Allowances made	1,744
- Reversal of unutilised amounts	(419)
Receivables written off as uncollectible	(507)
Currency translation difference	-
Balance at 31 December 2025	3,065
Balance at 1 January 2024	2,852
Credit loss allowance recognised in profit or loss during the year on:	
- Allowances made	1,108
- Reversal of unutilised amounts	(1,470)
Receivables written off as uncollectible	(270)
Currency translation difference	27
Balance at 31 December 2024	2,247

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 2025 and 2024, 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 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(i) Trade receivables (continued)

	31 December	
	2025	2024
<u>Group</u>	<u>\$'000</u>	<u>\$'000</u>
Gross carrying amount	2,575	2,024
Less: credit loss allowance	(2,575)	(2,024)
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 2025 and 2024 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
<u>Group</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
As at 31 December 2025						
Distribution						
Expected credit loss rate	0.5%	0.4%	1.0%	1.3%	3.6%	
Trade receivables	25,351	14,303	8,091	5,315	4,485	57,545
Credit loss allowance	121	59	77	70	164	491
Manufacturing						
Expected credit loss rate	0.0%	0.0%	0.0%	0.1%	0.5%	
Trade receivables	929	1,660	1,486	816	395	5,286
Credit loss allowance	-	-	1	1	2	4
	Within 30 days	30 to 60 days	60 to 90 days	90 to 120 days	More than 120 days	Total
<u>Group</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
As at 31 December 2024						
Distribution						
Expected credit loss rate	0.2%	0.2%	0.2%	0.8%	1.5%	
Trade receivables	28,266	12,454	9,366	4,844	5,461	60,391
Credit loss allowance	43	27	19	40	82	211
Manufacturing						
Expected credit loss rate	0.3%	0.2%	0.6%	1.2%	3.5%	
Trade receivables	5,683	3,397	2,829	1,170	343	13,422
Credit loss allowance	6	2	-	1	3	12

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(ii) Cash and bank balances

The Group and Company held cash and bank balances of \$64,538,000 and \$3,168,000 respectively (2024: \$67,567,000 and \$1,343,000) with banks which are rated BBB- to AA- and A+ to AA- respectively based on Standard & Poor and considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

(iii) Non-trade receivables due from subsidiaries

The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual obligations of \$13,629,000 (2024: \$20,295,000) 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 capacities 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
Group			
At 31 December 2025			
Trade and other payables	39,936	166	-
Lease liabilities	9,021	14,449	6,392
Borrowings	41,378	-	-
	90,335	14,615	6,392
At 31 December 2024			
Trade and other payables	42,179	-	-
Lease liabilities	7,838	14,028	5,484
Borrowings	43,882	-	-
	93,899	14,028	5,484

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
<hr/>			
<u>Company</u>			
At 31 December 2025			
Trade and other payables	717	-	-
Financial guarantee	42,806	-	-
	43,523	-	-
<hr/>			
At 31 December 2024			
Trade and other payables	1,451	-	-
Financial guarantee	44,848	-	-
	46,298	-	-

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
<hr/>		
<u>Group</u>		
At 31 December 2025		
Gross settled currency forwards		
- Receipts	-	-
- Payments	-	-
	<hr/>	<hr/>
At 31 December 2024		
Gross settled currency forwards		
- Receipts	11,302	-
- Payments	(11,302)	-
	<hr/>	<hr/>

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk (continued)

Management monitors capital based on a net gearing ratio. The Group's and Company's strategies are to maintain net gearing ratios below 50% and maximum 30% respectively.

The net gearing ratio is calculated as net debt divided by total capital and reserves attributable to equity holders of the Company. Net debt is calculated as borrowings plus lease liabilities less cash and bank balances.

	Group		Company	
	31 December		31 December	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Net debt	(837)	509	(3,168)	(1,343)
Total capital and reserves attributable to equity holders	275,035	279,864	113,202	124,151
Net gearing ratio	NM	0.2%	NM	NM

NM - Not meaningful

Financial covenants relating to the Group's and Company's borrowings include consolidated tangible net worth, debt service coverage ratio, net debt to earnings before interest, taxes, depreciation and amortisation ratio and gearing ratio.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2025 and 2024.

(e) Financial instruments by category

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

	Group		Company	
	31 December		31 December	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Financial assets, at amortised cost	135,631	147,904	16,812	21,651
Financial liabilities, at amortised cost	103,803	110,255	716	1,450

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28. 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.

29. 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	
	2025	2024
	\$'000	\$'000
Sales of goods to an associated company	10,385	10,395
Purchases of goods from an associated company	(1,178)	(1,686)
Rental income from an associated company	-	268

Outstanding balances as at 31 December 2025, 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 20 respectively.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2025	2024
	\$'000	\$'000
Salaries and other short-term employee benefits	2,487	3,317
Employer's contribution to defined contribution plans, including Central Provident Fund	58	62
	2,545	3,379

Included in the above was total compensation to directors of the Company amounting to \$794,000 (2024: \$1,556,000).

30. SEGMENT INFORMATION

The Group has determined the operating segments based on the reports reviewed by senior management that are used to make strategic decisions.

The management considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the five primary geographic areas namely, North East Asia, ASEAN, Oceania, USA and Europe. From a business segment perspective, management separately considers the manufacture, distribution and rental in these geographic areas.

Although the management receives separate reports for the different geographic areas, they have been aggregated into one reportable business segment as they have similar operational models.

Sales between segments are carried out at market terms. The revenue from external parties reported to the management is measured in a manner consistent with that in the consolidated statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30. SEGMENT INFORMATION (CONTINUED)

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 2025.

The segment information provided to senior management for the reportable segments are as follows:

Segment Group	← Manufacturing segment →			← Distribution segment →					Rental segment		Total
	North East Asia \$'000	ASEAN \$'000	Sub-total \$'000	North East Asia \$'000	ASEAN \$'000	Oceania \$'000	USA \$'000	Europe \$'000	Sub-total \$'000	North East Asia \$'000	
2025											
Sales											
Total segment sales	36,444	69,939	106,383	15,551	109,611	149,031	15,003	42,582	331,778	-	438,161
Inter-segment sales	(13,923)	(30,915)	(44,838)	-	-	-	-	-	-	-	(44,838)
Sales to external parties	22,521	39,024	61,545	15,551	109,611	149,031	15,003	42,582	331,778	-	393,323
Segment result	(12,001)	3,287	(8,714)	(710)	9,444	11,082	3,545	2,084	25,445	2,383	19,114
Interest Income	56	134	190	5	184	-	213	18	420	4	614
Finance expenses	(202)	(575)	(777)	(31)	(851)	(1,519)	(131)	(292)	(2,824)	-	(3,601)
Depreciation	(1,337)	(1,745)	(3,082)	(242)	(2,948)	(5,565)	(930)	(679)	(10,364)	(369)	(13,815)
Amortisation of intangible assets	(43)	-	(43)	-	(14)	(33)	(62)	(516)	(625)	-	(668)
Share of profit of associated companies	(172)	2,066	1,894	-	1,595	-	-	-	1,595	-	3,489
Profit before income tax	(13,699)	3,167	(10,532)	(978)	7,410	3,965	2,635	615	13,647	2,018	5,133
Income tax expense	(46)	(710)	(756)	(1)	(2,138)	(1,157)	(730)	73	(3,953)	(525)	(5,234)
Net profit	(13,745)	2,457	(11,288)	(979)	5,272	2,808	1,905	688	9,694	1,493	(101)
Segment assets	19,002	90,110	109,112	10,293	116,508	95,252	17,527	30,581	270,161	13,933	393,206
Segment assets includes:											
Investment in associated companies	101	25,909	26,010	-	5,446	-	-	-	5,446	-	31,456
Additions to:											
- Property, plant and equipment	153	2,974	3,127	-	924	1,561	36	286	2,807	-	5,934
- Intangible assets	-	18	18	-	2	-	-	972	974	-	992
- Right-of-use assets	-	1,250	1,250	247	1,274	2,240	-	1,263	5,024	-	6,274
Investment property	9,112	-	9,112	-	1,769	-	-	-	1,769	6,896	17,777
Segment liabilities	(3,415)	(17,298)	(20,713)	(1,501)	(26,246)	(49,910)	(1,061)	(11,153)	(89,871)	(1,154)	(111,738)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30. SEGMENT INFORMATION (CONTINUED)

Segment Group	← Manufacturing segment →			← Distribution segment →					Rental segment	Total	
	North East Asia	ASEAN	Sub-total	North East Asia	ASEAN	Oceania	USA	Europe	Sub-total		North East Asia
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024											
Sales											
Total segment sales	54,345	66,513	120,858	16,630	123,126	144,181	17,131	28,401	329,469	-	450,327
Inter-segment sales	(18,500)	(25,312)	(43,812)	-	-	-	-	-	-	-	(43,812)
Sales to external parties	35,845	41,201	77,046	16,630	123,126	144,181	17,131	28,401	329,469	-	406,515
Segment result	1,353	2,879	4,232	(50)	4,846	13,049	3,641	722	22,208	2,368	28,808
Interest Income	80	164	244	15	311	6	243	34	609	9	862
Finance expenses	(162)	(399)	(561)	(33)	(778)	(1,603)	(61)	(216)	(2,691)	-	(3,252)
Depreciation	(1,885)	(1,394)	(3,279)	(219)	(2,823)	(5,479)	(943)	(340)	(9,804)	(352)	(13,435)
Amortisation of intangible assets	(45)	-	(45)	-	(7)	(34)	(62)	(553)	(656)	-	(701)
Share of profit of associated companies	-	1,679	1,679	-	407	-	-	-	407	-	2,086
Profit before income tax	(659)	2,929	2,270	(287)	1,956	5,939	2,818	(353)	10,073	2,025	14,368
Income tax expense	(50)	(582)	(632)	94	(1,509)	(1,502)	(761)	10	(3,668)	(547)	(4,847)
Net profit	(709)	2,347	1,638	(193)	447	4,437	2,057	(343)	6,405	1,478	9,521
Segment assets	50,001	76,883	126,884	12,742	120,461	91,105	17,110	22,704	264,122	12,642	403,648
Segment assets includes:											
Investment in associated companies	-	22,954	22,954	-	4,207	-	-	-	4,207	-	27,161
Additions to:											
- Property, plant and equipment	1,076	2,464	3,540	10	1,037	1,328	-	79	2,454	1	5,995
- Intangible assets	-	47	47	-	-	-	-	393	393	-	440
- Right-of-use assets	-	-	-	9	1,240	3,449	472	2,900	8,070	-	8,070
Investment property	-	-	-	-	1,709	-	-	-	1,709	7,452	9,161
Segment liabilities	(10,561)	(16,295)	(26,856)	(1,703)	(33,726)	(45,559)	(1,997)	(6,790)	(89,775)	(1,200)	(117,831)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30. SEGMENT INFORMATION (CONTINUED)

(a) 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	
	2025	2024
	\$'000	\$'000
Distribution of automotive and industrial products	331,778	329,469
Manufacturing of alloy wheels	61,545	77,046
	393,323	406,515

(b) Geographical information

The Group operates in the following geographic areas:

	Sales *		Non-current assets	
	Group		Group	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Singapore	65,283	67,550	49,028	47,111
Malaysia	55,220	71,732	34,889	28,504
China/Hong Kong	22,779	37,334	17,989	20,257
Australia	93,946	89,311	6,893	8,484
New Zealand	55,085	54,869	6,799	7,759
Germany	42,582	28,401	6,093	4,472
USA	15,003	17,131	1,717	2,749
Philippines	10,712	9,714	320	548
Other countries	32,713	30,473	795	2,028
	393,323	406,515	124,523	121,912

* Sales are attributed to countries on the basis of the Group's subsidiaries locations.

There are no revenues derived from transactions with a single external customer that amounted to 10% or more of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. 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 2026 and which the Group has not early adopted.

Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 1 January 2026)

SFRS(I) 9 and SFRS(I) 7 were amended to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

SFRS(I) 18 - Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 18 will replace SFRS(I) 1-1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though SFRS(I) 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising of the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of SFRS(I) 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:
- Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
- SFRS(I) 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the Group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the Group is currently evaluating the need for change.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
 - for the first annual period of application of SFRS(I) 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying SFRS(I) 18 and the amounts previously presented applying SFRS(I) 1-1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with SFRS(I) 18.

SFRS(I) 19 - Subsidiaries without Public Accountability: Disclosures (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 19 allows for certain eligible subsidiaries of parent entities that report under SFRS(I) Accounting Standards to apply reduced disclosure requirements. This new standard works alongside other SFRS(I). An eligible subsidiary applies the requirements in other SFRS(I) except for the disclosure requirements; and it applies instead the reduced disclosure requirements in SFRS(I) 19.

SFRS(I) 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with SFRS(I) Accounting Standards.

The Group does not expect this standard to have an impact on its operations or financial statements.

32. 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 27 March 2026.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2026

ANALYSIS OF SHAREHOLDINGS

Number of shares	292,295,811
Number of treasury shares held	446,000
Number of subsidiary holdings held	Nil
Number of issued shares (excluding treasury shares)	291,849,811
Class of shares	Ordinary shares
Voting rights	One vote per share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 18 MARCH 2026

SIZE OF SHAREHOLDINGS	No. of Shareholders	%	No. of Shares	%
1 - 99	19	1.40	673	0.00
100 - 1,000	113	8.36	57,000	0.02
1,001 - 10,000	613	45.34	3,373,965	1.16
10,001 - 1,000,000	592	43.79	41,393,257	14.18
1,000,001 AND ABOVE	15	1.11	247,024,916	84.64
TOTAL	1,352	100.00	291,849,811	100.00

Note:

The percentage is based on 291,849,811 shares (excluding 446,000 shares held as treasury shares) as at 18 March 2026.

PUBLIC SHAREHOLDERS

	No. of Shares	%
Non-public shareholders	173,521,697	59.46
Public shareholders	118,328,114	40.54
	291,849,811	100.00

Pursuant to Rule 723 of the Listing Manual of the SGX-ST, it is confirmed that at least 10% of the issued ordinary shares of the Company is at all times held by the public.

SUBSTANTIAL SHAREHOLDERS

	No. of Shares		%
	Direct Interest	Deemed Interest	
YHI Holdings Pte Ltd	94,100,846	-	32.24
Tay Tian Hoe Richard ⁽¹⁾		108,037,846	37.02
Tay Tiang Guan ⁽²⁾		45,000,353	15.42
Tay Soek Eng Margaret ⁽³⁾		20,483,498	7.02

Notes:

(1) Mr Tay Tian Hoe Richard is deemed to have an interest in the following shares by virtue of Section 7 of the Companies Act 1967 (the 'Act'):

Shares held in the name of YHI Holdings Pte Ltd	94,100,846
Shares held in the name of his nominees	13,937,000
	108,037,846

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

(3) Mdm Tay Soek Eng Margaret is deemed to have an interest in the 20,483,498 shares held in the name of her nominees by virtue of Section 7 of the Company Act. Mdm Tay Soek Eng is the sister of the Company's executive Directors, Mr Tay Tian Hoe Richard and Mr Tay Tiang Guan.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2026

TWENTY LARGEST SHAREHOLDERS

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	YHI HOLDINGS PTE LTD	94,100,846	32.24
2	CITIBANK NOMINEES SINGAPORE PTE LTD	62,503,767	21.42
3	DBS NOMINEES PTE LTD	39,940,898	13.69
4	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	9,871,300	3.38
5	TAY KOK THYE	7,036,423	2.41
6	DB NOMINEES (SINGAPORE) PTE LTD	6,969,800	2.39
7	GU JIAN LIN	6,494,000	2.23
8	TAY TIAN KOI	6,401,093	2.19
9	LEE LING LING	3,245,100	1.11
10	PHILLIP SECURITIES PTE LTD	2,611,985	0.89
11	TAN KIA SIONG @ TAN AH KOW	1,905,400	0.65
12	LEW WING KIT	1,803,800	0.62
13	LIM MEE HWA	1,574,000	0.54
14	LEE WOON KIAT	1,448,000	0.50
15	OCBC SECURITIES PRIVATE LTD	1,118,504	0.38
16	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	960,212	0.33
17	DANIEL TAN POON KUAN	874,000	0.30
18	HSBC (SINGAPORE) NOMINEES PTE LTD	814,600	0.28
19	OCBC NOMINEES SINGAPORE PTE LTD	745,200	0.26
20	HONG PIAN TEE	689,800	0.24
	TOTAL	251,108,728	86.05

Note:

Percentage computed is based on 291,849,811 shares (excluding shares held as treasury shares) as at 18 March 2026. Treasury shares as at 18 March 2026 are 446,000 shares

NOTICE OF ANNUAL GENERAL MEETING

YHI INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore - Company Registration No. 200007455H)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of YHI International Limited (the “**Company**”) will be convened and held at 2 Pandan Road, Singapore 609254 on Wednesday, 29 April 2026 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 2025 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a first and final tax-exempt dividend of 1.72 Singapore cents per ordinary share for the financial year ended 31 December 2025 (2024: 2.30 Singapore cents). **(Resolution 2)**
3. To re-elect the following Director retiring pursuant to Regulation 89 of the Company’s Constitution:

Ms Gn Jong Yuh Gwendolyn **(Resolution 3)**

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 appoint Mr Ryan Tay Guoren pursuant to Regulation 93 of the Company’s Constitution and who, being eligible, offered himself for election. **(Resolution 4)**

Mr Ryan Tay Guoren, if elected as a director of the Company, will be appointed as an executive director of the Company.
5. To note the retirement of Mr Tay Tiang Guan pursuant to Regulation 89 of the Company’s Constitution.

Mr Tay Tiang Guan, upon his retirement at the conclusion of the Annual General Meeting of the Company, shall cease to be an executive director of the Company.
6. To approve the payment of Directors’ fees of S\$145,000 for the financial year ended 31 December 2025 (2024: S\$145,000). **(Resolution 5)**
7. To re-appoint PricewaterhouseCoopers LLP, Certified Public Accounts as the Company’s Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**
8. 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:

9. **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

NOTICE OF ANNUAL GENERAL MEETING

- (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

- (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)

NOTICE OF ANNUAL GENERAL MEETING

10 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)**

11. 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.

NOTICE OF ANNUAL GENERAL MEETING

(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

(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 2026

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) The Ordinary Resolution 7 proposed in item 9 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 10 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 11 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 2026 (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.

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 Wednesday, 29 April 2026 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. **No printed copies of the annual report for the financial year ended 31 December 2025 (“FY2025 Annual Report”) and the Letter to Shareholders will be despatched to Shareholders.** Shareholders may request for printed copies of the FY2025 Annual Report and/or the Letter to Shareholders by completing and returning the request form (sent to them by post together with printed copies of this Notice of AGM and the accompanying Proxy Form) no later than 10.00 a.m. on Thursday, 16 April 2026. Printed copies of this Notice of AGM and the Proxy Form will be sent to Shareholders. This Notice of AGM, Proxy Form, request form, FY2025 Annual Report and the Letter to Shareholders may be accessed at the Company’s website at the URL <https://www.yhigroup.com/investor/agm2026/> 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/agm2026/> and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

NOTICE OF ANNUAL GENERAL MEETING

5. Where a Shareholder (whether individual or corporate) appoints proxy(ies) (including the Chairman of the Meeting) as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/their discretion.

Only Shareholders or their appointed proxy(ies) who have been successfully verified will be entitled to attend the AGM.

6. CPF/SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes and/or questions relating to the resolutions tabled for approval at the AGM by 5.00 p.m. on Friday, 17 April 2026 (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/agm2026/>. Such updates will also be made available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
8. Duly appointed proxy(ies), including the Chairman of the Meeting acting as proxy, need not be a Shareholder of the Company.
9. The Proxy Form must be submitted to the Company in the following manner:
- (a) if submitted by post, be deposited at the registered office of the Company at No. 2 Pandan Road, Singapore 609254; or
 - (b) if submitted by way of electronic means, be submitted via email in Portable Document Format (PDF) to the Company at yhi-agm@yhi.com.sg,

in either case, by 10.00 a.m. on Sunday, 26 April 2026. A Shareholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. **Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.**

Personal Data Privacy:

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

NOTICE OF ANNUAL GENERAL MEETING

Key dates/deadlines:

Key Dates	Events and Information
10.00 a.m. on Thursday, 16 April 2026	<p>Deadline for Shareholders to submit questions. Shareholders may submit questions, queries and/or comments related to the resolutions to be tabled for approval at the AGM to the Chairman of the Meeting in advance of the AGM by submitting their questions (i) by post to the Company's registered office at No. 2 Pandan Road, Singapore 609254, addressed to the attention of the Chief Financial Officer; or (ii) by email to the Company at yhi-agm@yhi.com.sg from the date of this Notice of AGM until 10.00 a.m. on Thursday, 16 April 2026.</p> <p>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.</p>
5.00 p.m. on Friday, 17 April 2026	<p>Deadline for CPF and SRS investors. CPF investors and SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), who wish to appoint the Chairman of the Meeting as proxy must approach their respective CPF agent banks or SRS operators or relevant intermediaries to submit their votes and/or questions relating to the resolutions tabled for approval at the AGM by 5.00 p.m. on Friday, 17 April 2026 (that is, at least seven (7) days before the date of the AGM).</p>
Friday, 24 April 2026	<p>Addressing questions. The Company will endeavour to address all substantial and relevant questions, comments and/or queries received from Shareholders relating to the resolutions in the Notice of AGM prior to or at the AGM, by publishing its responses to the questions on the Company's website at the URL https://www.yhigroup.com/investor/agm2026/ and SGXNET at the URL https://www.sgx.com/securities/company-announcements on Friday, 24 April 2026.</p>
10.00 a.m. on Sunday, 26 April 2026	<p>Submission of Proxy Forms. Shareholders must submit the Proxy Forms (i) by post to the Company's registered office at No. 2 Pandan Road, Singapore 609254; or (ii) by email in Portable Document Format (PDF) to yhi-agm@yhi.com.sg by 10.00 a.m. on Sunday, 26 April 2026 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. Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.</p> <p>Specific instructions as to voting must be given. Where a Shareholder (whether individual or corporate) appoints proxy(ies) (including the Chairman of the Meeting), he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/their discretion. Only Shareholders or their appointed proxy(ies) who have been successfully verified will be entitled to attend the AGM.</p> <p>Duly appointed proxy(ies), including the Chairman of the Meeting acting as proxy, need not be a Shareholder of the Company.</p>
10.00 a.m. on Wednesday, 29 April 2026	<p>AGM. Shareholders and (where applicable) duly appointed proxies and representatives may participate at the AGM at No. 2 Pandan Road, Singapore 609254. There will be no option for Shareholders to participate virtually.</p>
By Friday, 29 May 2026	<p>Minutes of AGM. The Company will publish the minutes of AGM on the Company's website at the URL https://www.yhigroup.com/investor/agm2026/ and on SGXNET at the URL https://www.sgx.com/securities/company-announcements within one (1) month after the AGM.</p>
5.00 p.m. on Friday, 8 May 2026	<p>Record Date. The Record Date for the purpose of determining Shareholders' entitlements to the first and final one-tier tax exempt dividend of 1.72 Singapore cents per ordinary share for the financial year ended on 31 December 2025.</p>
Monday, 18 May 2026	<p>Payment of dividend. 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 / APPOINTMENT

	GN JONG YUH GWENDOLYN	RYAN TAY GUOREN
Date of Appointment	01 October 2021	29/04/2026
Date of last re-appointment (if applicable)	26 April 2024	NIL
Name of person	Gn Jong Yuh Gwendolyn	Ryan Tay Guoren
Age	55	42
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	<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 Non-Executive Director of the Company.</p> <p>Accordingly, the Board of Directors approved the appointment of Ms Gn Jong Yuh Gwendolyn as an Independent Non-Executive Director of the Company.</p> <p>The Board considers Ms Gn Jong Yuh Gwendolyn to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGXST.</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 Mr Ryan Tay Guoren, is of the view that Mr Ryan Tay Guoren has the requisite experience and capability to assume the responsibility as an Executive Director of the Company.</p> <p>Accordingly, the Board of Directors approved the appointment of Mr Ryan Tay Guoren as an Executive Director of the Company.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	<p>Appointment: Executive</p> <p>Area of Responsibility:</p> <ul style="list-style-type: none"> Driving the Group's global business strategies and policies, including revenue growth initiatives, export sales coordination, key account management, pricing strategy and regional market development across its international manufacturing and distribution network. Driving the Group's restructuring initiatives to strengthen operational efficiency, as well as the implementation of digital strategy and systems integration across operational functions. This includes leveraging digital solutions to enhance process efficiency, data visibility, and cross-border coordination within the Group's regional operations.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, the Chairman of the Nominating Committee, a member of the Audit Committee and a member of the Remuneration Committee.	Executive Director

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT

	GN JONG YUH GWENDOLYN	RYAN TAY GUOREN
Professional qualifications	LLB (Hons), National University of Singapore (1994) Advocate & Solicitor of Singapore (1995)	Bachelor of Science in Business Administration Double Major in International Business and Operations Boston University (2008)
Working experience and occupation(s) during the past 10 years	Partner of Shook Lin & Bok LLP (2006 – Present)	January 2022 – Present General Manager YHI Manufacturing (Singapore) Pte Ltd June 2015 - December 2021 Deputy General Manager YHI Manufacturing (Singapore) Pte Ltd July 2012 – June 2015 Sales Manager YHI Manufacturing (Malaysia) Sdn Bhd Feb 2008 – July 2012 Business Development Manager- Energy Department YHI Corporation (Singapore) Pte Ltd
Shareholding interest in the listed issuer and its subsidiaries	No	67,500 shares in YHI Holding Pte Ltd (8.16% shareholding interests)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	Yes. Mr Ryan Tay Guoren is the son of the Executive Chairman and Group Managing Director, Mr Tay Tian Hoe Richard.
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) or (in the format set out in Appendix 7H) under Catalist Rule 720(1) has been submitted to the listed issuer	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT

>> Other Principal Commitments * Including Directorships

* "Principal Commitments" has the same meaning as defined in the Code.

	GN JONG YUH GWENDOLYN	RYAN TAY GUOREN
Past (for the last 5 years)	<u>Directorships:</u> <ul style="list-style-type: none"> • UMS Integration Limited • Tata Precision Industries Pte Ltd • Mary Chia Holdings Limited • Darco Water Technologies Limited <u>Principal Commitments:</u> <ul style="list-style-type: none"> • Nil 	<u>Directorships:</u> <ul style="list-style-type: none"> • YHI Holdings Pte Ltd • YHI Corporation (Singapore) Pte Ltd • YHI Manufacturing (Singapore) Pte Ltd • YHI Manufacturing (Malaysia) Sdn Bhd • YHI Advanti Manufacturing (Malaysia) Sdn Bhd • YHI International (Taiwan) Co Ltd • YHI Advanti Manufacturing (Suzhou) Co Ltd • Wheelworld GmbH • Rambai Heights Sdn Bhd <u>Principal Commitments:</u> <ul style="list-style-type: none"> • NIL
Present	<u>Directorships:</u> <ul style="list-style-type: none"> • Huatong Global Limited • YHI International Limited • Uni-Fuels Holdings Limited • Addvalue Technologies Ltd <u>Principal Commitments:</u> <ul style="list-style-type: none"> • Shook Lin & Bok LLP 	<u>Directorships:</u> <ul style="list-style-type: none"> • YHI Holdings Pte Ltd • YHI Corporation (Singapore) Pte Ltd • YHI Manufacturing (Singapore) Pte Ltd • YHI Manufacturing (Malaysia) Sdn Bhd • YHI Advanti Manufacturing (Malaysia) Sdn Bhd • YHI International (Taiwan) Co Ltd • YHI Advanti Manufacturing (Suzhou) Co Ltd • Wheelworld GmbH • Rambai Heights Sdn Bhd <u>Principal Commitments:</u> <ul style="list-style-type: none"> • NIL

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT

		GN JONG YUH GWENDOLYN	RYAN TAY GUOREN
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT

		GN JONG YUH GWENDOLYN	RYAN TAY GUOREN
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT

		GN JONG YUH GWENDOLYN	RYAN TAY GUOREN
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

Any prior experience as a director of an issuer listed on the Exchange?	N/A. This is a re-election of a Director	No
If YES, please provide details of prior experience.		
If NO, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.		Mr Ryan Tay Guoren will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).		Not applicable

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

IMPORTANT:

1. The Annual General Meeting ("AGM") is being convened, and will be held at 2 Pandan Road, Singapore 609254. **There will be no option for shareholders to participate virtually.**
2. The Notice of AGM is also accessible (a) via publication on the Company's website at the URL <https://www.yhigroup.com/investor/aggm2026/> and (b) via publication on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. Arrangements relating to attendance at the AGM, submission of comments, queries and/or questions to the Chairman of the Meeting in advance of and live at the AGM, addressing of substantial and relevant comments, queries and/or questions before the AGM, and voting by appointing proxy(ies) (including the Chairman of the Meeting), are set out in the Notice of AGM dated 8 April 2026, which may be accessed at the Company's website at the URL <https://www.yhigroup.com/investor/aggm2026/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
4. A member (whether individual or corporate) must vote live at the AGM or must appoint proxy(ies) (including the Chairman of the Meeting) to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
5. CPF or SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks, SRS Operators or relevant intermediaries to submit their votes by 5.00 p.m. on Friday, 17 April 2026 (that is, at least seven (7) working days before the date of the AGM).
6. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 8 April 2026.
7. Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies) (including the Chairman of the Meeting) as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

PROXY FORM

(Please see notes overleaf before completing this Proxy Form)

I/We*, _____ (name) _____ (NRIC/Passport No.)

of _____ (address)

being a member/members* of YHI International Limited (the "Company"), hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	%
Address			

and/or*

Name	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	%
Address			

or failing him/her*, the Chairman of the Annual General Meeting (the "Chairman of the Meeting"), as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the Annual General Meeting ("AGM") to be held at 2 Pandan Road, Singapore 609254 on Wednesday, 29 April 2026 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 2025 together with the Auditors' Report thereon (Ordinary Resolution)			
2.	Payment of proposed first and final tax-exempt dividend of 1.72 Singapore cents per ordinary share for the financial year ended 31 December 2025 (Ordinary Resolution)			
3.	Re-election of Ms Gn Jong Yuh Gwendolyn as Director of the Company pursuant to Regulation 89 of the Company's Constitution (Ordinary Resolution)			
4.	Appointment of Mr Ryan Tay Guoren as Director of the Company pursuant to Regulation 93 of the Company's Constitution (Ordinary Resolution)			
5.	Approval of Directors' fees amounting to S\$145,000 for the financial year ended 31 December 2025 (2024: S\$145,000) (Ordinary Resolution)			
6.	Re-appointment of PricewaterhouseCoopers LLP, Certified Public Accountants as the Company's Auditors and to authorise the Directors to fix their remuneration (Ordinary Resolution)			
7.	Authority to allot and issue shares in the capital of the Company - Share Issue Mandate (Ordinary Resolution)			
8.	Authority to allot and issue Shares under the 2021 YHI Share Option Scheme (Ordinary Resolution)			
9.	The Proposed Renewal of the Share Buy-Back Mandate (Ordinary Resolution)			

*Delete as appropriate

If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate so with a (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. **In the absence of specific directions in respect of a resolution, the proxy(ies) will vote or abstain from voting at his/her/their discretion.**

Dated this _____ day of _____ 2026

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 Wednesday, 29 April 2026 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. No printed copies of the annual report for the financial year ended 31 December 2025 (“**FY2025 Annual Report**”) and the Letter to Shareholders will be despatched to Shareholders. Shareholders may request for printed copies of the FY2025 Annual Report and/or the Letter to Shareholders by completing and returning the request form (sent to them by post together with printed copies of the Notice of Annual General Meeting (“**Notice of AGM**”) and the accompanying Proxy Form) no later than 10.00 a.m. on Thursday, 16 April 2026. Printed copies of the Notice of AGM and this Proxy Form will be sent to Shareholders. The Notice of AGM, Proxy Form, request form, FY2025 Annual Report and the Letter to Shareholders may be accessed at the Company's website at the URL <https://www.yhigroup.com/investor/agm2026/> 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/agm2026/> and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Where a Shareholder (whether individual or corporate) appoints proxy(ies) (including the Chairman of the Meeting), he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/their discretion.
6. CPF investors and SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), who wish to appoint the Chairman of the Meeting as proxy must approach their respective CPF agent banks or SRS operators or relevant intermediaries to submit their votes and/or questions relating to the resolutions tabled for approval at the AGM by 5.00 p.m. on Friday, 17 April 2026 (that is, at least seven (7) days before the date of the AGM). Duly appointed proxy(ies), including the Chairman of the Meeting acting as proxy, need not be a Shareholder of the Company.
7. The Proxy Form must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the registered office of the Company at No. 2 Pandan Road, Singapore 609254; or
 - (b) if submitted electronically, be submitted via email in Portable Document Format (PDF) format to the Company at yhi-agm@yhi.com.sg,
in either case, 10.00 a.m. on Sunday, 26 April 2026 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 service 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

Website: www.yhi.com.sg