

**YHI INTERNATIONAL LIMITED**

---

**ACQUISITION OF 11% OF EASTBOURNE METAL COATINGS CO., LTD**

---

The Board of Directors of YHI International Limited (the "Company") refers to the announcement on 8 March 2004 relating to the joint venture and shareholders agreement (the "Agreement") entered into by YHI Manufacturing (Singapore) Pte Ltd ("YHI Manufacturing (Singapore)"), a wholly-owned subsidiary of the Company, with Chromtech Plating Co., Ltd ("Chromtech"), a company incorporated in Taiwan ROC, for, inter alia, the establishment of a joint venture company in Wuxi, PRC known as Eastbourne Metal Coatings Co., Ltd ("Eastbourne") and the subscription by YHI Manufacturing (Singapore) of 40% of the initial registered capital of Eastbourne.

The Directors of the Company are pleased to announce that YHI Manufacturing (Singapore) has on 13th May 2004, pursuant to the Agreement, exercised the option to acquire a further 110,000 shares representing 11% of the initial registered capital of Eastbourne from Chromtech. Upon the completion of the acquisition, YHI Manufacturing (Singapore) will hold 51% of the registered capital of Eastbourne.

After the acquisition, Eastbourne will become a subsidiary of YHI Manufacturing (Singapore). The principal activity of Eastbourne is to provide metal surface finishing services to chrome alloy wheels.

Pursuant to the terms of the Agreement, the purchase consideration for the Option Shares is US\$110,000 which is based on the value of the initial registered capital of US\$1.0 million. The acquisition will be funded from the Company's internal resources.

The transaction is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the current year.

None of the Directors or substantial shareholders of the Company has an interest, direct or indirect in this transaction.

Submitted by Yuen Sou Wai, Executive Director on 17/05/2004 to the SGX