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Full Year Results * Financial Statement And Related Announcement

* Asterisks denote mandatory information

Name of Announcer *	YHI INTERNATIONAL LIMITED
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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 *	31-12-2011
Description	Full Year Unaudited Financial Statement and Press Release For Year Ended 31 December 2011

Attachments
 [YHIFY2011FullYearResultsfinal.pdf](#)
 [YHI2011FullYearPressRelease.pdf](#)

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YHI International Limited

YHI International posts record net profit of S\$41.1m on highest-turnover of S\$550.6m for financial year ended 31 December 2011

“Our results demonstrate that we are on the right direction for growth, and our strategy, hard work and dedication have paid off well. Our record performance spurs us to improve our services and product offerings in order to meet our customers’ demands more effectively,” said Group Managing Director Richard Tay

Singapore, 23 February 2012 – Mainboard-listed YHI International Limited (YHI or the Group) today announced a record turnover of S\$550.6 million and a record net profit of S\$41.1 million for the financial year ended 31 December 2011.

YHI’s revenue climbed 10 per cent from S\$499.6 million to S\$550.6 million and its net profit attributable to shareholders (PATMI) increased 16 per cent from S\$33.0 million to S\$38.2 million. In tandem with the increase in profits, earnings per share for the full year went up by 16 per cent from 5.64 Singapore cents to 6.53 Singapore cents. These increases were mainly due to higher demand for our products.

The Board of Directors is proposing a first and final dividend of 1.96 Singapore cents per share. This works out to a total dividend yield of about 6.8 per cent based on yesterday’s closing share price of 29.0 Singapore cents and a dividend payout ratio of 30 per cent.

Executive Chairman and Group Managing Director, Mr Richard Tay (郑添和) was delighted with the Group’s record financial results. He said: “I am very pleased that despite the global economic uncertainties and strong competition, we have achieved excellent financial results

with record revenue and net profit. We are on track in executing our five-year business expansion plan (FY2011-FY2015) to grow our manufacturing and distribution businesses, and strengthen our multi-brand, multi-category and multi-product sales initiatives for all YHI's sales offices and appointed distributors worldwide.

“Our results demonstrate that we are on the right direction for growth, and our strategy, hard work and dedication have paid off well. Our record performance spurs us to improve our services and product offerings in order to meet our customers' demands more effectively.”

Both the distribution and manufacturing segments recorded higher turnover. The distribution segment, which contributed 71 per cent of the Group's total turnover, recorded a 10 per cent rise in revenue, rising to S\$389.3 million from S\$354.2 million in the previous year. The manufacturing segment, which accounted for 29 per cent of the Group's total turnover, recorded a growth of 11 per cent in revenue to S\$161.3 million compared to S\$145.4 million in the previous financial year.

In terms of business by geographic segments, Asean region accounted for 41 per cent of the total revenue followed by 30 per cent for North East Asia and 26 per cent for Oceania. Asean saw the highest growth at 24 per cent, followed by 5 per cent growth for North East Asia and 5 per cent for Oceania as compared to 2010 financial year.

Gross profit rose by 6 per cent from S\$123.8 million to S\$130.6 million. The increase was primarily due to higher turnover and better margins in the distribution segment, and higher turnover in the manufacturing business segment. However, the Group's gross profit margin decreased slightly to 24 per cent from the previous 25 per cent due to lower margins in the manufacturing business segment.

Other gains increased by S\$7.2 million to S\$10.2 million mainly due to disposal gains of S\$8.0 million in the Group's 10 per cent investment in Hangzhou Yokohama Tire Co., Ltd; and 49 per cent investment in Associated Company Yokohama Tire Sales (Shanghai) Co., Ltd in July 2011.

In line with the increase in business activities, operating expenses increased. Distribution expenses increased by 8 per cent to S\$41.9 million, mainly due to higher sales related expenses and higher staff costs in tandem with higher turnover. Administrative expenses increased slightly by 1 per cent to S\$43.0 million, primarily due to higher staff related costs, office and warehouse rental, other general operating expenses. Financing costs increased by 21 per cent to S\$4.6 million, mainly due to higher bank borrowings.

The Group continues to benefit from a stronger balance sheet with total assets of S\$443.7 million and net assets of S\$260.6 million. This gives a significantly higher net asset value per share of 42.48 Singapore cents as at 31 December 2011 versus 37.62 Singapore cents a year ago.

The Group's net working capital was S\$142.6 million. Net Cash flows generated from operating activities was S\$21.1 million during the least 12 months with cash and cash equivalents balance of S\$55.6 million as at 31 December 2011. Market capitalisation was S\$169.5 million, derived from a closing price of 29.0 Singapore cents as at 22 February 2012. The total number of shares issued to date was 584.6 million.

Business Outlook

With the ongoing sovereign debts crises and recession woes in Europe, coupled with the softening economy in China, the Group expects the outlook of the global economy to fraught with uncertainties in 2012.

For the manufacturing business, YHI expects crude oil, aluminum prices, and currency volatility to continue in 2012 and its business operating environments will remain challenging in 2012. Despite these external pressures, the Group will continue its efforts on brand building, cost improvement initiatives, capacity utilization, raise productivity and operating efficiency, and adopt appropriate hedging strategies to mitigate the impact arising from these challenges.

With regard to its distribution business, the Group will continue to develop business opportunities through its strategy to sell tyres, alloy wheels and batteries of various brands in

its existing sales network; and to explore business opportunities in emerging markets. YHI expects the distribution business to continue to be the key contributor for the Group.

Mr Tay added: “We will continue to develop business opportunities where appropriate and monitor our business operations closely. We remain positive about our business prospects due to the high demand for our products and we are on track in following through effectively on our five-year business plan”.

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About YHI International Limited (www.yhi.com.sg)

YHI International Limited (YHI) (友发国际有限公司) is a recognised distributor of high-quality automotive and industrial products, and a familiar and trusted brand name in alloy wheels manufacturing as an Original Design Manufacturer (ODM). It provides 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 100 countries operating through its 29 subsidiaries and one associated company located in Asia Pacific, North America and Europe. YHI distributes a diverse range of automotive products, which includes tyres, alloy wheels, automotive and industrial batteries, as well as golf and utility buggies to more than 5,000 customers globally.

The key tyre brands are Yokohama, Nankang, Nexen, Pirelli, Archilles, Corsa, Nitto and its proprietary brand – Neuton. YHI's portfolio of alloy rims includes renowned brands such as Enkei, OZ, Konig, Advanti Racing and Breyton. Advanti Racing is an official partner to Scuderia Toro Rosso Formula One Team since 2008.

YHI's 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 of rechargeable batteries it distributes are Hitachi, Trojan, CSB, Benning, Crown, Vision and FIAMM. YHI also has its 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 with a current total production capacity of 3.4 million units per annum.

The Group aims to develop YHI into a global brand name where its tagline “The World is Our Market” will come true. Its plan is to continue to strengthen and widen the YHI's distribution network, focusing on the promotion and development of its portfolio of premium and proprietary brands in the global market.

YHI (Malaysia) Sdn Bhd (YHI Malaysia) received the Super Golden Bull 2011 award, which ranked it as the top third winner out of 100 outstanding small and medium-sized enterprises (SMEs) in Malaysia. The award which was organised by Nanyang Siang Pau honoured the best of SMEs in

Malaysia. In the Super Golden Bull 2011 award, YHI Malaysia was ranked sixth among the top 10 winners' category.

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