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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
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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	31-03-2009
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Attachments
 [YHIQ1FY09Results.pdf](#)

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YHI INTERNATIONAL LIMITED

Unaudited First Quarter 2009 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 FY2009 vs 1Q FY2008)

	Group 01/01/09- 31/03/09 S\$ '000	Group 01/01/08- 31/03/08 S\$ '000	Incr/(Decr) %
Sales	96,793	111,583	(13.3%)
Cost of sales	(74,565)	(83,733)	(10.9%)
Gross profit	22,228	27,850	(20.2%)
Other gains - net	268	255	5.1%
Expenses			
- Distribution	(6,947)	(8,429)	(17.6%)
- Administrative	(8,717)	(10,980)	(20.6%)
- Finance	(1,217)	(1,618)	(24.8%)
Share of (loss) / profit of associated companies	(339)	493	(168.8%)
Profit before income tax	5,276	7,571	(30.3%)
Income tax expense	(1,380)	(1,819)	(24.1%)
Total profit	3,896	5,752	(32.3%)
Attributable to:			
Equity holders of the Company	3,877	5,193	(25.3%)
Minority interests	19	559	(96.6%)
	3,896	5,752	(32.3%)

NOTES TO CONSOLIDATED INCOME STATEMENT (1Q FY2009 vs 1Q FY2008)

	Group 01/01/09- 31/03/09 S\$ '000	Group 01/01/08- 31/03/08 S\$ '000	Incr/(Decr) %
Interest income	25	68	(63.2%)
Interest on borrowings	(1,217)	(1,618)	(24.8%)
Depreciation of property, plant and equipment	(3,012)	(2,820)	6.8%
Amortisation of intangible assets	(16)	-	NM
Write back impairment of doubtful receivables and bad debts written off	401	102	293.1%
Write back / (Write down) of inventory	56	(477)	(111.7%)
Currency exchange losses – net	(630)	(1,539)	(59.1%)
Share of (loss) / profit of associated companies	(339)	493	(168.8%)

NM – Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (1Q FY2009 vs 1Q FY2008)

	Group 01/01/09- 31/03/09 S\$ '000	Group 01/01/08- 31/03/08 S\$ '000	Incr/(Decr) %
Profit for the period	3,896	5,752	(32.3%)
Other comprehensive income, net of tax:			
- Currency translation differences	4,652	(814)	(671.5%)
Total comprehensive income for the period	8,548	4,938	73.1%
Total comprehensive income attributable to:			
Equity holders of the Company	8,062	4,427	82.1%
Minority interests	486	511	(4.9%)
	8,548	4,938	73.1%

Note:

The currency translation difference was primarily a result of strengthening in Renminbi as compared to Singapore dollars for China operations.

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

STATEMENTS OF FINANCIAL POSITION

	Group 31/03/09 S\$ '000	Group 31/12/08 S\$ '000	Company 31/03/09 S\$ '000	Company 31/12/08 S\$ '000
Current assets				
Cash and cash equivalents	32,102	20,929	129	615
Trade and other receivables	80,389	75,262	29,879	38,188
Inventories	85,775	97,976	-	-
Other current assets	7,235	9,209	15	15
	205,501	203,376	30,023	38,818
Non-current assets				
Financial assets, available-for-sale	6,830	6,830	-	-
Transferable club membership, at cost	131	131	-	-
Investment in associated companies	16,833	17,172	-	-
Investment in subsidiaries	-	-	95,697	86,194
Property, plant and equipment	92,959	86,671	342	377
Intangible assets	4,083	4,099	-	-
Deferred income tax assets	5,032	4,867	-	-
	125,868	119,770	96,039	86,571
Total assets	331,369	323,146	126,062	125,389
Current liabilities				
Trade and other payables	42,940	43,220	4,523	4,404
Current income tax liabilities	3,173	3,304	304	582
Borrowings	72,159	83,993	-	-
	118,272	130,517	4,827	4,986
Non-current liabilities				
Borrowings	18,381	6,778	-	-
Deferred income tax liabilities	1,514	1,197	-	-
	19,895	7,975	-	-
Total liabilities	138,167	138,492	4,827	4,986
Net assets	193,202	184,654	121,235	120,403
Capital and reserves attributable to the Company's equity holders				
Share capital	77,001	77,001	77,001	77,001
Other reserves	6,573	2,388	-	-
Retained earnings	104,866	100,989	44,234	43,402
	188,440	180,378	121,235	120,403
Minority interests	4,762	4,276	-	-
Total equity	193,202	184,654	121,235	120,403

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

Amount repayable in one year or less, or on demand

Group As at 31/03/09		Group As at 31/12/08	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
72,159	-	83,993	-

Amount repayable after one year

Group As at 31/03/09		Group As at 31/12/08	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
18,381	-	6,778	-

Details of any collateral

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

- (i) a first legal mortgage on certain subsidiaries' freehold and leasehold properties;
- (ii) a first legal charge on office equipment, plant and machinery of 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\$20.1 million (2008: S\$20.1 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 statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

1(c)(i) CONSOLIDATED STATEMENT OF CASH FLOWS (1Q FY2009 vs 1Q FY2008)

	Group 01/01/09- 31/03/09 S\$ '000	Group 01/01/08- 31/03/08 S\$ '000
Cash flows from operating activities		
Net profit	3,896	5,752
Adjustments for:		
Income tax	1,380	1,819
Depreciation of property, plant and equipment	3,012	2,820
Amortisation of intangible assets	16	-
Interest expense	1,217	1,618
Interest income	(25)	(68)
Share of loss / (profit) of associated companies	339	(493)
Unrealised translation differences	477	(253)
Operating cash flow before working capital changes	<u>10,312</u>	<u>11,195</u>
Changes in working capital, net of effects from disposal of subsidiary:		
Inventories	12,201	1,797
Trade and other receivables	(5,127)	(8,812)
Other current assets	1,974	(432)
Trade and other payables	3	(8,232)
Cash generated from / (used in) operations	<u>19,363</u>	<u>(4,484)</u>
Interest received	25	68
Income tax paid	(1,190)	(995)
Net cash provided by / (used in) operating activities	<u>18,198</u>	<u>(5,411)</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	15	87
Purchase of property, plant and equipment	(6,293)	(1,890)
Net cash used in investing activities	<u>(6,278)</u>	<u>(1,803)</u>
Cash flows from financing activities		
Interest paid	(1,121)	(1,545)
Proceeds from borrowings	7,642	12,928
Repayment of borrowings	(7,229)	(5,563)
(Repayments of) / proceeds from finance lease liabilities	(58)	124
Net cash (used in) / provided by financing activities	<u>(766)</u>	<u>5,944</u>
Net increase / (decrease) in cash and cash equivalents held	11,154	(1,270)
Cash and cash equivalents at the beginning of the financial period	17,549	19,950
Effects of currency translation on cash and cash equivalents	605	(71)
Cash and cash equivalents at the end of the financial period	<u>29,308</u>	<u>18,609</u>

Explanatory Notes:

Cash and cash equivalents comprise:-

	Group 01/01/09- 31/03/09 S\$ '000	Group 01/01/08- 31/03/08 S\$ '000
Cash and bank balances	32,102	22,406
Less: Bank overdrafts	(2,794)	(3,797)
	<u>29,308</u>	<u>18,609</u>

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

STATEMENT OF CHANGES IN EQUITY

	Share capital S\$ '000	Other reserves S\$ '000	Retained earnings S\$ '000	Minority interests S\$ '000	Total S\$ '000
The Group					
Balance at 1 January 2009	77,001	2,388	100,989	4,276	184,654
Total comprehensive income for the period	-	4,185	3,877	486	8,548
Balance at 31 March 2009	77,001	6,573	104,866	4,762	193,202

	Share capital S\$ '000	Other reserves S\$ '000	Retained earnings S\$ '000	Minority interests S\$ '000	Total S\$ '000
The Group					
Balance at 1 January 2008	77,001	1,125	89,983	4,962	173,071
Total comprehensive income for the period	-	(766)	5,193	511	4,938
Balance at 31 March 2008	77,001	359	95,176	5,473	178,009

STATEMENT OF CHANGES IN EQUITY

	Share capital S\$ '000	Retained earnings S\$ '000	Total S\$ '000
The Company			
Balance at 1 January 2009	77,001	43,402	120,403
Net profit	-	832	832
Balance at 31 March 2009	77,001	44,234	121,235

	Share capital S\$ '000	Retained earnings S\$ '000	Total S\$ '000
The Company			
Balance at 1 January 2008	77,001	41,045	118,046
Net profit	-	512	512
Balance at 31 March 2008	77,001	41,557	118,558

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares, excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There was no change in the Company's number of shares since 31 December 2008. The share capital of the Company as at 31 March 2009 was 584,591,628 ordinary shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	Company 31/03/09	Company 31/12/08
Ordinary shares	584,591,628	584,591,628

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not Applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which 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

Except for those as disclosed under paragraph 5, the accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

On 1 January 2009, the Group has adopted FRS 1(R) - *Presentation of Financial Statements*.

FRS 1(R) requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from components of comprehensive income. Components of comprehensive income are presented in a separate statement of comprehensive income.

The 'balance sheets' and 'cash flow statements' have been re-titled to 'statements of financial position' and 'statements of cash flows' respectively.

Comparatives for 2008 have been restated to conform to the requirements of the revised standard.

The adoption of FRS 1(R) has no material effect to the financial statements of the Group.

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 01/01/09 - 31/03/09	Group 01/01/08 - 31/03/08
(a) Based on the number of ordinary shares on issue (cents)	0.66	0.89
(b) On fully diluted basis (cents)	0.66	0.89

- (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 is the same as basic earnings per share. There are no dilutive potential ordinary shares as there are no outstanding share options at the beginning and end of the financial year.
- (iii) There was no material impact on prior period EPS on adoption of the revised FRS as disclosed in paragraph 5.

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares, excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

NET ASSET VALUE PER SHARE

	Group 31/03/09	Group 31/12/08	Company 31/03/09	Company 31/12/08
Net asset value per ordinary share (cents)	32.23	30.86	20.74	20.60

- (i) The Group and Company net asset value per share as at 31 March 2009 and as at 31 December 2008 are based on the actual number of shares in issue of 584,591,628 ordinary shares.
- (ii) There was no material impact on prior period net asset value per share on adoption of the revised FRS as disclosed in paragraph 5.

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 FY2009 of S\$96.8 million was S\$14.8 million or 13.3% lower than the S\$111.6 million recorded in 1Q of FY2008 primarily due to general business slow down in prevailing uncertain economic conditions.

Turnover from the distribution business decreased by approximately S\$11.2 million or 14.8% from S\$75.7 million in 1Q of FY2008 to S\$64.5 million in 1Q of FY2009. Turnover from the manufacturing business decreased by approximately S\$3.6 million or 10.0% from S\$35.9 million in 1Q of FY2008 to S\$32.3 million in 1Q of FY2009.

Gross profit decreased by approximately S\$5.6 million or 20.2% from S\$27.8 million in 1Q of FY2008 to S\$22.2 million in 1Q of FY2009. The decrease was primarily attributable to lower sales volumes and lower gross margin in both distribution and manufacturing business segments.

The decrease in distribution and administrative expenses in 1Q of FY2009 as compared to the same period of FY2008 was primarily due to lower fuel and delivery charges, coupled with reduction in operating

overheads. The decrease in finance expenses was attributable to lower interest expenses incurred from bank borrowings as a result of lower borrowing rates.

The share of profit of associated companies decreased by approximately S\$0.8 million from a profit of S\$0.5 million in 1Q of FY2008 to a loss of S\$0.3 million in 1Q of FY2009 attributable to operating losses incurred by our associated companies.

Profit after taxation and minority interests decreased by about S\$1.3 million or 25.3% from S\$5.2 million in 1Q of FY 2008 to S\$3.9 million in 1Q of FY2009.

Total current assets increased by approximately S\$2.1 million due to an increase in cash of approximately S\$11.2 million and an increase in receivables of approximately S\$5.1 million, offset by a decrease in inventories of approximately S\$12.2 million and a decrease in other current assets of approximately S\$2.0 million. The increase in trade receivables was primarily due to sales of about S\$6.1 million invoiced to our associated company, O.Z. S.p.A in the months of February and March from our PRC operating entities. Most of these trade receivables remained outstanding as at end of March but they were still within the credit terms. The reduction in inventories was in line with efforts to reduce inventory levels.

The decrease in investment in associated companies of about S\$0.3 million was primarily due to share of loss in Q1 of FY 2009.

The increase in property, plant and equipment of about S\$6.3 million was primarily due to the MAT (Most Advanced Technology) expansion project in our Suzhou factory.

The decrease in current liabilities of about S\$12.2 million was primarily due to decrease in current bank borrowings of approximately S\$11.8 million and in trade payables of approximately S\$0.3 million.

The increase in borrowings in non-current liabilities was mainly due to funding on our MAT expansion project in our Suzhou factory.

Our cash flow for the period showed a net increase in cash of about S\$11.2 million in 1Q of FY2009 as compared to a net decrease of approximately S\$1.3 million in 1Q of FY2008 primarily due to higher cash generated from operating activities.

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

With the current uncertain economic outlook, the Group will continue to operate in a challenging business environment and our profitability is expected to be under pressure. The Group will continue to take a cautious approach to endure the adverse effects of the prevailing downturn through continual cost management and to stay competitive with our pricing structure.

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 2009.

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

	Latest Full Year S\$ '000	Previous Full Year S\$ '000
Ordinary	-	-
Preference	-	-
Total:	-	-

BY ORDER OF THE BOARD

Yuen Sou Wai
Executive Director
13/05/2009

Submitted by Yuen Sou Wai, Executive Director on 13/05/2009 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 2009, 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