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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 *	31-03-2011
Description	Unaudited First Quarter 2011 Financial Statements and Press Release

Attachments

 Q1FY11Results.pdf
 YHIPressRelease.pdf
 Total size = **301K**
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YHI International posts 32% higher net profit of S\$6.3m on the back of S\$129.0m revenue for its first quarter ended 31 March 2011

“Our intention is to grow the business further and we are well-positioned to do so. We have a strong track record and already have a significant presence in growth markets like China,” said Executive Chairman and Group Managing Director, Mr Richard Tay

GROUP'S FINANCIAL HIGHLIGHTS			
S\$' million	1Q2011	1Q2010	Change
Revenue	129.0	114.1	▲ 13%
Gross Profit	30.5	26.5	▲ 15%
Gross Profit Margin (%)	23.6	23.2	▲ 0.4ppt
Profit After Tax	6.8	5.4	▲ 26%
Profit After Tax Attributable To Equity Holders (PATMI)	6.3	4.8	▲ 32%
Basic Earnings Per Share (cents)	1.09	0.82	▲ 32%
Cash and cash equivalents: S\$28 million and NAV per share: 38.28 Singapore cents as at 31 st March 2011			

Singapore, 11 May 2011 – Mainboard-listed YHI International Limited (YHI or the Group) today announced it has posted net profits of S\$6.3 million for the first quarter ended 31 March 2011, 32% higher compared to S\$4.8 million in the corresponding period last year.

YHI's total revenue was up 13% to S\$129.0 million from S\$114.1 million a year ago on the back of higher sales from its distribution and manufacturing business segments. Distribution revenue for the quarter rose by 17% to S\$94.3 million from S\$80.5 million a year ago, mainly due to the higher sales from the ASEAN markets. As for the manufacturing segment, revenue for the quarter was moderately higher at S\$34.7 million compared with S\$33.6 million in the preceding year. Manufacturing revenue for the quarter was mainly affected due to the delay in production caused by swapping its European orders for its China factories with its factories in Malaysia and Taiwan. This was necessary due to the anti-dumping ruling imposed by European Union on Chinese imports. Overall, the distribution segment contributed the lion's share – or about 73% of total Group revenue – with manufacturing segment accounting for the remaining 27%.

For the period under review, gross profit rose by 15% to S\$30.5 million from S\$26.5 million in the previous corresponding quarter, largely attributable to the contribution from higher turnover from both its distribution and manufacturing business segments. Gross profit margin in 1Q2011 was up slightly at 23.6% compared to 23.2% in 1Q2010.

Earnings per share for the quarter stood at 1.09 Singapore cents, 32% higher than the 0.82 Singapore cents previously.

Executive Chairman and Group Managing Director Mr Richard Tay was pleased with the company's performance for the quarter but said there was always room for growth and improvement. "Our intention is to grow the business further and we are well-positioned to do so. We have a strong track record and already have a significant presence in growth markets like China. We will continue to work hard to grow our manufacturing and distribution businesses. As part of our 5-year business plan, we are targeting to complete the upgrading of our Shanghai facilities by third quarter of 2011 catering for the OEM segment in China," added Mr Tay.

In February 2011, the Group announced its five-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 producing an additional 5 million alloy rims for its manufacturing segment through the expansion of its existing manufacturing facilities in China, Taiwan and Malaysia, targeting at the Original Equipment Manufacturer (OEM) markets. In addition, it is implementing its new multi-brand, multi-category & multi-product marketing strategy to expand its distribution business segment.

Commenting on the rising material costs and currency volatility, Mr Tay said: “We are actively managing these with the appropriate hedging strategies, and continually exploring ways to minimise operating costs, achieve higher productivity and operational efficiency for our manufacturing segment. Our move towards being an OEM player will mitigate such material price risk as our terms with the car manufacturers will allow us to adjust prices periodically based on a pre-determined cost-plus formula.”

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 four alloy rims manufacturing facilities in China, Taiwan and Malaysia with a total production capacity of 3.2 million units per annum. It's new fourth production line in Sepang, Malaysia, which has a capacity of 200,000 alloy rims per annum, is on track to be fully operational by end of second quarter this year. When completed, the Group will have a total production capacity of 3.4 million units per annum.

Financial Highlights

The Group continues to benefit from a strong balance sheet with total assets of S\$354.1 million and net assets of S\$234.1 million. This gives a higher net asset value per share of 38.28 Singapore cents versus 37.62 Singapore cents as at 31 December 2010.

Net working capital was S\$128.4 million. The Group's cash and cash equivalents stood at S\$28.0 million as compared to S\$42.4 million in FY2010. For the quarter, the Group had used S\$3.6 million for financing its operating activities, S\$1.4 million mainly for the purchase of plant and equipment, and S\$8.9 million mainly for repayment of bank borrowings. It had a market capitalisation of about S\$187 million, derived from a closing share price of 32 Singapore cents, as at 10 May 2011.

Business Outlook

As part of its 5-year expansion plan to move into the OEM segment in China, the Group has commenced construction work at its Shanghai facilities for a new building to house its new painting lines which are to be used for supplying alloy rims to the car manufacturers in China. The construction and installation are scheduled to be completed by the end of third quarter and trial production is expected to commence in the fourth quarter of this year.

Commenting on the outlook for its distribution segment, Mr Tay said: "There are still opportunities for growth as evidenced in the demand for tyres in the mining and agricultural industries, especially in Asia. We hope to broaden our product offerings to our customers and distribution sales network which is line with our multi-brand, multi-category & multi-product sales marketing strategy."

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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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