

[Print this page](#)**First Quarter \* 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        |
| Date & Time of Broadcast                    | 11-May-2007 17:14:53      |
| Announcement No.                            | 00077                     |

**>> Announcement Details**

The details of the announcement start here ...

|                                  |            |
|----------------------------------|------------|
| For the Financial Period Ended * | 31-03-2007 |
|----------------------------------|------------|

**Attachments:** [yhi107.pdf](#)Total size = **55K**  
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# YHI INTERNATIONAL LIMITED

## Unaudited First Quarter 2007 Financial Statement

### 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) CONSOLIDATED INCOME STATEMENT (1Q FY2007 vs 1Q FY2006)

|   | Group<br>01/01/07-<br>31/03/07<br>S\$ '000 | Group<br>01/01/06 -<br>31/03/06<br>S\$ '000 | Incr/(Decr)<br>% |
|---|--|---|------------------|
| Sales                                   | 96,009                                     | 95,799                                      | 0.2%             |
| Cost of sales                           | (74,874)                                   | (73,017)                                    | 2.5%             |
| Gross profit                            | 21,135                                     | 22,782                                      | (7.2%)           |
| Other gains                             | 241  | 93  | 159.1%           |
| Expenses                                |  |   |                  |
| - Distribution                          | (6,817)                                    | (7,234)                                     | (5.8%)           |
| - Administrative                        | (7,397)                                    | (8,104)                                     | (8.7%)           |
| - Finance                               | (905)                                      | (658)                                       | 37.5%            |
| Share of profit of associated companies | 875  | -   | NM               |
| Profit before income tax                | 7,132                                      | 6,879                                       | 3.7%             |
| Income tax expense                      | (1,682)                                    | (1,500)                                     | 12.1%            |
| <b>Net profit</b>                       | <b>5,450</b>                               | <b>5,379</b>                                | <b>1.3%</b>      |
| <b>Attributable to:</b>                 |  |   |                  |
| Equity holders of the Company           | 5,183                                      | 5,105                                       | 1.5%             |
| Minority interests                      | 267  | 274   | (2.6%)           |
|   | <b>5,450</b>                               | <b>5,379</b>                                | <b>1.3%</b>      |

#### NOTES TO CONSOLIDATED INCOME STATEMENT (1Q FY2007 vs 1Q FY2006)

|  | Group<br>01/01/07-<br>31/03/07<br>S\$ '000 | Group<br>01/01/06 -<br>31/03/06<br>S\$ '000 | Incr/(Decr)<br>% |
|--|--|---|------------------|
| Interest income  | 63   | 90  | (30.0%)          |
| Interest on borrowings   | (905)                                      | (658)                                       | 37.5%            |
| Depreciation   | (2,428)                                    | (1,679)                                     | 44.6%            |
| Allowance for impairment of doubtful receivables and bad debts written off | (369)                                      | (588)                                       | (37.2%)          |
| Written down of inventory  | (178)                                      | (298)                                       | (40.3%)          |
| Net foreign exchange loss  | (10)                                       | (172)                                       | (94.2%)          |
| Share of profit of associated companies                                    | 875  | -   | NM               |
| Gain/(loss) on disposal of property, plant and equipment                   | 31   | (78)  | (139.7%)         |

NM – Not meaningful

**1(b)(i) A balance sheet (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year**

**BALANCE SHEETS**

|  | <b>Group<br/>31/03/07<br/>S\$ '000</b> | Group<br>31/12/06<br>S\$ '000 | <b>Company<br/>31/03/07<br/>S\$ '000</b> | Company<br>31/12/06<br>S\$ '000 |
|--|--|-------------------------------|--|---------------------------------|
| <b>Current assets</b>  |  |                               |  |                                 |
| Cash and cash equivalents  | 16,432                                 | 19,890                        | 365                                      | 529                             |
| Trade and other receivables  | 79,137                                 | 66,627                        | 47,783                                   | 47,541                          |
| Inventories  | 72,137                                 | 67,746                        | -  | -                               |
| Derivatives  | -                                      | 283                           | -  | -                               |
| Other current assets   | 6,134                                  | 6,129                         | 31                                       | 31                              |
|  | <b>173,840</b>                         | 160,675                       | <b>48,179</b>                            | 48,101                          |
| <b>Non-current assets</b>  |  |                               |  |                                 |
| Financial assets, available-for-sale                                     | 5,512                                  | 5,146                         | -  | -                               |
| Investment in associated companies                                       | 15,049                                 | 14,174                        | -  | -                               |
| Investment in subsidiaries   | -                                      | -                             | 66,226                                   | 66,226                          |
| Property, plant and equipment  | 83,024                                 | 83,512                        | 487                                      | 531                             |
| Intangible assets  | 5,303                                  | 5,303                         | -  | -                               |
| Deferred income tax assets   | 2,868                                  | 2,862                         | -  | -                               |
|  | <b>111,756</b>                         | 110,997                       | <b>66,713</b>                            | 66,757                          |
| <b>Total assets</b>  | <b>285,596</b>                         | 271,672                       | <b>114,892</b>                           | 114,858                         |
| <b>Current liabilities</b>   |  |                               |  |                                 |
| Trade and other payables   | 56,739                                 | 54,091                        | 4,203                                    | 4,478                           |
| Current income tax liabilities   | 4,416                                  | 3,398                         | 1,159                                    | 1,259                           |
| Borrowings   | 58,288                                 | 53,267                        | -  | -                               |
| Derivatives  | -                                      | 210                           | -  | -                               |
|  | <b>119,443</b>                         | 110,966                       | <b>5,362</b>                             | 5,737                           |
| <b>Non-current liabilities</b>   |  |                               |  |                                 |
| Borrowings   | 6,300                                  | 6,159                         | -  | -                               |
| Deferred income tax liabilities  | 1,698                                  | 1,784                         | -  | -                               |
|  | <b>7,998</b>                           | 7,943                         | -  | -                               |
| <b>Total liabilities</b>   | <b>127,441</b>                         | 118,909                       | <b>5,362</b>                             | 5,737                           |
| <b>Net assets</b>  | <b>158,155</b>                         | 152,763                       | <b>109,530</b>                           | 109,121                         |
| <b>Capital and reserves attributable to the Company's equity holders</b> |  |                               |  |                                 |
| Share capital  | 77,001                                 | 77,001                        | 77,001                                   | 77,001                          |
| Other reserves   | (2)                                    | (290)                         | -  | -                               |
| Retained earnings  | 76,573                                 | 71,390                        | 32,529                                   | 32,120                          |
|  | <b>153,572</b>                         | 148,101                       | <b>109,530</b>                           | 109,121                         |
| <b>Minority interests</b>  | <b>4,583</b>                           | 4,662                         | -  | -                               |
| <b>Total equity</b>  | <b>158,155</b>                         | 152,763                       | <b>109,530</b>                           | 109,121                         |

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

### Amount repayable in one year or less, or on demand

| Group<br>As at 31/03/07 |                       | Group<br>As at 31/12/06 |                       |
|-------------------------|-----------------------|-------------------------|-----------------------|
| Secured<br>S\$ '000     | Unsecured<br>S\$ '000 | Secured<br>S\$ '000     | Unsecured<br>S\$ '000 |
| 58,288                  | -                     | 53,267                  | -                     |

### Amount repayable after one year

| Group<br>As at 31/03/07 |                       | Group<br>As at 31/12/06 |                       |
|-------------------------|-----------------------|-------------------------|-----------------------|
| Secured<br>S\$ '000     | Unsecured<br>S\$ '000 | Secured<br>S\$ '000     | Unsecured<br>S\$ '000 |
| 6,300                   | -                     | 6,159                   | -                     |

### Details of any collateral

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

- (i) a first legal mortgage on the subsidiaries' 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; and
- (v) banker's guarantees, up to S\$11.6 million (2006: S\$11.6 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 in 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**

**1(c)(i) CONSOLIDATED CASH FLOW STATEMENT (1Q FY2007 vs 1Q FY2006)**

|   | <b>Group<br/>01/01/07-<br/>31/03/07<br/>S\$ '000</b> | <b>Group<br/>01/01/06 -<br/>31/03/06<br/>S\$ '000</b> |
|---|--|---|
| <b>Cash flows from operating activities</b>                               |  |   |
| Net profit  | 5,450  | 5,379   |
| Adjustments for:  |  |   |
| Income tax  | 1,682  | 1,500   |
| Depreciation of property, plant and equipment                             | 2,428  | 1,679   |
| Interest expense  | 905  | 658   |
| Interest income   | (63)   | (90)  |
| (Gain)/loss on disposal of property, plant and equipment                  | (31)   | 78  |
| Share of profit of associated companies                                   | (875)  | -   |
| Changes in fair values of derivatives                                     | 73   | 39  |
| Exchange differences  | (21)   | (632)   |
| Operating cash flow before working capital changes                        | <u>9,548</u>   | <u>8,611</u>  |
| Changes in operating assets and liabilities:                              |  |   |
| Trade and other receivables   | (12,510)   | (9,673)   |
| Inventories   | (4,391)  | (2,405)   |
| Other current assets  | (5)  | (4,678)   |
| Trade and other payables  | 2,775  | 6,828   |
| Cash used in operations   | <u>(4,583)</u>                                       | <u>(1,317)</u>  |
| Interest received   | 63   | 90  |
| Income tax paid   | (769)  | (770)   |
| <b>Net cash used in operating activities</b>                              | <u>(5,289)</u>                                       | <u>(1,997)</u>  |
| <b>Cash flows from investing activities</b>                               |  |   |
| Proceeds from sale of property, plant and equipment                       | 65   | 57  |
| Purchase of property, plant and equipment                                 | (2,090)  | (11,190)  |
| Purchase of other investments   | (366)  | (3,493)   |
| Acquisition of investments in associated companies                        | -  | (2,391)   |
| <b>Net cash used in investing activities</b>                              | <u>(2,391)</u>                                       | <u>(17,017)</u>                                       |
| <b>Cash flows from financing activities</b>                               |  |   |
| Interest paid   | (887)  | (634)   |
| Proceeds from/(repayment of) trust receipts loans                         | 1,356  | (289)   |
| Proceeds from short-term bank loans                                       | 4,022  | 4,943   |
| (Repayments of)/proceeds from long-term bank loans                        | (928)  | 7,157   |
| Repayments of finance lease liabilities                                   | (59)   | (181)   |
| <b>Net cash used in financing activities</b>                              | <u>3,504</u>   | <u>10,996</u>   |
| <b>Net decrease in cash and cash equivalents held</b>                     | <b>(4,176)</b>                                       | <b>(8,018)</b>  |
| <b>Cash and cash equivalents at the beginning of the financial period</b> | <b>18,568</b>  | <b>27,596</b>   |
| Effects of exchange rate changes on cash and cash equivalents             | (54)   | (360)   |
| <b>Cash and cash equivalents at the end of the financial period</b>       | <u><b>14,338</b></u>                                 | <u><b>19,218</b></u>                                  |

## Explanatory Notes:

Cash and cash equivalents comprise:-

|                        | <b>Group</b><br><b>01/01/07-</b><br><b>31/03/07</b><br><b>S\$ '000</b> | Group<br>01/01/06 -<br>31/03/06<br>S\$ '000 |
|------------------------|--|---|
| Cash and bank balances | <b>16,432</b>  | 20,214                                      |
| Less: Bank overdrafts  | <b>(2,094)</b>   | (996)                                       |
|                        | <b>14,338</b>  | 19,218                                      |

**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

|   | <b>Share capital</b><br><b>S\$ '000</b> | <b>Other reserves</b><br><b>S\$ '000</b> | <b>Retained earnings</b><br><b>S\$ '000</b> | <b>Minority interests</b><br><b>S\$ '000</b> | <b>Total</b><br><b>S\$ '000</b> |
|---|---|--|---|--|---------------------------------|
| <b>The Group</b>  |   |  |   |  |                                 |
| <b>Balance at 1 January 2007</b>  | <b>77,001</b>                           | <b>(290)</b>                             | <b>71,390</b>                               | <b>4,662</b>                                 | <b>152,763</b>                  |
| Gains and losses recognized directly in equity – Currency translation differences | -                                       | 288                                      | -   | (346)  | (58)                            |
| Net profit  | -                                       | -  | 5,183                                       | 267  | 5,450                           |
| <b>Total recognised gains</b>   | <b>-</b>                                | <b>288</b>                               | <b>5,183</b>                                | <b>(79)</b>                                  | <b>5,392</b>                    |
| <b>Balance at 31 March 2007</b>   | <b>77,001</b>                           | <b>(2)</b>                               | <b>76,573</b>                               | <b>4,583</b>                                 | <b>158,155</b>                  |

|   | <b>Share capital</b><br><b>S\$ '000</b> | <b>Other reserves</b><br><b>S\$ '000</b> | <b>Retained earnings</b><br><b>S\$ '000</b> | <b>Minority interests</b><br><b>S\$ '000</b> | <b>Total</b><br><b>S\$ '000</b> |
|---|---|--|---|--|---------------------------------|
| <b>The Group</b>  |   |  |   |  |                                 |
| <b>Balance at 1 January 2006</b>  | <b>77,001</b>                           | <b>3,040</b>                             | <b>49,861</b>                               | <b>3,410</b>                                 | <b>133,312</b>                  |
| Losses recognized directly in equity – Currency translation differences | -                                       | (1,785)                                  | -   | (700)  | (2,485)                         |
| Net profit  | -                                       | -  | 5,105                                       | 274  | 5,379                           |
| <b>Total recognised gains</b>   | <b>-</b>                                | <b>(1,785)</b>                           | <b>5,105</b>                                | <b>(426)</b>                                 | <b>2,894</b>                    |
| Transfer to other reserves  | -                                       | 174                                      | (174)                                       | -  | -                               |
| <b>Balance at 31 March 2006</b>   | <b>77,001</b>                           | <b>1,429</b>                             | <b>54,792</b>                               | <b>2,984</b>                                 | <b>136,206</b>                  |

## STATEMENT OF CHANGES IN EQUITY

|                           | Share<br>capital<br>S\$ '000 | Retained<br>earnings<br>S\$ '000 | Total<br>S\$ '000 |
|---------------------------|------------------------------|----------------------------------|-------------------|
| <b>The Company</b>        |                              |                                  |                   |
| Balance at 1 January 2007 | 77,001                       | 32,120                           | 109,121           |
| Net profit                | -                            | 409                              | 409               |
| Balance at 31 March 2007  | 77,001                       | 32,529                           | 109,530           |

|                           | Share<br>capital<br>S\$ '000 | Retained<br>earnings<br>S\$ '000 | Total<br>S\$ '000 |
|---------------------------|------------------------------|----------------------------------|-------------------|
| <b>The Company</b>        |                              |                                  |                   |
| Balance at 1 January 2006 | 77,001                       | 22,455                           | 99,456            |
| Net profit                | -                            | 50                               | 50                |
| Balance at 31 March 2006  | 77,001                       | 22,505                           | 99,506            |

**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**

There was no change in the Company's number of shares since 31 December 2006. The share capital of the Company as at 31 March 2007 was 584,591,628 ordinary shares.

**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 in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2006.

**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**

Not applicable.

**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**

|   | <b>Group<br/>01/01/07 -<br/>31/03/07</b> | Group<br>01/01/06 -<br>31/03/06 |
|---|--|---------------------------------|
| (a) Based on the number of ordinary shares on issue (cents) | <b>0.89</b>                              | 0.87                            |
| (b) On fully diluted basis (cents)                          | <b>NA</b>                                | NA                              |

NA – Not Applicable

- (i) The Group earnings per share for current and preceding periods are based on the actual number of shares in issue of 584,591,628 ordinary shares.
- (ii) 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**

|  | <b>Group<br/>31/03/07</b> | Group<br>31/12/06 | <b>Company<br/>31/03/07</b> | Company<br>31/12/06 |
|--|---------------------------|-------------------|-----------------------------|---------------------|
| Net asset value per ordinary share (cents) | <b>26.27</b>              | 25.33             | <b>18.74</b>                | 18.67               |

The Group and Company Actual net asset value per share as at 31 March 2007 and as at 31 December 2006 are based on the actual number of shares in issue of 584,591,628 ordinary shares.

**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 FIRST QUARTER FINANCIAL RESULTS AND FINANCIAL POSITION**

The Group's turnover for 1Q of FY2007 of S\$96.0 million was S\$0.2 million or 0.2% higher than the S\$95.8 million recorded in 1Q of FY2006.

Turnover from the manufacturing business increased by approximately S\$8.6 million or 36.6% from S\$23.5 million in 1Q of FY2006 to S\$32.1 million in 1Q of FY2007. The increase was primarily due to increased output from additional production capacity in Suzhou, PRC.

Turnover from the distribution business decreased by approximately S\$8.4 million or 11.6% from S\$72.3 million in 1Q of FY2006 to S\$63.9 million in 1Q of FY2007. The decrease was primarily due to exclusion of Yokohama tyre sales in PRC as a result of formation of a joint venture entity in which the Group has a 49% stake.

Distribution and administrative expenses were lower in 1Q of FY2007 as compared to the same period of FY2006 mainly due to lower advertising and promotional expenses and lower allowance for impairment of doubtful receivables. Finance costs in 1Q of FY2007 were higher as compared to 1Q of FY2006 attributable to higher borrowing costs incurred.



Total Group's gross profit margin in 1Q of FY2007 decreased by about 1.8% as compared to 1Q of FY2006 attributable to lower gross margin from manufacturing business which was mainly affected by the rising aluminum prices and also operating losses due to diseconomies of scale in our Malaysia plant which is currently operating on 1 production line.

The Group's profit before taxation increased by approximately S\$0.3 million or 3.7% from S\$6.8 million in 1Q of FY2006 to S\$7.1 million in 1Q of FY2007.

Total current assets increased by approximately S\$13.1 million due to increase in receivables of approximately S\$12.5 million, and in inventories of approximately S\$4.4 million together with a reduction of S\$3.5 million in cash. The increase in trade receivables was due to timing difference and was in line with normal trading activities. The increase in inventories was primarily due to higher stockholdings in view of price increases from suppliers. The reduction in cash was primarily due to working capital changes.

The increase in available-for-sale financial assets of approximately S\$0.4 million was due to additional investment in Hangzhou Yokohama Tire Co Ltd.

The increase in investment in associated companies of about S\$0.9 million was due to share of profit contributed by our associates in OZ S.p.A and Yokohama Tire (Shanghai) Sales Co Ltd.

The increase in current liabilities of about S\$8.5 million was primarily due to increase in trade payables of approximately S\$2.6 million from higher trading activities and an increase of about S\$5.0 million in current bank borrowings.

Our cash flow for the period showed a net decrease in cash of about S\$4.2 million in 1Q of FY2007 as compared to a net decrease of approximately S\$8.0 million in the same period last year primarily due to lower capital expenditure spendings.

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

There is no forecast or prospect statement previously disclosed.

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

Most suppliers in our distribution business segment have increased their prices. However we are in a position to recover the price increases in the market place. Accordingly, our distribution sales are expected to remain steady.

Global aluminum prices remained volatile in Q1 FY2007. If the aluminum prices continue to remain high, it will have an adverse impact on our gross profit margins, particularly, for alloy wheels manufactured outside our PRC factories. We shall continue to monitor the aluminum prices and our production costs closely.

Our initial 3 production lines in our Suzhou factory in the PRC are operating smoothly and we are in the process of installing another 3 production lines by the end of first half of FY2007. Our Sepang factory in Malaysia is presently operating on 1 production line and is still experiencing some diseconomies of scale and is expected to improve when the second line is put in place by Q3 of FY2007.

**11. Dividend**

**(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.

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

No dividend has been recommended for the period ended 31 March 2007.

**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 to Q1, Q2, & Q3 results.

**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 to Q1, Q2, & Q3 results.

**15. A breakdown of sales**

Not applicable to Q1, Q2, & Q3 results.

**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)

|            | <b>Latest Full Year<br/>S\$ '000</b> | <b>Previous Full Year<br/>S\$ '000</b> |
|------------|--------------------------------------|--|
| Ordinary   | -                                    | -                                      |
| Preference | -                                    | -                                      |
| Total:     | -                                    | -                                      |

**BY ORDER OF THE BOARD**

Yuen Sou Wai  
Executive Director  
11/05/2007

Submitted by Yuen Sou Wai, Executive Director on 11/05/2007 to the SGX.

## YHI INTERNATIONAL LIMITED

### Statement Pursuant to Rule 705(4) of the Listing Manual of the Singapore Exchange Securities Trading Limited

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of YHI International Limited for the quarter ended 31 March 2007, to be false or misleading in any material aspect.

On Behalf of the Board of Directors



Tay Tian Hoe Richard  
Managing Director



Yuen Sou Wai  
Executive Director & CFO