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Second Quarter Results * Financial Statement And Related Announcement

* Asterisks denote mandatory information



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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 *	30-06-2012
Description	Unaudited Second Quarter 2012 Financial Statements and Press Release

Attachments

 [YHIQ2FY12Result.pdf](#)
 [YHIPressReleaseQ22012.pdf](#)
 Total size = **320K**
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YHI International Limited

YHI International posts S\$277.4m revenue for first half ended 30 June 2012

“Despite the uncertain economic conditions worldwide, we are glad that our results have shown steady growth. As a recognised distributor of high-quality automotive and industrial products and a trusted brand in alloy wheels manufacturing, we will continue to provide quality products and build strong relationships with our customers and partners in order to ride over the obstacles and stay on track for growth,” said Group Managing Director Richard Tay

Singapore, 8 August 2012 – Mainboard-listed YHI International Limited (YHI or the Group) (友发国际有限公司) today announced that for its half-year results ended 30 June 2012, it has posted S\$277.4 million in revenue, up 5.4 per cent from the corresponding period a year ago. This was mainly due to the Group’s multi-brand, multi-category and multi-product (“3M”) marketing strategies bearing fruit. Its gross profit has also increased by 2.8 per cent to S\$64.5 million over the same period.

Both YHI’s distribution and manufacturing segments recorded higher revenues compared to a year ago. The distribution segment, which contributed 72.5 per cent of the Group’s total turnover, registered a 4.7 per cent rise in revenue to S\$201.1 million. The manufacturing segment, which accounted for the remainder 27.5 per cent of the Group’s total turnover, saw a growth of 7.3 per cent in revenue, to S\$76.3 million.

Gross profit rose to S\$64.5 million from S\$62.7 million a year ago, due mainly to higher revenue from both the distribution and manufacturing segments. The Group’s gross profit margin remained relatively stable at 23.2 per cent compared to 23.8 per cent a year ago. Net

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profit after tax and non-controlling interests attributable to shareholders also dipped to S\$11.7 million mainly due to higher financing costs and lower share of profit from associated companies.

Earnings per share was 2.0 Singapore cents for the six months ended 30 June 2012.

Executive Chairman and Group Managing Director, Mr Richard Tay (郑添和), was pleased with the financial results. "The business environment that YHI is operating in is still very challenging with uncertainties over the Eurozone sovereign debt situation still remaining unresolved, and the economies in Europe and United States still undergoing difficulties. Despite the uncertain economic conditions worldwide, we are glad that our results have shown steady growth. As a recognised distributor of high-quality automotive and industrial products and a trusted brand in alloy wheels manufacturing, we will continue to provide quality products and build strong relationships with our customers and partners in order to ride over the obstacles and stay on track for growth," he said.

Second quarter financial results

For the second quarter 2012, the Group reported revenue of S\$139.5 million, up 3.9 per cent from S\$134.3 million a year ago, mainly due to the effective implementation of its "3M" marketing strategies as compared to the corresponding period last year.

Both our distribution and manufacturing segments recorded higher turnover. The distribution segment, showed a 3.2 per cent rise in revenue to S\$101.0 million compared to S\$97.9 million in the corresponding period in 2011. The manufacturing segment saw a growth of 5.8 per cent in revenue to S\$38.5 million from S\$36.4 million a year ago.

Gross profit rose by 3.9 per cent to S\$33.5 million mainly due to higher turnover from both the distribution and manufacturing segments. The Group's gross profit margin remained at 24.0 per cent, same as in second quarter 2011.

Strong Financial Position

YHI INTERNATIONAL LIMITED

The Group continues to benefit from a healthy balance sheet with net assets of S\$257.2 million. This gives a net asset value per share of 41.90 Singapore cents as of 30 June 2012. The Group's net working capital was S\$157.8 million with cash and cash equivalents balance of S\$38.3 million and net gearing ratio of 36.2 per cent as at 30 June 2012.

Market capitalisation was S\$181.2 million, derived from a closing price of 31.0 Singapore cents as at 7 August 2012. The total number of shares issued to date was 584.6 million.

Business Outlook

As the Eurozone continuing to struggle with its debt crisis and the slower growth in China and United States, the global economic outlook remains uncertain. As such, YHI expects volatility in raw materials such as aluminium, and currencies to continue in 2012.

For YHI's manufacturing business, the business operating environment is expected to remain challenging and profitability is expected to be under pressure. The Group will strive for continual innovations and improvements in its production systems to reduce operating costs and improve productivity.

Previously, the Group had announced its expansion plan in Malacca, Malaysia. The new RM78.4 (S\$32.4 million) Malacca factory, which will manufacture and sell alloy wheels and its related parts, is on track with the installation of its machines. Production is expected to start in the fourth quarter of 2012.

With regard to the distribution business, YHI will leverage on its stable of products to capitalise growth opportunities in its existing sales network and continue to seek business opportunities in the emerging markets. The Group's distribution business will continue to be its key contributor. Mr Tay added: "We have already put in place our "3R" policy, which emphasises reduction in inventory, risks from debtors, and operating costs to mitigate the global economic

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uncertainties. We will continue to remain vigilant on costs and efficiency management in overseeing our business.”

This press release should be read in conjunction with the full SGX announcement released by YHI dated 8 August 2012. A copy of the announcement is available on www.sgx.com.

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YHI INTERNATIONAL LIMITED

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 30 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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