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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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## FULL YEAR UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR YEAR ENDED 31 DECEMBER 2010

### 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 (FULL YEAR 2010 vs FULL YEAR 2009)

	Group 01/01/10 – 31/12/10 S\$ '000	Group 01/01/09 – 31/12/09 S\$ '000	Incr/(Decr) %
Sales	499,582	414,392	20.6%
Cost of sales	(375,821)	(318,345)	18.1%
Gross profit	123,761	96,047	28.9%
Other gains - net	2,976	2,044	45.6%
Expenses			
- Distribution	(38,756)	(31,235)	24.1%
- Administrative	(42,526)	(30,802)	38.1%
- Finance	(3,799)	(3,900)	(2.6%)
Share of profit/(loss) of associated companies	3,834	(284)	NM
Profit before income tax	45,490	31,870	42.7%
Income tax expense	(9,867)	(7,360)	34.1%
<b>Net profit</b>	<b>35,623</b>	<b>24,510</b>	<b>45.3%</b>
<b>Attributable to:</b>			
Equity holders of the Company	32,951	22,572	46.0%
Non-controlling interests	2,672	1,938	37.9%
	<b>35,623</b>	<b>24,510</b>	<b>45.3%</b>

##### NOTES TO CONSOLIDATED INCOME STATEMENT (FULL YEAR 2010 vs FULL YEAR 2009)

	Group 01/01/10 - 31/12/10 S\$ '000	Group 01/01/09 - 31/12/09 S\$ '000	Incr/(Decr) %
Interest income	206	127	62.2%
Dividend income	1,264	726	74.1%
Interest on borrowings	(3,799)	(3,900)	(2.6%)
Depreciation and impairment charges of property, plant and equipment	(11,638)	(12,292)	(5.3%)
Amortisation of intangible assets	(62)	(62)	-
(Allowance for) / Write back impairment of doubtful trade receivables	(238)	522	NM
Write down of inventory	(324)	(2,299)	NM
Currency exchange (losses) /gains - net	(805)	5,988	NM
Loss on disposal of financial assets, available-for-sale	(39)	-	NM
Share of profit /(loss) of associated companies	3,834	(284)	NM
Losses on disposal of property, plant and equipment	(793)	(161)	NM

NM – Not meaningful

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (FULL YEAR 2010 vs FULL YEAR 2009)**

	<b>Group</b> <b>01/01/10-</b> <b>31/12/10</b> <b>S\$ '000</b>	Group 01/01/09- 31/12/09 S\$ '000	Incr/(Decr) %
<b>Profit for the period</b>	<b>35,623</b>	24,510	45.3%
<b>Other comprehensive income, net of tax:</b>			
- Currency translation differences	<b>(2,835)</b>	1,801	NM
<b>Total comprehensive income for the period</b>	<b>32,788</b>	26,311	24.6%
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	<b>30,025</b>	22,124	35.7%
Non-controlling interests	<b>2,763</b>	4,187	(34.0%)
	<b>32,788</b>	26,311	24.6%

NM – Not meaningful

**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**

**STATEMENT OF FINANCIAL POSITION**

	<b>Group 31/12/10 S\$ '000</b>	Group 31/12/09 S\$ '000	<b>Company 31/12/10 S\$ '000</b>	Company 31/12/09 S\$ '000
<b>Current assets</b>				
Cash and cash equivalents	<b>43,942</b>	37,323	<b>558</b>	1,119
Trade and other receivables	<b>86,280</b>	78,031	<b>32,600</b>	32,444
Inventories	<b>99,094</b>	92,630	-	-
Other current assets	<b>13,536</b>	9,816	<b>16</b>	15
	<b>242,852</b>	217,800	<b>33,174</b>	33,578
<b>Non-current assets</b>				
Investments in subsidiaries	-	-	<b>95,697</b>	95,697
Investments in associated companies	<b>20,722</b>	16,888	-	-
Financial assets, available-for-sale	<b>8,713</b>	7,513	-	-
Transferable club membership, at cost	<b>221</b>	132	-	-
Property, plant and equipment	<b>80,931</b>	81,967	<b>153</b>	262
Intangible assets	<b>3,975</b>	4,037	-	-
Deferred income tax assets	<b>4,389</b>	4,977	-	-
	<b>118,951</b>	115,514	<b>95,850</b>	95,959
<b>Total assets</b>	<b>361,803</b>	333,314	<b>129,024</b>	129,537
<b>Current liabilities</b>				
Trade and other payables	<b>50,639</b>	48,542	<b>4,852</b>	3,587
Borrowings	<b>66,459</b>	63,270	-	-
Current income tax liabilities	<b>3,186</b>	1,634	<b>348</b>	444
	<b>120,284</b>	113,446	<b>5,200</b>	4,031
<b>Non-current liabilities</b>				
Borrowings	<b>9,107</b>	13,966	-	-
Deferred income tax liabilities	<b>2,349</b>	1,445	-	-
	<b>11,456</b>	15,411	-	-
<b>Total liabilities</b>	<b>131,740</b>	128,857	<b>5,200</b>	4,031
<b>Net assets</b>	<b>230,063</b>	204,457	<b>123,824</b>	125,506
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	<b>77,001</b>	77,001	<b>77,001</b>	77,001
Other reserves	<b>1,275</b>	2,599	-	-
Retained earnings	<b>141,623</b>	117,056	<b>46,823</b>	48,505
	<b>219,899</b>	196,656	<b>123,824</b>	125,506
<b>Non-controlling interests</b>	<b>10,164</b>	7,801	-	-
<b>Total equity</b>	<b>230,063</b>	204,457	<b>123,824</b>	125,506

## 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 31/12/10		Group As at 31/12/09	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
66,459	-	63,270	-

### Amount repayable after one year

Group As at 31/12/10		Group As at 31/12/09	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
9,107	-	13,966	-

### 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 fixed and floating charge on all the assets of certain subsidiaries;
- (iv) corporate guarantee from the Company; and
- (v) banker's guarantees, up to S\$1.4 million (2009: S\$20.1 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 (FY 2010 vs FY 2009)

	<b>Group</b> <b>01/01/10 -</b> <b>31/12/10</b> <b>S\$ '000</b>	Group 01/01/09 - 31/12/09 S\$ '000
<b>Cash flows from operating activities</b>		
Net profit	35,623	24,510
Adjustments for:		
– Income tax	9,867	7,360
– Depreciation and impairment charges of property, plant and equipment	11,638	12,292
– Amortisation of intangible assets	62	62
– Loss on disposal of property, plant and equipment	793	161
– Loss on disposal of transferable club membership	-	40
– Loss on disposal of financial assets, available-for-sale	39	-
– Interest expense	3,799	3,900
– Dividend income	(1,264)	(726)
– Interest income	(206)	(127)
– Share of (profit) / loss of associated companies	(3,834)	284
– Unrealised translation losses	109	2,206
Operating cash flow before working capital changes	<b>56,626</b>	<b>49,962</b>
Changes in operating assets and liabilities		
– Inventories	(6,464)	5,346
– Trade and other receivables	(8,249)	(2,769)
– Other current assets	(3,720)	(607)
– Trade and other payables	2,125	5,946
Cash generated from operations	<b>40,318</b>	<b>57,878</b>
Interest received	206	127
Income tax paid	(7,037)	(8,922)
<b>Net cash provided by operating activities</b>	<b>33,487</b>	<b>49,083</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	1,017	365
Purchase of property, plant and equipment	(14,360)	(9,492)
Dividend received	-	726
Proceeds from disposal of financial assets, available-for-sale	25	-
Purchase of transferable club membership	(89)	(41)
Purchase of financial assets, available-for-sale	-	(683)
<b>Net cash used in investing activities</b>	<b>(13,407)</b>	<b>(9,125)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to equity holders of the Company	(6,723)	(5,846)
Dividends paid to non-controlling interests	(685)	(662)
Interest paid	(3,800)	(3,894)
Proceeds from borrowings	1,930	11,500
Proceeds from partial disposal of a subsidiary	226	-
Repayments of borrowings	(5,252)	(22,548)
Addition of finance lease liabilities	208	514
<b>Net cash used in financing activities</b>	<b>(14,096)</b>	<b>(20,936)</b>
<b>Net increase in cash and cash equivalents held</b>	<b>5,984</b>	<b>19,022</b>
Cash and cash equivalents at the beginning of the financial year	36,943	17,549
Effects of currency translation on cash and cash equivalents	(515)	372
<b>Cash and cash equivalents at the end of the financial year</b>	<b>42,412</b>	<b>36,943</b>

**Explanatory Notes:-**

Cash and cash equivalents comprise:-

Cash and bank balances  
Less: Bank overdrafts

Group 01/01/10 - 31/12/10 S\$ '000	Group 01/01/09 - 31/12/09 S\$ '000
43,942	37,323
(1,530)	(380)
<b>42,412</b>	<b>36,943</b>

**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 earnings S\$ '000	Sub-total S\$ '000	Non- controlling interests S\$ '000	Total S\$ '000
<b>The Group</b>						
<b>Balance at 1 January 2010</b>	<b>77,001</b>	<b>2,599</b>	<b>117,056</b>	<b>196,656</b>	<b>7,801</b>	<b>204,457</b>
Total comprehensive income for the year	-	(2,926)	32,951	30,025	2,763	32,788
Partial disposal of a subsidiary	-	(59)	-	(59)	285	226
Dividends relating to 2009 paid	-	-	(6,723)	(6,723)	(685)	(7,408)
Transfer to other reserves	-	1,661	(1,661)	-	-	-
<b>Balance at 31 December 2010</b>	<b>77,001</b>	<b>1,275</b>	<b>141,623</b>	<b>219,899</b>	<b>10,164</b>	<b>230,063</b>

	Share capital S\$ '000	Other reserves S\$ '000	Retained earnings S\$ '000	Sub-total S\$ '000	Non- controlling interests S\$ '000	Total S\$ '000
<b>The Group</b>						
<b>Balance at 1 January 2009</b>	<b>77,001</b>	<b>2,388</b>	<b>100,989</b>	<b>180,378</b>	<b>4,276</b>	<b>184,654</b>
Total comprehensive income for the year	-	(448)	22,572	22,124	4,187	26,311
Dividends relating to 2008 paid	-	-	(5,846)	(5,846)	(662)	(6,508)
Transfer to other reserves	-	659	(659)	-	-	-
<b>Balance at 31 December 2009</b>	<b>77,001</b>	<b>2,599</b>	<b>117,056</b>	<b>196,656</b>	<b>7,801</b>	<b>204,457</b>

	Share capital S\$ '000	Retained earnings S\$ '000	Total S\$ '000
<b>The Company</b>			
<b>Balance at 1 January 2010</b>	<b>77,001</b>	<b>48,505</b>	<b>125,506</b>
Total comprehensive income for the year	-	5,041	5,041
Dividends relating to 2009 paid	-	(6,723)	(6,723)
<b>Balance at 31 December 2010</b>	<b>77,001</b>	<b>46,823</b>	<b>123,824</b>

	Share capital S\$ '000	Retained earnings S\$ '000	Total S\$ '000
<b>The Company</b>			
<b>Balance at 1 January 2009</b>	<b>77,001</b>	<b>43,402</b>	<b>120,403</b>
Total comprehensive income for the year	-	10,949	10,949
Dividends relating to 2008 paid	-	(5,846)	(5,846)
<b>Balance at 31 December 2009</b>	<b>77,001</b>	<b>48,505</b>	<b>125,506</b>

**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 2009. The share capital of the Company as at 31 December 2010 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**

	<b>Company 31/12/10</b>	<b>Company 31/12/09</b>
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 2010, the Group has adopted the following new or revised FRS:-

**FRS 27 (revised) - Consolidated and Separate Financial Statements**

FRS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.

As the changes have been implemented prospectively, no adjustments were necessary to any of the amounts previously recognized in the financial statements. Changes have been implemented accordingly on the financial statements for the current financial year.

**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**

	<b>Group 01/01/10 - 31/12/10</b>	Group 01/01/09 - 31/12/09
(a) Based on the number of ordinary shares on issue (cents)	5.64	3.86
(b) On fully diluted basis (cents)	5.64	3.86

(i) The Group earnings per share for current and preceding financial year 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 period reported on and (b) immediately preceding financial year**

**NET ASSET VALUE PER SHARE**

	<b>Group 31/12/10</b>	Group 31/12/09	<b>Company 31/12/10</b>	Company 31/12/09
Net asset value per ordinary share (cents)	<b>37.62</b>	33.64	<b>21.18</b>	21.47

(i) The Group and Company net asset value per share as at 31 December 2010 and as at 31 December 2009 are based on the actual number of shares in issue of 584,591,628 ordinary shares.

(ii) There was no material impact on prior year 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**

## **REVIEW OF TWELVE MONTH YEAR-TO-DATE FINANCIAL RESULTS (FY 2010 VS FY 2009)**

### **REVIEW OF FULL YEAR 2010 FINANCIAL RESULTS**

#### Turnover

The Group's turnover rose by 20.6% (or \$85.2 million) to \$499.6 million (FY2010) from \$414.4 million (FY2009) mainly due to higher demand for our products as a result of improved consumer and business spending in the markets where we operate.

Both our distribution & manufacturing segments recorded higher turnover in FY2010. Distribution segment, accounted for 70.9% of the Group's total turnover, recorded a 23.8% rise in turnover, rising from \$286.0 million (FY2009) to \$354.2 million (FY2010). Manufacturing segment, accounted for 29.1% of the Group's total turnover, recorded a growth of 13.2% in turnover, from \$128.4 million (FY2009) to \$145.4 million (FY2010).

#### Gross Profit

Gross Profit rose by 28.9 % (or \$27.7 million), rising from \$96.0 million (FY2009) to \$123.8 million (FY2010). The increase was primarily due to higher turnover and better margins in the distribution business and higher turnover in the manufacturing business. The Group's gross profit margin also increased from 23.2% in FY2009 to 24.8% in FY2010 due to sales of certain products at higher margins.

#### Other Gains

Other gains increased by \$0.9 million to \$3.0 million mainly due to dividend income received from our 10% investment in Hangzhou Yokohama Tire Co. Ltd.

#### Operating Expenses

Distribution expenses increased by 24.1% from \$31.2 million (FY2009) to \$38.8 million (FY2010) mainly due to higher delivery charges, advertising and promotional expenses and higher staff related expenses in tandem with higher turnover in FY2010.

Administrative expenses increased by 38.1% from \$30.8 million (FY2009) to \$42.5 million (FY2010) primarily due to higher staff related costs, warehouse rental, other general operating expenses and foreign currency exchange loss. Foreign currency exchange loss was \$0.8 million in FY2010 compared to a gain of \$6.0 million in FY2009. Excluding foreign currency exchange, administrative expenses would have increased by 13.3% in FY2010.

Financing costs decreased by 2.6% from \$3.9 million (FY2009) to \$3.8 million (FY2010), primarily due to lower bank borrowings in FY2010.

#### Share of Profit of Associated Companies

Associated companies reported better performances and our share of profit was \$3.8 million in FY2010 compared to a share of loss of \$0.3 million in FY2009.

#### Net Profit after Tax and Non-controlling Interest

Net profit after tax and non-controlling interest attributable to shareholders of the Company rose by about 46.0% (or \$10.4 million) to \$33.0 million in FY2010 from \$22.6 million in FY2009.

## **STATEMENT OF FINANCIAL POSITION REVIEW**

As at 31 December 2010, total assets amounted to about \$361.8 million comprising \$242.9 million of current asset and \$118.9 million of non-current assets. Total liabilities amounted to about \$131.7 million comprising current liabilities of \$120.3 million and non-current liabilities of \$11.4 million. Shareholders' equity including non-controlling interests amounted to \$230.1 million.

The followings are the substantial changes in the statement of financial position compared to 31 December 2009:

### Trade and other receivables

Trade and other receivables increased from \$78.0 million to \$86.3 million mainly due to higher sales reported in 4Q2010 compared to 4Q2009. Most of these trade receivables remained outstanding at the end of December 2010 but they were still within the acceptable credit terms.

### Inventories

Inventories increased from \$92.6 million to \$99.1 million mainly due to higher purchases of inventory in 4Q2010 in anticipation of price increases announced by Suppliers.

### Other current assets

Other current assets rose from \$9.8 million to \$13.5 million mainly due to increase of prepayments and additional moulds for alloy wheels manufacturing.

### Investment in associated companies

Investment in associated companies rose to \$20.7 million from S\$16.9 million as a result of our share of profit in associated companies in FY2010.

### Financial assets, available-for-sale

Financial assets, available-for-sale increased by \$1.2 million due to additional investment in Hangzhou Yokohama Tire Co. Ltd.

### Property, plant and equipment

Property, plant and equipment decreased by \$1.1 million to \$80.9 from \$82.0 million mainly due to depreciation charged in the period offset by additions of plants and equipments.

### Trade and other payables

Trade and other payables increased from \$48.5 million to \$50.6 million mainly due to higher purchases in 4Q2010.

### Borrowings (current & non-current)

Borrowings decreased from \$77.2 million to \$75.6 million due to repayments of bank borrowings in the FY2010.

### Other reserves

Other reserves decreased by \$1.3 million mainly due to translation loss of our investments in China. Exchange rate of RMB against SGD has weakened from 0.2062 at end December 2009 to 0.1959 at end December 2010.

## **STATEMENT OF CASH FLOWS REVIEW**

\$33.5 million was generated from operating activities FY2010. The Group utilized \$13.4 million in the investing activities mainly for the purchase of plants and equipments. A total of \$14.1 million was used in the financing activities mainly for repayments of bank borrowings and payment of dividends to equity shareholders. Cash and cash equivalents amounted to \$42.4 million at the end of December 2010 compared to \$36.9 million reported at end December 2009.

### **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**

Aluminium prices have continued to trend higher and risen above US\$2,500 per tonne recently. If prices continue to trend upward, this will have an adverse impact on the gross margins of our manufacturing business. In addition, the volatility of US Dollars and Euro may also potentially impact our manufacturing business. However, the Group is committed to manage these challenges with appropriate hedging strategies, to control and reduce operating costs and achieve higher efficiency for a sustained performance in our manufacturing business.

As part of the Group's 5-year business expansion plan (FY2011-FY2015), the Group is adding a fourth production line in our factory in Sepang, Malaysia. The new line will have an annual production capacity of about 200,000 wheels and will bring the total capacity of our Sepang factory to about 800,000 wheels per annum in the After-Market segment. The fourth production line is scheduled to be fully operational in Q2 FY2011. The Group is planning to add 5 million alloy wheels capacity in the next 5 years at its existing manufacturing facilities in China, Taiwan and Malaysia. The Group targets to achieve a total production capacity of 8.4 million wheels by FY2015. The additional wheel capacity is largely for the Original Equipment Manufacturer (OEM) segment in China.

For our distribution business, as part of the Group's 5-year business expansion plan, the Group will implement multi-brands & multi-product-categories marketing strategy to sell Tyres, Rims and Batteries in all existing sales network and also establishing new sales network in emerging markets. The Group has expanded its product range to include new range of sizes in Off-The-Road ("OTR") Yokohama mining tyres, and at the same time, has also expanded in its proprietary brand Neuton tyres to include tyres for sport utility vehicles, van and lightweight vehicles; in addition to the existing range of tyres for passenger cars.

The recent price increases announced by our Suppliers may have an impact on the gross margins of our distribution business. In addition, the recent devastating floods in Brisbane affected our premises. This and the earth quake in Christchurch may also potentially impact our distribution business. Nonetheless, the Group expects the distribution business to continue to be the key contributor for the Group.

Moving forward, the Group will continue to monitor its business operations closely, particularly on the risk of rising raw material costs and currency volatility.

## 11. Dividend

### (a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes.

<b>Name of Dividend</b>	First & Final
<b>Dividend Type</b>	Cash
<b>Dividend Rate</b>	1.69 cent per ordinary share
<b>Tax Rate</b>	One Tier Tax exempt

### (b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

<b>Name of Dividend</b>	First & Final
<b>Dividend Type</b>	Cash
<b>Dividend Rate</b>	1.15 cent per ordinary share
<b>Tax Rate</b>	One Tier Tax exempt

### (c) Date payable

Notice will be given later regarding the dividend payment date.

### (d) Books closure date

Notice will be given later regarding the date of closure of transfer book and register of members.

## 12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

**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**

**Results Of Operations By Business Segments**

The Company considers the business from both a geographic and business segment perspective. The Company has determined the operating segments based on the reports reviewed by the Senior Management that are used to make strategic decisions.

- (a) The segmental income statements of the Group for FY2010 and FY2009 are prepared on an actual basis.
- (b) The segmental balance sheet items of the Group as at 31 December 2010 and as at 31 December 2009 respectively are prepared on an actual basis.

Group Period from 01/01/10-31/12/10	Distribution Segment					Sub-total \$'000	Total \$'000
	Manufacturing Segment	North East Asia \$'000	ASEAN \$'000	Oceania \$'000	Others \$'000		
<b>Sales</b>							
Total segment sales	170,001	27,600	167,006	134,326	25,291	354,223	524,224
Inter-segment sales	(24,642)	-	-	-	-	-	(24,642)
Sales to external parties	145,359	27,600	167,006	134,326	25,291	354,223	499,582
<b>Segment result</b>	5,142	(5)	22,715	14,710	27	37,447	42,589
Other gains							2,976
Unallocated costs							(110)
							45,455
Finance expenses							(3,799)
Share of (loss)/profit of associated companies	833	-	3,001	-	-	3,001	3,834
<b>Profit before income tax</b>							45,490
<b>Income tax expense</b>							(9,867)
<b>Net profit</b>							<b>35,623</b>
<b>Segment assets</b>	171,923	14,499	67,851	80,686	8,805	171,841	343,764
Segment assets includes:							
Investment in associated companies	15,262	-	5,460	-	-	5,460	20,722
Additions to:							
- property, plant and equipment	11,880	81	939	1,609	116	2,745	14,625
<b>Segment liabilities</b>	(23,961)	(5,249)	(10,573)	(7,711)	(3,145)	(26,678)	(50,639)

Group Period from 01/01/09-31/12/09	Manufacturing Segment		Distribution Segment				Sub-total \$'000	Total \$'000
	North East	Asia	ASEAN	Oceania	Others			
	\$'000	\$'000	\$'000	\$'000	\$'000			
<b>Sales</b>								
Total segment sales	155,841	22,303	133,520	113,613	16,578	286,014	441,855	
Inter-segment sales	(27,463)	-	-	-	-	-	(27,463)	
Sales to external parties	128,378	22,303	133,520	113,613	16,578	286,014	414,392	
<b>Segment result</b>	7,653	(1,438)	14,915	13,735	(741)	26,471	34,124	
Other gains							2,044	
Unallocated costs							(114)	
							36,054	
Finance expenses							(3,900)	
Share of profit of associated companies	(441)	-	157	-	-	157	(284)	
<b>Profit before income tax</b>							31,870	
<b>Income tax expense</b>							(7,360)	
<b>Net profit</b>							<b>24,510</b>	
<b>Segment assets</b>	143,397	16,615	70,956	77,704	10,541	175,816	319,213	
Segment assets includes:								
Investment in associated companies	14,429	-	2,459	-	-	2,459	16,888	
Additions to:								
- property, plant and equipment	7,171	31	465	1,168	27	1,691	8,862	
<b>Segment liabilities</b>	(24,758)	(4,637)	(8,473)	(7,743)	(2,931)	(23,784)	(48,542)	

Reportable segments' assets are reconciled to total assets as follows:

	<b>Group</b> 31/12/10 S\$'000	Group 31/12/09 S\$'000
Segment assets for reportable segments	<b>334,959</b>	308,672
Other segment assets	<b>8,805</b>	10,541
Unallocated:		
Deferred income tax assets	<b>4,389</b>	4,977
Short-term bank deposits	<b>4,716</b>	1,479
Financial assets, available-for-sale	<b>8,713</b>	7,513
Transferable club membership, at cost	<b>221</b>	132
	<b>361,803</b>	333,314

Reportable segments' liabilities are reconciled to total liabilities as follows:

	<b>Group</b> 31/12/10 S\$'000	Group 31/12/09 S\$'000
Segment liabilities for reportable segments	<b>47,494</b>	45,611
Other segment liabilities	<b>3,145</b>	2,931
Unallocated:		
Income tax liabilities	<b>3,186</b>	1,634
Deferred tax liabilities	<b>2,349</b>	1,445
Borrowings	<b>75,566</b>	77,236
	<b>131,740</b>	128,857

## Revenue from major products and services

	<b>Group</b> <b>01/01/10-</b> <b>31/12/10</b> <b>S\$'000</b>	Group 01/01/09- 31/12/09 S\$'000
Distribution of automotive and related products	<b>354,223</b>	286,014
Manufacturing of alloy wheels	<b>145,359</b>	128,378
	<b>499,582</b>	414,392

The Group's business segments operate in following geographical areas:-

	<u>Sales*</u>		<u>Non-current assets</u>	
	<b>Group</b> <b>01/01/10-</b> <b>31/12/10</b> <b>S\$'000</b>	Group 01/01/09- 31/12/09 S\$'000	<b>Group</b> <b>31/12/10</b> <b>S\$'000</b>	Group 31/12/09 S\$'000
Singapore	<b>87,857</b>	78,354	<b>7,507</b>	5,384
Malaysia	<b>82,019</b>	59,450	<b>21,065</b>	16,198
China/Hong Kong	<b>136,800</b>	128,567	<b>67,672</b>	72,203
Taiwan	<b>16,246</b>	10,117	<b>1,539</b>	1,897
Australia	<b>111,892</b>	94,340	<b>4,645</b>	3,878
New Zealand	<b>22,434</b>	19,273	<b>561</b>	510
Other countries	<b>42,334</b>	24,291	<b>2,639</b>	2,822
	<b>499,582</b>	414,392	<b>105,628</b>	102,892

\* Sales are attributed to countries on the basis of Group's subsidiaries locations.

## 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

Please refer to the item no.8

## 15. A breakdown of sales

A breakdown of sales:-

	<b>Group</b> <b>01/01/10-</b> <b>31/12/10</b> <b>S\$'000</b>	Group 01/01/09- 31/12/09 S\$'000	Incr/(Decr) %
(a) Sales reported for the first half year	<b>234,702</b>	190,026	23.5%
(b) Operating profit after tax before deducting non-controlling interest report for the first half year	<b>11,853</b>	8,988	31.9%
(c) Sales reported for the second half year	<b>264,880</b>	224,366	18.1%
(d) Operating profit after tax before deducting non-controlling interest report for the second half year	<b>23,770</b>	15,522	53.1%
(e) Total sales reported for the full year	<b>499,582</b>	414,392	20.6%
(f) Total operating profit after tax before deducting non-controlling interest report for the full year	<b>35,623</b>	24,510	45.3%

**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

	<b>Latest Full Year S\$000</b>	<b>Previous Full Year S\$000</b>
Ordinary	9,880	6,723
Preference	-	-
<b>Total:</b>	9,880	6,723

**17. Aggregate value of interested person transactions entered into by the Company and/or its subsidiaries during the year ended 31 December 2010 are as follows:**

Interested Persons	Aggregate value of all interested persons transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate).  S\$ '000	Aggregate value of all interested persons transactions conducted under shareholders' Mandate (excluding transactions less than S\$100,000)  S\$ '000	Total  S\$ '000
-	-	-	-
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**BY ORDER OF THE BOARD**

Tay Tian Hoe Richard  
Executive Chairman and Group Managing Director  
24/02/2011

Submitted by Tay Tian Hoe Richard, Group Managing Director on 24/02/2011 to the SGX.