

**YHI INTERNATIONAL LIMITED**

(Company Registration No. 200007455H)

(Incorporated In the Republic of Singapore)

**FULL YEAR UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR YEAR ENDED 31 DECEMBER 2016****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a)(i) CONSOLIDATED INCOME STATEMENT (FULL YEAR 2016 vs FULL YEAR 2015)

	Group 01/01/16- 31/12/16 S\$ '000	Group 01/01/15- 31/12/15 S\$ '000	Incr/(Decr) %
Sales	465,569	499,174	(6.7%)
Cost of sales	(365,210)	(392,202)	(6.9%)
Gross profit	100,359	106,972	(6.2%)
Other gains	3,441	6,091	(43.5%)
Expenses			
- Distribution	(44,511)	(48,422)	(8.1%)
- Administrative	(48,137)	(45,932)	4.8%
- Finance	(4,297)	(5,253)	(18.2%)
Share of profit of an associated company	1,500	1,013	48.1%
Profit before income tax	8,355	14,469	(42.3%)
Income tax expense	(3,897)	(5,418)	(28.1%)
Net profit	4,458	9,051	(50.7%)
Profit Attributable to:			
Equity holders of the Company	3,694	8,250	(55.2%)
Non-controlling interests	764	801	(4.6%)
	4,458	9,051	(50.7%)

NOTES TO CONSOLIDATED INCOME STATEMENT (FULL YEAR 2016 vs FULL YEAR 2015)

	Group 01/01/16- 31/12/16 S\$ '000	Group 01/01/15- 31/12/15 S\$ '000	Incr/(Decr) %
Interest income	288	350	(17.7%)
Interest on borrowings	(4,297)	(5,253)	(18.2%)
Depreciation of property, plant and equipment	(13,332)	(14,735)	(9.5%)
Amortisation of intangible assets	(62)	(62)	NM
Allowance for impairment of doubtful trade receivables	(592)	(670)	(11.6%)
Write-down of inventories	(1,996)	(1,682)	18.7%
Currency exchange gain/(loss) - net	310	(8)	NM
Share of profit of an associated company	1,500	1,013	48.1%
Gain on disposal of property, plant and equipment	289	2,877	(90.0%)

NM – Not meaningful


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NOTES TO CONSOLIDATED INCOME STATEMENT (FULL YEAR 2016 vs FULL YEAR 2015) (Cont'd)
Income Tax Expenses

Tax expense attributable to profit is made up of:

Current income tax

- Singapore

- Foreign

Deferred income tax

Under/(over) provision in previous financial year

- Current income tax

- Deferred income tax

Group 01/01/16- 31/12/16 S\$ '000	Group 01/01/15- 31/12/15 S\$ '000	Incr/(Decr) %
86	311	(72.3%)
3,496	3,762	(7.1%)
3,582	4,073	(12.1%)
529	415	27.5%
4,111	4,488	(8.4%)
46	99	(53.5%)
(260)	831	NM
3,897	5,418	(28.1%)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (FULL YEAR 2016 vs FULL YEAR 2015)
Profit for the year
Other comprehensive income, net of tax:

Items that may be reclassified subsequently to profit or loss

- Currency translation differences

Total comprehensive income/(loss) for the year
Total comprehensive income/(loss) attributable to:

Equity holders of the Company

Non-controlling interests

Group 01/01/16- 31/12/16 S\$ '000	Group 01/01/15- 31/12/15 S\$ '000	Incr/(Decr) %
4,458	9,051	(50.7%)
*(3,262)	\$(9,158)	(64.4%)
1,196	(107)	NM
254	(1,389)	NM
942	1,282	(26.5%)
1,196	(107)	NM

* Consist of foreign currency losses resulting mainly from the weakening of RMB against SGD.

Consist of foreign currency losses resulting mainly from the weakening of MYR, AUD and NZD against SGD.


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1(b) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year
STATEMENT OF FINANCIAL POSITION

	Group 31/12/16 S\$ '000	Group 31/12/15 S\$ '000	Company 31/12/16 S\$ '000	Company 31/12/15 S\$ '000
ASSETS				
Current assets				
Cash and cash equivalents	51,470	52,271	4,285	2,739
Trade and other receivables	94,588	97,797	32,628	38,661
Inventories	112,937	126,299	-	-
Other current assets	13,414	11,310	9	10
Derivative financial instrument	136	-	-	-
	272,545	287,677	36,922	41,410
Non-current assets				
Transferable club membership, at cost	227	227	-	-
Investment in an associated company	16,263	15,441	-	-
Investments in subsidiaries	-	-	100,122	100,122
Property, plant and equipment	105,878	115,187	158	228
Intangible assets	4,201	3,376	-	-
Deferred income tax assets	3,295	3,396	-	-
	129,864	137,627	100,280	100,350
Total assets	402,409	425,304	137,202	141,760
LIABILITIES				
Current liabilities				
Trade and other payables	44,678	35,807	873	1,400
Current income tax liabilities	576	639	-	86
Derivative financial instrument	-	289	-	277
Borrowings	76,858	98,171	600	4,400
	122,112	134,906	1,473	6,163
Non-current liabilities				
Borrowings	21,517	28,099	-	600
Deferred income tax liabilities	2,390	2,159	-	-
Other non-current liabilities	321	311	-	-
	24,228	30,569	-	600
Total liabilities	146,340	165,475	1,473	6,763
NET ASSETS	256,069	259,829	135,729	134,997
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	77,001	77,001	77,001	77,001
Other reserves	(19,911)	(16,629)	-	-
Retained profits	185,422	186,036	58,728	57,996
	242,512	246,408	135,729	134,997
Non-controlling interests	13,557	13,421	-	-
Total equity	256,069	259,829	135,729	134,997

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1(c) Aggregate amount of Group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

Group As at 31/12/16		Group As at 31/12/15	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
76,858	-	98,171	-

Amount repayable after one year

Group As at 31/12/16		Group As at 31/12/15	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
21,517	-	28,099	-

Details of any collateral

The Group's borrowings are secured by the following:-

- (i) a first legal mortgage on certain subsidiaries' freehold and leasehold properties;
- (ii) a first legal charge on office equipment, plant and machinery of certain subsidiaries;
- (iii) a fixed and floating charge on all the assets of certain subsidiaries;
- (iv) corporate guarantee from the Company; and
- (v) banker's guarantees, up to S\$6.2 million (2015: S\$7.2 million), given as security to banks which granted banking facilities to certain subsidiaries. The banker's guarantees are in turn secured by a fixed and floating charge on all the assets of a subsidiary.


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1(d) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year
1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS (FY2016 vs FY2015)

	Group 01/01/16- 31/12/16 S\$ '000	Group 01/01/15- 31/12/15 S\$ '000
Cash flows from operating activities		
Net profit	4,458	9,051
Adjustments for:		
- Income tax	3,897	5,418
- Depreciation of property, plant and equipment	13,332	14,735
- Amortisation of intangible assets	62	62
- Gain on disposal of property, plant and equipment	(289)	(2,877)
- Interest expense	4,297	5,253
- Interest income	(288)	(350)
- Share of profit of an associated company	(1,500)	(1,013)
- Fair value gain on derivative financial instruments	(425)	(134)
- Gain on disposal of club membership	-	(3)
- Unrealised currency translation differences	779	(511)
Operating cash flow before working capital changes	24,323	29,631
Changes in working capital:		
- Inventories	13,700	1,445
- Trade and other receivables	2,789	(6,875)
- Other current assets	(2,104)	451
- Trade and other payables	9,008	(8,626)
Cash generated from operations	47,716	16,026
Interest received	288	350
Income tax paid	(3,706)	(4,733)
Net cash provided by operating activities	44,298	11,643
Cash flows from investing activities		
Dividend received	270	224
Proceeds from sale of property, plant and equipment	1,285	11,004
Purchase of property, plant and equipment	(7,121)	(12,205)
Purchase of intangible assets	(882)	-
Proceed from disposal of transferable club membership	-	6
Purchase of transferable club membership	-	(84)
Net cash used in investing activities	(6,448)	(1,055)
Cash flows from financing activities		
Dividends paid to equity holders of the Company	(4,150)	(3,508)
Dividends paid to non-controlling interest	(806)	(687)
Interest paid	(4,297)	(5,462)
Proceeds from borrowings	23,822	20,611
Repayments of borrowings	(52,200)	(21,280)
Repayments of finance lease liabilities	(694)	(1,902)
Net cash used in financing activities	(38,325)	(12,228)
Net decrease in cash and cash equivalents	(475)	(1,640)
Cash and cash equivalents at beginning of the financial year	51,734	55,543
Effects of currency translation on cash and cash equivalents	(873)	(2,169)
Cash and cash equivalents at end of the financial year	50,386	51,734



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1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS (FY2016 vs FY2015) (Cont'd)

	Group 01/01/16- 31/12/16 S\$ '000	Group 01/01/15- 31/12/15 S\$ '000
Consolidated cash and cash equivalents are represented by:		
Cash and bank balances	51,470	52,271
Less: Bank overdrafts	(1,084)	(537)
Cash and cash equivalents as per consolidated statement of cash flows	50,386	51,734

1(e) 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

STATEMENT OF CHANGES IN EQUITY

←Attributable to equity holders of the Company→

	Share capital S\$ '000	Other reserves S\$ '000	Retained profits S\$ '000	Sub-total S\$ '000	Non- controlling interests S\$ '000	Total S\$ '000
The Group						
Balance at 1 January 2016	77,001	(16,629)	186,036	246,408	13,421	259,829
Profit for the year	-	-	3,694	3,694	764	4,458
Other comprehensive income for the year	-	(3,440)	-	(3,440)	178	(3,262)
Total comprehensive (loss)/income for the year	-	(3,440)	3,694	254	942	1,196
Dividends relating to 2015 paid	-	-	(4,150)	(4,150)	(806)	(4,956)
Transfer from retained profits to other reserves	-	158	(158)	-	-	-
Balance at 31 December 2016	77,001	(19,911)	185,422	242,512	13,557	256,069

←Attributable to equity holders of the Company→

	Share capital S\$ '000	Other reserves S\$ '000	Retained profits S\$ '000	Sub-total S\$ '000	Non- controlling interests S\$ '000	Total S\$ '000
The Group						
Balance at 1 January 2015	77,001	(7,117)	181,421	251,305	12,826	264,131
Profit for the year	-	-	8,250	8,250	801	9,051
Other comprehensive income for the year	-	(9,639)	-	(9,639)	481	(9,158)
Total comprehensive (loss)/income for the year	-	(9,639)	8,250	(1,389)	1,282	(107)
Dividends relating to 2014 paid	-	-	(3,508)	(3,508)	(687)	(4,195)
Transfer from retained profits to other reserves	-	127	(127)	-	-	-
Balance at 31 December 2015	77,001	(16,629)	186,036	246,408	13,421	259,829



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STATEMENT OF CHANGES IN EQUITY

	Share Capital S\$ '000	Retained profits S\$ '000	Total S\$ '000
The Company			
Balance at 1 January 2016	77,001	57,996	134,997
Total comprehensive income for the year	-	4,882	4,882
Dividends relating to 2015 paid	-	(4,150)	(4,150)
Balance at 31 December 2016	77,001	58,728	135,729

	Share Capital S\$ '000	Retained profits S\$ '000	Total S\$ '000
The Company			
Balance at 1 January 2015	77,001	53,111	130,112
Total comprehensive income for the year	-	8,393	8,393
Dividends relating to 2014 paid	-	(3,508)	(3,508)
Balance at 31 December 2015	77,001	57,996	134,997

- 1(f) 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 or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

The share capital of the Company as at 31 December 2015 was 584,591,628 ordinary shares.

Subsequent to 31 December 2015, the Company has completed its Share Consolidation exercise effective on 19 January 2016 and every two (2) Existing Shares has been consolidated to constitute one (1) Consolidated Share. Following the completion of the Share Consolidation, the issued share capital of the Company now comprises 292,295,811 Consolidated Shares.

- 1(g) 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**

The Company did not hold any treasury shares as at 31 December 2016 and 31 December 2015.

- 1(h)(i) 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**

	Company 31/12/16	Company 31/12/15
Total numbers of issued shares (pre-consolidation) [Note 1(f)]	-	584,591,628
Total numbers of issued shares (post-consolidation) [Note 1(f)]	292,295,811	-
Less: Treasury shares	-	-
Total numbers of issued shares excluding treasury shares	292,295,811	584,591,628

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1(h)(ii) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 December 2016.

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

The 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 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

Except for those as disclosed under paragraph 5, the accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited 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

On 1 January 2016, the Group has adopted the following revised FRS:-

FRS 1 *Presentation of financial statements* (effective for annual periods beginning on or after 1 January 2016)

The amendment clarifies guidance in FRS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

This amendment is not expected to have any significant impact on the financial statements of the Group.

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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**EARNINGS PER SHARE**

Group	Group
01/01/16 -	01/01/15 -
31/12/16	31/12/15

(A) Pre-consolidation [Note 1(f)]

(a) Based on the number of ordinary shares on issue (cents)	-	1.41
(b) On fully diluted basis (cents)	-	1.41
Weighted average number of ordinary shares	-	584,591,628

(B) Post-consolidation [Note 1(f)]

(a) Based on the number of ordinary shares on issue (cents)	1.26	2.82
(b) On fully diluted basis (cents)	1.26	2.82
Weighted average number of ordinary shares	292,295,811	292,295,811

- (i) The Group earnings per share for current and preceding financial year are based on the number of post-consolidated shares of 292,295,811 ordinary shares.
- (ii) Diluted earnings per share is the same as basic earnings per share. There are no dilutive potential ordinary shares as there are no outstanding share options at the beginning and end of the financial year.
- (iii) There was no material impact on prior period EPS on adoption of the revised FRS as disclosed in paragraph 5.

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**NET ASSET VALUE PER SHARE**

	Group	Group	Company	Company
	31/12/16	31/12/15	31/12/16	31/12/15
Net asset value per ordinary share (cents) (pre-consolidation) [Note 1(f)]	-	42.15	-	23.09
Net asset value per ordinary share (cents) (post-consolidation) [(Note 1(f)]	82.97	84.30	46.44	46.19

- (i) The Group and Company net asset value per share as at 31 December 2016 and as at 31 December 2015 are based on the actual number of consolidated shares of 292,295,811 ordinary shares.
- (ii) There was no material impact on prior year net asset value per share on adoption of the revised FRS as disclosed in paragraph 5.



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

REVIEW OF GROUP FINANCIAL RESULTS

Full Year ended 31 December 2016 (FY2016) vs Full Year ended 31 December 2015 (FY2015)

Turnover

The Group reported a 6.7% (or \$33.6 million) decrease in turnover to \$465.6 million (FY2016) from \$499.2 million (FY2015) due to lower sales in both the distribution and manufacturing business as compared to last year.

Distribution business, accounting for 69.6% of the Group's total turnover, recorded a decrease of 6.9% (or \$23.9 million) in turnover, from \$347.7 million (FY2015) to \$323.8 million (FY2016) mainly due to lower sales in the tyres distribution business. Our wheel manufacturing business, accounting for 30.4% of the Group's total turnover, recorded a decrease of 6.4% (or \$9.7 million) in turnover, from \$151.5 million (FY2015) to \$141.8 million (FY2016).

Gross Profit

Gross Profit decreased by 6.2% (or \$6.7 million) to \$100.3 million (FY2016) from \$107.0 million (FY2015). The Group's gross profit margin increased to 21.6% in FY2016 compared to 21.4% in FY2015 due to higher gross profit margin from both the distribution business and manufacturing business.

Other Gains

Other gains decreased by 43.5% (or \$2.7 million) in FY2016 to \$3.4 million compared to \$6.1 million in FY2015 mainly due to a disposal gain of our Sepang plant reported in FY2015.

Operating Expenses

Distribution expenses decreased by 8.1% (or \$3.9 million) in FY2016 to \$44.5 million compared to \$48.4 million in FY2015 mainly due to lower carriage outwards, advertising and promotional expenses and sales staff related expenses in line with lower sales for the year.

Administrative expenses increased by 4.8% (or \$2.2 million) in FY2016 to \$48.1 million compared to \$45.9 million in FY2015 mainly due to \$3.1 million retrenchment compensation to workers from its Shanghai factory. The group has embarked on a restructuring plan to consolidate its Shanghai's wheels manufacturing operations into its Suzhou factory.

Financing costs decreased by 18.2% (or \$1.0 million) in FY2016 to \$4.3 million compared to \$5.3 million in FY2015 mainly due to lower interest costs incurred on borrowings.

Share of Profit of an Associated Company

Our associated company reported better performance and our share of profits was \$1.5 million in FY2016 compared to \$1.0 million in FY2015.

Income Tax expense

Income tax expense decreased by 28.1 % mainly due to lower Group profit before tax in FY2016 compared to last year. The high effective income tax rate is mainly due to losses in certain subsidiaries lowering the Group's profit before tax.



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REVIEW OF GROUP FINANCIAL RESULTS (Cont'd)

Net Profit after Tax and Non-controlling Interests

Net profit after tax and non-controlling interests attributable to shareholders of the Company decreased by 55.2 % (or \$4.6 million) to \$3.7 million in FY2016 from \$8.3 million in FY2015. Excluding retrenchment compensation of S\$3.1 million, net profit after tax and non-controlling interests would have been S\$6.8 million for FY2016. Excluding disposal gain of S\$2.8 million from our Sepang plant in FY2015, net profit after tax and non-controlling interests would have been S\$5.5 million for FY2015. Excluding these two items, net profit after tax and non-controlling interests would have increased by 23.6% (or S\$1.3 million) for FY2016.

STATEMENT OF FINANCIAL POSITION REVIEW

As at 31 December 2016, total assets amounted to about \$402.4 million comprising \$272.5 million of current assets and \$129.9 million of non-current assets. Total liabilities amounted to about \$146.3 million comprising current liabilities of \$122.1 million and non-current liabilities of \$24.2 million. Shareholders' equity including non-controlling interests amounted to \$256.1 million.

The substantial changes in the statement of financial position compared to 31 December 2015 are as follows:

Inventories

Inventories decreased from \$126.3 million to \$112.9 million mainly due to better inventory management and our 3 "R" reduction policy to reduce inventory.

Other current assets

Other current assets increased from \$11.3 million to \$13.4 million mainly due to advance payment paid to suppliers close to year end.

Intangible assets

Intangible assets increased from \$3.4 million to \$4.2 million mainly due to the implementation of ERP software.

Trade and other payables

Trade and other payables increased from \$35.8 million to \$44.7 million due to new purchases at 31 December 2016 and provision for retrenchment compensation to workers from Shanghai factory.

Derivative financial instrument

Derivative financial instrument (asset) of \$136,000 relates to forward contract to hedge against USD and EURO receivables.

Derivative financial instrument (liability) decreased from \$0.3 million to Nil due to settlement of derivative liability during the year arising from a currency swap contract to hedge our USD receivables.

Borrowings (current & non-current)

Borrowings decreased from \$126.3 million to \$98.4 million due to repayment of bank borrowings during the year.

Deferred income tax liabilities

Deferred income tax liabilities increased from \$2.2 million to \$2.4 million mainly due to deferred tax liability arising from unremitted earnings of our associated company.

Other reserves

Other reserves consist of foreign currency translation losses on oversea investments which changed from \$16.6 million to \$19.9 million resulting mainly from the weakening of RMB against SGD.



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STATEMENT OF CASH FLOW REVIEW

\$44.3 million was provided by operating activities in FY2016. The Group utilised \$6.4 million in the investing activities mainly for the purchase of plant and equipment and intangible assets. A total of \$38.3 million was used in the financing activities mainly for the repayment of bank borrowings. Cash and cash equivalents amounted to \$50.4 million as at 31 December 2016 compared to \$51.7 million reported as at 31 December 2015.

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

There is no forecast or prospect statement previously disclosed.

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

The overall business operating environment is expected to remain challenging in view of the macro-economic uncertainties that could potentially impact our businesses. We expect the prevailing low consumer confidence to continue to dampen consumer spending and lower demand for our products across our key markets in Asia Pacific.

The European Commission has concluded its review of the anti-dumping duty and found “no compelling reasons” not to maintain the existing anti-dumping measures against aluminium wheels imported from China. The anti-dumping duty of 22.3% on imported chinese aluminium wheels will continue to be applied for a further 5 years according to Regulation (EU) 2017/109. The Regulation was published in the Official Journal of the European Union on 24 January and entered into force the following day.

The persisting weak global demand continued to impact our After-market wheels manufacturing business. In order to mitigate the impact, the Group has embarked on a restructuring plan to consolidate its wheels manufacturing business in China as announced on 17 February 2017. The Group has decided to stop production in its Shanghai factory and consolidate the Shanghai operations into its Suzhou factory to reduce operating cost. The Group plans to move the production capacity of its Shanghai factory to its Suzhou and Malaysia factory. The moving of machines is expected to be completed by the end of 1st half 2017. The Group expects to raise production efficiency and lower its wheels manufacturing costs in China moving forward.

The Group expects the intense competition of the tyres distribution business to continue in FY2017 due to the prevailing overcapacity in the tyres industry. The Group will continue to work on its various business strategies to explore new sales channels and business opportunities, including its 3”R” reduction policy to reduce inventory, reduce account receivables and reduce operating costs to mitigate the impact on the tyres distribution business.

As part of ongoing efforts to remain competitive, the Group will continue to rationalize and right-size the operations to reduce operating costs and enhance operating efficiencies amid a tough economic environment.

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11. Dividend**(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend : First & Final
 Dividend Type : Cash
 Dividend Rate : 0.64 cents per ordinary share (post-consolidation of shares)
 Tax Rate : Tax exempt (one tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend : First & Final
 Dividend Type : Cash
 Dividend Rate : 1.42 cents per ordinary share (post-consolidation of shares)
 Tax Rate : Tax exempt (one tier)

(c) Date payable

Notice will be given later regarding the dividend payment date.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect

Not applicable

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, please make a statement to that effect

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

The following is the aggregate value of all transactions with interested persons for the fourth quarter and financial year ended 31 December 2016:

Name of Interested Persons and Transactions	Aggregate value of all interested persons transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate). S\$ '000	Aggregate value of all interested persons transactions conducted under shareholders' Mandate (excluding transactions less than S\$100,000) S\$ '000	Total S\$ '000
-	-	-	-
Total	NIL	NIL	NIL

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

Not applicable to announcement on full year results.

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

The Company confirmed that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Results Of Operations By Business Segments

The Company considers the business from both a geographic and business segment perspective. The Company has determined the operating segments based on the reports reviewed and used by the Senior Management to make strategic decisions.

- (a) The segmental income statements of the Group for FY2016 and FY2015 are prepared on an actual basis.
- (b) The segmental balance sheet items of the Group as at 31 December 2016 and as at 31 December 2015 respectively are prepared on an actual basis.



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16. Results Of Operations By Business Segments (Cont'd)

FY 2016

Segment	← Manufacturing segment →			← Distribution segment →					
Group	<u>North East Asia</u> S\$ '000	<u>ASEAN</u> S\$ '000	<u>Sub-total</u> S\$ '000	<u>North East Asia</u> S\$ '000	<u>ASEAN</u> S\$ '000	<u>Oceania</u> S\$ '000	<u>Other</u> S\$ '000	<u>Sub-total</u> S\$ '000	<u>Total</u> S\$ '000
Sales									
Total segment sales	106,658	67,084	173,742	39,673	135,631	130,348	18,179	323,831	497,573
Inter-segment sales	(14,257)	(17,747)	(32,004)	-	-	-	-	-	(32,004)
Sales to external parties	92,401	49,337	141,738	39,673	135,631	130,348	18,179	323,831	465,569
Segment result	(4,522)	3,915	(607)	(1,088)	4,729	5,966	(1,820)	7,787	7,180
Other gains									3,441
Unallocated costs									531
									11,152
Finance expenses									(4,297)
Share of profit of an associated company	-	1,500	1,500	-	-	-	-	-	1,500
Profit before income tax									8,355
Income tax expenses									(3,897)
Net profit									4,458
Segment assets	98,746	65,261	164,007	26,895	110,684	71,440	13,391	222,410	386,417
Segment assets includes:									
Investment in an associated company	-	16,263	16,263	-	-	-	-	-	16,263
Additions to:									
- Property, plant and equipment	4,357	998	5,355	165	979	620	2	1,766	7,121
- Intangible assets	-	-	-	-	882	-	-	882	882
Segment liabilities	(17,070)	(3,410)	(20,480)	(4,709)	(10,009)	(9,547)	(254)	(24,519)	(44,999)



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16. Results Of Operations By Business Segments (Cont'd)

FY 2015

Segment	← Manufacturing segment →			← Distribution segment →					
Group	<u>North East Asia</u>	<u>ASEAN</u>	<u>Sub-total</u>	<u>North East Asia</u>	<u>ASEAN</u>	<u>Oceania</u>	<u>Other</u>	<u>Sub-total</u>	<u>Total</u>
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Sales									
Total segment sales	123,096	72,053	195,149	37,900	143,324	132,832	33,593	347,649	542,798
Inter-segment sales	(25,151)	(18,473)	(43,624)	-	-	-	-	-	(43,624)
Sales to external parties	97,945	53,580	151,525	37,900	143,324	132,832	33,593	347,649	499,174
Segment result	925	536	1,461	60	7,484	4,360	(694)	11,210	12,671
Other gains									6,091
Unallocated costs									(53)
									18,709
Finance expenses									(5,253)
Share of profit of an associated company	-	1,013	1,013	-	-	-	-	-	1,013
Profit before income tax									14,469
Income tax expenses									(5,418)
Net profit									9,051
Segment assets	109,247	67,334	176,581	22,990	117,036	78,493	22,188	240,707	417,288
Segment assets includes:									
Investment in an associated company	-	15,441	15,441	-	-	-	-	-	15,441
Additions to:									
- Property, plant and equipment	9,128	428	9,556	83	1,607	859	100	2,649	12,205
Segment liabilities	(12,175)	(2,519)	(14,694)	(2,823)	(9,736)	(8,272)	(593)	(21,424)	(36,118)



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Reportable segments' assets are reconciled to total assets as follows:

	Group 31/12/16 S\$ '000	Group 31/12/15 S\$ '000
Segment assets for reportable Segments	373,026	395,100
Other segment assets	13,391	22,188
Unallocated:		
Deferred income tax assets	3,295	3,396
Short-term bank deposits	12,334	4,393
Transferable club membership, at cost	227	227
Derivative financial instruments	136	-
	402,409	425,304

Reportable segments' liabilities are reconciled to total liabilities as follows:

	Group 31/12/16 S\$ '000	Group 31/12/15 S\$ '000
Segment liabilities for reportable segments	(44,745)	(35,525)
Other segment liabilities	(254)	(593)
Unallocated:		
Income tax liabilities	(576)	(639)
Deferred tax liabilities	(2,390)	(2,159)
Borrowings	(98,375)	(126,270)
Derivative financial instruments	-	(289)
	(146,340)	(165,475)

Revenue from major products and services:

	Group 31/12/16 S\$ '000	Group 31/12/15 S\$ '000
Manufacturing of alloy wheels	141,738	151,525
Distribution of automotive and related products	323,831	347,649
	465,569	499,174

The Group's business segments operate in the following geographical areas:

	Sales *		Non-current assets	
	Group 31/12/16 S\$ '000	Group 31/12/15 S\$ '000	Group 31/12/16 S\$ '000	Group 31/12/15 S\$ '000
Singapore	59,674	86,658	46,488	35,449
Malaysia	95,968	79,690	23,721	25,788
China/Hong Kong	114,993	114,509	44,934	59,508
Taiwan	15,146	17,897	3,553	3,606
Australia	85,308	95,381	4,283	4,802
New Zealand	45,040	41,131	1,538	1,384
Other countries	49,440	63,908	1,825	3,467
	465,569	499,174	126,342	134,004

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

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17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to item No.8.

18. A breakdown of sales

A breakdown of sales:-

	Group 01/01/16- 31/12/16 S\$ '000	Group 01/01/15- 31/12/15 S\$ '000	Incr/(Decr) %
(a) Sales reported for the first half year	227,895	264,299	13.8%
(b) Operating profit after tax before deducting non-controlling interest report for the first half year	3,507	4,212	(16.7%)
(c) Sales reported for the second half year	237,674	234,875	1.2%
(d) Operating profit after tax before deducting non-controlling interest report for the second half year	951	4,839	(80.3%)
(e) Total sales reported for the full year	465,569	499,174	(6.7%)
(f) Total operating profit after tax before deducting non-controlling interest report for the full year	4,458	9,051	(50.7%)

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend

	Latest Full Year S\$ '000	Previous Full Year S\$ '000
Ordinary	1,871	4,150
Preference	-	-
	1,871	4,150



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20. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family Relationship with any Director and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Tay Tian Hoe Richard	65	<ol style="list-style-type: none"> Brother of Tay Tiang Guan, Executive Director of the Company. Director & Shareholder of YHI Holdings Pte Ltd, a substantial shareholder of the Company. 	<p>Executive Chairman & Group Managing Director.</p> <p>Responsible for setting the strategic directions and managing the overall business of the Company.</p> <p>The position has been held since 16 May 2003.</p>	Nil
Tay Tiang Guan	64	<ol style="list-style-type: none"> Brother of Tay Tian Hoe Richard, (Executive Chairman & Group Managing Director) of the Company. Director of YHI Holdings Pte Ltd, a substantial shareholder of the Company. 	<p>Executive Director (Sales and Business Development).</p> <p>Responsible for the Company's operations in in ASEAN and business development in tyres and industrial products.</p> <p>The position has been held since 16 May 2003.</p>	Nil
Tay Soek Eng Margaret	68	<ol style="list-style-type: none"> Sister of Tay Tian Hoe Richard (Executive Chairman & Group Managing Director), and Tay Tiang Guan (Executive Director), of the Company. Director & Shareholder of YHI Holdings Pte Ltd, a substantial shareholder of the Company. 	<p>Customer Service Manager of YHI Corporation (Singapore) Pte Ltd. (Since May 2003).</p> <p>Responsible to provide customer support to the assigned accounts and oversee the company's general purchases and expenses.</p>	Nil
Tay Peng Kuan Ronald	54	Nephew of Tay Tian Hoe, Richard (Executive Chairman & Group Managing Director), and Tay Tiang Guan (Executive Director), of the Company.	<p>Supply Chain Manager, YHI Corporation (Singapore) Pte Ltd. (Since May 2003).</p> <p>Responsible to oversee the warehousing & logistics operations of the Company.</p>	Nil



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20. Disclosure of person occupying a managerial position who are related to the directors, chief executive officer or substantial shareholders (Cont'd)

Name	Age	Family Relationship with any Director and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Tay Kok Thye Damien	45	Nephew of Tay Tian Hoe, Richard (Executive Chairman & Group Managing Director), and Tay Tiang Guan (Executive Director), of the Company.	Senior Manager, YHI Corporation (Singapore) Pte Ltd. (Since July 2013). Responsible to oversee the corporate sales and retail centre business of the Company.	Nil
Tay Guoren Ryan	33	Son of Tay Tian Hoe, Richard (Executive Chairman & Group Managing Director), and nephew of Tay Tiang Guan (Executive Director), of the Company.	Deputy General Manager, YHI Manufacturing (Singapore) Pte. Ltd. Responsible to oversee the sales & marketing strategies and development for YHI Manufacturing Group and expansion of distribution network globally.	Nil
Tay Kwok Chong Henry	45	Nephew of Tay Tian Hoe, Richard (Executive Chairman & Group Managing Director), and Tay Tiang Guan (Executive Director), of the Company.	Operations Manager, YHI Corporation (Singapore) Pte Ltd. (Since June 2012). Responsible to oversee the service centre's operation, sales and customer service management.	Nil
Tay Kok Choon, Rickey	47	Nephew of Tay Tian Hoe, Richard (Executive Chairman & Group Managing Director), and Tay Tiang Guan (Executive Director), of the Company.	Branch Manager, YHI Corporation (B) Sdn Bhd (Since March 2007). Responsible for YHI Corporation (Brunei) Sdn Bhd branch's operation and profitability.	Nil

BY ORDER OF THE BOARD

Tay Tian Hoe Richard
Executive Chairman and Group Managing Director
27/02/2017

Submitted by Tay Tian Hoe Richard, Executive Chairman and Group Managing Director on 27/02/2017 to the SGX.