

[Print this page](#)**Full Year * Financial Statement And Dividend Announcement**

* Asterisks denote mandatory information

Name of Announcer *	YHI INTERNATIONAL LIMITED
Company Registration No.	200007455H
Announcement submitted on behalf of	YHI INTERNATIONAL LIMITED
Announcement is submitted with respect to *	YHI INTERNATIONAL LIMITED
Announcement is submitted by *	Yuen Sou Wai
Designation *	Executive Director
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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	31-12-2004
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**FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR YEAR ENDED 31 DECEMBER 2004**

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

Income Statement (Full Year 2004 vs Full Year 2003)

	Group (Actual) 01/01/04 - 31/12/04 S\$ '000	Group (Proforma) 01/01/03 - 31/12/03 S\$ '000	Incr/(Decr) %	Group (Actual) 16/05/03 - 31/12/03 S\$ '000
Sales	291,325	220,672	32%	144,998
Cost of sales	(215,281)	(162,030)	33%	(105,816)
Gross profit	76,044	58,642	30%	39,182
Other operating income	641	953	(33%)	667
Distribution costs	(24,338)	(17,776)	37%	(11,015)
Administrative expenses	(22,062)	(18,685)	18%	(13,277)
Other operating expenses	(2,374)	(1,552)	53%	(1,202)
Profits from operations	27,911	21,582	29%	14,355
Finance costs	(1,636)	(2,367)	(31%)	(1,283)
Profit before tax	26,275	19,215	37%	13,072
Income tax expense	(5,623)	(3,718)	51%	(2,388)
Profit from ordinary activities after tax	20,652	15,497	33%	10,684
Minority interests	(305)	(854)	(64%)	(641)
Profit attributable to shareholders	20,347	14,643	39%	10,043

Explanatory Notes :-

- (a) 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. As such, comparatives for 2003 are based on proforma basis on the assumption that the Group structure had been in place since 1 January 2003.
- (b) The proforma financial statements of the Group, because of their nature, may not give a true picture of the Group's financial position on results. The proforma financial statements of the Group are not necessarily indicative of results of the operations or related effects on the financial position that would have been attained had the Group actually existed earlier.

Notes to Income Statement (Full Year 2004 vs Full Year 2003):-

	Group (Actual) 01/01/04 - 31/12/04 S\$ '000	Group (Proforma) 01/01/03 - 31/12/03 S\$ '000	Group (Actual) 16/05/03 - 31/12/03 S\$ '000
Interest income	76	74	70
Interest on borrowings	(1,636)	(2,367)	(1,283)
Depreciation	(5,107)	(3,729)	(2,565)
Amortisation	(101)	-	(63)
Allowance for doubtful debts and bad debts written off	(1,980)	(1,897)	(981)
Allowance for slow-moving and obsolete inventories	(1,401)	(730)	(632)
Inventory written off	(627)	(118)	(49)
Foreign exchange (loss)/gain	(209)	226	183
Gain/(loss) on disposal of other investment, property, plant and equipment	42	13	(9)
Adjustment for overprovision of tax in respect of prior years	11	-	-

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) 31/12/04 S\$ '000	Group (Actual) 31/12/03 S\$ '000	Company (Actual) 31/12/04 S\$ '000	Company (Actual) 31/12/03 S\$ '000
Current assets				
Cash and cash equivalents	19,142	24,394	9,643	14,064
Trade and other receivables	52,172	43,932	37,754 *	33,891
Inventories	55,537	37,229	-	-
Other current assets	3,800	2,460	29	5
	<u>130,651</u>	<u>108,015</u>	<u>47,426</u>	<u>47,960</u>
Non-current assets				
Investment in subsidiaries	-	-	45,049	34,963
Other investments	3,743	128	-	-
Property, plant and equipment	51,507	41,924	517	-
Intangible assets	861	942	-	-
Deferred income tax assets	2,118	1,534	-	20
	<u>58,229</u>	<u>44,528</u>	<u>45,566</u>	<u>34,983</u>
Total assets	<u>188,880</u>	<u>152,543</u>	<u>92,992</u>	<u>82,943</u>
Current liabilities				
Trade and other payables	37,315	24,431	5,349	4,197
Borrowings	30,446	23,223	5	-
Current income tax liabilities	2,601	1,358	291	8
Dividends	-	2,314	-	-
Provision for other liability	297	290	-	-
	<u>70,659</u>	<u>51,616</u>	<u>5,645</u>	<u>4,205</u>
Non-current liabilities:				
Borrowings	8,867	9,965	-	-
Deferred income tax liabilities	1,950	2,304	-	-
	<u>10,817</u>	<u>12,269</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>81,476</u>	<u>63,885</u>	<u>5,645</u>	<u>4,205</u>
Net assets	<u>107,404</u>	<u>88,658</u>	<u>87,347</u>	<u>78,738</u>
Shareholders' equity	104,698	87,221	87,347	78,738
Minority interests	2,706	1,437	-	-
	<u>107,404</u>	<u>88,658</u>	<u>87,347</u>	<u>78,738</u>

* The receivables for the Company pertain to balances with its related companies.

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

Amount repayable in one year or less, or on demand

Group (Actual) As at 31/12/04		Group (Actual) As at 31/12/03	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
30,446	-	23,223	-

Amount repayable after one year

Group (Actual) As at 31/12/04		Group (Actual) As at 31/12/03	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
3,617	5,250	4,715	5,250

Details of any collateral

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

1. (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;
- (iii) a first and floating charge on all the assets of a subsidiary;
- (iv) corporate guarantee from the Company;
- (v) banker's guarantee, up to \$8.3 million (2003: \$10.3 million), given as security to another financial institution which granted banking facilities to a subsidiary. The banker's guarantee is in turn secured by a first and floating charge on all the assets of a subsidiary as referred to paragraph (iii) above;

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

Cash flows statement (Year 2004 vs Year 2003):-

Cash flow statement	Group	Group	Group
	(Actual) 01/01/04 - 31/12/04 S\$ '000	(Proforma) 01/01/03 - 31/12/03 S\$ '000	(Actual) 16/05/03 - 31/12/03 S\$ '000
Cash flows from operating activities			
Profit before tax	26,275	19,215	13,072
Adjustments for:			
Depreciation of property, plant and equipment	5,107	3,729	2,565
Gain/(loss) on disposal of property, plant and equipment	(42)	(17)	9
Loss on disposal of other investment	-	4	-
Interest expense	1,636	2,367	1,283
Interest income	(76)	(74)	(70)
Amortisation of goodwill on consolidation	183	-	114
Amortisation of negative goodwill on consolidation	(82)	-	(51)
Exchange differences	(275)	(69)	(22)
Operating cash flow before working capital changes	32,726	25,155	16,900
Changes in operating assets and liabilities			
Trade and other receivables	(8,240)	(8,455)	(1,180)
Other current assets	(1,340)	34	611
Inventories	(18,308)	(5,817)	(5,471)
Trade and other payables and provision	11,838	4,604	5,722
Cash generated from operations	16,676	15,521	16,582
Interest received	76	74	70
Income tax paid	(5,320)	(3,240)	(2,090)
Net cash from operating activities	11,432	12,355	14,562
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	93	209	197
Purchase of property, plant and equipment	(13,809)	(7,447)	(4,994)
Proceeds from sale of club membership	-	4	-
Purchase of club membership	-	(54)	(54)
Acquisition of additional interest in a subsidiary	(78)	-	-
Cash and cash equivalents in subsidiary acquired	803	-	2,791
Net Proceed from minority interest	64	-	-
Purchase of other investments	(3,615)	-	-
Net cash used in investing activities	(16,542)	(7,288)	(2,060)
Cash flows from financing activities			
Net proceeds from issue of shares	-	42,885	42,885
Interest paid	(1,670)	(2,515)	(1,497)
Proceeds from/(repayment of) trust receipts loans	2,276	(3,699)	(5,303)
(Repayment of)/proceeds from long-term bank loans	(3,328)	2,537	3,200
Proceeds from/(repayment of) short-term bank loans	5,977	(27,337)	(27,899)
Repayment of finance lease liabilities	(301)	(198)	(58)
Dividends paid to minority interests	-	(268)	(26)
Dividends paid to shareholders	(3,775)	-	-
Net cash (used in)/from financing activities	(821)	11,405	11,302
Net increase in cash and cash equivalents held	(5,931)	16,472	23,804
Cash and cash equivalents at the beginning of the financial year	23,894	7,443	-
Effects of exchange rate changes on cash and cash equivalents	(188)	(21)	90
Cash and cash equivalents at the end of the financial year	17,775	23,894	23,894

Explanatory Notes:-

	Group (Actual) 01/01/0 - 31/12/04 S\$ '000	Group (Proforma) 01/01/03 - 31/12/03 S\$ '000	Group (Actual) 16/05/03 - 31/12/03 S\$ '000
Cash and cash equivalents comprise:-			
Cash at bank and on hand	19,142	24,394	24,394
Less: Bank overdrafts	(1,367)	(500)	(500)
	17,775	23,894	23,894
Aggregate effects of acquisition of subsidiary:			
Cash and bank balances	1,640	-	-
Less: Minority Interest	(803)	-	-
Net identifiable assets purchased/Total consideration	837	-	-
Less: Cash and cash equivalent in subsidiary acquired	(1,640)	-	-
Net cash inflow from purchase of a subsidiary	(803)	-	-

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 S\$ '000	Share premium S\$ '000	Foreign currency translation reserve S\$ '000	Retained earnings S\$ '000	General reserve S\$ '000	Total S\$ '000
The Group (Actual)						
Balance at 1 January 2004	48,716	28,285	180	9,317	723	87,221
Net profit	-	-	-	20,347	-	20,347
General reserve	-	-	-	(1,017)	1,017	-
Dividend relating to 2003	-	-	-	(1,461)	-	(1,461)
Foreign currency translation differences	-	-	(1,409)	-	-	(1,409)
Balance at 31 December 2004	48,716	28,285	(1,229)	27,186	1,740	104,698

Statement of Changes in Equity	Share capital S\$ '000	Share premium S\$ '000	Foreign currency translation reserve S\$ '000	Retained earnings S\$ '000	General reserve S\$ '000	Total S\$ '000
The Group (Actual)						
Balance at 1 January 2003	*	-	-	(3)	-	(3)
Issue of shares pursuant to the Restructuring Exercise as at 16 May 2003	34,116	-	-	-	-	34,116
Issue of shares by way of public offer on 3 July 2003	11,600	17,400	-	-	-	29,000
IPO share issue expenses	-	(2,271)	-	-	-	(2,271)
Issue of shares by way of placement shares On 9 December 2003	3,000	13,425	-	-	-	16,425
Placement share issue expenses	-	(269)	-	-	-	(269)
Net profit	-	-	-	10,043	-	10,043
General reserve	-	-	-	(723)	723	-
Foreign currency translation differences	-	-	180	-	-	180
Balance at 31 December 2003	48,716	28,285	180	9,317	723	87,221

	Share capital S\$ '000	Share premium S\$ '000	Retained earnings S\$ '000	Total S\$ '000
The Company (Actual)				
Balance at 1 January 2004	48,716	28,285	1,737	78,738
Net profit	-	-	10,070	10,070
Dividend relating to 2003	-	-	(1,461)	(1,461)
Balance at 31 December 2004	48,716	28,285	10,346	87,347

	Share capital S\$ '000	Share premium S\$ '000	Retained earnings S\$ '000	Total S\$ '000
The Company (Actual)				
Balance at 1 January 2003	*	-	(3)	(3)
Issue of shares pursuant to the Restructuring Exercise as at 16 May 2003	34,116	-	-	34,116
Issue of shares by way of public offer on 3 July 2003	11,600	17,400	-	29,000
IPO share issue expenses	-	(2,271)	-	(2,271)
Issue of shares by way of placement shares on 9 December 2003	3,000	13,425	-	16,425
Placement share issue expenses	-	(269)	-	(269)
Net profit	-	-	1,740	1,740
Balance at 31 December 2003	48,716	28,285	1,737	78,738

* The share capital is S\$2.00

Explanatory Note:-

The YHI International Limited Group was formed on 16 May 2003 pursuant to a Restructuring Exercise as described in the Prospectus dated 24 June 2003.

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 or 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

As at 31 December 2004, there was no change in the authorised share capital of the Company. The total authorized number of ordinary share is 500 million shares with par value of \$0.20 per share.

(b) Changes In Issued And Fully Paid Ordinary Shares

There was no change in the issued and paid up share capital of the company.

	Number of shares	S\$
Balance at 1 January 2004 and at 31 December 2004	243,579,845	48,715,969

(c) Bonus Issue

The Company is proposing a bonus issue (the "Bonus Issue") of 97,431,938 new ordinary shares of \$0.10 each in the capital of the Company (the "Bonus Shares"). This will be on the basis of one (1) Bonus Share for every five (5) existing ordinary shares of par value S\$0.10 each held by the shareholders of the Company (the "Shareholders") as at a book closure date to be announced subsequently.

The Bonus Shares will be issued pursuant to a general mandate obtained at the forthcoming Annual General Meeting ("AGM") of the Company which allows the Directors to issue shares in the Company up to an aggregate of twenty per cent (20%) of the Company's issued shares as at the date of the AGM. The Bonus Issue will also be effected upon the amendment of the articles of association of the Company to delete the existing requirement for shareholders' approval for bonus issues. The date of the AGM will be announced subsequently.

The Bonus Issue and the listing and quotation of the Bonus Shares are subject to the approval of the Singapore Exchange Securities Trading Limited ("SGX-ST") for the listing and quotation of the Bonus Shares on the Mainboard of the Stock Exchange of Singapore ("SGX Mainboard"). The Company will make an application to the SGX-ST for permission to deal in and for listing and quotation of the Bonus Shares on the SGX-Mainboard.

For more details on the bonus issue, please refer to our announcement titled "Bonus Issue" dated 23 February 2005.

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

There were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 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) 01/01/04 - 31/12/04	Group (Proforma) 01/01/03 - 31/12/03	Group (Actual) 16/05/03 - 31/12/03
(a) Based on the weighted average number of ordinary shares on issue (cents)	8.35	7.31	7.32
(b) On fully diluted basis (cents)	NA	NA	NA

NA – Not Applicable

(a) The Group Actual earnings per share at 8.35 cents for the period from 1 January 2004 to 31 December 2004 is based on number of ordinary shares in issue of 243,579,845 shares during the year.

(b) The Group Proforma earnings per share at 7.31 cents for the period from 1 January 2003 to 31 December 2003 is based on the weighted average number of ordinary shares in issue of 200,326,420 shares during the year.

(c) The Group Actual earnings per share at 7.32 cents for the period from 16 May 2003 to 31 December 2003 is based on the weighted average number of ordinary shares in issue of 137,154,427 shares during the year.

(d) 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

<u>Net asset value per share</u>	Group (Actual) 31/12/04	Group (Actual) 31/12/03	Company (Actual) 31/12/04	Company (Actual) 31/12/03
Net asset value per ordinary share (cents)	42.98	35.81	35.86	32.33

Net asset value per ordinary share as at 31 December 2004 and 31 December 2003 was calculated based on the number of shares in issue of 243,579,845 ordinary shares of S\$0.20 each.

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 TWELVE-MONTH YTD FINANCIAL RESULTS AND FINANCIAL POSITION

The Board is pleased to announce a successful year with a significant increase of 39% in the Group's net profit from S\$14.6 million in FY2003 to S\$20.3 million in FY2004. Both our distribution and manufacturing business segments recorded good growth. Net profit from the distribution business which accounted for 56% of Group's total profit in FY2004 increased by S\$1.7 million from FY2003. Net profit from the manufacturing business which accounted for 44% of Group's total profit in FY2004, increased by S\$4 million from FY2003.

The Group's turnover for FY2004 of S\$291.3 million was S\$70.6 million or 32% higher than the turnover of S\$220.7 million recorded in FY2003, attributable to increase in both distribution and manufacturing businesses.

Turnover from the distribution business increased by S\$45.2 million or 28% from S\$161.9 million in FY2003 to S\$207.1 million in FY2004. The increase was primarily driven by higher tyre sales volumes in Asean, PRC and Oceania.

Turnover from the manufacturing business increased by S\$25.4 million or 43% from S\$58.8 million in FY2003 to S\$84.2 million in FY2004. This increase was primarily due to increase in turnover from the operations in Shanghai which had increased production lines from 4 to 6 in FY2004. Turnover from our Shanghai operations increased by more than 59%.

Gross profit increased by approximately S\$17.4 million from S\$58.6 million in FY2003 to S\$76.0 million in FY2004. The overall increase was due to higher turnover achieved in both the distribution and manufacturing businesses. The increase in distribution costs and administrative expenses in FY2004 as compared to FY2003 was in line with increased operating and production activities. Lower finance costs were primarily due to lower cost of borrowings.

Profit after taxation and minority interests increased by approximately S\$5.7 million or 39% from S\$14.6 million in FY2003 to S\$20.3 million in FY2004. Net profit from distribution and manufacturing businesses increased by S\$1.7 million and S\$4.0 million respectively.

Property, plant and equipment increased by approximately S\$9.6 million from S\$41.9 million in FY2003 to S\$51.5 million in FY2004. This was primarily due to capital expenditures relating to expanded operations in Shanghai and Wuxi, for the manufacturing and chroming of alloy wheels respectively.

Total current assets increased by approximately S\$22.6 million mainly due to increase in receivables of S\$8.2 million and inventory of S\$18.3 million which were in line with higher turnover. Decrease in cash and cash equivalent of approximately S\$5.2 million was due to funding of PRC expansion programs.

In line with increased sales activities, total current liabilities increased by approximately S\$19.1 million from S\$51.6 million to S\$70.7 million primarily due to increase in trade and other payables.

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

The Group's sales for the distribution and manufacturing segments recorded for the full year of FY2004 are consistent with announcement made on 12 November 2004 where it was stated that both distribution and manufacturing business segments within the Group are expected to see continued increase in sales.

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

The Group expects to see continued increase in sales for both the distribution and manufacturing business segments in the current year.

Our major supplier, Yokohama Rubber Co. Ltd decided to bring forward its regional expansion plans, which we believe will provide us more opportunities in our tyre distribution business.

Yokohama Tire Philippines, Inc. plans to increase its current production capacity and product range. In addition, Yokohama Tire Manufacturing (Thailand) Co., Ltd also plans to start production of truck tyres. The Group will be able to have more supply of tyres to meet the Asean market demand.

Hangzhou Yokohama Tire Co. Ltd in the PRC has also commenced its second phase of expansion plans to double its current production capacity of tyres from existing 700,000 pieces to 1.4 million pieces by second half of 2005. The increase in supply is to meet the strong domestic replacement market.

The global alloy wheel market particularly in North America, Europe and Japan continues to be the Group's major focus. Our existing 6 production lines in our Shanghai factory are currently operating at almost 90% capacity. To meet the additional global demand of alloy wheels, we will speed up the setting up of our second PRC alloy wheel factory located at Suzhou which is planned to be operational by early 2006.

Our Asean alloy wheel factory in Malaysia is also scheduled to be operational by the first quarter of 2006. This will bring benefits to our Asean operation as it will enhance profitability following the implementation of the ASEAN FREE TRADE AREA (AFTA) tariffs.

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	6% or 0.6 cents per ordinary share
Par value of shares	S\$0.10
Tax Rate	One tier tax exempt

We effected the share split on 01 February 2005. For comparison purpose between FY2004 and FY2003, the recommended dividend prior to the share split is as follows:

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Rate	6% or 1.2 cents per ordinary share
Par value of shares	S\$0.20

Tax Rate	One tier tax exempt
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(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	3% or 0.6 cents per ordinary share
Par value of shares	S\$0.20
Tax Rate	One tier tax exempt

(c) Date payable

Notice will be given later regarding the dividend payment date.

(d) Books closure date

Notice will be given later regarding the date of closure of transfer book and register of members.

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

Not applicable.

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

REVIEW OF FULL YEAR PROFORMA FINANCIAL RESULTS

Proforma Results Of Operations By Business Segments

The Group is organised into two main business segments, namely Distribution and Manufacturing.

- (a) The segmental income statements of the Group for FY2004 are prepared on an actual basis. For FY2003, the segmental income statements are prepared both on a Proforma and actual basis for comparative purposes. The Group Actual period for FY2003 is from 16 May 2003 to 31 December 2003.
- (b) The segmental balance sheet items of the Group as at 31 December 2004 and as at 31 December 2003 are prepared on an actual basis.

Group (Actual) Period from 01/01/04 - 31/12/04	Distribution S\$ '000	Manufacturing S\$ '000	Elimination S\$ '000	Group (Actual) 01/01/04 - 31/12/04 S\$ '000
Sales :				
- external sales	207,158	84,167	-	291,325
- inter-segment sales	-	13,928	(13,928)	-
	<u>207,158</u>	<u>98,095</u>	<u>(13,928)</u>	<u>291,325</u>
Segment result	17,836	10,165	-	28,001
Unallocated costs				(90)
Profit from operations				<u>27,911</u>
Finance costs				(1,636)
Profit before tax				<u>26,275</u>
Income tax expense				(5,623)
Profit after tax				<u>20,652</u>
Minority interest				(305)
Net profit				<u><u>20,347</u></u>
Segment assets	112,380	69,408	(5,213)	176,575
Unallocated assets				12,305
Consolidated total assets				<u><u>188,880</u></u>
Segment liabilities	60,390	20,532	(43,409)	37,513
Unallocated liabilities				43,963
Consolidated total liabilities				<u><u>81,476</u></u>
Other segment items				
Capital expenditure	1,855	13,675	-	15,530
Depreciation	1,545	3,562	-	5,107
Amortisation	175	(74)	-	101
Allowance for slow-moving and obsolete inventories	1,202	199	-	1,401
Inventories written off	259	368	-	627

Group (Proforma) Period from 01/01/03 - 31/12/03	Distribution S\$ '000	Manufacturing S\$ '000	Elimination S\$ '000	Group (Proforma) 01/01/03 - 31/12/03 S\$ '000
Sales :				
- external sales	161,898	58,774	-	220,672
- inter-segment sales	-	13,455	(13,455)	-
	<u>161,898</u>	<u>72,229</u>	<u>(13,455)</u>	<u>220,672</u>
Segment result	15,456	6,382	-	21,838
Unallocated costs				<u>(260)</u>
Profit from operations				21,578
Finance costs				<u>(2,363)</u>
Profit before tax				19,215
Income tax expense				<u>(3,718)</u>
Profit after tax				15,497
Minority interest				<u>(854)</u>
Net profit				<u>14,643</u>
Segment assets	90,542	50,885	(4,617)	136,810
Unallocated assets				<u>15,733</u>
Consolidated total assets				<u>152,543</u>
Segment liabilities	36,550	23,064	(36,776)	22,838
Unallocated liabilities				<u>41,047</u>
Consolidated total liabilities				<u>63,885</u>
Other segment items				
Capital expenditure	958	5,670	-	6,628
Depreciation	1,081	2,648	-	3,729
Allowance for slow-moving and obsolete inventories	423	307	-	730
Inventories written off	118	-	-	118

Group (Actual) Period from 16/05/03-31/12/03	Distribution S\$ '000	Manufacturing S\$ '000	Elimination S\$ '000	Group (Actual) 16/05/03- 31/12/03 S\$ '000
Sales :				
- external sales	104,600	40,398	-	144,998
- inter-segment sales	-	11,476	(11,476)	-
	<u>104,600</u>	<u>51,874</u>	<u>(11,476)</u>	<u>144,998</u>
Segment result	10,430	4,185	-	14,615
Unallocated costs				<u>(260)</u>
Profit from operations				14,355
Finance costs				<u>(1,283)</u>
Profit before tax				13,072
Income tax expense				<u>(2,388)</u>
Profit after tax				10,684
Minority interest				<u>(641)</u>
Net profit				<u>10,043</u>
Segment assets	90,542	50,885	(4,617)	136,810
Unallocated assets				<u>15,733</u>
Consolidated total assets				<u>152,543</u>
Segment liabilities	36,550	23,064	(36,776)	22,838
Unallocated liabilities				<u>41,047</u>
Consolidated total liabilities				<u>63,885</u>
Other segment items				
Capital expenditure	697	3,810	-	4,507
Depreciation	844	1,721	-	2,565
Amortisation	105	(42)	-	63
Allowance for slow-moving and obsolete inventories	391	241	-	632
Inventories written off	49	-	-	49

Actual Results Of Operations By Geographical Segments

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

	SALES			TOTAL ASSETS		CAPITAL EXPENDITURE		
	FY2004 Group (Actual) 01/01/04 - 31/12/04	FY2003 Group (Proforma) 01/01/03 - 31/12/03	FY2003 Group (Actual) 16/05/03 - 31/12/03	FY2004 Group (Actual) 31/12/04	FY2003 Group (Actual) 31/12/03	FY2004 Group (Actual) 01/01/04 - 31/12/04	FY2003 Group (Proforma) 01/01/03 - 31/12/03	FY2003 Group (Actual) 16/05/03 - 31/12/03
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Singapore	87,595	74,237	47,461	41,877	40,407	776	408	223
Malaysia	27,825	23,326	15,565	12,965	12,213	189	72	71
China/Hong Kong	122,026	75,512	53,372	84,615	56,188	13,507	5,554	3,793
Taiwan	21,932	23,065	14,701	9,556	9,776	338	195	87
Japan	3,222	-	-	1,016	-	187	-	-
Australia	29,401	23,945	16,080	20,545	14,723	485	39	307
New Zealand	13,252	14,042	9,295	10,536	9,247	48	360	26
Unallocated corporate assets	-	-	-	16,199	15,733	-	-	-
	305,253	234,127	156,474	197,309	158,287	15,530	6,628	4,507
Elimination	(13,928)	(13,455)	(11,476)	(8,429)	(5,744)	-	-	-
	291,325	220,672	144,998	188,880	152,543	15,530	6,628	4,507

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

Please refer to the item no. 8.

15. A breakdown of sales

a) A breakdown of sales:-

	Group (Actual) 01/01/04 - 31/12/04	Group (Proforma) 01/01/03 - 31/12/03	Incr/(Decr) %	Group (Actual) 16/05/03 - 31/12/03
	S\$ '000	S\$ '000		S\$ '000
	(a) Sales reported for the first half year	140,443	100,230	40.1%
(b) Operating profit after tax before deducting minority interest report for the first half year	9,295	6,314	47.2%	1,548
(c) Sales reported for the second half year	150,882	120,442	25.3%	120,442
(d) Operating profit after tax before deducting minority interest report for the second half year	11,357	9,183	23.6%	9,136
(e) Total sales reported for the full year	291,325	220,672	32.0%	144,998
(f) Total operating profit after tax before deducting minority interest report for the full year	20,652	15,497	33.2%	10,684

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

	Latest Full Year S\$ '000	Previous Full Year S\$ '000
Ordinary	2,923	1,461
Preference	-	-
Total:	<u>2,923</u>	<u>1,461</u>

BY ORDER OF THE BOARD

Yuen Sou Wai
Executive Director

Submitted by Yuen Sou Wai, Executive Director on 23/02/2005 to the SGX.