



## YHI INTERNATIONAL LIMITED

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### RESPONSE TO QUERY RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST")

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In response to the query raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 12 August 2005, the Board of Directors of YHI International Limited ("the Company") wishes to provide the following information:-

#### **Query**

We note that "intangible assets" increased from S\$0.86 million as at 31 December 2004 to S\$2.67 million as at 30 June 2005. To provide the details of this item and the reason for the increase.

#### **Response**

The details and reason for the increase are as follows:-

	<b>Group SGD '000</b>
<b><u>Intangible assets as at 31 December 2004</u></b> <i>(Note 1)</i>	861
Adjustment to be in line with the new FRS 103 <i>(Note 2)</i>	690
Goodwill arising from purchase of Minority Interest in a subsidiary	1,121
<b><u>Intangible assets as at 30 June 2005</u></b>	<b><u>2,672</u></b>

*Note 1:* Intangible assets comprise of goodwill of S\$1,551,000 and negative goodwill of S\$690,000.

*Note 2:* In accordance with the transitional provision of FRS 103, effective 1 January 2005, unamortised negative goodwill as at 31 December 2004 of S\$690,000 is adjusted against retained earnings as at 1 January 2005.

Submitted by Yuen Sou Wai, Executive Director on 15 August 2005 to the SGX.