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Full Year 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 *	31-12-2010
Description	Full Year Unaudited Financial Statement and Press Release For Year Ended 31 December 2010

Attachments

 [YHIFY2010FullYearResult.pdf](#)
 [YHIFY2010FullYearPressRelease.pdf](#)
 Total size = **355K**
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YHI International posts record profit after tax of S\$35.6 million on record turnover of S\$499.6 million for FY2010;

Unveils 5-year expansion plan to grow its distribution & manufacturing businesses to reach S\$1 billion in sales by 2015;

Proposes first and final dividend totalling 1.69 Singapore cents per share

GROUP'S FINANCIAL HIGHLIGHTS			
S\$' million	FY2010	FY2009	Change
Revenue	499.6	414.4	▲21%
Gross Profit	123.8	96.0	▲29%
Gross Profit Margin	24.8%	23.2%	▲1.6ppt
Profit After Tax	35.6	24.5	▲45%
Profit After Tax Attributable To Equity Holders (PATMI)	33.0	22.6	▲46%
Basic Earnings Per Share (Cents)	5.64	3.86	▲46%
Cash and cash equivalents: S\$42.4 million and NAV per share: 37.62 Singapore cents as at 31st December 2010			

Singapore, 24 February 2011 – Mainboard-listed YHI International Limited (YHI or the Group) today announced a record turnover and profit after tax for their financial results for the full year to 31 December 2010. It posted a profit after tax of S\$35.6 million, up 45% from the previous year, and recorded a new high of S\$499.6 million in its revenue, an increase of 21%. Earnings per share for the full year stands at 5.64 Singapore cents compared to 3.86 Singapore cents previously.

The board of directors is proposing a first and final dividend of 1.69 Singapore cents per share. This works out to a total dividend yield of about 5.6% based on yesterday's closing share price of 30 Singapore cents and a dividend payout ratio of 30%.

The Group also unveiled its 5-year business expansion plan (FY2011-FY2015) to grow its manufacturing and distribution businesses and to reach annual sales target of S\$1 billion by 2015. The new business plan will involve adding new alloy rims production capacity for its manufacturing segment, signalling its move towards becoming an Original Equipment Manufacturer (OEM) – a new area for YHI -- and implementing a new marketing strategy to expand its distribution business segment.

YHI is a leading global distributor of tyres, alloy rims, automotive and industrial batteries and an Original Design Manufacturer (ODM) of alloy rims. It has worldwide presence in over 100 countries operating through 27 subsidiaries in Asia Pacific, North America and Europe. As an ODM of alloy rims, YHI provides integrated services from the design and development to the manufacturing, marketing and distribution of alloy rims. To date, it has 4 alloy rims manufacturing facilities in China, Taiwan and Malaysia with a total production capacity of 3.2 million units per annum.

The increase in overall Group revenue was underpinned by growth in revenues from both the distribution and manufacturing business segments. Year-on-year, revenues for distribution rose by 24% to S\$354.2 million while the manufacturing segment saw a 13% increase to S\$145.4 million. Overall, the distribution segment

contributed the lion's share – or about 71% of total Group revenue – with manufacturing segment accounting for the remaining 29%.

The growth in revenue from both the distribution and manufacturing segments was mainly due to higher demand for YHI's products as a result of improvement in consumer and businesses spending in the markets where they operate.

With higher overall revenues, gross profit for FY2010 was up by S\$27.7 million or 29% to S\$123.8 million from S\$96.0 million a year ago. Gross profit margin rose to 24.8% from 23.2% previously, primarily due to higher margins for sales of certain products.

Executive Chairman and Group Managing Director, Mr. Richard Tay was delighted with the Group's record showing. He said: "It has been an extremely busy year for us. My team and I have worked very hard, and we are glad our hard work has been translated into positive numbers. Our results are a testament to our hard work, but more importantly, it signifies that we are on the right track for growth."

"Despite the record performance, we know we have to continue to be alert and mindful, particularly of the risk of rising material costs and currency volatility," he added.

Financial Position Highlights

The Group continues to benefit from a stronger balance sheet with total assets of S\$361.8 million and net assets of S\$230.1 million. This gives a significantly higher net assets value per share of 37.62 Singapore cents versus 33.64 Singapore cents as at 31 December 2009.

Net working capital was S\$122.6 million. The Group brought in net cash of S\$33.5 million from operations, with cash and cash equivalents registering a strong S\$42.4 million for FY2010. Market capitalisation was at about S\$175.4 million, derived from a closing price of 30 Singapore cents as at 23 February 2011.

Mr. Tay said he is upbeat on the outlook of the automotive sector especially in emerging markets such as ASEAN, China and other North Asia countries.

“China alone has an estimated car population of about 60 million, which is the largest after-market in Asia, followed by ASEAN, with an estimated car population of about 21.5 million. Our tyre sales to both markets only represent a mere 1% market share, so that is still plenty of upside for growth in terms of market share in Asia, which we expect to be a key growth market in the next decade.” he said.

5-year Business Expansion Plan

YHI's 5-year business expansion plan (FY2011-FY2015) will see the Group increasing production capacity by 2015 of an additional 5 million alloy rims through the expansion of its existing manufacturing facilities in China, Taiwan and Malaysia. The new capacity will largely be for supplying alloy rims to car manufacturers that YHI hopes to service as an Original Equipment Manufacturer (OEM). YHI targets to work its capacity up to a total production capacity of 8.4 million units of alloy rims per annum. By April 2011, its production capacity will stand at 3.4 million units per annum, which is inclusive of a new production line in Sepang, Malaysia with a capacity of 200,000 units per annum.

Mr. Tay, said the new strategic move capitalised on opportunities that have arisen as demand from China and ASEAN is expected to grow exponentially. “In preparation for this, we have installed an experienced OEM team in China since 2009 and we think now is the time to enter the OEM market in a more significant

manner. We will be targeting China and Malaysia OEM markets for a start.” he added.

As for distribution segment, the Group’s new marketing strategy will involve implementing multi-brand, multi-category & multi-product sales initiatives for all YHI’s sales offices & appointed distributors worldwide.

“In the past, there were gaps in our marketing and distribution strategy. Our sales offices and appointed distributors did not sell every product, product range and product category under all our distributorship. Also, we did not carry product at every branding level. Now, we are going to take a more proactive approach to fill these gaps to drive distribution sales,” said Mr Tay

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About YHI International Limited

YHI International Limited is a recognised distributor of high-quality automotive and industrial products as well as a familiar and trusted brand name in alloy rims manufacturing as an Original Design Manufacturing (“ODM”) providing integrated services from the design and development to the manufacturing, marketing and distribution of alloy rims.

Today, YHI’s wide international presence can be seen in over 100 countries operating through our 27 subsidiaries and 2 associated companies located in Asia Pacific, North America and Europe. YHI distributes a diverse range of automotive products which includes tyres, alloy rims, automotive and industrial batteries, as well as golf and utility buggies to more than 5,000 customers globally.

The key tyres brands are Yokohama, Nankang, Nexen, Pirelli, Archilles, Corsa and its proprietary brand – Neuton.

YHI’s portfolio of alloy rims includes renowned brands, namely, Enkei, OZ, Konig, Advanti Racing and Breyton. Advanti Racing is an official partner to Scuderia Toro Rosso Formula One Team.

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 and Vision. 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 rims manufacturing plants located in Shanghai and Suzhou, China, Taoyuan in Taiwan and Sepang in Malaysia with a current total production capacity of 3.2 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 will continue to strengthen and widen the YHI’s distribution network, emphasising on promoting and developing its portfolio of premium and proprietary brands in the global market.

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