



YHI International Limited

MEDIA RELEASE

For Immediate Release

YHI International Delivers Net Profit Of S\$7million On Revenue Of S\$511million For FY2014

Highlights:

- Gross profit margin increased to 22.2%
- Net asset value per share at 42.99 cents
- Dividend of 0.60 cents per share

Singapore, 25 February 2015 – Mainboard-listed **YHI International Limited** (“YHI” or “the Group”) (友发国际有限公司) has reported revenue of S\$511.2 million and net profit after tax attributable to shareholders of S\$7.0 million for the full year ended 31 December 2014 (FY2014).

Full-year revenue was lifted by higher sales from the Manufacturing business, though this was partially offset by lower sales in the Distribution business. The Manufacturing business, accounting for 29.0% of total revenue, recorded a 7.9% increase in revenue to S\$148.4 million in FY2014 while the Distribution business, accounting for 71.0% of total revenue, saw a 2.3% drop in revenue to S\$362.8 million as lower sales in North East Asia, ASEAN and other countries offset higher sales in the Oceania region.

Gross profit increased by 1.6% to S\$113.6 million in FY2014 with gross profit margin up 0.2% to 22.2% on improved margins from both the Distribution and Manufacturing segments. However, net profit after tax attributable to shareholders decreased by 20.4% to S\$7.0 million in FY2014 on higher distribution and administrative expenses and higher taxes.

Executive Chairman and Group Managing Director, Mr Richard Tay (郑添和), said: *“Notwithstanding the challenging operating environment, the Group has delivered a stable revenue performance and remains committed to dividend payout to reward our loyal shareholders. We believe that our multi-brand, multi-category and multi-product (3M) strategy and 3R policy to reduce inventory, reduce accounts receivables and reduce operating costs will maintain our competitive edge and deliver the expected results in due course.”*

Dividends

The Directors have proposed a first and final dividend of 0.60 cents per share for FY2014. This translates into a dividend payout of 50%. The Board of Directors remains committed to drive sustainable growth and shareholder value for shareholders.

Financial Position

The Group's financial position remained strong, with net assets of S\$264.1 million as at 31 December 2014. This gives a net asset value per share of 42.99 Singapore based on the total number of shares in issue of 584.6 million. Cash and cash equivalents stood at S\$55.5 million as at 31 December 2014

Market capitalisation was S\$131.5 million, based on a closing share price of 22.5 Singapore cents as at 25 February 2015.

Business Outlook & Strategies

The near-term outlook is expected to remain challenging for both the Manufacturing and Distribution segments.

The Manufacturing business is expected to be impacted by the economic slowdown in our key markets in Europe, China and Japan as well as the weakening of currencies such as the Euro, Japanese yen and Malaysian Ringgit.

In view of slowing vehicle sales for the Chinese brand passenger cars in China, our Shanghai factory will be allocating part of its domestic OEM capacity to the After-market segment in 2015. Our Suzhou factory will continue to cater for the After-market export business in 2015.

In Malaysia, the sale of the Group's factory in Sepang is now pending approval on the transfer of the land title to the Purchaser from the relevant state authority.

Meanwhile, the tyre distribution business in Malaysia, Thailand, Indonesia and Australia was impacted as competition intensifies as a result of overcapacity and weak global demand. In response to these challenges, the Group will continue to build on its distribution network and leverage on its stable of products by offering a different product mix. The Group will continue to be prudent in managing operating costs and to raise productivity & operating efficiencies in order to optimize our resources to cushion the impact of the challenging operating business environment.

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**About YHI International Limited ([www.yhi.com.sg](http://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 29 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, Otani 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 supplier to the Mercedes AMG Petronas Formula One Team for 2013 to 2015 Championships after being the official partner to Scuderia Toro Rosso Formula One Team from 2008 to 2012.

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, and Malacca in Malaysia with a current total production capacity of 4.0 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 continue to strengthen and widen the YHI's distribution network, through its multi-brand, multi-category and multi-product (3M) marketing strategies, focusing on 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 award four times, the latest being 2012 among small and medium-sized enterprises (SMEs) in Malaysia. The award which was organised by Nanyang Siang Pau honoured the best of SMEs in Malaysia.

Started as a sole proprietor in 1948, YHI has successfully diversified its business and was listed on the Mainboard of the Singapore Exchange on 3 July 2003.

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**Issued on behalf of YHI International Limited by: Waterbrooks Consultants Pte Ltd**

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**Media and Analysts Contact:**

**Waterbrooks Consultants Pte Ltd**  
**Tel: (+65) 6100 2228**

Mr Wayne Koo  
Mobile: (+65) 9338 8166  
Email: [wayne.koo@waterbrooks.com.sg](mailto:wayne.koo@waterbrooks.com.sg)

Ms Jean Yang  
Mobile: (+65) 9363 6369  
Email: [jean@waterbrooks.com.sg](mailto:jean@waterbrooks.com.sg)