



YONG XIN INTERNATIONAL HOLDINGS LTD.

(Incorporated in Singapore)

(Co. Reg. No: 200515483H)

HALF YEAR UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2014

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Statement of Comprehensive Income for the six months ended 30 June 2014

	30-Jun-14 RMB'000	30-Jun-13 RMB'000	Change %
Income	54,298	53,702	1.11
Cost of Sales	(53,602)	(54,483)	(1.62)
Gross Profit / (Loss)	<u>696</u>	<u>(781)</u>	N.M.
Other operating income	223	510	(56.27)
Selling and distribution expenses	(922)	(1,056)	(12.69)
Administrative expenses	(6,155)	(5,577)	10.36
Other operating expenses	(435)	(133)	227.07
Loss from continuing operations	<u>(6,593)</u>	<u>(7,037)</u>	
Financial expenses	(2,609)	(2,599)	0.38
Finance income	169	157	7.64
Loss before tax from continuing operations	<u>(9,033)</u>	<u>(9,479)</u>	
Tax	-	-	N.M.
Loss after tax from continuing operations	<u>(9,033)</u>	<u>(9,479)</u>	(4.71)
Discontinued operations			
Loss after tax from discontinued operations	-	-	N.M.
Total loss for the period	<u>(9,033)</u>	<u>(9,479)</u>	(4.71)
Other Comprehensive income			
Exchange difference on translation, net of tax	(352)	(633)	
Total Comprehensive loss	<u>(9,385)</u>	<u>(10,112)</u>	
Total Comprehensive loss attributable to:			
Shareholders of the Company	(9,385)	(10,112)	
Non controlling interest	-	-	
	<u>(9,385)</u>	<u>(10,112)</u>	
Loss before tax is determined after charging/(crediting) the following:			Change %
Allowance for impairment of trade receivables			
Amortisation of land use rights	102	102	-
Depreciation of property, plant and equipment	6,944	7,841	(11.44)
Interest expense	2,609	2,599	0.38
Interest income	(169)	(157)	7.64

N.M. -not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	Group		Company	
	30-Jun-14	31-Dec-13	30-Jun-14	31-Dec-13
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	54,928	61,872	-	-
Investment in subsidiaries	-	-	79,541	79,541
Land use rights	8,685	8,787	-	-
	<u>63,613</u>	<u>70,659</u>	<u>79,541</u>	<u>79,541</u>
Current Assets				
Inventories	13,684	15,836	-	-
Trade receivables	36,185	33,791	-	-
Other receivables, deposits and prepayments	6,990	3,738	74	61
Amount due from subsidiary (non-trade)	-	-	11,327	10,703
Cash and bank balances	15,205	20,915	-	2,416
	<u>72,064</u>	<u>74,280</u>	<u>11,401</u>	<u>13,180</u>
TOTAL ASSETS	<u>135,677</u>	<u>144,939</u>	<u>90,942</u>	<u>92,721</u>
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	142,883	142,883	142,883	142,883
Treasury shares	(55)	(55)	(55)	(55)
Statutory reserve	7,237	7,237	-	-
Merger reserve	(320)	(320)	-	-
Translation reserve	(1,539)	(1,890)	(1,511)	(1,863)
Accumulated losses	(108,243)	(99,209)	(53,926)	(51,630)
	<u>39,963</u>	<u>48,646</u>	<u>87,391</u>	<u>89,335</u>
Current Liabilities				
Trade creditors	5,413	4,878	185	64
Other payables & accruals	9,746	11,725	40	663
Interest-bearing bank borrowings	79,000	78,000	-	-
Amount due to related parties	442	442	-	-
Amount due to subsidiary	-	-	2,213	1,411
Amount due to directors	1,113	1,248	1,113	1,248
	<u>95,714</u>	<u>96,293</u>	<u>3,551</u>	<u>3,386</u>
TOTAL EQUITY AND LIABILITIES	<u>135,677</u>	<u>144,939</u>	<u>90,942</u>	<u>92,721</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 30 Jun 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
30,000	49,000	30,000	48,000

Amount repayable after one year

As at 30 Jun 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

Details of any collateral

As at 30 June 2014, bank borrowings of RMB30 million (31 December 2013: RMB30 million) are secured by certain properties and land use rights of the subsidiary, guaranteed by a Director of the Company.

Bank borrowings of RMB49 million (31 December 2013: RMB48 million) are unsecured, and guaranteed by related parties and a director of the Company.

11 A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	30-Jun-14	30-Jun-13
	RMB '000	RMB '000
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Loss before tax	(9,034)	(9,479)
Adjustments for:		
- Depreciation of property, plant and equipment	6,944	7,841
- Amortisation of land use rights	102	102
- Interest expense	2,609	2,599
- Interest income	(169)	(157)
Operating cash flows before movement in working capital	452	906
In trade receivables	(2,394)	(702)
In other receivables, deposits and prepayments	(3,252)	(1,433)
In inventories	2,153	(1,504)
In trade payables	535	1,923
In other payables & accruals	(1,981)	(2,345)
In amount due (to)/from a related party	-	61
In amount due (to)/from directors	(135)	287
Cash used in operations	(4,622)	(2,807)
Interest paid	(2,609)	(2,599)
Interest received	169	157
Net cash used in operating activities	(7,062)	(5,249)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Bank deposits pledged	(850)	-
Proceeds from interest-bearing bank borrowings	1,000	5,000
Purchase of treasury shares	-	(22)
Net cash generated from financing activities	150	4,978

Consolidated Statement of Cash Flows (continued)

	30-Jun-14 RMB '000	30-Jun-13 RMB '000
Net decrease in cash and cash equivalent	(6,912)	(271)
Effect of change in currency translation	352	(633)
At beginning of year	19,915	11,455
At end of period	<u>13,355</u>	<u>10,551</u>

For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise the following:

CASH AND CASH EQUIVALENTS AS STATED IN STATEMENT OF CASH FLOWS	13,355	10,551
Bank deposits pledged	1,850	1,500
CASH AND CASH EQUIVALENTS AS STATED IN STATEMENTS OF FINANCIAL POSITION	<u>15,205</u>	<u>12,051</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Changes in Equity

Group	Share capital	Statutory reserves	Merger reserve	Treasury shares	Translation reserve	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2013	142,883	7,237	(320)	(34)	(1,097)	(85,850)	62,819
Purchase of treasury shares	-	-	-	(21)	-	-	(21)
Total comprehensive loss	-	-	-	-	(633)	(9,479)	(10,112)
Balance at 30 June 2013	142,883	7,237	(320)	(55)	(1,730)	(95,329)	52,686
Balance at 1 January 2014	142,883	7,237	(320)	(55)	(1,890)	(99,209)	48,646
Total comprehensive loss	-	-	-	-	351	(9,034)	(8,683)
Balance at 30 June 2014	142,883	7,237	(320)	(55)	(1,539)	(108,243)	39,963

Company	Share capital	Treasury shares	Translation reserve	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2013	142,883	(34)	(1,070)	(10,495)	131,284
Purchase of treasury shares	-	(21)	-	-	(21)
Total comprehensive loss	-	-	(632)	(1,737)	(2,369)
Balance at 30 June 2013	142,883	(55)	(1,702)	(12,232)	128,894
Balance at 1 January 2014	142,883	(55)	(1,863)	(51,630)	89,335
Total comprehensive loss	-	-	352	(2,296)	(1,944)
Balance at 30 June 2014	142,883	(55)	(1,511)	(53,926)	87,391

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There is no change in the Company's share capital since the end of the previous period reported on.

The Company has 318,000 of treasury shares as at 30 June 2014 (31 December 2013 – 318,000 of treasury shares).

There are no outstanding convertibles since the end of the previous period reported on.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30-Jun-14	31-Dec-13
Total number of issued shares	212,412,966	212,412,966

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and Company have applied the same accounting policies and methods of computations in the financial statements for the current financial period and is consistent with those of the most recent audited financial statements for the financial year ended 31 December 2013 except for the adoption of the new and revised Financial Reporting Standards which became effective for the financial period beginning on or after 1 January 2014. The adoption of these new and revised accounting standards did not give rise to any significant impact on the financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

None.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	30-Jun-14	30-Jun-13
Loss per share (in RMB cents):		
- Based on weighted average number of ordinary shares on issue	4.25	4.46

No diluted earnings per share is presented as there is no potential dilutive ordinary share for the six months ended 30 June 2014 and 30 June 2013.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
 (a) current financial period reported on; and
 (b) immediately preceding financial year.

	Group		Company	
	30-Jun-13	31-Dec-13	30-Jun-13	31-Dec-13
Net asset value per ordinary share (in RMB cents):	18.81	22.90	41.14	42.06
Issued ordinary share (in '000):	212,413	212,413	212,413	212,413

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF PERFORMANCE (1H2014 vs 1H2013)

Statement of Comprehensive Income

(A) Breakdown of revenue by product

	<u>30-Jun-14</u>	<u>30-Jun-13</u>	<u>Change</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>%</u>
Chrome-plated steel strips	18,842	16,882	11.61
Cold-rolled steel strips	11,815	13,365	(11.60)
Stainless steel strips	23,641	23,455	0.79
Total revenue	<u>54,298</u>	<u>53,702</u>	1.11

Composition of sales

	<u>30-Jun-14</u>	<u>30-Jun-13</u>
	<u>%</u>	<u>%</u>
Chrome-plated steel strips	34.70	31.43
Cold-rolled steel strips	21.76	24.89
Stainless steel strips	43.54	43.68
Total	<u>100.00</u>	<u>100.00</u>

The Group's revenue has improved marginally by 1.11% from approximately RMB53.7 million in 1H2013 to approximately RMB54.3 million in 1H2014. The Group's newly developed product in 2013 was well accepted by customers and this led to increase of chrome-plated steel strips in 1H2014. In addition, due to better control over procurement of raw materials, leading to lower purchase prices for its raw materials, the Group managed to report a gross profit of RMB0.7 million in 1H2014.

(B) Other income and expenses

	<u>30-Jun-14</u>	<u>30-Jun-13</u>	<u>Increase /</u>	<u>Note</u>	<u>Increase /</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>(Decrease)</u>		<u>(Decrease)</u>
			<u>%</u>		<u>RMB'000</u>
Other operating income	223	510	(56.27)	(i)	(287)
Selling and distribution expenses	(922)	(1,056)	(12.69)	(ii)	(134)
Administrative expenses	(6,155)	(5,577)	10.36	(iii)	578
Other operating expenses	(436)	(133)	227.82	(iv)	303
Finance expenses, net	<u>(2,440)</u>	<u>(2,442)</u>	<u>(0.08)</u>		<u>(2)</u>

Note(i)

Other operating income has decreased by approximately RMB0.29 million or 56.27%. This was mainly due to the decrease in sale of scrap materials.

Note (ii)

Selling and distribution expenses has decreased by approximately RMB0.13 million or 12.69%. This is because the Company has implemented cost reduction measures leading to lower expenses such as entertainment expenses.

Note (iii)

Administrative expenses has increased by approximately RMB0.58 million or 10.36%. This was mainly due to the increase in property tax, salaries and social insurance expenses

Note (iv)

Other operating expenses has increased by approximately RMB0.30 million or 227.82%. This was mainly due to the foreign exchange loss arising from the weaker RMB against SGD.

Statement of Financial Position**Non-Current Assets**

Property, plant and equipment decreased by approximately RMB7 million mainly due to depreciation and amortisation expenses.

Current Assets

Current assets have decreased by approximately RMB2.22 million. This was mainly due to the decrease in cash and bank balances of RMB5.7 million offset with increase in prepayments and decrease in inventories as at 30 June 2014. Higher prepayments in 1H2014 as compared to FY2013 are due to higher prepayments and deposits made for electricity and purchase of raw materials. In addition, the lower inventories in 1H2014 as compared to FY2013 is mainly due to lower finished goods as a result of the increase in sale of chrome-plated steel strips.

Current Liabilities

Total current liabilities decreased by approximately RMB0.58 million mainly due to the decrease in trade and other payables of RMB1.4 million which is partially offset by the increase of RMB1 million in short-term bank borrowings. Less payables in 1H2014 compared to FY2013 was due to lower raw materials prices and purchases for spare parts.

Statement of Cash Flows

The Group recorded net cash used in operating activities of approximately RMB7 million, a slight increase as compared to a net cash used of approximately RMB5.2 million in 1H2013

The Group recorded a net cash generated from financing activities of RMB0.15 million due to the additional loan taken.

Consequently, the Group generated a net cash outflow of RMB6.9 million.

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

Not applicable.

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

With regard to the acquisition of the entire issued share capital of Oriental Land Limited, ie Reverse Takeover Transaction, as announced on 3 December 2013, the Company had extended the Cut-Off Date referred to in the Disposal Agreement to 21 November 2014, being 18 months from 22 May 2013. The Company will make further announcements when there are any further related developments.

- 11. Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? .

No

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

- 12. If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared or recommended by the Board of Directors.

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

There are no interested person's transactions as required under Rule 920 (1) (a)(ii). As such, no IPT mandate has been obtained from shareholders.

- 14. Negative assurance confirmation under the SGX listing rule 705(5) of the listing manual.**

To the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the half year ended 30 June 2014 to be false or misleading in any material respect.

Pu Xiaofang
Executive Director

Yuan Xuanli
Executive Director

Date: 14 August 2014

BY ORDER OF THE BOARD

Pu Xiaofang
Executive Chairman and CEO

14 August 2014