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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
Date & Time of Broadcast	11-May-2011 12:31:24
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[>> ANNOUNCEMENT DETAILS](#)*The details of the announcement start here ...*

For the Financial Period Ended *	31-03-2011
Description	Unaudited First Quarter 2011 Financial Statements and Press Release

Attachments

 Q1FY11Results.pdf
 YHIPressRelease.pdf
 Total size = **301K**
 (2048K size limit recommended)

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YHI INTERNATIONAL LIMITED
(Company Registration No. 200007455H)
(Incorporated In the Republic of Singapore)

Unaudited First Quarter 2011 Financial Statement

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 (1Q FY2011 vs 1Q FY2010)

	Group 01/01/11- 31/03/11 S\$ '000	Group 01/01/10- 31/03/10 S\$ '000	Incr/(Decr) %
Sales	128,951	114,109	13.0%
Cost of sales	(98,499)	(87,628)	12.4%
Gross profit	30,452	26,481	15.0%
Other gains - net	728	301	NM
Expenses			
- Distribution	(11,348)	(9,326)	21.7%
- Administrative	(10,461)	(9,430)	10.9%
- Finance	(994)	(779)	27.6%
Share of profit of associated companies	614	102	NM
Profit before income tax	8,991	7,349	22.3%
Income tax expense	(2,194)	(1,939)	13.2%
Total profit	6,797	5,410	25.6%
Attributable to:			
Equity holders of the Company	6,347	4,801	32.2%
Non-controlling interests	450	609	(26.1%)
	6,797	5,410	25.6%

NOTES TO CONSOLIDATED INCOME STATEMENT (1Q FY2011 vs 1Q FY2010)

	Group 01/01/11- 31/03/11 S\$ '000	Group 01/01/10- 31/03/10 S\$ '000	Incr/(Decr) %
Interest income	66	40	65.0%
Interest on borrowings	(994)	(779)	27.6%
Depreciation of property, plant and equipment	(2,899)	(2,944)	(1.5%)
Amortisation of intangible assets	(16)	(16)	-
Allowance for impairment of doubtful receivables and bad debts written off	(602)	(488)	23.4%
Write down of inventory	(547)	(501)	9.2%
Currency exchange losses – net	(46)	(286)	(83.9%)
Share of profit of associated companies	614	102	NM
Gain on disposal of property, plant and equipment	28	10	NM

NM – Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (1Q FY2011 vs 1Q FY2010)

	Group 01/01/11- 31/03/11 S\$ '000	Group 01/01/10- 31/03/10 S\$ '000	Incr/(Decr) %
Profit for the period	6,797	5,410	25.6%
Other comprehensive income, net of tax:			
- Currency translation differences	(2,569)	1,336	NM
Total comprehensive income for the period	4,228	6,746	(37.3%)
Total comprehensive income attributable to:			
Equity holders of the Company	3,903	6,183	(36.9%)
Non-controlling interests	325	563	(42.3%)
	4,228	6,746	(37.3%)

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 31/03/11 S\$ '000	Group 31/12/10 S\$ '000	Company 31/03/11 S\$ '000	Company 31/12/10 S\$ '000
Current assets				
Cash and cash equivalents	30,479	43,942	686	558
Trade and other receivables	98,145	86,280	34,802	34,500
Inventories	94,057	99,094	-	-
Other current assets	14,635	13,536	15	16
	237,316	242,852	35,503	35,074
Non-current assets				
Financial assets, available-for-sale	8,713	8,713	-	-
Transferable club membership, at cost	221	221	-	-
Investment in associated companies	21,336	20,722	-	-
Investment in subsidiaries	-	-	95,697	95,697
Property, plant and equipment	78,447	80,931	125	153
Intangible assets	3,959	3,975	-	-
Deferred income tax assets	4,135	4,389	-	-
	116,811	118,951	95,822	95,850
Total assets	354,127	361,803	131,325	130,924
Current liabilities				
Trade and other payables	45,415	50,639	5,326	4,852
Current income tax liabilities	3,514	3,186	260	348
Borrowings	60,032	66,459	-	-
	108,961	120,284	5,586	5,200
Non-current liabilities				
Borrowings	8,781	9,107	-	-
Deferred income tax liabilities	2,238	2,349	-	-
	11,019	11,456	-	-
Total liabilities	119,980	131,740	5,586	5,200
Net assets	234,147	230,063	125,739	125,724
Capital and reserves attributable to the Company's equity holders				
Share capital	77,001	77,001	77,001	77,001
Other reserves	(1,169)	1,275	-	-
Retained profits	147,970	141,623	48,738	48,723
	223,802	219,899	125,739	125,724
Non-controlling interests	10,345	10,164	-	-
Total equity	234,147	230,063	125,739	125,724

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 31/03/11		Group As at 31/12/10	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
60,032	-	66,459	-

Amount repayable after one year

Group As at 31/03/11		Group As at 31/12/10	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
8,781	-	9,107	-

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 first fixed and floating charge on all the assets of a certain subsidiary;
- (iv) corporate guarantee from the Company; and
- (v) banker's guarantees, up to S\$1.4 million (2010: S\$1.4 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 (1Q FY2011 vs 1Q FY2010)

	Group 01/01/11- 31/03/11 S\$ '000	Group 01/01/10- 31/03/10 S\$ '000
Cash flows from operating activities		
Net profit	6,797	5,410
Adjustments for:		
Income tax	2,194	1,939
Depreciation of property, plant and equipment	2,899	2,944
Amortisation of intangible assets	16	16
Gain on disposal of property, plant and equipment	(28)	(10)
Interest expense	994	779
Interest income	(66)	(40)
Share of profit of associated companies	(614)	(102)
Unrealised currency translation differences	(728)	534
Operating cash flow before working capital changes	<u>11,464</u>	<u>11,470</u>
Changes in working capital, net of effects from disposal of subsidiary:		
Inventories	5,037	8,425
Trade and other receivables	(11,865)	(10,069)
Other current assets	(1,099)	489
Trade and other payables	(5,471)	(333)
Cash generated from operations	<u>(1,934)</u>	<u>9,982</u>
Interest received	66	40
Income tax paid	(1,768)	(1,376)
Net cash (used in) / provided by operating activities	<u>(3,636)</u>	<u>8,646</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	1,076	32
Purchase of property, plant and equipment	(2,454)	(782)
Net cash used in investing activities	<u>(1,378)</u>	<u>(750)</u>
Cash flows from financing activities		
Interest paid	(996)	(758)
Repayment of borrowings	(7,528)	(1,497)
Repayments of finance lease liabilities	(232)	(90)
Dividends paid to non-controlling interests	(144)	(685)
Net cash used in financing activities	<u>(8,900)</u>	<u>(3,030)</u>
Net (decrease) / increase in cash and cash equivalents held	<u>(13,914)</u>	<u>4,866</u>
Cash and cash equivalents at the beginning of the financial period	<u>42,412</u>	<u>36,943</u>
Effects of currency translation on cash and cash equivalents	(532)	259
Cash and cash equivalents at the end of the financial period	<u>27,966</u>	<u>42,068</u>

Explanatory Notes:

Cash and cash equivalents comprise:-

	Group 01/01/11- 31/03/11 S\$ '000	Group 01/01/10- 31/03/10 S\$ '000
Cash and bank balances	30,479	42,488
Less: Bank overdrafts	(2,513)	(420)
	<u>27,966</u>	<u>42,068</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 profits S\$ '000	Total S\$ '000	Non-controlling interests S\$ '000	Total equity S\$ '000
The Group						
Balance at 1 January 2011	77,001	1,275	141,623	219,899	10,164	230,063
Total comprehensive income for the period	-	(2,444)	6,347	3,903	325	4,228
Dividends relating to 2010 paid	-	-	-	-	(144)	(144)
Balance at 31 March 2011	77,001	(1,169)	147,970	223,802	10,345	234,147

	Share capital S\$ '000	Other reserves S\$ '000	Retained profits S\$ '000	Total S\$ '000	Non-controlling 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	-	1,382	4,801	6,183	563	6,746
Dividends relating to 2009 paid	-	-	-	-	(685)	(685)
Transfer to other reserves	-	174	(174)	-	-	-
Balance at 31 March 2010	77,001	4,155	121,683	202,839	7,679	210,518

STATEMENT OF CHANGES IN EQUITY

	Share capital S\$ '000	Retained profits S\$ '000	Total equity S\$ '000
The Company			
Balance at 1 January 2011	77,001	48,723	125,724
Total comprehensive income for the period	-	15	15
Balance at 31 March 2011	77,001	48,738	125,739

	Share capital S\$ '000	Retained profits S\$ '000	Total equity S\$ '000
The Company			
Balance at 1 January 2010	77,001	48,505	125,506
Total comprehensive income for the period	-	2,267	2,267
Balance at 31 March 2010	77,001	50,772	127,773

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 2010. The share capital of the Company as at 31 March 2011 was 584,591,628 ordinary shares.

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 31/03/11	Company 31/12/10
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 2011, the Group has adopted the following revised FRS:-

Amendments to FRS 24 – Related party disclosures (effective for annual periods beginning on or after 1 January 2011)

The management anticipates that the adoption of the above amendments to FRS in the future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

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 01/01/11 - 31/03/11	Group 01/01/10 - 31/03/10
(a) Based on the number of ordinary shares on issue (cents)	1.09	0.82
(b) On fully diluted basis (cents)	1.09	0.82

- (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 31/03/11	Group 31/12/10	Company 31/03/11	Company 31/12/10
Net asset value per ordinary share (cents)	38.28	37.62	21.51	21.51

- (i) The Group and Company net asset value per share as at 31 March 2011 and as at 31 December 2010 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

Turnover

The Group reported a 13.0% (or \$14.8 million) rise in turnover to \$129.0 million (1Q2011) from \$114.1 million (1Q2010) mainly due to higher demand for our products as compared to the corresponding period last year.

Distribution turnover increased by 17.1% (or \$13.8 million) from \$80.5 million (1Q2010) to \$94.3 million (1Q2011). The increase is primarily attributable to the rise in tyres sales, mainly from the ASEAN markets. Manufacturing business reported a moderate 3.3% (or \$1.1 million) rise in turnover, rising from \$33.6 million (1Q2010) to \$34.7 million (1Q2011). Manufacturing turnover in the first quarter was affected by the delay in production as a result of switching our European orders and its relevant moulds from our China factories to our factories in Malaysia and Taiwan. The switch was necessary due to the European anti-dumping ruling previously announced.

Gross Profit

Gross Profit rose by 15.0% from \$26.5 million (1Q2010) to \$30.5 million (1Q2011). The increase was primarily due to higher turnover in both distribution and manufacturing business segments. The Group's gross profit margin improved slightly from 23.2% in 1Q2010 to 23.6% in 1Q2011.

Other Gains

Other gains increased from \$0.3 million to \$0.7 million mainly due to insurance claim partially received on business disruption as a result of the devastating floods in Brisbane in January 2011.

Operating Expenses

Distribution expenses increased by 21.7% to \$11.3 million in 1Q2011 as compared to the corresponding period last year mainly due to higher sales related variable expenses and higher staff costs, in tandem with the higher turnover.

Administrative expenses increased by 10.9% to \$10.5 million in 1Q2011 as compared to the corresponding period last year mainly due to higher staff related expenses, warehouse rental and other general operating expenses.

Financing costs increased by 27.6% to about \$1.0 million in 1Q2011 primarily due to higher usage of working capital financing.

Share of Profit of Associated Companies

Our associated companies reported better performance in 1Q2011 and consequently our share of profit was \$0.6 million in 1Q2011 compared to \$0.1 million in 1Q2010.

Net Profit after Tax and Minority Interest

Net profit after tax and minority interest attributable to shareholders of the Company rose by about 32.2% (or about \$ 1.5 million) to \$6.3 million in 1Q2011.

STATEMENT OF FINANCIAL POSITION REVIEW

As at 31 March 2011, total assets amounted to about \$354.1 million comprising \$237.3 million of current asset and \$116.8 million of non-current assets. Total liabilities amounted to about \$120.0 million comprising current liabilities of \$109.0 million and non-current liabilities of \$11.0 million. Shareholders' equity including minority interests amounted to \$234.1 million.

The substantial changes in the statement of financial position compared to 31 December 2010 are as follows:

Trade and other receivables

Trade and other receivables increased from \$86.3 million to \$98.1 million. Most of these trade receivables relate to sales generated in 1Q2011 and remained outstanding at the end of March 2011 but they were still within the acceptable credit terms.

Inventories

Inventories decreased from \$99.1 million to \$94.1 million mainly due to better inventory management.

Other current assets

Other current assets increased from \$13.5 million to \$14.6 million mainly due to increase of prepayments and moulds for alloy wheels manufacturing.

Investment in associated companies

Investment in associated companies increased to S\$21.3 million as a result of our share of profit in associated companies.

Property, plant and equipment

Property, plant and equipment decreased by about \$2.5 million to \$78.4 million mainly due to depreciation charged offset by additions of plant and equipment for the quarter ended 31 March 2011.

Trade and other payables

Trade and other payables decreased from \$50.6 million to \$45.4 million mainly due to trade payments to suppliers in 1Q2011.

Borrowings (current & non-current)

Borrowings decreased from \$75.6 million to \$68.8 million due to repayments of bank borrowings in 1Q2011.

Other reserves

Other reserves decreased by \$2.4 million mainly due to translation loss of our investments in China. Exchange rate of RMB against SGD has weakened from 1 RMB : SGD 0.1959 as at end December 2010 to 1 RMB: SGD 0.1920 as at end March 2011.

STATEMENT OF CASH FLOWS REVIEW

\$3.6 million was used in operating activities in 1Q2011. The Group utilized \$1.4 million in the investing activities mainly for the purchase of plant and equipment. A total of \$8.9 million was used in the financing activities mainly for repayment of bank borrowings. Cash and cash equivalents amounted to \$28.0 million at the end of 1Q2010 compared to \$42.1 million reported at 31 December 2010.

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

With volatile crude oil, rubber & aluminium prices and the weakening of US\$, we expect our business operating environments to remain challenging in 2011.

For our manufacturing business, if aluminium prices continue to trend higher, it will have an adverse impact on the gross margins of the manufacturing business. The Group will continue with its efforts to rein in operating costs, implementing various measures to raise its productivity and operational efficiency and to adopt appropriate hedging strategies in order to mitigate the effects arising from these challenges.

Our fourth production line in Sepang, Malaysia is on track to be fully operational by the end of second quarter this year. This will bring the total production capacity of the Sepang factory to about 800,000 alloy rims per annum in the After-Market segment.

As part of its 5-year expansion plans to move into the Original Equipment Manufacturer (OEM) segment in China, the Group has commenced construction work at its Shanghai factory for a new building to house its new painting lines which are to be used for supplying rims to the car manufacturers in China. The construction and installation are scheduled to complete by the end of third quarter and trial production is expected to start in the fourth quarter this year.

For our distribution business, the Group is committed to actively pursue its multi-product, multi-brand & multi-category marketing strategy to sell tyres, alloy rims and batteries in all its existing sales network and also establishing new sales network in emerging markets as part of its 5-year expansion plans.

The Group had previously announced that its Brisbane premises were affected by the devastating floods and the Christchurch earthquake may have impacted our distribution business in Christchurch. As an update, our Brisbane branch is now operating at a temporary office pending for renovation work at the office which is scheduled to complete by the end of May. We are covered by flood insurance and the claim is still in progress. Our Christchurch office did not suffer any major structural damage and has now resumed operation at the office. Sales are affected at both branches as a result of the disasters but are deemed not material relative to the Group's total Sales.

With regard to the recent devastating earthquake in Japan, the Group wishes to clarify that Yokohama factories are located at the South Western part of Japan whereas the earthquake was at the Pacific Coast of Tohoku at the North Eastern part of Japan. At this juncture, the disaster has not affected our supply of Yokohama tyres as the Group procures these tyres mostly from Yokohama's factories in Thailand and Philippines.

The Group will continue to monitor market situations closely to develop business opportunities and stay focus on our efforts to achieve greater efficiency and returns to our shareholders.

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/recommendeded, a statement to that effect

No dividend has been recommended for the period ended 31 March 2011.

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
11/05/2011

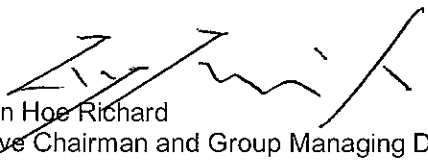
Submitted by Tay Tian Hoe Richard, Executive Chairman and Group Managing Director on 11/05/2011 to the SGX.

YHI INTERNATIONAL LIMITED

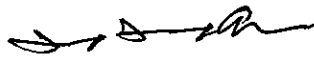
Statement Pursuant to Rule 705(4) of the Listing Manual of the Singapore Exchange Securities Trading Limited

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 31 March 2011, 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