

YHI INTERNATIONAL LIMITED

Third Quarter Financial Statement And Dividend Announcement

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
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**

1(a)(i) Income Statement (Q3 2003 vs Q3 2002)

	Group (Proforma)	Group (Proforma)		Group (Actual)
	01/07/03-30/09 /03 S\$'000	01/07/02-30/09 /02 S\$'000	Incr/(Decr) %	01/07/03-30/09 /03 S\$'000
Turnover	58,821	45,890	28.2	58,821
Cost of sales	(42,813)	(33,878)	26.4	(42,813)
Gross profit	16,008	12,012	33.3	16,008
Other operating income	39	47	(17.0)	64
Distribution costs	(4,889)	(3,748)	30.4	(4,889)
Administrative expenses	(5,039)	(3,355)	50.2	(5,039)
Other operating expenses	(556)	(368)	51.1	(556)
Operating profit	5,563	4,588	21.3	5,588
Finance income	39	2	1,850.0	39
Finance cost	(559)	(768)	(27.2)	(559)
Profit before tax	5,043	3,822	31.9	5,068
Tax	(818)	(520)	57.3	(823)
Profit after tax	4,225	3,302	28.0	4,245
Minority interests	(220)	(130)	69.2	(220)
Profit attributable to shareholders	4,005	3,172	26.3	4,025

Explanatory Notes :-

For above Q3 reporting, the difference in PBT between the Group Proforma and Group Actual relates to the amortisation of goodwill as a result of a Restructuring Exercise undertaken pursuant to a Restructuring agreement dated 16 May 2003 as described in the Prospectus dated 24 June

2003.

Notes to Income Statement (Q3 2003 vs Q3 2002) :-

	Group (Proforma)	Group (Proforma)	Group (Actual)
	01/07/03-30/09/0 3 S\$'000	01/07/02-30/09/0 2 S\$'000	01/07/03-30/09/0 3 S\$'000
Other income including interest income	39	2	39
Interest on borrowings	(559)	(768)	(559)
Depreciation and amortisation	(1,013)	(707)	(988)
Allowance for doubtful debts and bad debts written off	(520)	(514)	(520)
(Write-off)/write-back for stock obsolescence	(552)	134	(552)
Foreign exchange loss	(147)	(85)	(147)
(Loss) on sale of other investments, properties, and/or plant and equipment	(4)	(34)	(4)

1(a)(ii) Income Statement (YTD Sept 2003 vs YTD Sept 2002)

	Group (Proforma)	Group (Proforma)		Group (Actual)
	01/01/03-30/09/03 /03 S\$'000	01/01/02-30/09/02 /02 S\$'000	Incr/(Decr) %	16/05/03-30/09/03 S\$'000
Turnover	159,051	126,939	25.3	83,377
Cost of sales	(117,172)	(95,551)	22.6	(60,958)
Gross profit	41,879	31,388	33.4	22,419
Other operating income	497	526	(5.5)	203
Distribution costs	(13,565)	(9,872)	37.4	(6,804)
Administrative expenses	(12,531)	(8,955)	39.9	(7,123)
Other operating expenses	(1,237)	(1,389)	(10.9)	(773)
Operating profit	15,043	11,698	28.6	7,922
Finance income	47	12	291.7	43
Finance cost	(1,991)	(2,222)	(10.4)	(907)
Profit before tax	13,099	9,488	38.1	7,058
Tax	(2,560)	(2,277)	12.4	(1,265)
Profit after tax	10,539	7,211	46.2	5,793
Minority interests	(509)	(248)	105.2	(296)
Profit attributable to shareholders	10,030	6,963	44.0	5,497

Explanatory Notes :-

- (a) The Company was incorporated in Singapore under the name of YHI International Pte Ltd on 26 August 2000 as a private company limited by shares. On 28 May 2003, it changed its name to YHI International Limited in connection with the Company's conversion to a public company limited by shares.
- (b) The YHI International Limited Group was formed as a result of a Restructuring Exercise undertaken pursuant to a Restructuring agreement dated 16 May 2003 as described in the Prospectus dated 24 June 2003.
- (c) For the purpose of this announcement:-
- (i) The Group's proforma income statement and cash flow statement for the nine months ended 30 September 2003 including the comparatives are prepared on the assumption that the Group structure arising from the Restructuring Exercise as described in the Prospectus dated 24 June 2003 had been in place throughout the period since 1 January of the relevant financial period. The income statement and cash flow statement prepared based on the actual Group structure are also presented for information purposes.
- (ii) The balance sheet of the Group as at 30 September 2003 and the statement of changes in equity of the Group for the nine months ended 30 September 2003 are prepared based on the actual Group structure. The comparatives for the balance sheet as at 31 December 2002 of the Group are prepared on a proforma basis on the assumption that the Group had been in place on that date. The comparatives for the statement of changes in equity of the Group for the nine months ended 30 September 2002 are prepared on the assumption that the Group structure had been in place since 1 January 2002.

Notes to Income Statement (YTD Sept 2003 vs YTD Sept 2002)

	Group (Proforma) 01/01/03-30/09/03 S\$'000	Group (Proforma) 01/01/02-30/09/02 S\$'000	Group (Actual) 16/05/03-30/09/03 S\$'000
Other income including interest income	47	12	43
Interest on borrowings	(1,991)	(2,222)	(907)
Depreciation and amortisation	(2,659)	(2,351)	(1,456)
Allowance for doubtful debts and bad debts written off	(1,703)	(1,692)	(787)
(Write-off)/write-back for stock obsolescence	(690)	28	(543)
Foreign exchange (loss)/gain	(68)	97	(111)
Profit or (loss) on sale of other investments, properties, and/or plant and equipment	23	(113)	23
Property, plant and equipment written off	-	(6)	-

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

Balance Sheet	Group (Actual) 30/09/03 S\$'000	Group (Proforma) 31/12/02 S\$'000	Company (Actual) 30/09/03 S\$'000	Company (Actual) 31/12/02 S\$'000

Current assets:				
Cash at bank and on hand	12,258	8,915	3,620	-
Receivables	44,625	35,477	24,312	-
Inventories	33,921	31,412	-	-
Other current assets	1,922	2,494	-	-
Deferred tax assets	566	584	-	-
Total current assets	93,292	78,882	27,932	-
Non-current assets:				
Property, plant and equipment	42,428	38,809	-	-
Intangibles	(989)	-	-	-
Other investment	128	82	-	-
Investment in subsidiaries	-	-	34,963	-
Deferred tax assets	860	701	-	-
Total non-current assets	42,427	39,592	34,963	-
Total assets	135,719	118,474	62,895	-
Current liabilities:				
Trade and other payables	26,174	19,993	2,006	3
Provision for current tax	1,355	642	38	-
Borrowings	32,112	53,837	-	-
Total current liabilities	59,641	74,472	2,044	3
Non-current liabilities:				
Deferred tax liabilities	44	34	-	-
Borrowings	7,740	8,848	-	-
Total non-current liabilities	7,784	8,882	-	-
Total liabilities	67,425	83,354	2,044	3
Net assets / (liabilities)	68,294	35,120	60,851	(3)
Shareholders' equity	66,850	34,116	60,851	(3)
Minority interest	1,444	1,004	-	-
	68,294	35,120	60,851	(3)

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30/09/03		As at 31/12/02	
Secured	Unsecured	Secured	Unsecured
32,112	0	53,837	0

Amount repayable after one year

As at 30/09/03		As at 31/12/02	
Secured	Unsecured	Secured	Unsecured
2,490	5,250	3,598	5,250

Details of any collateral

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

- (i) a first legal mortgage on the Group's freehold and leasehold properties;
- (ii) a first legal charge on office equipment, plant and machinery of a subsidiary and guarantee notes provided by the subsidiary;
- (iii) a first and floating charge on all the assets of a subsidiary;
- (iv) corporate guarantee from YHI Holdings Pte Ltd;
- (v) corporate guarantee from the Company;
- (vi) banker's guarantees, up to \$10.3 million, given as security to banks which granted banking facilities to certain subsidiaries. The banker's guarantees are in turn secured by a first and floating charge on all the assets of a subsidiary as referred to paragraph (iii) above; and
- (vii) joint and several personal guarantees of certain directors of the Company. Following the listing of the Company on the SGX-ST, the directors are in the process of seeking a discharge from their obligations under the personal guarantees.

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

1(c)(i) Cash flows statement (Q3 2003 vs Q3 2002):-

Cash flow statement	Group (Proforma) 01/07/03-30/09/03 S\$000	Group (Proforma) 01/07/02-30/09/02 S\$000	Group (Actual) 01/07/03-30/09/03 S\$000
Cash flows from operating activities:			
Profit before tax	5,043	3,822	5,068
Adjustments for:			
Depreciation of property, plant and equipment	1,013	707	1,013
Loss on disposal of property, plant and equipment	4	30	4
Loss on disposal of other investment	-	4	-
Interest expense	559	768	559
Interest income	(39)	(2)	(39)
Amortisation of negative goodwill	-	-	(25)
Exchange differences	(8)	19	(8)
Operating cash flow before working capital changes	6,572	5,348	6,572
Changes in operating assets and liabilities			
Receivables	(1,572)	(1,139)	(1,572)
Other current assets	196	(342)	196
Inventories	(87)	390	(87)
Payables	(170)	1,465	(170)
Cash generated from operations	4,939	5,722	4,939
Income tax paid	(825)	(868)	(825)

Net cash generated from operating activities	4,114	4,854	4,114
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment	28	107	28
Purchase of property, plant and equipment	(1,433)	(1,191)	(1,433)
Proceeds from sale of club membership	-	6	-
Purchase of club membership	(54)	-	(54)
Interest received	39	2	39
Net cash outflow from investing activities	(1,420)	(1,076)	(1,420)
Cash flows from financing activities:			
Proceeds from issuing shares	29,000	-	29,000
Share issue expenses paid	(2,397)	-	(2,397)
Interest paid	(628)	(691)	(628)
Repayment of trust receipts loans	(6,565)	(4,783)	(6,565)
Repayment of long-term bank loans	(377)	(390)	(377)
(Repayment of)/Proceeds from short-term bank loans	(15,602)	3,868	(15,602)
Repayment of finance lease liabilities	(28)	(38)	(28)
Net transfer of funds for other investments by shareholders	-	1,586	-
Net cash inflow/(outflow) from financing activities	3,403	(448)	3,403
Net increase in cash and cash equivalents held	6,097	3,330	6,097
Cash and cash equivalents at the beginning of the financial period	5,458	1,346	5,458
Effects of exchange rate changes on cash and cash equivalents	(59)	2	(59)
Cash and cash equivalents at the end of the financial period	11,496	4,678	11,496

1(c)(ii) Cash flows statement (YTD Sept 2003) vs YTD Sept 2002)

Cash flow statement	Group (Proforma) 01/01/03-30/09/03 S\$000	Group (Proforma) 01/01/02-30/09/02 S\$000	Group (Actual) 16/05/03-30/09/03 S\$000
Cash flows from operating activities:			
Profit before tax	13,099	9,488	7,058
Adjustments for:			
Depreciation of property, plant and equipment	2,659	2,351	1,495
(Profit)/loss on disposal of property, plant and equipment	(27)	109	(23)
Property, plant and equipment written off	-	6	
Loss on disposal of other investment	4	4	
Interest expense	1,991	2,222	907
Interest income	(47)	(12)	(43)
Amortisation of negative goodwill	-	-	(39)
Exchange differences	(133)	440	3

Operating cash flow before working capital changes	17,546	14,608	9,358
Changes in operating assets and liabilities			
Receivables	(9,148)	(7,062)	(1,790)
Other current assets	572	(35)	1,148
Inventories	(2,509)	(1,347)	(2,162)
Payables	3,587	39	3,832
Cash generated from operations	10,048	6,203	10,386
Income tax paid	(2,036)	(1,465)	(893)
Net cash generated from operating activities	8,012	4,738	9,493
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment	98	549	72
Purchase of property, plant and equipment	(6,330)	(3,166)	(3,792)
Proceeds from sale of club membership	4	6	-
Purchase of club membership	(54)	-	(54)
Interest received	47	12	43
Net cash outflow from investing activities	(6,235)	(2,599)	(3,731)
Cash flows from financing activities:			
Proceeds from issuing shares	29,000	-	29,000
Share issue expenses paid	(2,397)	-	(2,397)
Interest paid	(2,055)	(2,190)	(1,037)
(Repayment of)/proceeds from trust receipts loans	(4,990)	3,383	(6,594)
Repayment of long-term bank loans	(1,191)	(1,367)	(528)
(Repayment of)/proceeds from short-term bank loans	(15,762)	1,515	(16,324)
Repayment of finance lease liabilities	(180)	(86)	(41)
Dividends payment to minority shareholders	(206)	-	(26)
Net transfer of funds for other investments by shareholders	-	(2,466)	-
Net cash inflow/(outflow) from financing activities	2,219	(1,211)	2,053
Net increase in cash and cash equivalents held	3,996	928	7,815
Cash and cash equivalents at the beginning of the financial period	7,443	3,840	3,638
Effects of exchange rate changes on cash and cash equivalents	57	(90)	43
Cash and cash equivalents at the end of the financial period	11,496	4,678	11,496

Explanatory Notes:-

	Group (Proforma)	Group (Proforma)	Group (Actual)
Cash and cash equivalents comprise:-	01/01/03-30/09/03 S\$'000	01/01/02-30/09/02 S\$'000	16/05/03-30/09/03 S\$'000
Cash at bank and on hand	12,258	5,008	12,258
Bank overdrafts	(762)	(330)	(762)
	11,496	4,678	11,496

- 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

Statement of Changes in Equity	Share capital	Share premium	Foreign currency translation reserve	Retained profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>The Group (Actual)</u>					
Balance at 1 January 2003	*	-	-	(3)	(3)
Issue of shares pursuant to the Restructuring Exercise	34,116	-	-	-	34,116
Net profit	-	-	-	1,472	1,472
Foreign currency translation differences	-	-	904	-	904
Balance at 30 June 2003	34,116	-	904	1,469	36,489
Issue of shares by way of public offer	11,600	17,400	-	-	29,000
Share issue expenses	-	(2,397)	-	-	(2,397)
Net profit	-	-	-	4,025	4,025
Foreign currency translation differences	-	-	(267)	-	(267)
Balance at 30 September 2003	45,716	15,003	637	5,494	66,850

	Total S\$'000
<u>The Group (Proforma)</u>	
Balance at 1 January 2002	27,699
Foreign currency translation difference	(941)
Net profit	3,791
Net transfer of funds for other investments by shareholders	(4,052)
Balance at 30 June 2002	26,497
Foreign currency translation difference	(144)
Net profit	3,172
Net transfer of funds for other investments by shareholders	1,586
Balance at 30 September 2002	31,111

	Share capital	Share premium	(Accumulated loss) / Retained profits	Total
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<u>The Company (Actual)</u>				
Balance at 1 January 2003	*	-	(3)	(3)
Issue of shares pursuant to the Restructuring Exercise	34,116	-	-	34,116
Net profit	-	-	24	24
Balance at 30 June 2003	34,116	-	21	34,137
Issue of shares by way of public offer	11,600	17,400	-	29,000
Share issue expenses	-	(2,397)	-	(2,397)
Net profit	-	-	111	111
Balance at 30 September 2003	45,716	15,003	132	60,851

	Share capital	Share premium	Accumulated loss	Total
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<u>The Company (Actual)</u>				
Balance at 1 January 2002	*	-	(2)	(2)
Net loss	-	-	(1)	(1)
Balance at 30 June 2002	*	-	(3)	(3)
Net profit	-	-	-	-
Balance at 30 September 2002	*	-	(3)	(3)

* The share capital is S\$2.00

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 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

(a) Changes In Authorised Share Capital

At the date of incorporation on 26 August 2000, the authorised share capital of the Company was S\$100,000 divided into 100,000 ordinary shares of S\$1.00 each.

On 22 May 2003 the authorised share capital was increased from S\$100,000 divided into 100,000 ordinary shares of S\$1.00 each to S\$100,000,000 divided into 100,000,000 ordinary shares of S\$1.00 each.

On the same day, the ordinary shares of S\$1.00 each in the authorised and issued and paid up share capital of the Company were sub-divided into 5 ordinary shares of S\$0.20 each.

(b) Changes In Issued And Fully Paid Ordinary Shares	Number of shares	S\$
Issued and fully paid ordinary shares of S\$1.00 each as at 1 January 2003	2	2
Issue of ordinary shares of S\$1.00 each pursuant to the Restructuring Exercise as at 22 May 2003 as described on page 60 to 62 of the Prospectus dated 24 June 2003	34,115,967	34,115,967
	34,115,969	34,115,969
Sub-division of ordinary shares from S\$1.00 each into 5 ordinary shares of S\$0.20 and issued and fully paid ordinary shares at 30 June 2003	170,579,845	34,115,969
Issue of ordinary shares of S\$0.20 each at a premium of S\$0.30 per share pursuant to the initial public offering of shares on 3 July 2003	58,000,000	11,600,000
Balance at 30 September 2003	228,579,845	45,715,969

- 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 nor reviewed.

- 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**

The Group has applied the same accounting policies and methods of computation adopted in the preparation of the proforma financial statements presented in the Prospectus dated 24 June 2003. A summary of significant accounting policies can be found on page 173 to 175 of the Prospectus dated 24 June 2003.

- 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**

There were no changes in the accounting policies and methods of computation.

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

Earnings per share	Group (Actual)	Group (Proforma)	Group (Proforma)	Group (Proforma)
	<u>01/07/03</u> <u>-30/09/03</u>	<u>01/07/02</u> <u>-30/09/02</u>	<u>01/01/03</u> <u>-30/09/03</u>	<u>01/01/02</u> <u>-30/09/02</u>
(a) Based on the weighted average number of ordinary shares on issue (cents)	2.11	1.86	5.28	4.08
(b) Based on number of ordinary shares on issue (cents)	1.75	1.86	NM	NM
(c) On fully diluted basis (cents)	NA	NA	NA	NA

NA - Not Applicable

NM - Not Meaningful

(a) The earnings per share at 2.11 cents and 5.28 centfor the 3rd Quarter 2003 and 9 months ended 30 September 2003 respectivelyare based on the weighted average number of ordinary shares on issues of 189,913,178 shares .

(b) The earnings per share for the 3rd Quarter 2002 and 9 months ended 30 September 2002 are calculated based on the pre-invitation share capital of 170,579,845 shares.

(c) The earnings per share for the 3rd Quarter 2003 at 1.75 cents are based on the post invitation share capital of 228,579,845 shares.

Diluted earnings per share have not been calculated as no diluting events existed during these periods. No share options were granted to any employees during these periods.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

Net asset value per share	Group (Actual)	Group (Proforma)	Company (Actual)	Company (Actual)
	<u>30/09/03</u>	<u>31/12/02</u>	<u>30/09/03</u>	<u>31/12/02</u>
Net asset value per ordinary share (cents)	29.25	20.00	26.62	NM

NM - Not meaningful.

Net asset value per ordinary share as at 30 September 2003 and 31 December 2002 was calculated based on the number of shares in issue of 228,579,845 and 170,579,845 ordinary shares respectively.

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 3rd QUARTER FINANCIAL RESULTS

The Group's turnover for the third Quarter of FY2003 (Q3 2003) of S\$58.8 million was S\$12.9 million or 28.2% higher than the S\$45.9 million recorded in the third Quarter of FY2002 (Q3 2002). The increase was attributable to both the distribution and manufacturing businesses.

Turnover from the distribution business increased by approximately S\$5.7 million or 16.5% from S\$34.6 million in Q3 2002 to S\$40.3 million in Q3 2003.

Turnover from the manufacturing business increased by approximately S\$7.2 million or 64.3% from S\$11.3 million in Q3 2002 to S\$18.5 million in Q3 2003. The increase was mainly due to increase in turnover from the operations in Shanghai which operated on 4 production lines in Q3 2003 as compared to lower production output in Q3 2002. (The third production line started production in September 2002).

The increase in gross profit by S\$4.0 million or 33.3% from S\$12.0 million in Q3 2002 to S\$16.0 million in Q3 2003 was in line with the increase in turnover in both the distribution and manufacturing businesses.

The increase in operating costs was primarily due to increase in selling expenses as a result of higher sales activities and also due to expanded operations in PRC.

Profit after tax and minority interests increased by approximately S\$0.8 million or 26.3% to S\$4.0 million in Q3 2003 as compared to S\$3.2 million in Q3 2002. This was mainly attributable to higher earnings from Shanghai manufacturing operation.

REVIEW OF NINE-MONTH YEAR-TO-DATE PROFORMA FINANCIAL RESULTS

The Group's proforma turnover for the nine months of FY2003 of S\$159.0 million was S\$32.1 million or 25.3% higher than the S\$126.9 million recorded in the nine months of FY2002. Both the distribution and manufacturing businesses continued to increase.

Turnover from the distribution business increased by approximately S\$16.9 million or 17.2% from S\$98.3 million in the nine months of FY2002 to S\$115.2 million in the nine months of FY2003. The increase was primarily due to increase in turnover from Asean and Oceanic operations of S\$7.1 million and S\$8.5 million respectively.

Turnover from the manufacturing business increased by approximately S\$15.2 million or 53.1% from S\$28.6 million in the nine months of FY2002 to S\$43.8 million in the nine months of FY2003. In line with the increase in production lines, Shanghai operations recorded an increase of S\$15.3 million or 100% increase in turnover as compared to the same period of FY2002.

Gross Profit ("GP") increased by S\$10.5 million or 33.4% in the nine months of FY2003 as compared to S\$31.4 million of the corresponding period in FY2002. The overall increase in GP was due to higher turnover achieved in both the distribution and manufacturing businesses. GP margin from the Oceanic operations was further boosted by lower cost of purchases which were made in US\$ following the strengthening of A\$ and NZ\$ against US\$.

Comparing the nine months of FY2003 with the same period in FY2002, the increase in distribution cost was primarily due to increase in higher sales activities. The increase in administrative expenses was due mainly to expanded overseas operations particularly in PRC and other costs as a result of reorganization for listing on the SGX-ST.

Profit after tax and minority interests increased by approximately S\$3.0 million or 44.0% to S\$10.0 million in the nine months of FY2003 as compared to S\$7.0 million in the corresponding period in FY2002. This was mainly attributable to higher earnings from increased production lines in our manufacturing operation in Shanghai.

Property, plant and equipment increased by approximately S\$3.6 million due primarily to purchases of plant and machinery for the fourth production line in the manufacturing plant in Shanghai, PRC.

Total current assets increased by approximately S\$14.4 million mainly due to increase in receivables of approximately S\$9.2 million and inventory of approximately S\$2.5 million which were in line with the higher turnover. Cash and bank balance also increased by approximately S\$3.3 million. Total current liabilities decreased by approximately S\$14.8 million mainly due to repayment of bank borrowings out of cash proceeds from the Initial Public Offering on 3 July

2003.

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

The 3rd Quarter results are consistent with the prospects statement made in para 10 of the previous financial announcement dated 26 August 2003.

10. A commentary at the date of the announcement of the 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

Both distribution and manufacturing business segments are expected to remain buoyant. With improving outlook, the Group is confident that the distribution business segment particularly on tyres, should continue to see demand for its products in the Asean, North East Asia and Oceanic operations.

The decision by Hangzhou Yokohama Tire Co Ltd to bring forward its expansion plans to double its current production capacity of tyres from existing 700,000 pieces to 1.4 million pieces by end 2004 will bring benefits to the Group as it will then be able to supply more tyres to meet the strong China domestic market demands. This will be achieved in conjunction with setting up more network of Yokohama concept stores and to have more retailers in the Yangtze Delta.

The global alloy wheel market continues to be the Group's focus and order books for alloy wheels for YHI's Shanghai manufacturing facilities are full until the first Quarter of FY2004. In view of the increasing demand for chrome wheels, the Group intends to accelerate plans to enter into a joint venture to set up a metal surface finishing facility for alloy wheels in the PRC. As part of its long-term growth strategy to tap into the fast growing automotive market in PRC, the Group plans to commence its 5th production line for alloy wheels to target the replacement market by first half of 2004.

Barring unforeseen circumstances, the Group's performance in FY2003 is expected to be better than FY2002.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared 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.

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

No dividend has been recommended for the current reporting period.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 13. 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**

Not Applicable.

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

Not Applicable.

- 15. A breakdown of sales**

Not Applicable.

- 16. 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 (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year ()	Previous Full Year ()
Ordinary	0	0
Preference	0	0
Total:	0	0

BY ORDER OF THE BOARD

Yuen Sou Wai
Executive Director
27/11/2003