



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 2015

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 2015

	合并 Consolidated a/c 30-Jun-15 RMB'000	合并 Consolidated a/c 30-Jun-14 RMB'000	Change %
Revenue	52,132	54,298	(3.99)
Cost of Sales	(49,810)	(53,602)	(7.07)
Gross Profit	<u>2,322</u>	<u>696</u>	
Selling and distribution expenses	(1,129)	(922)	22.45
Administrative expenses	(5,628)	(6,155)	(8.56)
Other operating expenses	(213)	(212)	0.47
Finance expenses	(2,295)	(2,609)	(12.04)
Finance income	214	169	26.63
Loss before tax from continuing operations	<u>(6,729)</u>	<u>(9,033)</u>	
Income tax expense	-	-	N.M.
Loss after tax from continuing operations	<u>(6,729)</u>	<u>(9,033)</u>	(25.51)
Discontinued operations			
Profit/(Loss) from discontinued operations	-	-	
Total loss	<u>(6,729)</u>	<u>(9,033)</u>	(25.51)
Items that may be reclassified subsequently to profit or loss			
Currency translation arising from consolidation	70	(352)	
Total items that may be reclassified to profit or loss, representing total other comprehensive income	<u>(6,659)</u>	<u>(9,385)</u>	
Total Comprehensive loss attributable to:			
Shareholders of the Company	(6,659)	(9,385)	
Non controlling interest	-	-	
	<u>(6,659)</u>	<u>(9,385)</u>	
<u>Loss before tax is determined after charging/(crediting) the following:</u>			Change %
Amortisation of land use rights	102	102	-
Depreciation of property, plant and equipment	7,492	6,944	7.89
Interest expense	2,295	2,609	(12.04)
Interest income	(214)	(169)	26.63

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-15	31-Dec-14	30-Jun-15	31-Dec-14
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	42,162	49,653	-	-
Investment in subsidiaries	-	-	79,541	79,541
Land use rights	8,481	8,583	-	-
	<u>50,643</u>	<u>58,236</u>	<u>79,541</u>	<u>79,541</u>
Current Assets				
Inventories	19,016	13,732	-	-
Trade receivables and other receivables	38,602	51,028	10,908	10,919
Cash and cash equivalents	12,849	11,622	589	55
	<u>70,467</u>	<u>76,382</u>	<u>11,497</u>	<u>10,974</u>
TOTAL ASSETS	<u>121,110</u>	<u>134,618</u>	<u>91,038</u>	<u>90,515</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	142,883	142,883	142,883	142,883
Treasury shares	(55)	(55)	(55)	(55)
Other reserve	3,971	4,041	(2,918)	(2,848)
Accumulated losses	(112,189)	(105,460)	(57,535)	(56,331)
	<u>34,610</u>	<u>41,409</u>	<u>82,375</u>	<u>83,649</u>
Current Liabilities				
Trade and other payables	13,500	19,209	8,663	6,866
Interest-bearing bank borrowings	73,000	74,000	-	-
	<u>86,500</u>	<u>93,209</u>	<u>8,663</u>	<u>6,866</u>
TOTAL EQUITY AND LIABILITIES	<u>121,110</u>	<u>134,618</u>	<u>91,038</u>	<u>90,515</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 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
24,000	49,000	25,000	49,000

Amount repayable after one year

As at 30 Jun 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

Details of any collateral

As at 30 June 2015, bank borrowings of RMB24 million (31 December 2014: RMB25 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 2014: RMB49 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-15	30-Jun-14
	RMB '000	RMB '000
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Loss before tax	(6,729)	(9,034)
Adjustments for:		
- Depreciation of property, plant and equipment	7,492	6,944
- Amortisation of land use rights	102	102
- Interest expense	2,295	2,609
- Interest income	(214)	(169)
Operating cash flows before movement in working capital	2,946	452
In trade receivables	10,534	(2,394)
In other receivables, deposits and prepayments	1,892	(3,252)
In inventories	(5,285)	2,153
In trade payables	(1,266)	535
In other payables & accruals	(6,898)	(1,981)
In amount due (to)/from directors	482	(135)
Cash generated from/ (used in) operations	2,405	(4,622)
Interest paid	(2,295)	(2,609)
Interest received	214	169
Net cash generated from/ (used in) operating activities	324	(7,062)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Increase/ (Decrease) in bank deposits pledged	74	(850)
Repayment of interest-bearing bank borrowings	(74,000)	(78,000)
Proceeds from interest-bearing bank borrowings	73,000	79,000
Loan received from immediate holding company	1,973	-
Net cash generated from financing activities	1,047	150

Consolidated Statement of Cash Flows (continued)

	30-Jun-15 RMB '000	30-Jun-14 RMB '000
Net increase/ (decrease) in cash and cash equivalent	1,371	(6,912)
Effect of change in currency translation	(70)	352
At beginning of year	11,022	19,915
At end of period	<u>12,323</u>	<u>13,355</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	12,323	13,355
Bank deposits pledged at the end of period	526	1,850
CASH AND CASH EQUIVALENTS AS STATED IN STATEMENTS OF FINANCIAL POSITION	<u>12,849</u>	<u>15,205</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 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
Balance at 1 January 2015	142,883	7,237	(320)	(55)	(2,876)	(105,460)	41,409
Total comprehensive loss	-	(320)	320	-	(70)	(6,729)	(6,799)
Balance at 30 June 2015	142,883	6,917	-	(55)	(2,946)	(112,189)	34,610

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 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
Balance at 1 January 2015	142,883	(55)	(2,848)	(56,331)	83,649
Total comprehensive loss	-	-	(70)	(1,204)	(1,274)
Balance at 30 June 2015	142,883	(55)	(2,918)	(57,535)	82,375

- 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 2015 (31 December 2014 – 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-15	31-Dec-14
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 2014 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 2015. 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-15	30-Jun-14
Loss per share (in RMB cents):		
- Based on weighted average number of ordinary shares on issue	3.16	4.25

No diluted earnings per share is presented as there is no potential dilutive ordinary share for the six months ended 30 June 2015 and 30 June 2014.

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-15	31-Dec-14	30-Jun-15	31-Dec-14
Net asset value per ordinary share (in RMB cents):	16.29	19.49	38.78	39.38
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 (1H2015 vs 1H2013)

Statement of Comprehensive Income

(A) Breakdown of revenue by product

	<u>30-Jun-15</u>	<u>30-Jun-14</u>	<u>Change</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>%</u>
Chrome-plated steel strips	20,950	18,842	11.19
Cold-rolled steel strips	11,612	11,815	(1.72)
Stainless steel strips	19,570	23,641	(17.22)
Total revenue	<u>52,132</u>	<u>54,298</u>	<u>(3.99)</u>

	Composition of sales	
	<u>30-Jun-15</u>	<u>30-Jun-14</u>
	<u>%</u>	<u>%</u>
Chrome-plated steel strips	40.19	34.70
Cold-rolled steel strips	22.27	21.76
Stainless steel strips	37.54	43.54
Total	<u>100.00</u>	<u>100.00</u>

The Group's revenue has decreased marginally by 3.99% from RMB54.3 million in 1H2014 to RMB52.1 million in 1H2015 mainly due to decreased of RMB4 million or 17.22% of stainless steel strips sales. The reduction in sales is mainly due to lower selling price. However, gross profit has improved from RMB0.7 million in 1H2014 to RMB2.3 million in 1H2015 due to higher market demand for chrome-plated steel and cold-rolled strips which generated higher margin.

The Group reported a lower loss of RMB6.7 million for 1H2015, as compared to RMB9.4 million for 1H2014 primarily due to the better gross profit margin and better control over its expenses as explained below.

(B) Breakdown of expenses

	30-Jun-15	30-Jun-14	Increase / (Decrease)	Note	Increase / (Decrease)
	RMB'000	RMB'000	%		RMB'000
Selling and distribution expenses	(1,129)	(922)	22.45	(i)	207
Administrative expenses	(5,628)	(6,155)	(8.56)	(ii)	(527)
Other operating expenses	(213)	(212)	0.47		1
Finance expenses	(2,295)	(2,609)	(12.04)	(iii)	(314)
Finance income	214	169	26.63	(iv)	45

Note (i)

Selling and distribution expenses has increased by approximately RMB0.2 million or 22.45%. This was mainly due to increase of logistic costs in China.

Note (ii)

Administrative expenses has decreased by approximately RMB0.53 million or 8.56%. This was mainly due to the decrease in entertainment, travelling and property tax expenses.

Note (iii)

Finance expenses decreased by approximately RMB0.31 million or 12.04% due to lower bank loan.

Note (iv)

Finance income increase by approximately RMB0.04 million or 26.63% due to increase in interest income received from bank.

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

Property, plant and equipment decreased by approximately RMB7.6 million mainly due to depreciation and amortisation expenses.

Current Assets

Current assets have decreased by approximately RMB5.9 million. This was mainly due to the decrease in trade receivables and other receivables as a result of collection from its customers.

Inventories increased by RMB5.3 million is mainly due to purchase of inventory near the end of financial period.

Current Liabilities

As a result of the collections from trade receivables as mentioned above, the Group also made payment to its creditors. Hence, the total current liabilities decreased by approximately RMB6.7 million.

Statement of Cash Flows

The Group recorded net cash generated from operating activities of approximately RMB0.3 million, as compared to a net cash used of approximately RMB7 million in 1H2014. This mainly due to the collection from its trade receivables.

The Group recorded a net cash generated from financing activities of RMB1.0 million, an increase of approximately RMB0.9 million compared to 1H2014. This mainly due to the additional loan received from immediate holding company.

Consequently, the Group generated a net cash inflow of RMB1.4 million for 1H2015.

- 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 Notification of Delisting issued by Singapore Exchange Securities Trading Limited ('SGX-ST') informing that the SGX-ST will proceed to delist the Company as announced by the Company on the same day on 3 March 2015, and announce that the Offeror (Better Ace International Limited) has presented the directors of the Company a formal proposal to make an exit offer to the shareholders of the Company. Under the proposal, the Offeror will make an exit offer in cash, to acquire all the issued ordinary shares in the capital of the Company held by all shareholders, other than those shares already held by the Offeror as at the date of the exit offer. 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 2015 to be false or misleading in any material respect.

Pu Xiaofang
Executive Director

Yuan Xuanli
Executive Director

Date: 14 August 2015

BY ORDER OF THE BOARD

Pu Xiaofang
Executive Chairman and CEO

Date: 14 August 2015