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Third 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 *	30-09-2010
Description	Unaudited Third Quarter 2010 Financial Statements and Press Release

Attachments

 [YHIQ3FY10Results.pdf](#)
 [YHIPressReleaseQ3FY10.pdf](#)
 Total size = **463K**
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YHI INTERNATIONAL LIMITED

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PRESS RELEASE

YHI INTERNATIONAL SAW NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS UP 25.4% TO S\$8.3 MILLION IN Q3FY10

- Sales rose 18.1% to S\$132.3 million in Q3FY10
- Net profit attributable to shareholders for 9MFY10 up 24.1% to S\$19.0 million on 21.5% increase in sales to S\$367.0 million
- One new production line in Malaysia operational in Q4 2010.

Singapore, 9th November, 2010 – 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, continues to report a profitable performance in Q3FY10 as it expands its production capacity in Malaysia to cater to the improved market demand for its aluminium wheels in ASEAN and Europe. This is also in line with the Group’s intention to have its wheel orders from European customers fulfilled by its production facilities in Taiwan and Malaysia.

YHI is adding a new production line in its manufacturing plants in Sepang, Malaysia, which will be operational in Q4 2010.

The third line in Sepang plant will have a monthly production capacity of 16,000 wheels, or one third of its total. The new addition will increase the Group’s total wheel production capacity to 3.2 million units from the current capacity of 3.0 million.

In terms of financial performance, the Group’s net profit attributable to shareholders improved 25.4% to S\$8.3 million in Q3FY10 from S\$6.6 million in Q3FY09. These earnings were achieved on the back of an 18.1% rise in sales to S\$132.3 million in



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Q3FY10 from S\$112.0 million in Q3FY09. The increase stemmed mainly from higher demand for the Group's products as a result of the improved global economy and consumer sentiment.

Gross Profit of the Group also rose by 19.5% to S\$31.1 million in Q3FY10 from S\$26.0 million in Q3FY09.

Compared to Q2FY10, net profit attributable to shareholders in Q3FY10 surged by 39.4% from S\$5.9 million, while sales improved by 9.7% from S\$120.6 million.

On a nine-month basis, the Group also reported robust growth in performance.

For the first nine months ended 30 September 2010, the Group's net profit attributable to shareholders was up 24.1% to S\$19.0 million on 21.5% rise in sales to S\$367.0 million, compared to net earnings of S\$15.3 million and sales of S\$302.0 million in 9MFY09 respectively.

The Group reported a share of profit from associated companies of \$3.1 million in the first nine months of FY2010, against a share of loss of \$0.2 million in the first nine months of FY2009. Share of profit from associated companies improved to S\$0.8 million in Q3FY10 from S\$0.5 million in Q3FY09.

Earnings Per Share and Net Asset Value Per Share

The Group's Earnings Per Share (EPS) rose 25.7% to 1.42 cents in Q3FY10 against 1.13 cents in Q3FY09 while Net Asset Value Per Share (NAV) stood at 35.23 cents in Q3FY10, edging up by 2.6% from 34.34 cents in Q2FY10 and 4.7% from 33.64 cents as at December 31, 2009.



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Working Capital and Cash Flow

The Group continues to report a strong balance sheet, with cash and cash equivalents soaring by 39.0% to S\$39.9 million in Q3FY10 from S\$28.7 million in Q3FY09. Cash and cash equivalents was also 7.0% higher compared to S\$37.3 million reported at 31 December, 2009. Net Cash generated from operations also jumped to S\$5.6 million in Q3FY10 compared to a negative of S\$0.4 million in the corresponding period of last year.

The Group's financial position remains sound, with the working capital rising from S\$104.4 million to S\$110.7 million in 9MFY10 and the net gearing capped at 15.9%.

Segmental Performance

Distribution

Accounting for 68.3% of the total Group revenue in Q3FY10, the distribution segment – aided by improvement in consumer sentiment – achieved a 22.0% rise in sales to S\$90.3 million in Q3FY10 from S\$74.0 million in Q3FY09. This is also higher than the S\$88.6 million achieved in Q2FY10. In terms of geographic segmentation, the ASEAN markets remained the major demand driver, accounting for about 36%, followed by Oceania at about 26%. Europe took up a roughly 12% stake.

By introducing new range of tyre sizes, the Group is expanding its tyres distribution portfolio from its current portfolio of 29 different types of tyres to 50 by the end of this year. And YHI will be increasing its range of tyre sizes to 100 by the end of 2011.

Manufacturing



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Sales from the manufacturing division, which accounted for the balance 31.7% of the total Group sales, rose to S\$42.0 million in Q3FY10, up from S\$38.0 million in Q3FY09 and S\$32.0 million in Q2FY10.

Going Forward

Mr Richard Tay, Executive Chairman and Group Managing Director for YHI said: “With improved consumer and business sentiments, we expect the outlook of the automotive industry to remain positive.

“The operating environment surrounding our manufacturing business remains competitive and challenging, particularly in view of the rising raw material costs and currency volatility. Aluminium prices have been rising recently and if prices continue to remain high, it will have an adverse impact on the gross margins of our manufacturing business. The Group will continue to monitor our business operations closely, to control and reduce costs where possible and raise productivity for a sustained performance in our manufacturing business. We also expect our distribution business to continue to deliver contributions to the Group.”

On 28 October 2010, the European Union ("EU") imposed a definitive anti-dumping duty of 22.3% on aluminum road wheels originating in the People's Republic of China and the regulation was effected from 29 October 2010. As a result of this, YHI's European orders will be fulfilled by its production facilities in Taiwan and Malaysia which are not affected by the duty.

For its distribution business, YHI will continue to expand its product range in the existing sales network as well as exploring new opportunities in emerging economies. The Group is adding a new range of sizes in Off-The-Road (“OTR”) Yokohama giant mining tyres to



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be sold in Indonesia, Vietnam & Myanmar. At the same time, the Group will be introducing a new range of sizes in our proprietary brand Neuton tyres to include winter tyres, tyres for sport utility vehicles, van and lightweight vehicles; in addition to the existing range of tyres for passenger cars.

Based on the current economic outlook and barring any unforeseen circumstances, the Group expects to report an improved performance for the financial year 2010.

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 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 2 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



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

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

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