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Third Quarter Results * Financial Statement And Related Announcement

* Asterisks denote mandatory information



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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 *	30-09-2012
Description	Unaudited Third Quarter 2012 Financial Statements and Press Release

Attachments

 [YHIQ3FY12Results.pdf](#)
 [YHIPressRelease3Q2012.pdf](#)
 Total size = **332K**
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YHI International Limited

MEDIA RELEASE
For Immediate Release

YHI International posts S\$414.2m revenue and S\$15.6m net profit for nine months ended 30 September 2012

“We are pleased that our results have held steady. We aim to maintain and grow our reputation as an acknowledged distributor of high-quality automotive and industrial products and a trusted brand in alloy wheels manufacturing. As such, we will continue to offer quality products and services, and strengthen our relationships with our customers and partners and focus on building a solid foundation for our businesses steadily,” said Group Managing Director Richard Tay

Singapore, 8 November 2012 – Mainboard-listed YHI International Limited (YHI or the Group) (友发国际有限公司) today announced its results for the nine months ended 30 September 2012, posting S\$414.2 million in revenue, up 2.4 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, resulting in higher turnover in its distribution segment, which was offset by lower turnover in its manufacturing segment.

The Group’s distribution segment, which contributed 72.9 per cent of YHI’s total turnover, recorded a 4.3 per cent rise in revenue to S\$302.0 million. However, its manufacturing segment, which accounted for 27.1 per cent of the Group’s total revenue, saw a slight decrease of 2.4 per cent in revenue to S\$112.2 million, mainly due to a drop in revenue from its China manufacturing business.

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The Group's gross profit has also increased slightly by 1.1 per cent to S\$95.1 million over the same period mainly due to higher sales in YHI's distribution segment for the nine months ended 2012. Gross profit margin was stable at 23.0 per cent compared to 23.3 per cent the same period last year.

Net profit after tax and non-controlling interests attributable to shareholders (net profit) was S\$15.6 million compared to S\$25.2 million in the corresponding period last year. Excluding the one-time net disposal gains on Yokohama investments in China reported in third quarter 2011, the adjusted nine months net profit in 2011 would have been S\$17.9 million, compared to S\$15.6 million for the same period in 2012.

Earnings per share was 2.66 Singapore cents for the nine months ended 30 September 2012 compared with 4.32 Singapore cents a year ago.

Executive Chairman and Group Managing Director, Mr Richard Tay (郑添和) said the past nine months had been a challenging one. "The business environment that YHI is operating in is still experiencing headwinds with the Euro zone sovereign debt situation still remaining unsettled, and the economies in United States and China seeing slow pickup. Despite these uncertainties in the global economy, we are pleased that our results have held steady. We aim to maintain and grow our reputation as an acknowledged distributor of high-quality automotive and industrial products and a trusted brand in alloy wheels manufacturing. As such, we will continue to offer quality products and services, and strengthen our relationships with our customers and partners and focus on building a solid foundation for our businesses steadily," he said.

Third Quarter 2012 (3Q2012) Review

For the third quarter of 2012, YHI saw a 3.2 per cent dip in total revenue to S\$136.7 million, mainly due to lower sales in its manufacturing segment. The Group's distribution segment recorded higher revenue with a 3.5 per cent rise to S\$100.9 million while the manufacturing segment decreased by 18.1 per cent in revenue to S\$35.8 million.

YHI INTERNATIONAL LIMITED

Gross profit decreased by 2.3 per cent to S\$30.7 million compared to S\$31.4 million in the corresponding period a year ago, mainly due to lower sales and gross profit margins in YHI's manufacturing segment. However, its gross profit margin increased marginally to 22.4 per cent compared to 22.2 per cent a year ago.

Net profit after tax and non-controlling interests attributable to shareholders decreased to S\$3.9 million compared to S\$12.2 million in the third quarter of 2011. Excluding the one-time net disposal gains on Yokohama investments in China reported in third quarter 2011, the adjusted third quarter 2011 net profit would have been S\$4.9 million, compared to S\$3.9 million in third quarter 2012.

Strong Financial Position

The Group continues to benefit from a healthy balance sheet with net assets of S\$257.9 million. This gives a net asset value per share of 41.87 Singapore cents as of 30 September 2012. The Group's net working capital was S\$156.4 million with cash and cash equivalents balance of S\$42.2 million and net gearing ratio of 39.0 per cent as at 30 September 2012.

Market capitalisation was S\$190.0 million, derived from a closing share price of 32.5 Singapore cents as at 8 November 2012. The total number of shares issued to date was 584.6 million.

Business Outlook

With the continuing sovereign debt crisis in Europe and the slower growth in United States and China, the global economy continues to remain challenging. It expects global demand for its products to remain weak and volatility in the prices of raw materials (such as aluminium) and currencies is expected to continue in 2012.

YHI INTERNATIONAL LIMITED

The Group's manufacturing business continues to face tough operating environments. It expects demand to remain weak in its China manufacturing business and operating margins to be under pressure in the fourth quarter of the current financial year.

Previously, the Group had announced its expansion plan in Malacca, Malaysia. At the new RM78.4 million (approximately S\$32.4 million) Malacca factory, which will manufacture and sell alloy wheels and its related parts, machineries and equipment have been fully installed. Certifications, testing of moulds and trial production will be completed with production expected to start in December 2012.

To grow the distribution business in the existing sales network, YHI will continue with its multi-brand, multi-category and multi-product (3M) marketing strategies. It expects the distribution business to continue to be the key contributor for the Group's revenue.

This press release should be read in conjunction with the full SGX announcement released by YHI dated 8 November 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, Archilles, Roadstone, Nankang, Nexen, Pirelli, 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, Sepang in Malaysia with a current total production capacity of 3.4 million units per annum. The Malacca plant in Malaysia is expected to begin production in December 2012.

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, through its multi-brand, multi-category and multi-product (3M) marketing strategies, 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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