



友发国际有限公司

YHI INTERNATIONAL LIMITED (Co. Reg. No. 200007455H)

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PRESS RELEASE

May 11, 2005

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YHI INTERNATIONAL LIMITED CONTINUES TO SHINE WITH A 21.6% INCREASE IN NET PROFIT TO \$5.1 MILLION ON 19.4% RISE IN REVENUE TO S\$78.1 MILLION FOR Q1 FY2005

Results Highlights:-

- Earnings growth on track in both manufacturing and distribution segments
- Manufacturing revenue growth at 33.7% to \$23.4 million

Singapore, May 11, 2005: SGX Mainboard-listed YHI International Limited (YHI), an established distributor of automotive and industrial products and an original design manufacturer (ODM) of alloy wheels, today announced a 21.6 % jump in net profits to S\$5.1 million on a 19.4% rise in turnover to \$78.1 million for the first quarter of FY2005.

The distribution business and manufacturing activity accounted for about 70.0% and 30.0% of 1Q revenue respectively. In terms of Profit Before Tax, the segments accounted for about 64.9% and 35.1% respectively.

Turnover from the distribution business increased by about 14.2% to \$54.7 million in Q1 of FY2005 from the same period of FY2004. The Group's tyre sales continued to experience good growth in all geographical markets where its operations are located.

Turnover from the manufacturing business increased by about 33.7% to \$23.4 million in Q1 of FY2005. The significant increase was due to higher turnover from the operations in Shanghai which has six production lines in Q1 of 2005 as compared with only four for the same period in the previous financial year.

Commenting on the Group's 1st quarter 2005 performance, Mr Richard Tay, Group Managing Director of YHI, said: "We are pleased that both our distribution and manufacturing businesses continue to do well despite fears of the slowing down of the global automotive industry and the cooling of China's economic growth. Going forward, we are confident that this good performance will continue."



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LOOKING FORWARD

YHI expects its distribution and manufacturing businesses to see continued increase in sales. The distribution arm is set to perform well with the increased production capacity and with Yokohama offering a bigger range of product sizes and varieties that are produced in their Philippines and Hangzhou factories.

The Shanghai factory continues to operate near full capacity while the Group's upcoming manufacturing plants in Suzhou, China and in Sepang, Malaysia are on track to be operationally ready by the first quarter of 2006.

ABOUT YHI INTERNATIONAL:

The Group's distribution network spans Singapore, the PRC, Hong Kong, Taiwan, Malaysia, Japan, Australia and New Zealand where it has established its corporate offices and warehousing facilities. From its main distribution hubs in Singapore, the PRC, Hong Kong and Taiwan, the Group distributes its products locally in these countries as well as exports them to more than 30 countries. Currently, it distributes to approximately 2,000 customers internationally. Some of the key international brands that YHI distributes include Yokohama, Nankang and Tornado for tyres, Enkei and OZ for alloy wheels and Hitachi for both automotive and industrial batteries.

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. It designs and manufactures for major brands like LowenHart, Racing Hart, Giovana, Konig and 5-zigen. It has also created and marketed its own brand Advanti through its wide distribution network.

YHI has established a profitable track record over the past four years. Its turnover grew from S\$147.9 million in FY2000 to S\$291.3 million in FY2004 while its profit after tax grew from S\$4.8 million in FY2000 to S\$20.3 million in FY2004. YHI's distribution business accounted for approximately 71% and 56% of turnover and profit after tax respectively, while the manufacturing business accounted for approximately 29% and 44% of turnover and profit after tax respectively in FY2004.

Release issued on behalf of YHI International Limited by
Stratagem Consultants Pte Ltd



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