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Designation *	Group Managing Director
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**>> Announcement Details**  
 The details of the announcement start here ...

Announcement Title *	PRESS RELEASE
Description	
<b>Attachments</b>	 <a href="#">YHIQ3FY09PressRelease.pdf</a> Total size = <b>192K</b> (2048K size limit recommended)

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## **PRESS RELEASE**

### **YHI INTERNATIONAL LIMITED REPORTS 68.2% JUMP IN NET PROFIT TO S\$7.2 MILLION ON SALES OF S\$112.0 MILLION FOR Q3FY09**

- **Net profit margin rises to 6.4% in Q3FY09, up from 3.3% in Q3FY08 and 5.5% reported in Q2FY09**
- **Earnings per share soars 73.8% from 0.65 Singapore cents in Q3FY08 to 1.13 Singapore cents for Q3FY09**

**Singapore, November 13<sup>th</sup>, 2009** -- SGX Mainboard-listed YHI International Limited (“YHI” or the “Group”), a leading distributor of automotive and industrial products and an original design manufacturer (ODM) of alloy wheels posted a 68.2% surge in its net profit to S\$7.2 million for the third quarter of FY09, up from S\$4.3 million in Q3FY08.

Group net profit attributable to shareholders showed significant improvement – up 72.4% to reach S\$6.6 million in Q3FY09 from S\$3.8 million achieved in Q3FY08.

The higher net profit was achieved despite a 12.8% fall in Group revenue to S\$112.0 million for Q3FY09 from S\$128.3 million in Q3FY08.

This has resulted in improved net profit margin of 6.4% for Q3FY09 - up from 3.3% in Q3FY08 and 5.5% in Q2FY09.

On a quarterly basis, however, Group revenue increased by 20.1% in Q3FY09 from S\$93.2 million in Q2FY09, bringing about a 40.8% rise in Group net profit from S\$5.1



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million in Q2FY09. This signals an upturn in the demand for the Group's products in the light of improving consumer sentiment in its key markets.

YHI's Group Managing Director, Mr. Richard Tay said: "We are pleased to report an improved set of results for YHI despite challenging market conditions in the past 9 months. Our improved results for this quarter signal that we are poised for further growth as we are able to effectively manage our operating costs through various cost saving initiatives and take advantage of growth opportunities in our key markets."

There are encouraging signs of an economic rebound in recent months. This was reflected in the improved sales across all the Group's key markets in Q3FY09 compared to Q2FY09.

The Group also enjoyed lower distribution and administrative expenses which fell by 26.2% to S\$16.8 million during the period under review, due to its effective cost management strategies.

#### **Working Capital and Cash Flow**

The Group's cash and cash equivalents is also healthy at S\$28.0 million as at September 30, 2009, which was a significant 62.2% rise from S\$17.3 million recorded for the previous corresponding period. This is due to better working capital management for the nine months under review.

#### **Earnings Per Share and Net Asset Value Per Share**

Reflecting the sterling results of the Group, Earnings Per Share jumped 73.8% to 1.13 Singapore cents in Q3FY09 from 0.65 Singapore cents recorded in Q3FY08.



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For the nine months under review, the Group Earnings Per Share remained steady at 2.62 cents against 2.65 Singapore cents accomplished in the previous corresponding period.

Group Net Asset Value Per Share also rose by 5.1% for the nine months ended September 30, 2009 to 32.42 Singapore cents against 30.86 Singapore cents as at December 31, 2008.

### **Segmental Performance**

#### **Distribution**

This segment contributes to 66.1% of the total Group revenue in the quarter under review. While the distribution division saw its turnover ease by 8.8% in Q3FY09 as compared to the same period last year, hitting S\$74.0 million, this division rebounded in the last quarter, reflecting rising consumer demand as a result of the improved economic conditions. In comparison with the previous consecutive quarter, Group sales achieved for this division in Q3FY09 climbed about 11.6% as compared to S\$66.3 million registered in Q2FY09.

#### **Manufacturing**

Group turnover for this division accounted for 33.9% or S\$37.9 million in Q3FY09.

In comparison with S\$26.9 million of Group sales achieved in Q2FY09, Group revenue for the manufacturing segment in Q3FY09 shot up almost 40.9%, driven by higher sales across all the Group's key markets in the quarter under review.



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### **Going Forward**

Going forward, the Group remains cautiously optimistic of its outlook.

Commented Mr Tay: “There are certainly encouraging signs that the global economy is on the road to recovery. We are already experiencing a gradual uptrend in our business activities as consumer confidence is returning.

While there are still risks and volatility in the global markets, we believe that with our strengthened management team and strategic cost management initiatives, we are well-poised to capitalise on new opportunities to fuel our continued progress and deliver positive shareholder value.”

To strengthen the Group’s manufacturing operations, YHI beefed up its management team with the recent appointment of Mr Thomas Lee as the Chief Executive Officer of YHI Manufacturing Group. He has more than 20 years of experience in the alloy wheels industry dealing with mergers and acquisitions, formulating expansion strategies and developing the Original Equipment Manufacturing (“OEM”) business. Mr Lee, with his extensive working experience in the alloy wheels industry will help the Group explore merger and acquisition and other expansion strategies including the formulation of plans to take advantage of opportunities in the OEM business development.

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### **ABOUT YHI INTERNATIONAL LIMITED**

YHI International Limited is a recognized distributor of high-quality automotive and industrial products as well as a familiar and trusted brand name in alloy wheels manufacturing as an Original Design Manufacturing (“ODM”) providing integrated



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services from the design and development to the manufacturing, marketing and distribution of alloy wheels.

Today, YHI's wide international presence can be seen in over 92 countries operating through our 27 subsidiaries and associated companies located in ASEAN, China, Taiwan, Hong Kong, USA, Japan, Canada, Australia, New Zealand, Italy, Germany and UK. We distribute a diverse range of automotive products which includes tires, alloy wheels and automotive batteries, as well as industrial and commercial products such as industrial batteries and golf buggies to more than 5,000 customers globally.

The key tire brands we carry are Yokohama, Nankang, Nexen, Pirelli, Archilles, Corsa and our own proprietary brand – Neuton. Our alloy wheels brand portfolio includes renowned brands namely - Enkei, OZ, Konig, Advanti Racing and Breyton. Our own proprietary brand, Advanti Racing is an Official Partner to Scuderia Toro Rosso Formula One Team.

Our 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 we distribute for rechargeable batteries are Hitachi, Trojan, CSB, Benning, Crown and Vision. We have also launched our own proprietary brand of industrial and automotive batteries called Neuton Power.

As an integrated ODM solutions provider, YHI currently has four alloy wheels manufacturing plants located in Shanghai and Suzhou, China, Taoyuan in Taiwan and Sepang in Malaysia.

The Group aims to develop YHI into a global brand name where “The World is Our Market”. We will continue to strengthen and widen the YHI distribution network,



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emphasising on promoting and developing our portfolio of premium and proprietary brands in the global market.

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Release issued on behalf of YHI International Limited by  
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