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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 ...

Announcement Title *	YHI INTERNATIONAL LIMITED REPORTS NET PROFIT JUMP OF 25.2% FOR FULL YEAR FY2005
Description	PLEASE SEE ATTACHED.
<b>Attachments:</b>	 <a href="#">YHIFY05PressRelease21Feb2006revised.pdf</a> Total size = <b>145K</b> (2048K size limit recommended)

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友发国际有限公司

**YHI INTERNATIONAL LIMITED** (Co. Reg. No. 200007455H)

No. 2 Pandan Road Singapore 609254 Tel: (65) 6264 2155 Fax: (65) 6265 9927, 6266 5368  
http://www.yhi.com.sg Email: yhigroup@yhi.com.sg

## **YHI INTERNATIONAL LIMITED REPORTS NET PROFIT JUMP OF 25.2% FOR FULL YEAR FY2005**

### **HIGHLIGHTS:-**

- ♣ **NET PROFIT INCREASED TO S\$25.5 MILLION ON REVENUE OF S\$334.8 MILLION IN FY05**
- ♣ **FIRST AND FINAL TAX EXEMPT DIVIDEND AT 10% DIVIDEND RATE**

Singapore, February 21, 2006: SGX Mainboard-listed YHI International Limited ("YHI" or the "Group"), an established distributor of automotive and industrial products and an original design manufacturer (ODM) of alloy wheels, today announced a 25.2% jump in net profit of S\$25.5 million for the financial year ended 31 December 2005.

The increase in net profit came on the back of revenue increase from S\$291.3 million in FY04 to S\$334.8 million achieved in FY05. The healthy performance reflected the improved contributions from both its distribution and manufacturing businesses.

Earnings per share for the Group rose from 3.48 cents in FY04 to 4.36 cents in FY05.

Net asset value for the Group was 22.22 cents in FY05 – up from 17.91 cents in FY04.

In recognition of the Group's excellent performance in FY05, the directors of YHI have announced a first and final tax-exempt cash dividend at 10% dividend rate as compared to 6% in FY04.

### **SEGMENTAL CONTRIBUTIONS**

#### **Distribution**

The Group's distribution business, which made up about 71% of YHI's total revenue, saw an increase of approximately S\$29.9 million or 14.4% from S\$207.1 million in FY04 to S\$237.0 million in FY05. The rise in revenue was mainly due to stronger tyre sales volumes in Asean, PRC and Oceania.

Net profit from YHI's distribution business, which accounted for about 57.6% of Group's total profit in FY05 increased by S\$3.4 million to S\$14.7 million in FY05.



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### **Manufacturing**

The manufacturing segment which accounted for about 29% of YHI's total revenue, reported an increase in sales by 16.2% or S\$13.6 million from S\$84.2 million in FY04 to S\$97.8 million in FY05. This increase in revenue was mainly attributed to the operation of the six production lines at full operational capacity in the Group's Shanghai plant as compared to FY04 when the additional lines were phased into full production by stages in the later part of last year.

The Group's manufacturing business contributed 42.4% of the YHI's total profit in FY05. Net profit increased by S\$1.8 million to S\$10.8 million in FY05.

### **GOING FORWARD**

Commenting on the Group's full year performance, Mr Richard Tay, Group Managing Director of YHI said: "Both the Group's distribution and manufacturing businesses recorded good growth in FY05 and prospects for the Group are bright for the year ahead especially with the robust economies that YHI serves. These markets include the PRC and Southeast Asia."

"Going forward, we expect our distribution sales in ASEAN to grow as we continue to focus on the distribution of Yokohama tyres. In particular, the distribution of truck and bus tyres supplied from Yokohama's factory in Thailand has opened a new market segment for us. Our Oceanic operations are also expected to grow further as we will continue to source for more tyres from various tyre manufacturers based in Indonesia, Korea and Taiwan for distribution," Mr Richard Tay added.

On YHI's joint venture with Yokohama in Shanghai, Mr Tay said, "This joint venture company is expected to bring greater benefits for us as we can now distribute a wider range of products. YHI is currently distributing only Yokohama passenger car tyres in the PRC. We expect contribution to be significant only from FY07 when Yokohama Rubber Co Ltd puts in place its expansion plans in the PRC."

Meanwhile, YHI will forge ahead with its manufacturing plans in ASEAN and the PRC.

When both its Sepang factory in Malaysia and Suzhou factory in the PRC become operational in the second half of FY06 and with the addition of a second production line in its Taiwan factory, the Group will have at least 4 new production lines in full operational capacity by end FY06. It augurs well as the Group would be able to fulfill existing and additional customers' orders in the global aftermarket wheel business.

YHI's manufacturing business will continue to be the Group's main growth driver and it will continue to seek and form strategic alliances with reputable partners in the global aftermarket wheel business as part of its seamless supply chain strategy.

On the outlook of YHI, Mr Tay commented, "We have taken the right initiatives to strengthen our base in the past year. With our expansion plans in PRC and ASEAN, we are well-placed to benefit from them in 2006. We are therefore optimistic of our prospects in the coming year."



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**ABOUT YHI INTERNATIONAL:**

The Group's distribution network spans 19 subsidiaries located in Singapore, the PRC, Hong Kong, Taiwan, Malaysia, Japan, Australia, New Zealand and USA where it has established its corporate offices and warehousing facilities. From its main distribution hubs in Singapore, the PRC, Hong Kong and Taiwan, the Group distributes its products locally in these countries as well as exports them to more than 30 countries. Currently, it distributes to approximately 2,000 customers internationally. Some of the key international brands that YHI distributes include Yokohama, Nankang and Nexen for tyres, Enkei and OZ for alloy wheels and Hitachi for both automotive and industrial batteries.

As an integrated ODM solutions provider, YHI provides a range of services from design and development to manufacturing and marketing and distribution of alloy wheels for customers. It designs and manufactures for major brands like LowenHart, Racing Hart, Konig and 5-zigen. It has also created and marketed its own brand Advanti through its wide distribution network.

Release issued on behalf of YHI International Limited by  
Stratagem Consultants Pte Ltd

For more information, please contact:

Tham Moon Yee / Sabrina Chua / Lee Yew Meng

Tel: 6227 0502

Email: [tmy@stratagemconsultants.com](mailto:tmy@stratagemconsultants.com)  
[sabrina@stratagemconsultants.com](mailto:sabrina@stratagemconsultants.com)  
[yewmeng@stratagemconsultants.com](mailto:yewmeng@stratagemconsultants.com)