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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](#)
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**YHI INTERNATIONAL LIMITED**(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)**Unaudited Third Quarter 2010 Financial Statements and Dividend Announcement
for the Period Ended 30 September 2010****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS****1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year****1(a)(i) CONSOLIDATED INCOME STATEMENT (3Q FY2010 vs 3Q FY2009)**

	Group 01/07/10- 30/09/10 S\$ '000	Group 01/07/09- 30/09/09 S\$ '000	Incr/(Decr) %
Sales	132,273	111,957	18.1%
Cost of sales	(101,169)	(85,932)	17.7%
Gross profit	31,104	26,025	19.5%
Other gains	605	272	122.4%
Expenses			
- Distribution	(10,788)	(8,708)	23.9%
- Administrative	(10,251)	(8,042)	27.5%
- Finance	(940)	(794)	18.4%
Share of profit of associated companies	835	475	75.8%
Profit before income tax	10,565	9,228	14.5%
Income tax expense	(1,671)	(2,058)	(18.8%)
Net profit	8,894	7,170	24.0%
Attributable to:			
Equity holders of the Company	8,276	6,598	25.4%
Minority interests	618	572	8.0%
	8,894	7,170	24.0%

NOTES TO CONSOLIDATED INCOME STATEMENT (3Q FY2010 vs 3Q FY2009)

	Group 01/07/10- 30/09/10 S\$ '000	Group 01/07/09- 30/09/09 S\$ '000	Incr/(Decr) %
Interest income	52	4	1200.0%
Interest on borrowings	(940)	(794)	18.4%
Depreciation	(2,837)	(3,092)	(8.2%)
Amortisation of intangible assets	(16)	(16)	-
Allowance for impairment of doubtful receivables and bad debts written off	(484)	(494)	(2.0%)
Written down of inventory	(296)	(278)	6.5%
Currency exchange gains – net	-	916	NM
Share of profit of associated companies	835	475	75.8%
Gain on disposal of property, plant and equipment	121	42	188.1%

NM – Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (3Q FY2010 vs 3Q FY2009)

	Group 01/07/10- 30/09/10 S\$ '000	Group 01/07/09- 30/09/09 S\$ '000	Incr/(Decr) %
Profit for the period	8,894	7,170	24.0%
Other comprehensive income, net of tax:			
- Currency translation differences	(2,731)	(1,016)	168.8%
Total comprehensive income for the period	6,163	6,154	0.1%
Total comprehensive income attributable to:			
Equity holders of the Company	5,216	5,103	2.2%
Minority interests	947	1,051	(9.9%)
	6,163	6,154	0.1%

1(a)(ii) CONSOLIDATED INCOME STATEMENT (YTD SEP FY2010 vs YTD SEP FY2009)

	Group 01/01/10- 30/09/10 S\$'000	Group 01/01/09- 30/09/09 S\$'000	Incr/(Decr) %
Sales	366,974	301,983	21.5%
Cost of sales	(280,943)	(231,044)	21.6%
Gross profit	86,031	70,939	21.3%
Other gains	1,321	1,494	(11.6%)
Expenses			
- Distribution	(30,529)	(23,863)	27.9%
- Administrative	(31,106)	(24,057)	29.3%
- Finance	(2,577)	(3,129)	(17.6%)
Share of profit / (loss) of associated companies	3,058	(214)	NM
Profit before income tax	26,198	21,170	23.8%
Income tax expense	(5,451)	(5,012)	8.8%
Net profit	20,747	16,158	28.4%
Attributable to:			
Equity holders of the Company	19,011	15,318	24.1%
Minority interests	1,736	840	106.7%
	20,747	16,158	28.4%

NOTES TO CONSOLIDATED INCOME STATEMENT (YTD SEP FY2010 vs YTD SEP FY2009)

	Group 01/01/10- 30/09/10 S\$'000	Group 01/01/09- 30/09/09 S\$'000	Incr/(Decr) %
Interest income	141	62	127.4%
Interest on borrowings	(2,577)	(3,129)	(17.6%)
Depreciation	(8,670)	(9,056)	(4.3%)
Amortisation of intangible assets	(47)	(47)	-
(Allowance for) / Written back impairment of doubtful receivables and bad debts written off	(1,522)	140	NM
Written down of inventory	(1,067)	(600)	77.8%
Currency exchange (losses) / gains – net	(1,664)	1,472	NM
Share of profit / (loss) of associated companies	3,058	(214)	NM
(Losses) / gains on disposal of property, plant and equipment	(32)	46	NM

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(YTD SEP FY2010 vs YTD SEP FY2009)**

	Group 01/01/09- 30/09/09 S\$ '000	Group 01/01/09- 30/09/09 S\$ '000	Incr/(Decr) %
Profit for the period	20,747	16,158	28.4%
Other comprehensive income, net of tax:			
- Currency translation differences	(3,109)	1,516	NM
Total comprehensive income for the period	17,638	17,674	(0.2%)
Total comprehensive income attributable to:			
Equity holders of the Company	16,031	14,991	6.9%
Minority interests	1,607	2,683	(40.1%)
	17,638	17,674	(0.2%)

1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year

STATEMENTS OF FINANCIAL POSITION

	Group 30/09/10 S\$ '000	Group 31/12/09 S\$ '000	Company 30/09/10 S\$ '000	Company 31/12/09 S\$ '000
Current assets				
Cash and cash equivalents	39,928	37,323	509	1,119
Trade and other receivables	91,703	78,031	28,040	32,444
Inventories	84,910	92,630	-	-
Other current assets	12,424	9,816	12	15
	228,965	217,800	28,561	33,578
Non-current assets				
Financial assets, available-for-sale	7,513	7,513	-	-
Transferable club membership, at cost	222	132	-	-
Investment in associated companies	19,471	16,888	-	-
Investment in subsidiaries	-	-	95,697	95,697
Property, plant and equipment	80,248	81,967	180	262
Intangible assets	3,990	4,037	-	-
Deferred income tax assets	4,868	4,977	-	-
	116,312	115,514	95,877	95,959
Total assets	345,277	333,314	124,438	129,537
Current liabilities				
Trade and other payables	54,702	48,542	2,749	3,587
Current income tax liabilities	1,563	1,634	-	444
Borrowings	62,044	63,270	-	-
	118,309	113,446	2,749	4,031
Non-current liabilities				
Borrowings	10,660	13,966	-	-
Deferred income tax liabilities	1,621	1,445	-	-
	12,281	15,411	-	-
Total liabilities	130,590	128,857	2,749	4,031
Net assets	214,687	204,457	121,689	125,506
Capital and reserves attributable to the Company's equity holders				
Share capital	77,001	77,001	77,001	77,001
Other reserves	(381)	2,599	-	-
Retained earnings	129,344	117,056	44,688	48,505
	205,964	196,656	121,689	125,506
Minority interests	8,723	7,801	-	-
Total equity	214,687	204,457	121,689	125,506

1(b)(ii) Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

Group As at 30/09/10		Group As at 31/12/09	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
62,044	-	63,270	-

Amount repayable after one year

Group As at 30/09/10		Group As at 31/12/09	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
10,660	-	13,966	-

Details of any collateral

The Group's borrowings are secured by the following:-

- (i) a first legal mortgage on certain subsidiaries' freehold and leasehold properties;
- (ii) a first legal charge on office equipment, plant and machinery of a subsidiary;
- (iii) a fixed and floating charge on all the assets of a subsidiary;
- (iv) corporate guarantee from the Company; and
- (v) banker's guarantees, up to S\$4.7 million (2009: S\$20.1 million), given as security to banks which granted banking facilities to certain subsidiaries. The banker's guarantees are in turn secured by a fixed and floating charge on all the assets of a subsidiary as referred to in paragraph (iii) above.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

1(c)(i) CONSOLIDATED STATEMENT OF CASH FLOWS (3Q FY2010 vs 3Q FY2009)

	Group 01/07/10- 30/09/10 S\$ '000	Group 01/07/09- 30/09/09 S\$ '000
Cash flows from operating activities		
Net profit	8,894	7,170
Adjustments for:		
Income tax	1,671	2,058
Depreciation of property, plant and equipment	2,837	3,092
Amortisation of intangible assets / Impairment loss	16	16
Interest expense	940	794
Interest income	(52)	(4)
Gain on disposal of property, plant and equipment	(121)	(42)
Share of profit of associated companies	(835)	(475)
Unrealised translation differences	(10)	348
Operating cash flow before working capital changes	<u>13,340</u>	<u>12,957</u>
Changes in operating assets and liabilities:		
Trade and other receivables	(8,807)	(13,345)
Inventories	(71)	(5,074)
Other current assets	438	(681)
Trade and other payables	2,327	8,525
Cash generated from operations	<u>7,227</u>	<u>2,382</u>
Interest received	52	4
Income tax paid	(1,696)	(2,802)
Net cash provided by / (used in) operating activities	<u>5,583</u>	<u>(416)</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	220	119
Purchase of property, plant and equipment	(7,616)	(705)
Acquisition of financial assets, available-for-sale	-	(41)
Net cash used in investing activities	<u>(7,396)</u>	<u>(627)</u>
Cash flows from financing activities		
Interest paid	(946)	(809)
Proceeds from borrowings	8,486	-
Repayment of borrowings	(1,790)	(5,321)
Proceeds from / repayment of finance lease	534	(80)
Net cash provided by / (used in) financing activities	<u>6,284</u>	<u>(6,210)</u>
Net increase / (decrease) in cash and cash equivalents held	4,471	(7,253)
Cash and cash equivalents at the beginning of the financial period	35,110	35,301
Effects of currency translation on cash and cash equivalents	(371)	(13)
Cash and cash equivalents at the end of the financial period	<u>39,210</u>	<u>28,035</u>

Explanatory Notes:

Cash and cash equivalents comprise:-

	Group 01/07/10- 30/09/10 S\$ '000	Group 01/07/09- 30/09/09 S\$ '000
Cash and bank balances	39,928	28,718
Less: Bank overdrafts	(718)	(683)
	<u>39,210</u>	<u>28,035</u>

1(c)(ii) CONSOLIDATED STATEMENT OF CASH FLOWS (YTD SEP FY2010 vs YTD SEP FY2009)

	Group 01/01/10- 30/09/10 S\$ '000	Group 01/01/09- 30/09/09 S\$ '000
Cash flows from operating activities		
Net profit	20,747	16,158
Adjustments for:		
Income tax	5,451	5,012
Depreciation of property, plant and equipment	8,670	9,056
Amortisation of intangible assets / Impairment loss	47	47
Interest expense	2,577	3,129
Interest income	(141)	(62)
Losses / (gains) on disposal of property, plant and equipment	32	(46)
Share of (profit) / loss of associated companies	(3,058)	214
Unrealised translation differences	(147)	1,308
Operating cash flow before working capital changes	<u>34,178</u>	<u>34,816</u>
Changes in operating assets and liabilities:		
Trade and other receivables	(13,672)	(5,241)
Inventories	7,720	16,463
Other current assets	(2,608)	(441)
Trade and other payables	6,742	4,497
Cash generated from operations	<u>32,360</u>	<u>50,094</u>
Interest received	141	62
Income tax paid	(5,401)	(6,858)
Net cash provided by operating activities	<u>27,100</u>	<u>43,298</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	733	304
Purchase of property, plant and equipment	(9,878)	(8,558)
Acquisition of financial assets, available-for-sale	(89)	(41)
Net cash used in investing activities	<u>(9,234)</u>	<u>(8,295)</u>
Cash flows from financing activities		
Dividends paid to shareholders	(6,723)	(5,846)
Dividends paid to minority interests	(685)	(662)
Interest paid	(2,567)	(3,135)
Proceeds from borrowings	9,762	11,500
Repayment of borrowings	(15,116)	(26,943)
Proceeds from finance lease	298	103
Net cash used in financing activities	<u>(15,031)</u>	<u>(24,983)</u>
Net increase in cash and cash equivalents held	2,835	10,020
Cash and cash equivalents at the beginning of the financial period	36,943	17,549
Effects of currency translation on cash and cash equivalents	(568)	466
Cash and cash equivalents at the end of the financial period	<u>39,210</u>	<u>28,035</u>

Explanatory Notes:

Cash and cash equivalents comprise:-

	Group 01/01/10- 30/09/10 S\$ '000	Group 01/01/09- 30/09/09 S\$ '000
Cash and bank balances	39,928	28,718
Less: Bank overdrafts	(718)	(683)
	<u>39,210</u>	<u>28,035</u>

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

STATEMENT OF CHANGES IN EQUITY

←Attributable to equity holders of the Company→

	Share capital S\$ '000	Other reserves S\$ '000	Retained earnings S\$ '000	Total S\$ '000	Minority interests S\$ '000	Total equity S\$ '000
The Group						
Balance at 1 January 2010	77,001	2,599	117,056	196,656	7,801	204,457
Total comprehensive income for the period	-	(2,980)	19,011	16,031	1,607	17,638
Dividends relating to 2009 paid	-	-	(6,723)	(6,723)	(685)	(7,408)
Balance at 30 September 2010	77,001	(381)	129,344	205,964	8,723	214,687

	Share capital S\$ '000	Other reserves S\$ '000	Retained earnings S\$ '000	Total S\$ '000	Minority interests S\$ '000	Total equity S\$ '000
The Group						
Balance at 1 January 2009	77,001	2,388	100,989	180,378	4,276	184,654
Total comprehensive income for the period	-	(327)	15,318	14,991	2,683	17,674
Dividends relating to 2008 paid	-	-	(5,846)	(5,846)	(662)	(6,508)
Balance at 30 September 2009	77,001	2,061	110,461	189,523	6,297	195,820

The Company

	Share capital S\$ '000	Retained earnings S\$ '000	Total S\$ '000
Balance at 1 January 2010	77,001	48,505	125,506
Net profit	-	2,906	2,906
Dividends relating to 2009 paid	-	(6,723)	(6,723)
Balance at 30 September 2010	77,001	44,688	121,689

The Company

	Share capital S\$ '000	Retained earnings S\$ '000	Total S\$ '000
Balance at 1 January 2009	77,001	43,402	120,403
Net profit	-	4,689	4,689
Dividends relating to 2008 paid	-	(5,846)	(5,846)
Balance at 30 September 2009	77,001	42,245	119,246

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares, excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There was no change in the Company's number of shares since 31 December 2009. The share capital of the Company as at 30 September 2010 was 584,591,628 ordinary shares.

The Company does not have any outstanding convertibles.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	Company 30/09/10	Company 31/12/09
Ordinary shares	584,591,628	584,591,628

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except for those as disclosed under paragraph 5, the accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

On 1 January 2010, the Group has adopted the following new or revised FRS:-

FRS 27 (revised) - Consolidated and Separate Financial Statements

FRS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.

FRS 103 (revised) - Business Combinations

FRS 103 (revised) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

The adoption of FRS 27(revised) and FRS 103(revised) has no material effect to the financial statements of the Group.

6. Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

EARNINGS PER SHARE

	Group 01/07/10 - 30/09/10	Group 01/07/09 - 30/09/09	Group 01/01/10 - 30/09/10	Group 01/01/09 - 30/09/09
(a) Based on the number of ordinary shares on issue (cents)	1.42	1.13	3.25	2.62
(b) On fully diluted basis (cents)	1.42	1.13	3.25	2.62

- (i) The Group earnings per share for current and preceding periods are based on the actual number of shares in issue of 584,591,628 ordinary shares.
- (ii) Diluted earnings per share is the same as basic earnings per share. There are no dilutive potential ordinary shares as there are no outstanding share options at the beginning and end of the financial year.
- (iii) There was no material impact on prior period EPS on adoption of the revised FRS as disclosed in paragraph 5.

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares, excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

NET ASSET VALUE PER SHARE

	Group 30/09/10	Group 31/12/09	Company 30/09/10	Company 31/12/09
Net asset value per ordinary share (cents)	35.23	33.64	20.82	21.47

- (i) The Group and Company net asset value per share as at 30 September 2010 and as at 31 December 2009 are based on the actual number of shares in issue of 584,591,628 ordinary shares.
- (ii) There was no material impact on prior period net asset value per share on adoption of the revised FRS as disclosed in paragraph 5.

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on

REVIEW OF THIRD QUARTER FINANCIAL RESULTS

Turnover

The Group reported a 18.1% (or \$20.3 million) rise in turnover to \$132.3 million (3Q2010) from \$112.0 million (3Q2009) mainly due to higher demand for our products as a result of better consumer and business sentiments.

Both our distribution and manufacturing segments reported higher turnover in 3Q2010. Distribution segment recorded a 22.0% rise in turnover, rising from \$74.0 million (3Q2009) to \$90.3 million (3Q2010). Manufacturing segment reported a growth of 10.5% in turnover, from \$38.0 million (3Q2009) to \$42.0 million (3Q2010).

Gross Profit

Gross Profit rose by 19.5% (or \$5.1 million), rising from \$26.0 million (3Q2009) to \$31.1 million (3Q2010). The increase was primarily due to higher turnover in both distribution and manufacturing segments. The Group's gross profit margin increased slightly to 23.5% in 3Q2010 compared to 23.2% in 3Q2009.

Other Gains

Other gains increased by \$0.3 million to \$0.6 million mainly due to amounts received from parts-warranty claim.

Operating Expenses

Distribution expenses increased mainly due to higher delivery charges, advertising and promotional expenses and higher staff related expenses in tandem with higher turnover in the period.

Administrative expenses increased primarily due to higher staff related costs, warehouse rental and other general operating expenses.

Financing costs increased primarily due to higher bank borrowings in our subsidiaries in Australia.

Share of Profit of Associated Companies

Our associated companies turned in better performance and consequently our share of profit was \$0.8 million in 3Q2010 compared to \$0.5 million in 3Q2009.

Income Tax Expense

Income tax expense decreased by 18.8% to \$1.7 million due to refund of income tax of \$0.7 million received by our Suzhou subsidiary in July 2010.

Net Profit after Tax and Minority Interest

Net profit after tax and minority interest attributable to shareholders of the Company rose by about 25.4% (or \$1.7 million) to \$8.3 million in 3Q2010 from \$6.6 million in 3Q2009.

REVIEW OF NINE-MONTH YEAR-TO-DATE FINANCIAL RESULTS (YTD SEP 2010 VS YTD SEP 2009)

Turnover

The Group's turnover for the first nine months of FY2010 was \$367.0 million, an increase of 21.5% (or \$65.0 million) over \$302.0 million recorded in the first nine months of FY2009 mainly due to higher demand for our products as a result of better consumer and business sentiments.

Turnover from the distribution segment increased by 26.6% (or \$54.5 million) to \$259.4 million in the first nine months of FY2010 compared to \$204.9 million in the previous corresponding period. Manufacturing segment recorded a 10.8% (or \$10.5 million) rise in turnover in the first nine months of FY2010 to \$107.6 million from \$97.1 million in the corresponding period in FY2009.

Gross Profit

Gross Profit increased by 21.3% (or \$15.1 million) to \$86.0 million in the first nine months of FY2010 compared to \$70.9 million in the previous corresponding period. The increase was primarily due to higher sales volumes in both distribution and manufacturing segments as a result of improved market conditions. The Group's gross profit margin decreased slightly to 23.4% in the first nine months of FY2010 compared to 23.5% in the corresponding period in FY2009.

Other Gains

Other gains were mainly amounts received from parts-warranty claim in the first nine months of FY2010. Other gains decreased by 11.6% (or \$0.2 million) to \$1.3 million mainly due to the absence of dividend income in the period. There was dividend income of about \$0.7 million from our investment in Hangzhou Yokohama Tire Co Ltd in the first nine months of 2009.

Operating Expenses

Distribution expenses were higher in the first nine months of FY2010 compared to the corresponding period last year mainly due to higher delivery charges, other sales related variable expenses and additional staff costs which rose in tandem with the increase in business volume.

Administrative expenses were higher in the first nine months of FY2010 mainly due to loss on foreign exchange arising from unfavourable exchange rates mostly in Euro and USD Receivables in the first half of 2010. Higher staff related costs and general operating expenses also contributed to higher administrative expenses in the period.

Financing costs decreased by 17.6% (or \$0.5 million) to \$2.6 million in the first nine months of FY2010 compared to \$3.1 million in the same period last year due to lower interest rates and bank borrowings.

Share of Profit of Associated Companies

Share of profit from associated companies were \$3.1 million in the first nine months of FY2010 compared to our share of loss of \$0.2 million in the first nine months of FY2009.

Income Tax Expense

Income tax expense was \$5.5 million in the first nine months of FY2010. There was an income tax refund of \$0.7 million received by our Suzhou subsidiary in July 2010.

Net Profit after Tax and Minority Interest

Net profit after tax and minority interest attributable to shareholders of the Company rose by about 24.1% (or about \$ 3.7 million) to \$19.0 million in the first nine months of FY2010 compared to \$15.3 million in the corresponding period last year.

STATEMENT OF FINANCIAL POSITION REVIEW

As at 30 September 2010, total assets amounted to about \$345.3 million comprising \$229.0 million of current assets and \$116.3 million of non-current assets. Total liabilities amounted to about \$130.6 million comprising current liabilities of \$118.3 million and non-current liabilities of \$12.3 million. Shareholders' equity including minority interests amounted to \$214.7 million.

The followings are the substantial changes in the statement of financial position compared to 31 December 2009:

Trade and other receivables

Trade and other receivables increased from \$78.0 million to \$91.7 million mainly due to higher sales reported in 3Q2010 compared to 4Q2009. Most of these trade receivables remained outstanding at the end of September 2010 but they were still within the acceptable credit terms permitted.

Inventories

Inventories decreased from \$92.6 million to \$84.9 million mainly due to higher sales and better inventory management in the first nine months of FY2010.

Other current assets

Other current assets rose from \$9.8 million to \$12.4 million mainly due to increased prepayments and additional moulds for alloy wheels manufacturing.

Investment in associated companies

Investment in associated companies rose to \$19.5 million from S\$16.9 million as a result of our share of profit in associated companies.

Property, plant and equipment

Property, plant and equipment decreased by about \$1.8 million to \$80.2 from \$82.0 million mainly due to depreciation charged in the period offset by additions of plant and equipment.

Trade and other payables

Trade and other payables increased from \$48.5 million to \$54.7 million mainly due to higher purchases in line with higher sales in 3Q2010.

Borrowings (current and non-current)

Borrowings decreased from \$77.2 million to \$72.7 million due to repayment of bank borrowings in the first nine months of FY2010.

Other reserves

Other reserves decreased by \$3.0 million mainly due to translation loss of our share capital investment in China. Exchange rate of RMB against SGD has weakened from 0.2062 at end December 2009 to 0.1972 at end September 2010.

STATEMENT OF CASH FLOWS REVIEW

\$27.1 million was generated from operating activities in the first nine months of FY2010. The Group utilized \$9.2 million in the investing activities mainly for the purchase of plant and equipment. A total of \$15.0 million was used in the financing activities mainly for repayment of bank borrowings and payment of dividends to equity shareholders. Cash and cash equivalents amounted to \$39.2 million at the end of September 2010 compared to \$28.0 million reported at September 2009.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no forecast or prospect statement previously disclosed.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The operating environment surrounding our manufacturing business remains competitive and challenging, particularly in view of the rising raw material costs and weakening of USD. 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.

The Group has just added a third production line in our factory in Sepang, Malaysia and it will be operational in Q4 2010.

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. The Group's exports of aluminum road wheels from China are therefore subject to this final duty of 22.3%. The Group's exports of aluminum road wheels from its production facilities in Taiwan and Malaysia are not affected by this regulation. Moving forward, our European orders will be fulfilled by our production facilities in Taiwan and Malaysia.

For our distribution business, the Group will continue to expand our product range in the existing sales network as well as exploring new opportunities in emerging economies. The Group is adding new range of sizes in Off-The-Road ("OTR") Yokohama mining tyres to be sold in Indonesia, Vietnam and Myanmar. We are also introducing 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. We expect our distribution business to continue to be the key contributor for the Group.

With improved consumer and business sentiments, we expect the outlook of the automotive industry to remain positive.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been recommended for the period ended 30 September 2010.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Not applicable to Q1, Q2, & Q3 results.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable to Q1, Q2, & Q3 results.

15. A breakdown of sales

Not applicable to Q1, Q2, & Q3 results.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend

	Latest Full Year S\$ '000	Previous Full Year S\$ '000
Ordinary	-	-
Preference	-	-
Total:	-	-

BY ORDER OF THE BOARD

Tay Tian Hoe Richard
Executive Chairman and Group Managing Director
09/11/2010

Submitted by Tay Tian Hoe Richard, Executive Chairman and Group Managing Director on 09/11/2010 to the SGX.

YHI INTERNATIONAL LIMITED

Statement Pursuant to Rule 705(4) of the Listing Manual of the Singapore Exchange Securities Trading Limited

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of YHI International Limited for the quarter ended 30 September 2010, to be false or misleading in any material aspect.

On Behalf of the Board of Directors

Tay Tian Hoe Richard
Executive Chairman and Group Managing Director

Tay Tiang Guan
Executive Director