



**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

(Incorporated in Singapore. Registration Number: 200007455H)

**CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2021**

Contents

	Page
Condensed Interim Consolidated Income Statement	3
Condensed Interim Consolidated Statement of Comprehensive Income	4
Condensed Interim Balance Sheets – Group and Company	5
Condensed Interim Statement of Changes in Equity	6
Condensed Interim Consolidated Statement of Cash Flows	7
Notes to the Condensed Interim Consolidated Financial Statements	8
Other informational required by Listing rule Appendix 7.2	21

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

		The Group		
		6 months ended 30 June 2021	6 months ended 30 June 2020	Increase/ (Decrease)
Note		\$'000	\$'000	%
	Sales	227,201	185,386	22.6%
	Cost of sales	(172,085)	(143,655)	19.8%
	Gross profit	55,116	41,731	32.1%
	Other gains - net	3,390	3,689	(8.1%)
	Credit loss allowance on trade receivables	(837)	(668)	25.3%
	Expenses			
	- Distribution	(21,162)	(17,316)	22.2%
	- Administrative	(21,302)	(19,252)	10.6%
	- Finance	(1,266)	(1,602)	(21.0%)
	Share of profit of an associated company	2,019	1,264	59.7%
	Profit before income tax	15,958	7,846	103.4%
	Income tax expense	(3,910)	(1,669)	134.3%
	Net profit	12,048	6,177	95.0%
	Profit Attributable to:			
	Equity holders of the Company	11,490	5,944	93.3%
	Non-controlling interests	558	233	139.5%
		12,048	6,177	95.0%
	Earnings per share attributable to the equity holders of the Company			
	- Basic	3.96	2.03	95.1%
	- Diluted	3.96	2.03	95.1%

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

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**

	The Group		
	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000	Increase/ (Decrease) %
Profit for the period	12,048	6,177	95.0%
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
- Currency translation differences	584	2,364	(75.3%)
Items that will not be reclassified subsequently to profit or loss			
- Currency translation differences	107	4	NM
Total comprehensive income for the period	12,739	8,545	49.1%
Total comprehensive income to:			
Equity holders of the Company	12,074	8,308	45.3%
Non-controlling interests	665	237	180.6%
	12,739	8,545	49.1%

NM – not meaningful

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

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

CONDENSED INTERIM BALANCE SHEETS – GROUP AND COMPANY

	Note	The Group		The Company	
		30 June	31 December	30 June	31 December
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and bank balances		76,125	84,620	7,349	5,334
Trade and other receivables		87,095	80,401	25,414	27,550
Inventories		108,751	102,081	-	-
		271,971	267,102	32,763	32,884
Non-current assets					
Transferable club memberships		65	65	-	-
Investment in an associated company		24,184	23,143	-	-
Investments in subsidiaries		-	-	102,207	102,207
Property, plant and equipment	9	66,020	68,278	-	-
Right-of-use assets		33,112	28,652	-	-
Investment property		9,697	9,662	-	-
Intangible assets		3,489	3,526	-	-
Deferred income tax assets		4,320	4,695	-	-
		140,887	138,021	102,207	102,207
Total assets		412,858	405,123	134,970	135,091
LIABILITIES					
Current liabilities					
Trade and other payables		36,864	42,735	817	1,902
Current income tax liabilities		2,341	2,362	-	-
Derivative financial instruments	10	925	1,076	-	-
Borrowings	11	49,952	42,731	-	-
Lease liabilities		5,201	5,338	-	-
		95,283	94,242	817	1,902
Non-current liabilities					
Borrowings	11	5,062	5,291	-	-
Lease liabilities		25,194	20,378	-	-
Deferred income tax liabilities		1,445	1,475	-	-
Other non-current liabilities		344	160	-	-
		32,045	27,304	-	-
Total liabilities		127,328	121,546	817	1,902
NET ASSETS		285,530	283,577	134,153	133,189
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	12	77,001	77,001	77,001	77,001
Treasury shares	12	(671)	(671)	(671)	(671)
Other reserves		4,939	4,406	-	-
Retained profits		196,603	194,645	57,823	56,859
		277,872	275,381	134,153	133,189
Non-controlling interests		7,658	8,196	-	-
Total equity		285,530	283,577	134,153	133,189

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

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

The Group

Note	← Attributable to equity holders of the Company →					Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Other reserves \$'000	Retained profits \$'000	Sub-total \$'000		
2021							
Balance as at 1 January 2021	77,001	(671)	4,406	194,645	275,381	8,196	283,577
Profit for the period	-	-	-	11,490	11,490	558	12,048
Other comprehensive income for the period	-	-	584	-	584	107	691
Total comprehensive income for the period	-	-	584	11,490	12,074	665	12,739
Dividends relating to 2020 paid	-	-	-	(9,583)	(9,583)	(1,203)	(10,786)
Transfer from retained profits to other reserves	-	-	(51)	51	-	-	-
Balance as at 30 June 2021	77,001	(671)	4,939	196,603	277,872	7,658	285,530
2020							
Balance as at 1 January 2020	77,001	-	(3,328)	182,152	255,825	10,038	265,863
Profit for the period	-	-	-	5,944	5,944	233	6,177
Other comprehensive income for the period	-	-	2,364	-	2,364	4	2,368
Total comprehensive income for the period	-	-	2,364	5,944	8,308	237	8,545
Dividends relating to 2019 paid	-	-	-	-	-	(891)	(891)
Transfer from retained profits to other reserves	-	-	61	(61)	-	-	-
Balance as at 30 June 2020	77,001	-	(903)	188,035	264,133	9,384	273,517

The Company

	Share capital S\$'000	Treasury shares S\$'000	Retained profits S\$'000	Total S\$'000
Balance at 1 January 2021	77,001	(671)	56,859	133,189
Total comprehensive income for the period	-	-	10,547	10,547
Dividends relating to 2020 paid	-	-	(9,583)	(9,583)
Balance at 30 June 2021	77,001	(671)	57,823	134,153

	Share capital S\$ '000	Retained profits S\$ '000	Total S\$ '000
Balance at 1 January 2020	77,001	57,509	134,510
Total comprehensive income for the period	-	4,111	4,111
Balance at 30 June 2020	77,001	61,620	138,621

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

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group	
	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
Cash flows from operating activities		
Net profit	12,048	6,177
Adjustments for:		
- Income tax expense	3,910	1,669
- Depreciation of property, plant and equipment and investment property	3,920	4,501
- Depreciation of right-of-use assets	3,397	3,224
- Amortisation of intangible assets	245	238
- Loss/(gain) on disposal of property, plant and equipment	18	(178)
- Interest expense	1,266	1,602
- Interest income	(165)	(178)
- Share of profit of an associated company	(2,019)	(1,264)
- Fair value loss on derivative financial instruments	(152)	-
- Unrealised currency translation differences	(88)	389
Operating cash flow before working capital changes	<u>22,380</u>	<u>16,180</u>
Changes in working capital		
- Inventories	(6,661)	13,649
- Trade and other receivables	(6,846)	2,975
- Trade and other payables	(5,834)	1,409
Cash generated from operations	<u>3,039</u>	<u>34,213</u>
Interest received	165	-
Income tax paid	(3,109)	(2,064)
Net cash provided by operating activities	<u>95</u>	<u>32,149</u>
Cash flows from investing activities		
Dividends received from an associated company	457	-
Proceeds from sale of property, plant and equipment	656	746
Purchase of property, plant and equipment	(1,832)	(2,047)
Purchase of intangible assets	(202)	(7)
Net cash used in investing activities	<u>(921)</u>	<u>(1,308)</u>
Cash flows from financing activities		
Dividends paid to equity holders of the Company	(9,583)	-
Dividends paid to non-controlling interest	(1,203)	(891)
Interest paid	(1,266)	(1,602)
Proceeds from borrowings	10,589	2,736
Repayments of borrowings	(3,582)	(13,753)
Principal payment of lease liabilities	(3,136)	(3,079)
Net cash used in financing activities	<u>(8,181)</u>	<u>(16,589)</u>
Net (decrease)/increase in cash and bank balances	<u>(9,007)</u>	<u>14,252</u>
Cash and bank balances at beginning of the financial year	84,512	54,815
Effects of currency translation on cash and bank balances	411	562
Cash and bank balances at end of the financial year	<u>75,916</u>	<u>69,629</u>
Consolidated cash and bank balances represented by		
Cash and bank balances	76,125	69,991
Less: Bank overdrafts	(209)	(362)
Cash and bank balances as per consolidated statement of cash flows	<u>75,916</u>	<u>69,629</u>

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

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General information

YHI International Limited (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. These interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group). The principal activity of the Company is that of an investment holding company.

The principal activities of the Group are Distribution of automotive & related products and manufacturing of alloy wheels

2. Basis of preparation

The interim financial statements for the six months ended 30 June 2021 have been prepared in accordance SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standard adopted by the Group

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 2021 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the ‘settlement’ of a liability.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2.1 New and amended standard adopted by the Group (continued)

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

The Group does not expect any significant impact arising from applying these amendments.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2.2 Critical accounting estimates, assumptions and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

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

Management manages and monitors three operating segments as follows:

- Manufacturing
 - Regional areas include North East Asia and ASEAN which are engaged in the manufacturing of alloy wheels.
- Distribution
 - Regional areas include North East Asia, ASEAN and Oceania regions which are engaged in the distribution of automotive and industrial products.
- Rental
 - Regional area covers North East Asia which is engaged in rental activities.

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. Segment and revenue information (continued)

The segment information provided to senior management for the period ended 30 June 2021 is as follows:

Segment Group	← Manufacturing segment →			← Distribution segment →				Rental segment	Total	
	North East Asia	ASEAN	Sub-total	North East Asia	ASEAN	Oceania	Others	Sub-total		North East Asia
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales										
Total segment sales	45,071	29,164	74,235	14,552	71,920	69,001	9,949	165,422	-	239,657
Inter-segment sales	(7,109)	(5,347)	(12,456)	-	-	-	-	-	-	(12,456)
Sales to external parties	37,962	23,817	61,779	14,552	71,920	69,001	9,949	165,422	-	227,201
Segment result	498	1,433	1,931	1,329	4,844	2,936	1,187	10,296	1,235	13,462
Other gains										1,743
Unallocated costs										-
										15,205
Finance expenses										(1,266)
Share of profit of an associated company	-	2,019	2,019	-	-	-	-	-	-	2,019
Profit before income tax										15,958
Income tax expense										(3,910)
Net profit										12,048
Segment assets	74,339	73,728	148,067	19,234	127,843	87,052	9,936	244,065	10,958	403,090
Segment assets includes :										
Investment in an associated company	-	24,184	24,184	-	-	-	-	-	-	24,184
Additions/(disposals) to:										
- Property, plant and equipment	94	150	244	41	274	1,273	-	1,588	-	1,832
- Intangible assets	-	-	-	-	-	-	202	202	-	202
- Right-of-use assets	(159)	-	(159)	209	(121)	5,995	203	6,286	-	6,127
Investment property	-	-	-	-	-	-	-	-	9,697	9,697
Segment liabilities	(10,207)	(3,995)	(14,202)	(2,801)	(16,043)	(31,081)	(2,571)	(52,496)	(905)	(67,603)

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. Segment and revenue information (continued)

The segment information provided to senior management for the period-ended 30 June 2020 is as follows:

Segment Group	← Manufacturing segment →			← Distribution segment →				Rental segment	Total \$'000	
	North			North			North			
	East Asia \$'000	ASEAN \$'000	Sub-total \$'000	East Asia \$'000	ASEAN \$'000	Oceania \$'000	Others \$'000	Sub-total \$'000		East Asia \$'000
Sales										
Total segment sales	32,751	26,373	59,124	14,455	54,956	59,345	9,041	137,797	-	196,921
Inter-segment sales	(6,807)	(4,728)	(11,535)	-	-	-	-	-	-	(11,535)
Sales to external parties	25,944	21,645	47,589	14,455	54,956	59,345	9,041	137,797	-	185,386
Segment result	1,042	671	1,713	1,081	(267)	1,730	641	3,185	970	5,868
Other gains										2,316
Unallocated costs										-
										8,184
Finance expenses										(1,602)
Share of profit of an associated company	-	1,264	1,264	-	-	-	-	-	-	1,264
Profit before income tax										7,846
Income tax expense										(1,669)
Net profit										6,177
Segment assets	63,576	74,828	138,404	18,718	129,729	79,481	7,508	235,436	10,917	384,757
Segment assets includes :										
Investment in an associated company	-	21,781	21,781	-	-	-	-	-	-	21,781
Additions/(disposals) to:										
- Property, plant and equipment	963	277	1,240	11	565	231	-	807	-	2,047
- Intangible assets	-	-	-	-	7	-	-	7	-	7
- Right-of-use assets	-	2,456	2,456	-	(54)	76	-	22	-	2,478
Investment property	-	-	-	-	-	-	-	-	9,584	9,584
Segment liabilities	(7,746)	(4,169)	(11,915)	(3,411)	(15,657)	(25,546)	(1,758)	(46,372)	(837)	(59,124)

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. Segment and revenue information (continued)

Inter-segment sales are carried out at market terms. The revenue from external parties reported to senior management is measured in a manner consistent with that in profit or loss.

Senior management assesses the performance of the operating segments based on segment result. This measurement basis excludes other gains and other unallocated costs. Finance expenses are not allocated to segments, as this type of activity is driven by the Group's treasury, which manages the cash position of the Group.

(a) Reconciliations

(i) Segment assets

The amounts provided to senior management with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, senior management monitors the property, plant and equipment, intangible assets, inventories, receivables and operating cash attributable to each segment. All assets are allocated to reportable segments other than deferred income tax assets, derivative financial instruments, short-term bank deposits and transferable club membership.

Segment assets are reconciled to total assets as follows:

	Group	
	30 June 2021 \$'000	30 June 2020 \$'000
Segment assets	403,090	384,757
Unallocated:		
Deferred income tax assets	4,320	4,309
Short-term bank deposits	5,382	4,727
Transferable club membership	65	65
Derivative financial instruments	-	6
	412,857	393,864

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. Segment and revenue information (continued)

(a) Reconciliations (continued)

(ii) Segment liabilities

The amounts provided to senior management with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than income tax liabilities, deferred income tax liabilities and borrowings.

Segment liabilities are reconciled to total liabilities as follows:

	Group	
	30 June 2021 \$'000	30 June 2020 \$'000
Segment liabilities	67,603	59,124
Unallocated:		
Income tax liabilities	2,341	431
Deferred income tax liabilities	1,445	1,799
Borrowings	55,014	58,993
Derivative financial instruments	925	-
	127,328	120,347

(b) Revenue from major products and services

Revenues from external customers are derived mainly from distribution of automotive and industrial products and manufacturing of alloy wheels. Breakdown of the revenue is as follows:

	Group	
	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
Distribution of automotive and industrial products	165,422	137,993
Manufacturing of alloy wheels	61,779	47,393
	227,201	185,386

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. Segment and revenue information (continued)

(c) Geographical information

The Group operates in the following geographic areas:

	Group			
	Sales *	Non-current assets	30 June	30 June
	6 months ended 30 June 2021	6 months ended 30 June 2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Singapore	34,954	26,586	52,196	51,987
Malaysia	46,337	37,860	25,045	27,162
China/Hong Kong	40,566	30,374	29,385	31,349
Taiwan	11,948	10,025	3,439	4,016
Australia	42,292	38,459	15,699	9,086
New Zealand	26,709	20,886	7,627	4,655
Other countries	24,395	21,196	3,111	3,579
	227,201	185,386	136,502	131,834

* 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.

5. Profit before taxation

5.1 Significant items

	Group	
	6 months ended 30 June 2021	6 months ended 30 June 2020
	\$'000	\$'000
Interest income	165	178
Rental income	2,166	1,790
Interest on borrowings	(728)	(1,109)
Lease interest	(538)	(493)
Depreciation of property, plant and equipment and investment property	(3,920)	(4,501)
Depreciation of right-of-use assets	(3,397)	(3,224)
Amortisation of intangible assets	(245)	(238)
Credit loss allowance on trade receivables	(837)	(668)
Write-down of inventories	(1,119)	(1,485)
Currency exchange gain - net	343	790
Share of profit of an associated company	2,019	1,264
(Loss)/gain on disposal of property, plant and equipment	(18)	178

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

5.2 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:

Sales and purchases of goods and services

	Group	
	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
Sales of goods to an associated company	4,010	4,246
Purchases of goods from an associated company	(310)	(491)

Outstanding balances as at 30 June 2021, arising from sale/purchase of goods to/from associated company, are unsecured, receivable/payable within 6 months from balance sheet date.

6. Income tax

	Group	
	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
Tax expense attributable to profit is made up of:		
Current income tax		
- Singapore	494	204
- Foreign	3,033	1,142
	3,527	1,346
Deferred income tax	416	313
	3,943	1,659
(Over)/Under provision in previous financial years		
- Current income tax	(11)	10
- Deferred income tax	(22)	-
	3,910	1,669

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

7. Dividends

	Company	
	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
<i>Ordinary dividends paid or proposed</i>		
Final exempt dividend paid in respect of the previous financial year of 3.30 cent (2020: 2.22 cent) per share	9,583	-

8. Net asset value per share

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Net asset value per ordinary share	95.69 cents	94.83 cents	46.20 cents	45.86 cents
Number of shares used in calculating net asset value per share	290,399,811	290,399,811	290,399,811	290,399,811

9. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to \$1,832,000 (30 June 2020: \$2,047,000) and disposed of assets amounting to \$674,000 (30 June 2020: \$568,000).

10. Derivative financial instruments

	Contract notional amount \$'000	Group Fair value	
		Asset \$'000	Liability \$'000
30 June 2021			
<i>Non-hedging instruments</i>			
- Currency forwards	23,956	-	925
Less: Current portion		-	(925)
Non-current portion		-	-

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

10. Derivative financial instruments (continued)

	Contract notional amount \$'000	Group Fair value	
		Asset \$'000	Liability \$'000
31 December 2020			
<i>Non-hedging instruments</i>			
- Currency forwards	26,638	-	1,076
Less: Current portion		-	(1,076)
Non-current portion		-	-

The currency forwards are derivative financial instruments which are measured at fair value and classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 2 \$'000
<u>Group</u>	
As at 30 June 2021	
Derivative financial instruments	
- Asset	-
- Liability	925
As at 31 December 2020	
Derivative financial instruments	
- Asset	-
- Liability	1,076

11. Borrowings

	Group	
	30 June 2021 \$'000	31 December 2020 \$'000
<u>Amount repayable within one year or in demand</u>		
Secured	49,952	42,731
<u>Amount repayable after one year</u>		
Secured	5,062	5,291
Total borrowings	55,014	48,022

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

11. Borrowings (continued)

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\$4.4 million (2020: S\$4.4 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.

12. Share capital and treasury shares

	← No. of ordinary shares →		← Amount →	
	Issued share capital '000	Treasury shares '000	Share capital \$'000	Treasury shares \$'000
2021				
Beginning and end of period	292,296	(1,896)	77,001	(671)
2020				
Beginning of financial period	292,296	-	77,001	-
Treasury shares purchased	-	(1,896)	-	(671)
End of period	292,296	(1,896)	77,001	(671)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

There was no change in the Company's number of shares since 31 December 2020. The share capital of the Company as at 30 June 2021 was 292,295,811 ordinary shares. There was no share option issued during the period.

The 1,896,000 treasury shares held by the Company represented 0.65% of the total number of issued shares (excluding treasury shares) as at 30 June 2021 (30 June 2020: Nil). There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 30 June 2021.

There were no outstanding convertibles issued by the Company as at 30 June 2021 and 30 June 2020.

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

12. Share capital and treasury shares (continued)

The total number of issued shares excluding treasury shares are as set out below.

	Company	
	30 June 2021	31 December 2020
Total numbers of issued shares	292,295,811	292,295,811
Less: Treasury shares	(1,896,000)	(1,896,000)
Total number of issued shares excluding treasury shares	290,399,811	290,399,811

13. Subsequent events

The Company has incorporated a 100% owned new subsidiary in Malaysia known as Yokohama Tyre Sales Malaysia Sdn. Bhd. ("YTSM") on 6 July 2021.

The issued share capital of YTSM is MYR 2 divided into 2 ordinary shares. The principal activity of YTSM is that of distribution of automotive and commercial tyres, and other related parts.

The ordinary shares in YTSM are 100% held by YHI (Malaysia) Sdn. Bhd., a wholly-owned subsidiary of YHI International Limited.

The incorporation of YTSM is funded by internal resources and is not expected to have a material impact on the Company's earnings per share and net tangible assets per share for the current financial year ending 31 December 2021.

OTHER INFORMATION REQUIRED BY LISTING RULE
APPENDIX 7.2

OTHER INFORMATION

1. **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 condensed consolidated balance sheet of YHI International Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated income statement and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. **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 SIX-MONTH YEAR-TO-DATE FINANCIAL RESULTS (1H2021 VS 1H2020)

Turnover

The Group reported a 22.6% (or \$41.8 million) increase in turnover to \$ 227.2 million (1H2021) from \$185.4 million (1H2020) mainly due to lower sales recorded in 1H2020 from both our distribution and manufacturing businesses impacted by the COVID-19 outbreak in the various countries where the Group operates.

Distribution business, accounting for 72.8% of the Group's total turnover, recorded an increase of 19.9% (or \$27.4 million) in turnover, from \$138.0 million (1H2020) to \$ 165.4 million (1H2021) mainly due to higher sales from our core products across the board. Our wheel manufacturing business, accounting for 27.2% of the Group's total turnover, recorded an increase of 30.4% (or \$14.4 million) in turnover contributed by all three factories from \$47.4 million (1H2020) to \$ 61.8 million (1H2021).

Gross Profit

Gross Profit increased by 32.1% (or \$13.4 million) to \$ 55.1 million (1H2021) from \$41.7 million (1H2020) mainly due to higher sales and gross profit margins across our distribution business. Gross profit margin increased to 24.3% in 1H2021 compared to 22.5% in 1H2020 mainly due to higher gross profit margin contributed by our distribution business.

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

OTHER INFORMATION

REVIEW OF SIX-MONTH YEAR-TO-DATE FINANCIAL RESULTS (1H2021 VS 1H2020) (continued)

Operating Expenses

Distribution expenses increased by 22.2% (or \$3.9 million) in 1H2021 to \$21.2 million compared to \$17.3 million in 1H2020 mainly due to higher carriage outwards, staff related costs and sales & advertising promotion expenses.

Administrative expenses increased by 10.6% (or \$2.0 million) in 1H2021 to \$21.3 million compared to \$19.3 million in 1H2020 mainly due to higher staff related costs, premises related costs and general expenses.

Financing costs decreased by 21.0% (or \$0.3 million) in 1H2021 to \$1.3 million compared to \$1.6 million in 1H2020 mainly due to lower loan interest.

Share of Profit of an Associated Company

Our associated company reported higher profit and our share of profit was \$2.0 million in 1H2021 compared to \$1.3 million in 1H2020.

Income Tax expense

Income tax expense increased by 134.3% (or \$2.2 million) mainly due to higher profit before tax for the year.

Net Profit after Tax and Non-controlling Interests

Net profit after tax and non-controlling interests attributable to shareholders of the Company increased by 93.3% (or \$5.6 million) to \$11.5 million in 1H2021 from \$5.9 million in 1H2020 mainly due to lower profit in 1H2020 impacted by COVID-19 lockdown in the various countries where the Group operates.

BALANCE SHEET REVIEW

As at 30 June 2021, total assets amounted to about \$412.9 million comprising \$272.0 million of current assets and \$140.9 million of non-current assets. Total liabilities amounted to about \$127.4 million comprising current liabilities of \$95.3 million and non-current liabilities of \$32.1 million. Shareholders' equity including non-controlling interests amounted to \$285.5 million.

The substantial changes in the statement of financial position compared to 31 December 2020 are as follows:

Trade and other receivables

Trade and other receivables increased from \$80.4 million to \$87.1 million mainly due to higher sales and prepayment in 1H2021.

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

OTHER INFORMATION

BALANCE SHEET REVIEW (continued)

Right-of-use assets and lease liabilities (current & non-current)

Right-of-use assets increased from \$28.7 million to \$33.1 million, while lease liabilities increased from \$25.7 million to \$30.4 million mainly due to new leases entered in 1H2021.

Trade and other payables

Trade and other payables decreased from \$42.7 million to \$36.9 million mainly due to payments to trade suppliers.

Derivative financial instruments

Derivative financial instruments decreased from \$1.1 million to \$0.9 million mainly due to contracts exercised in 1H2021.

Borrowings (current & non-current)

Borrowings increased from \$48.0 million to \$55.0 million due to higher short-term bank borrowings for payments to trade suppliers in 1H2021.

Other reserves

Other reserves, consist of foreign currency translation gains on overseas investments, increased from \$4.4 million to \$4.9 million mainly due to strengthening of RMB against SGD.

STATEMENT OF CASHFLOW REVIEW

\$95k was provided by operating activities in 1H2021. The Group utilised \$0.9 million in investing activities mainly for the purchase of property, plant and equipment. A total of \$8.2 million was utilised in financing activities mainly for dividend payment, repayment of borrowings and lease liabilities. Cash and cash equivalents amounted to \$75.9 million as at 30 June 2021 compared to \$84.5million reported as at 31 December 2020.

3. 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.

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

OTHER INFORMATION

4. 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 ongoing COVID-19 pandemic situation has significantly disrupted business activities across our key markets currently, affecting the Group's overall sales. We expect the uncertainty of the business environment to continue and remain challenging in the second half of FY2021.

In addition, the prevailing global shortage of shipping containers and high freight rates are expected to continue in the second half of FY2021 impacting both our manufacturing and distribution businesses.

We'll continue to monitor the pandemic situation closely and implement appropriate measures when necessary to mitigate the impact on our business. With a healthy Balance Sheet and liquidity position, the Group is confident that we have sufficient financial resources to navigate through the crisis and position the Group for growth as we recover from the impact of the pandemic on our business.

Despite the significant uncertainty ahead, the Group remains committed to strengthen its business operations, improve efficiency & productivity, focusing on its "3R" strategy (namely "Reduce inventory, Reduce accounts receivable and Reduce operating costs") and at the same time, accelerate its "3M" strategy (namely "Multi-product, Multi-brand and Multi-category") to source for new products, new business opportunities and explore new sales channels to grow our businesses across various market segments regionally.

5. Dividend information

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

**YHI INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

OTHER INFORMATION

5. Dividend information (continued)

If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been recommended for the period ended 30 June 2021.

6. 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.

7. 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 has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

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

We, Tay Tian Hoe Richard and Tay Tiang Guan, being two of the directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the six months ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tay Tian Hoe Richard
Executive Chairman and Group
Managing Director

Tay Tiang Guan
Director

Singapore
10 August 2021