



友发国际有限公司

**YHI INTERNATIONAL LIMITED**

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## **PRESS RELEASE**

### **YHI REPORTS IMPROVED PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF S\$11.7 MILLION ON HIGHER REVENUE OF S\$231.8 MILLION FOR 1ST HALF OF FY2008**

- **Group revenue and profit attributable to equity holders for 2QFY08 also improved despite higher operating costs and volatile market conditions**

**Singapore, August 11, 2008** --SGX Mainboard-listed YHI International Limited (“YHI” or the “Group”), an established distributor of automotive and industrial products and an original design manufacturer (ODM) of alloy wheels, continues to report improved profit and higher turnover for the first half of FY2008. YHI’s profit attributable to equity holders rose 0.9% to S\$11.7 million from S\$11.6 million in 1HFY07 while turnover improved by S\$27.3 million or 13.3% to S\$231.8 million as compared to S\$204.5 million recorded in 1HFY07.

Gross profit increased by S\$12.6 million or 27.4% from S\$46.2 million to S\$58.8 million in 1HFY08, due to higher sales volumes and better gross margins achieved in distribution segment.

As a result of better performance, Group EPS for 1HFY08 was higher at 2 cents per share, while its NAV per share also grew to 29.23 cents as compared to 28.76 cents recorded at the end of FY2007.



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On the quarterly basis, YHI also continued to deliver improved performance for 2QFY08. It registered a Group turnover of S\$120.2 million, which was S\$11.7 million or 10.8% higher than the S\$108.5million achieved in 2QFY07. Gross profit increased by S\$5.9 million or 23.8% from S\$25.0 million in 2QFY07 to S\$30.9 million in 2QFY08. Group profit attributable to equity holders rose to S\$6.5 million from S\$6.4 million in 2QFY07. Compared to 1QFY08, the Group also showed healthy improvement in both turnover and bottom line. Group sales in 2QFY08 rose by about 8% compared to 1QFY08 while profit attributable to shareholders increased by 25% from S\$5.2 million to S\$6.5 million in the same period.

## **PERFORMANCE BY BUSINESS SEGMENT**

The Group's improved performance was reflected by higher sales from both its manufacturing and distribution businesses.

In the first 6 months of FY2008, turnover from the manufacturing business increased by S\$5.2 million or 7.3% from S\$71.4 million in 1HFY07 to S\$76.6 million in 1HFY08. This was attributable to increased output from additional production capacity in Suzhou, PRC. Turnover from its distribution business which increased by S\$22.1 million or 16.6% from S\$133.1 million to S\$155.2 million in 1HFY08, was driven by stronger tyre sales in ASEAN and Oceanic operations.



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Commenting on the Group's first half performance, Mr. Richard Tay, Group Managing Director of YHI, said, "YHI has performed well in the first half of FY2008 despite the challenges of higher operating costs, increasing fuel and raw material costs, the weakening US dollar and rising competition. I'm happy that YHI is able to report improved top and bottom lines in the midst of these global challenges.

To stay competitive, the Group will continue to put in place various measures to improve productivity and operational efficiency. To date, our efforts in improving internal efficiency has begun to show results. Besides, we have embarked on aggressive branding campaigns to enhance our pricing strategy and to strengthen global brand equity for our proprietary brand "Advanti Racing" through successful sponsoring of alloy wheels to Scuderia Toro Rosso F1 Team. Since the sponsorship announcement in February this year, we have been able to command a higher selling price for our products. The sponsorship has helped to strengthen the Group's branding and enhance recognition of the high quality of our products in the world market".

## **ABOUT YHI INTERNATIONAL**

YHI's distribution network can be seen in over 80 countries operating through 28 subsidiaries and associated companies located in Asean, China, Taiwan, Hong Kong, USA, Japan, Canada, Middle East and Italy. The Group distributes a diverse range of automotive products, which includes tyres, alloy wheels and automotive batteries, as well as industrial commercial products such as industrial batteries and golf buggies to more than 5,000 customers globally. The key tyre brands the Group carries are Yokohama, Nankang, Nexen, Pirelli and its own proprietary brand - Neuton. It also distributes



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various renowned brands of alloy wheels namely - Enkei, OZ, Konig and Advanti Racing. For commercial industrial products, the Group represents Hitachi, CSB, Vision and Delkor brands of industrial batteries and EZGO golf buggies. As an extension of its distribution business segment, YHI has also launched its own retail outlets under the brandname - “Auto-Trend” in China in 2006.

As an integrated ODM solutions provider, YHI provides a range of services from design and development to manufacturing and marketing and distribution of alloy wheels for customers. YHI has four alloy wheels manufacturing plants located in Shanghai and Suzhou in China, Taoyuan in Taiwan and Sepang in Malaysia.

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