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**Second Quarter Results \* Financial Statement And Related 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 *	Executive Chairman and Group Managing Director
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**>> Announcement Details**

The details of the announcement start here ...

For the Financial Period Ended *	30-06-2011
Description	Unaudited Second Quarter 2011 Financial Statements and Press Release

**Attachments**
 [YHIPressRelease1H2011.pdf](#)
 [Q2FY11Results.pdf](#)

Total size = **334K**  
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## YHI International Limited

### YHI International's net profit climbs to S\$13.0m, up 21%, on revenue of S\$263.2m for the six months ended 30 June 2011

“...we remain optimistic about the sector as well as the markets where we operate. There are still numerous business opportunities and there is still a high demand for our products,” said Group Managing Director Richard Tay

GROUP FINANCIAL HIGHLIGHTS						
S\$'m	2Q2011	2Q2010	Change	1H2011	1H2010	Change
Revenue	134.3	120.6	▲11%	263.2	234.7	▲12%
Gross Profit	32.3	28.4	▲14%	62.7	54.9	▲14%
GP Margins	24%	24%	-	24%	23%	▲1ppt
Profit Before Tax	10.1	8.3	▲22%	19.1	15.6	▲22%
Profit After Tax (PATMI)	6.7	5.9	▲13%	13.0	10.7	▲21%
EPS	1.14cts	1.02cts	▲13%	2.23cts	1.84cts	▲21%
<b>Cash and cash equivalents:</b> S\$36.3 million and <b>NAV per share:</b> 37.58 Singapore cents as at 30 June 2011						

**Singapore, 11 August 2011 – Mainboard-listed** YHI International Limited (YHI or the Group) today reported its half-year results for six months ended 30 June 2011. It turned in net profit after tax and minority interest attributable to shareholders of S\$13.0 million for the six months to 30 June 2011, 21.4% higher compared to S\$10.7 million in the corresponding period last year.

YHI's total revenue was up 12.2% to S\$263.2 million from S\$234.7 million a year ago on the back of higher sales from its distribution and manufacturing business segments.

For the six months to 30 June 2011, the Group's gross profit rose by 14.2% to S\$62.7 million from S\$54.9 million in the previous corresponding period, largely attributable to the contribution from higher sales volumes from both its distribution and manufacturing business segments. Its gross profit margin in 1H2011 inched up slightly to 23.8% compared to 23.4% in the previous corresponding period.

Earnings per share edged up to 2.23 cents for the period against 1.84 cents in first half 2010.

Quarter-on-quarter, the Group also did well, recording 12.6% higher net profit to S\$6.7 million compared to S\$5.9 million a year ago. Its quarterly revenue rose by 11.4% to S\$134.3 million from S\$120.6 million in the previous corresponding quarter. Distribution and manufacturing segments reported higher revenues in second quarter 2011. Distribution turnover increased by 10.5% to S\$97.9 million from S\$88.6 million in the previous corresponding quarter, due primarily to higher tyre sales in the ASEAN markets. Manufacturing turnover increased by 13.8% to S\$36.4 million from S\$32.0 million a year ago.

Group Managing Director Richard Tay was pleased with the company's performance, given the current uncertain global economic outlook. "It has been a busy and challenging quarter. I'm glad to report that, by and large, our expansion plans are on track. There's been a slight delay in our fourth production line in Sepang, Malaysia but the construction work at our Shanghai factory is on schedule and we also expect the installation of machineries for the original Equipment Manufacturer segment to be completed and ready for trial production in the fourth quarter of this year."

Mr Tay added that on the distribution front, the Group is actively implementing the multi-product, multi-brand and multi-category marketing strategy to sell tyres, alloy rims and batteries in the existing sales network. “We are also planning to set up new sales networks in emerging markets and are targeting to set up a new subsidiary in Vietnam by the end of the year,” Mr Tay said.

In February 2011, the Group announced its five-year business expansion plan (FY2011-FY2015) to grow its manufacturing and distribution businesses and to reach annual sales target of S\$1 billion by 2015. The new business plan will involve producing an additional 5 million alloy rims for its manufacturing segment through the expansion of its existing manufacturing facilities in China, Taiwan and Malaysia, targeting the Original Equipment Manufacturer (OEM) markets. In addition, it is implementing its new multi-brand, multi-category & multi-product marketing strategy to expand its distribution business segment. As part of our 5-year business plan, we are targeting to complete the construction of our Shanghai facilities by the end of September 2011. When completed, our Shanghai plant will be able to produce 1 million alloy rims per annum for the OEM market.

YHI is a leading global distributor of tyres, alloy rims, automotive and industrial batteries and an Original Design Manufacturer (ODM) of alloy rims. It has worldwide presence in over 100 countries operating through 27 subsidiaries in Asia Pacific, North America and Europe. As an ODM of alloy rims, YHI provides integrated services from the design and development to the manufacturing, marketing and distribution of alloy rims. To date, it has four alloy rims manufacturing facilities in China, Taiwan and Malaysia with a total production capacity of 3.4 million units per annum.

### **Strong Financial Position**

The Group’s financials remain strong backed by total assets of S\$382.2 million and net assets of S\$219.7 million translating to a net asset value per share of 37.58 Singapore cents as at 30 June 2011.

As at end June 2011, the Group's net working capital was S\$125.5 million and a cash and cash equivalents of S\$36.3 million. The total debt stood at S\$100.6 million translating to a net debt to equity ratio of 28.6%.

YHI's market capitalisation at the end of trading on 10 August 2011 was S\$184.1 million, derived from a closing price of 31.5 Singapore cents. The total number of shares issued to date was 584.59 million.

### **Business Outlook**

Uncertainties over the sovereign debt crisis in Europe and slower economic growth in the United States and China have raised concerns over the outlook of the global economy for the second half of 2011. Volatile aluminum prices and other raw material costs, and the weakening of the US dollar would also have some impact on its manufacturing business and margins are expected to come under pressure.

Said Mr Richard Tay: "Despite the external pressures, we remain optimistic about the sector as well as the markets where we operate. There are still numerous business opportunities and there is still a high demand for our products.

"Internally, we are continually finding ways to be smarter about the way we do business, doing all we can to raise productive and operating efficiencies so that we can manage our costs better," added Mr Tay.

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## **About YHI International Limited**

YHI International Limited is a recognised distributor of high-quality automotive and industrial products as well as a familiar and trusted brand name in alloy rims manufacturing as an Original Design Manufacturing (“ODM”) providing integrated services from the design and development to the manufacturing, marketing and distribution of alloy rims.

Today, YHI’s wide international presence can be seen in over 100 countries operating through our 27 subsidiaries and an associated company located in Asia Pacific, North America and Europe. YHI distributes a diverse range of automotive products which includes tyres, alloy rims, automotive and industrial batteries, as well as golf and utility buggies to more than 5,000 customers globally.

The key tyre brands are Yokohama, Nankang, Nexen, Pirelli, Archilles, Corsa and its proprietary brand – Neuton.

YHI’s portfolio of alloy rims includes renowned brands such as Enkei, OZ, Konig, Advanti Racing and Breyton. Advanti Racing is an official partner to Scuderia Toro Rosso Formula One Team.

YHI’s industrial product portfolio includes both automotive batteries and rechargeable batteries for commercial and industrial use as well as golf and utility buggies from EZGO.

Some of the key brands of rechargeable batteries it distributes are Hitachi, Trojan, CSB, Benning, Crown and Vision. YHI also has its own proprietary brand of industrial and automotive batteries called Neuton Power.

As an integrated ODM solutions provider, YHI currently has four alloy rims manufacturing plants located in Shanghai and Suzhou, China, Taoyuan in Taiwan and Sepang in Malaysia with a current total production capacity of 3.2 million units per annum.

The Group aims to develop YHI into a global brand name where its tagline “The World is Our Market” will come true. Its plan is to continue to strengthen and widen the YHI’s distribution network, focusing on the promotion and development of its portfolio of premium and proprietary brands in the global market.

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Issued on behalf of YHI International Limited by: Waterbrooks Consultants Pte Ltd

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