

YHI INTERNATIONAL LIMITED

YHI INTERNATIONAL'S SHANGHAI SUBSIDIARY SECURES CONTRACTS WORTH APPROXIMATELY US\$6 MILLION (APPROXIMATELY S\$10.54 MILLION)

NEWS RELEASE

Singapore, 31 July 2003 – SGX Mainboard-listed YHI International Limited, an established distributor of automotive and industrial products and an original design manufacturer (ODM) of alloy wheels, today announced that its subsidiary, YHI Manufacturing (Shanghai) Co Ltd ("YHI Shanghai"), has secured two new contracts worth approximately US\$6 million (S\$10.54 million), for the supply of alloy wheels to NHK Sales Co Ltd and YFC Co Ltd in Japan.

The total contracted delivery is approximately 240,000 pieces of alloy wheels by November 2003.

Both companies are among Japan's largest wholesalers of automotive products. NHK Sales Co Ltd has more than 10 branch offices, 32 business offices and 1 distribution centre in various parts of Japan. YFC Co Ltd is a subsidiary of The Yokohama Rubber Co Ltd ("YRC") and they mainly distribute tyres and alloy wheels to YRC's retail stores in Japan.

Mr Richard Tay, YHI International's managing director, said: "We are pleased to have secured the two new contracts, which will enhance our revenues for FY 2003. The contracts are also reflective of the strong potential for automotive products such as ours in China, which is one of the largest automotive centres in Asia. With our established manufacturing base in China, we believe that we are able to ride on this robust growth trend. We will continually review our manufacturing operations in China, with a view to increasing production capacity to meet the growing market demand."

To meet the increased production demand from the secured contracts from NHK Sales Co Ltd and YFC Co Ltd, the fourth production line in YHI Shanghai has commenced operations in July 2003.

With four production lines in operation, the total production capacity of the Shanghai plant has increased to approximately 60,000 to 80,000 pieces of alloy wheels per month depending on the models of the alloy wheels. As part of its long-term growth strategy, YHI intends to embark on a phased expansion programme to increase the number of production lines in its Shanghai plant to 8 lines.

In addition to the secured contracts, the order books for alloy wheels for YHI's Shanghai manufacturing facilities are full for delivery until December 2003.

About YHI International: A homegrown company with a history of more than 55 years, YHI International has expanded its business from distributing tyres and automotive batteries to become an ODM of alloy wheels with two manufacturing plants, one in Shanghai and the other in Taoyuan, Taiwan.

Its major manufacturing base in Shanghai, China occupies a total land area of 47 thousand square metres. As an integrated ODM, 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 3 years. Its turnover grew from \$147.9million in FY2000 to \$176.9million in FY2002 while its profit before tax ("PBT") grew from \$6.5million in FY2000 to \$14.9m in FY2002. YHI's distribution business accounted for approximately 76.9% and 76.6% of turnover and profit before tax respectively, while the manufacturing business accounted for approximately 23.1% and 23.4% of turnover and profit before tax respectively for FY2002.

Issued on behalf of YHI International Limited.

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Submitted by Tay Tian Hoe Richard, Managing Director on 31/07/2003 to the SGX