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**Third 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 *	Tay Tian Hoe Richard
Designation *	Group Managing Director
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**>> Announcement Details**

The details of the announcement start here ...

For the Financial Period Ended *	30-09-2009
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YHI

**YHI INTERNATIONAL LIMITED**

(Company Registration No. 200007455H)

(Incorporated In the Republic of Singapore)

**Unaudited Third Quarter 2009 Financial Statements and Dividend Announcement for the Period Ended 30 September 2009****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 (3Q FY2009 vs 3Q FY2008)**

	Group 01/07/09- 30/09/09 S\$ '000	Group 01/07/08- 30/09/08 S\$ '000	Incr/(Decr) %
Sales	111,957	128,339	(12.8%)
Cost of sales	(85,932)	(98,615)	(12.9%)
Gross profit	26,025	29,724	(12.4%)
Other gains	272	601	(54.7%)
Expenses			
- Distribution	(8,708)	(10,484)	(16.9%)
- Administrative	(8,042)	(12,202)	(34.1%)
- Finance	(794)	(1,618)	(50.9%)
Share of profit of associated companies	475	228	108.3%
Profit before income tax	9,228	6,249	47.7%
Income tax expense	(2,058)	(1,986)	3.6%
<b>Net profit</b>	<b>7,170</b>	<b>4,263</b>	<b>68.2%</b>
<b>Attributable to:</b>			
Equity holders of the Company	6,598	3,828	72.4%
Minority interests	572	435	31.5%
	<b>7,170</b>	<b>4,263</b>	<b>68.2%</b>

**NOTES TO CONSOLIDATED INCOME STATEMENT (3Q FY2009 vs 3Q FY2008)**

	Group 01/07/09- 30/09/09 S\$ '000	Group 01/07/08- 30/09/08 S\$ '000	Incr/(Decr) %
Interest income	4	30	(86.7%)
Interest on borrowings	(794)	(1,618)	(50.9%)
Depreciation	(3,092)	(3,010)	2.7%
Amortisation of intangible assets / Impairment charge on goodwill	(16)	(1,142)	(98.6%)
Allowance for impairment of doubtful receivables and bad debts written off	(494)	(398)	24.1%
Written down of inventory	(278)	(416)	(33.2%)
Currency exchange gains / (losses) – net	916	(940)	(197.4%)
Share of profit of associated companies	475	228	108.3%
Gain on disposal of property, plant and equipment	42	14	200.0%

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (3Q FY2009 vs 3Q FY2008)**

	<b>Group</b> <b>01/07/09-</b> <b>30/09/09</b> <b>S\$ '000</b>	Group 01/07/08- 30/09/08 S\$ '000	Incr/(Decr) %
<b>Profit for the period</b>	<b>7,170</b>	4,263	68.2%
<b>Other comprehensive income, net of tax:</b>			
- Currency translation differences	<b>(1,016)</b>	1,639	(162.0%)
<b>Total comprehensive income for the period</b>	<b>6,154</b>	5,902	4.3%
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	<b>5,103</b>	6,200	(17.7%)
Minority interests	<b>1,051</b>	(298)	(452.7%)
	<b>6,154</b>	5,902	4.3%

**1(a)(ii) CONSOLIDATED INCOME STATEMENT (YTD SEP FY2009 vs YTD SEP FY2008)**

	Group 01/01/09- 30/09/09 S\$'000	Group 01/01/08- 30/09/08 S\$'000	Incr/(Decr) %
Sales	301,983	360,106	(16.1%)
Cost of sales	(231,044)	(271,574)	(14.9%)
Gross profit	70,939	88,532	(19.9%)
Other gains	1,494	1,472	1.5%
Expenses			
- Distribution	(23,863)	(29,136)	(18.1%)
- Administrative	(24,057)	(33,918)	(29.1%)
- Finance	(3,129)	(4,933)	(36.6%)
Share of (loss) / profit of associated companies	(214)	1,232	(117.4%)
Profit before income tax	21,170	23,249	(8.9%)
Income tax expense	(5,012)	(6,070)	(17.4%)
<b>Net profit</b>	<b>16,158</b>	<b>17,179</b>	<b>(5.9%)</b>
<b>Attributable to:</b>			
Equity holders of the Company	15,318	15,516	(1.3%)
Minority interests	840	1,663	(49.5%)
	<b>16,158</b>	<b>17,179</b>	<b>(5.9%)</b>

**NOTES TO CONSOLIDATED INCOME STATEMENT (YTD SEP FY2009 vs YTD SEP FY2008)**

	Group 01/01/09- 30/09/09 S\$'000	Group 01/01/08- 30/09/08 S\$'000	Incr/(Decr) %
Interest income	62	282	(78.0%)
Interest on borrowings	(3,129)	(4,933)	(36.6%)
Depreciation	(9,056)	(8,667)	4.5%
Amortisation of intangible assets / Impairment charge on goodwill	(47)	(1,142)	(95.9%)
Written back / (Allowance for) impairment of doubtful receivables and bad debts written off	140	(864)	(116.2%)
Written down of slow-moving and obsolete inventories	(600)	(1,275)	(52.9%)
Currency exchange gains / (losses) – net	1,472	(3,269)	(145.0%)
Share of (loss) / profit of associated companies	(214)	1,232	(117.4%)
Gain on disposal of property, plant and equipment	46	206	(77.7%)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(YTD SEP FY2009 vs YTD SEP FY2008)**

	<b>Group 01/01/09- 30/09/09 S\$ '000</b>	Group 01/01/08- 30/09/08 S\$ '000	Incr/(Decr) %
<b>Profit for the period</b>	<b>16,158</b>	17,179	(5.9%)
<b>Other comprehensive income, net of tax:</b>			
- Currency translation differences	<b>1,516</b>	532	185.0%
<b>Total comprehensive income for the period</b>	<b>17,674</b>	17,711	(0.2%)
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	<b>14,991</b>	16,882	(11.2%)
Minority interests	<b>2,683</b>	829	223.6%
	<b>17,674</b>	17,711	(0.2%)

**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**

**STATEMENT OF FINANCIAL POSITION**

	<b>Group 30/09/09 S\$ '000</b>	Group 31/12/08 S\$ '000	<b>Company 30/09/09 S\$ '000</b>	Company 31/12/08 S\$ '000
<b>Current assets</b>				
Cash and cash equivalents	28,718	20,929	449	615
Trade and other receivables	80,503	75,262	25,039	38,188
Inventories	81,513	97,976	-	-
Other current assets	9,650	9,209	13	15
	<b>200,384</b>	203,376	<b>25,501</b>	38,818
<b>Non-current assets</b>				
Financial assets, available-for-sale	6,830	6,830	-	-
Transferable club membership, at cost	172	131	-	-
Investment in associated companies	16,958	17,172	-	-
Investment in subsidiaries	-	-	95,697	86,194
Property, plant and equipment	84,835	86,671	290	377
Intangible assets	4,052	4,099	-	-
Deferred income tax assets	5,138	4,867	-	-
	<b>117,985</b>	119,770	<b>95,987</b>	86,571
<b>Total assets</b>	<b>318,369</b>	323,146	<b>121,488</b>	125,389
<b>Current liabilities</b>				
Trade and other payables	47,000	43,220	2,214	4,404
Current income tax liabilities	1,103	3,304	28	582
Borrowings	55,289	83,993	-	-
	<b>103,392</b>	130,517	<b>2,242</b>	4,986
<b>Non-current liabilities</b>				
Borrowings	17,464	6,778	-	-
Deferred income tax liabilities	1,693	1,197	-	-
	<b>19,157</b>	7,975	-	-
<b>Total liabilities</b>	<b>122,549</b>	138,492	<b>2,242</b>	4,986
<b>Net assets</b>	<b>195,820</b>	184,654	<b>119,246</b>	120,403
<b>Capital and reserves attributable to the Company's equity holders</b>				
Share capital	77,001	77,001	77,001	77,001
Other reserves	2,061	2,388	-	-
Retained earnings	110,461	100,989	42,245	43,402
	<b>189,523</b>	180,378	<b>119,246</b>	120,403
<b>Minority interests</b>	<b>6,297</b>	4,276	-	-
<b>Total equity</b>	<b>195,820</b>	184,654	<b>119,246</b>	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 30/09/09		Group As at 31/12/08	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
55,289	-	83,993	-

### Amount repayable after one year

Group As at 30/06/08		Group As at 31/12/08	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
17,464	-	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 (3Q FY2009 vs 3Q FY2008)**

	Group 01/07/09- 30/09/09 S\$ '000	Group 01/07/08- 30/09/08 S\$ '000
<b>Cash flows from operating activities</b>		
Net profit	7,170	4,263
Adjustments for:		
Income tax	2,058	1,986
Depreciation of property, plant and equipment	3,092	3,010
Amortisation of intangible assets / Impairment loss	16	1,142
Interest expense	794	1,618
Interest income	(4)	(30)
Gain on disposal of property, plant and equipment	(42)	(14)
Share of profit of associated companies	(475)	(228)
Unrealised translation differences	348	(1,329)
Operating cash flow before working capital changes	<u>12,957</u>	<u>10,418</u>
Changes in operating assets and liabilities:		
Trade and other receivables	(13,345)	(10,602)
Inventories	(5,074)	(1,001)
Other current assets	(681)	1,203
Trade and other payables	8,525	9,421
Cash generated from operations	<u>2,382</u>	<u>9,439</u>
Interest received	4	30
Income tax paid	(2,802)	(1,794)
<b>Net cash (used in) / provided by operating activities</b>	<u>(416)</u>	<u>7,675</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	119	277
Purchase of property, plant and equipment	(705)	(4,070)
Acquisition of financial assets, available-for-sale	(41)	-
<b>Net cash used in investing activities</b>	<u>(627)</u>	<u>(3,793)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(809)	(1,694)
Proceeds from borrowings	-	1,499
Repayment of borrowings	(5,321)	(13,195)
Repayment of finance lease	(80)	(98)
<b>Net cash used in financing activities</b>	<u>(6,210)</u>	<u>(13,488)</u>
<b>Net decrease in cash and cash equivalents held</b>	<u>(7,253)</u>	<u>(9,606)</u>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<u>35,301</u>	<u>26,714</u>
Effects of currency translation on cash and cash equivalents	(13)	176
<b>Cash and cash equivalents at the end of the financial period</b>	<u>28,035</u>	<u>17,284</u>

**Explanatory Notes:**

Cash and cash equivalents comprise:-

	Group 01/07/09- 30/09/09 S\$ '000	Group 01/07/08- 30/09/08 S\$ '000
Cash and bank balances	28,718	20,768
Less: Bank overdrafts	(683)	(3,484)
	<u>28,035</u>	<u>17,284</u>



**1(c)(ii) CONSOLIDATED STATEMENT OF CASH FLOWS (YTD SEP FY2009 vs YTD SEP FY2008)**

	Group 01/01/09- 30/09/09 S\$ '000	Group 01/01/08- 30/09/08 S\$ '000
<b>Cash flows from operating activities</b>		
Net profit	16,158	17,179
Adjustments for:		
Income tax	5,012	6,070
Depreciation of property, plant and equipment	9,056	8,667
Amortisation of intangible assets / Impairment loss	47	1,142
Interest expense	3,129	4,933
Interest income	(62)	(282)
Gain on disposal of property, plant and equipment	(46)	(206)
Share of loss / (profit) of associated companies	214	(1,232)
Unrealised translation differences	1,308	(2,065)
Operating cash flow before working capital changes	<u>34,816</u>	<u>34,206</u>
Changes in operating assets and liabilities:		
Trade and other receivables	(5,241)	(20,425)
Inventories	16,463	(1,057)
Other current assets	(441)	1,092
Trade and other payables	4,497	981
Cash generated from operations	<u>50,094</u>	<u>14,797</u>
Interest received	62	282
Income tax paid	(6,858)	(5,754)
<b>Net cash provided by operating activities</b>	<u>43,298</u>	<u>9,325</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	304	769
Purchase of property, plant and equipment	(8,558)	(8,612)
Acquisition of financial assets, available-for-sale	(41)	-
<b>Net cash used in investing activities</b>	<u>(8,295)</u>	<u>(7,843)</u>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders	(5,846)	(7,892)
Dividends paid to minority interests	(662)	(471)
Interest paid	(3,135)	(4,981)
Proceeds from borrowings	11,500	31,226
Repayment of borrowings	(26,943)	(22,329)
Proceeds from / (Repayment of) finance lease	103	(6)
<b>Net cash used in financing activities</b>	<u>(24,983)</u>	<u>(4,453)</u>
<b>Net increase / (decrease) in cash and cash equivalents held</b>	<b>10,020</b>	<b>(2,971)</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>17,549</b>	<b>19,950</b>
Effects of currency translation on cash and cash equivalents	466	305
<b>Cash and cash equivalents at the end of the financial period</b>	<u><b>28,035</b></u>	<u><b>17,284</b></u>

**Explanatory Notes:**

Cash and cash equivalents comprise:-

	Group 01/01/09- 30/09/09 S\$ '000	Group 01/01/08- 30/09/08 S\$ '000
Cash and bank balances	28,718	20,768
Less: Bank overdrafts	(683)	(3,484)
	<u>28,035</u>	<u>17,284</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
<b>The Group</b>					
Balance at 1 January 2009	77,001	2,388	100,989	4,276	184,654
Dividends paid	-	-	(5,846)	(662)	(6,508)
Total comprehensive income for the period	-	(327)	15,318	2,683	17,674
<b>Balance at 30 September 2009</b>	<b>77,001</b>	<b>2,061</b>	<b>110,461</b>	<b>6,297</b>	<b>195,820</b>

	Share capital S\$ '000	Other reserves S\$ '000	Retained earnings S\$ '000	Minority interests S\$ '000	Total S\$ '000
<b>The Group</b>					
Balance at 1 January 2008	77,001	1,125	89,983	4,962	173,071
Dividends paid	-	-	(7,892)	(471)	(8,363)
Total comprehensive income for the period	-	1,366	15,516	829	17,711
<b>Balance at 30 September 2008</b>	<b>77,001</b>	<b>2,491</b>	<b>97,607</b>	<b>5,320</b>	<b>182,419</b>

	Share capital S\$ '000	Retained earnings S\$ '000	Total S\$ '000
<b>The Company</b>			
Balance at 1 January 2009	77,001	43,402	120,403
Net profit	-	4,689	4,689
Dividends paid	-	(5,846)	(5,846)
<b>Balance at 30 September 2009</b>	<b>77,001</b>	<b>42,245</b>	<b>119,246</b>

	Share capital S\$ '000	Retained earnings S\$ '000	Total S\$ '000
<b>The Company</b>			
Balance at 1 January 2008	77,001	41,045	118,046
Net profit	-	3,616	3,616
Dividends paid	-	(7,892)	(7,892)
<b>Balance at 30 September 2008</b>	<b>77,001</b>	<b>36,769</b>	<b>113,770</b>

**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 30 September 2009 was 584,591,628 ordinary shares.

The Company does not have any outstanding convertibles.

**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**

	<b>Company 30/09/09</b>	<b>Company 31/12/08</b>
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 sheet' and 'cash flow statement' have been re-titled to 'statement of financial position' and 'statement 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**

	<b>Group 01/07/09 - 30/09/09</b>	<b>Group 01/07/08 - 30/09/08</b>	<b>Group 01/01/09 - 30/09/09</b>	<b>Group 01/01/08 - 30/09/08</b>
(a) Based on the number of ordinary shares on issue (cents)	<b>1.13</b>	<b>0.65</b>	<b>2.62</b>	<b>2.65</b>
(b) On fully diluted basis (cents)	<b>1.13</b>	<b>0.65</b>	<b>2.62</b>	<b>2.65</b>

- (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**

	<b>Group 30/09/09</b>	<b>Group 31/12/08</b>	<b>Company 30/09/09</b>	<b>Company 31/12/08</b>
Net asset value per ordinary share (cents)	<b>32.42</b>	30.86	<b>20.40</b>	20.60

- (i) The Group and Company net asset value per share as at 30 September 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 THIRD QUARTER FINANCIAL RESULTS  
(3Q FY 2009 VS 3Q FY 2008)**

Turnover

The Group reported a S\$16.4 million (or 12.8%) decline in turnover from S\$128.3 million (3Q2008) to S\$111.9 million (3Q2009) mainly due to weaker market demand in prevailing economic conditions.

Both distribution & manufacturing segments turned in weaker performances. Contribution from distribution business, accounted for 66.1% of the Group's total turnover, decreased by 8.8%, from S\$81.2 million (3Q2008) to S\$74.0 million (3Q2009).

Manufacturing business contributed the balance of 33.9% of the Group's total turnover. During the quarter, the manufacturing business reported a 19.6% drop in turnover, which declined from S\$47.2 million (3Q2008) to S\$37.9 million (3Q2009).

#### Gross Profit

Gross Profit decreased by 12.4%, declining from S\$29.7 million (3Q2008) to S\$26.0 million (3Q2009). The decrease was primarily due to lower turnover in both distribution and manufacturing business segments. The Group's gross profit margin maintained at 23.2%.

#### Other Gains

Other gains decreased by 54.7% to S\$0.3 million and were mainly amounts received from parts-warranty claims and government job credit scheme.

#### Operating Expenses

Distribution and administrative expenses were lower by 26.2%, declining from S\$22.7 million (3Q2008) to S\$16.8 million (3Q2009), mainly due to lower business activities in line with lower turnover and the various cost saving initiatives implemented by the Group.

Financing costs were lower by 50.9%, declining from S\$1.6 million (3Q2008) to S\$0.8 million (3Q2009). This was mainly due to lower interest rate and lower bank borrowings in line with the lower turnover.

#### Share of Profit of Associated Companies

The share of profit of associated companies rose by about S\$0.3 million, rising from S\$0.2 million in 3Q2008 to S\$0.5 million in 3Q2009, primarily due to better results reported by Yokohama Tire Sales (Shanghai) Co Ltd.

#### Net Profit After Tax and Minority Interest

Net profit after tax and minority interest rose by about S\$2.8 million (or 72.4%), rising from S\$3.8 million in 3Q2008 to S\$6.6 million in 3Q2009. Compared to 2Q2009, net profit rose by S\$1.8 million, or 36.3%.

### **REVIEW OF NINE-MONTH YEAR-TO-DATE FINANCIAL RESULTS (YTD SEP FY2009 VS YTD SEP FY2008)**

#### Turnover

The Group's turnover of S\$302.0 million for the first 9 months of FY2009 was about S\$58.1 million (or 16.1%) lower than the S\$360.1 million recorded in the corresponding period last year. The decrease was primarily due to the slow down in business activities impacted by the economic downturn.

Turnover from the Distribution business declined by 13.3% to S\$204.9 million in the first 9 months of FY2009 compared with S\$236.4 million posted in the corresponding period last year. On the manufacturing segment, turnover fell by 21.5% to S\$97.1 million in the first 9 months of FY2009 compared with S\$123.8 million recorded in the corresponding period last year.

#### Gross Profit

Gross Profit decreased by 19.9 % to S\$70.9 million in the first 9 months of FY2009. The decrease was primarily due to the lower turnover in both distribution and manufacturing business segments.

#### Other Gains

Other gains increased by 1.5% to S\$1.5 million and consist mainly dividend income received from our 10% investment in HangZhou Yokohama Tire Co Ltd, amounts received from parts-warranty claims and government job credit scheme.

### Operating Expenses

Distribution and administrative expenses reduced by 24.0% to S\$47.9 million in the first 9 months of FY2009 compared with S\$63.0 million in the corresponding period last year. The decrease was mainly due to lower business activities in line with lower turnover and the various costs saving initiatives implemented by the Group.

Financing costs declined by 36.6% to S\$3.1 million due to lower interest rate and lower bank borrowings in line with the lower turnover.

### Share of Profit of Associated Companies

The share of profit of associated companies fell by about S\$1.4 million from a profit of S\$1.2 million in 9 months of FY2008 to a loss of S\$0.2 million in 9 months of FY2009 primarily due to the operating losses incurred by Yokohama Tire Sales (Shanghai) Co Ltd.

### Net Profit After Tax and Minority Interest

Net profit after tax and minority interest declined by about S\$0.2 million (or 1.3%) to S\$15.3 million for the first 9 months of FY2009 from S\$15.5 million recorded in the first 9 months of FY2008.

## **STATEMENT OF FINANCIAL POSITION REVIEW**

As at 30 September 2009, total assets amounted to S\$318.4 million comprising S\$200.4 million of current asset and S\$118.0 million of non-current assets. Total liabilities amounted to S\$122.5 million comprising current liabilities of S\$103.4 million and non-current liabilities of S\$19.2 million. Shareholders' equity including minority interests stood at S\$195.8 million.

The followings are the substantial changes in the statement of financial position compared to 31 December 2008:

### Trade and other receivables

Trade and other receivables increased from S\$75.3 million to S\$80.5 million mainly due to higher sales reported in August and September. Most of these trade receivables remained outstanding at the end of September but they were still within the acceptable credit terms permitted.

### Inventories

Inventories were lower, decreasing from S\$98.0 million to S\$81.5 million, mainly due to better inventory management for the 9 months ended 30 September 2009.

### Other current assets

Other current assets comprise of mainly prepayments and moulds for alloy wheels manufacturing. The increase was due mainly to advance payments to suppliers.

### Investment in associated companies

The decrease in investment in associated companies of S\$0.2 million was due mainly to share of operating losses incurred by Yokohama Tire Sales (Shanghai) Co Ltd.

### Property, plant and equipment

Property, plant and equipment decreased by about S\$1.8 million mainly due to depreciation charged for the 9 months ended 30 September 2009.

### Trade and other payables

Trade and other payables increased from S\$43.2 million to S\$47.0 million mainly due to new purchases in September as a result of higher sales reported in August and September.

### Borrowings (current & non-current)

Borrowings decreased by S\$18.0 million to S\$72.8 million mainly due to repayments of bank borrowings during the period under review.

### **STATEMENT OF CASH FLOWS REVIEW**

A total of S\$43.3 million was generated from operating activities in the first 9 months of FY2009. The Group utilised S\$8.3 million in the investing activities mainly for the purchase of plants and equipments. A total of S\$25.0 million was used in the financing activities mainly for repayment of bank borrowings. Cash and cash equivalents amounted to S\$28.0 million compared to S\$17.5 million reported in 31 December 2008.

#### **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**

There are emerging signs that the global economy is improving.

In line with the economic recovery, the Group is seeing a gradual rise in business activities in both the distribution and manufacturing segments. However, the prospects for a sustainable recovery remain uncertain.

The Group will continue to be vigilant in managing its business, monitoring aluminium prices, implementing cost saving and process improvement initiatives, to reduce operating costs and improve productivity within the organization.

#### **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/recommended, a statement to that effect**

No dividend has been recommended for the period ended 30 September 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

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

**BY ORDER OF THE BOARD**

Tay Tian Hoe Richard  
Group Managing Director  
13/11/2009

Submitted by Tay Tian Hoe Richard, Group Managing Director on 13/11/2009 to the SGX.



# YHI INTERNATIONAL LIMITED


## Statement Pursuant to Rule 705(5) 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 30 September 2009, to be false or misleading in any material aspect.

On Behalf of the Board of Directors



Tay Tian Hoe Richard  
Group Managing Director



Tay Tiang Guan  
Executive Director