

YHI INTERNATIONAL LIMITED

INTERESTED PERSON TRANSACTIONS RELATING TO HUY PHAT TRADING & SERVICES CO

Our holding company, YHI Holdings Pte Ltd ("YHI Holdings") supplies tyres to Huy Phat Trading & Service Co ("Huy Phat"). In our prospectus dated 24 June 2003, we had disclosed in the section on "Interested Person Transactions" (page 121 of the prospectus) that our holding company, YHI Holdings, had made an advance of US\$36,000 to Huy Phat in FY2000 on the understanding that the loan will be capitalised at the option of YHI Holdings into shares in the capital of Huy Phat. The loan amount of US\$36,000 has since been fully written off by our holding company, YHI Holdings. There is no financial impact on our Group.

Accordingly, there is now no intention for YHI Holdings to capitalise the loan amount of US\$36,000 (which has since been fully written off in any event) into shares in the capital of Huy Phat. Based on the above, YHI Holdings does not have any interest, direct or indirect, in Huy Phat. Going forward, YHI Holdings and the listco group may continue to transact with Huy Phat, an unrelated third party, on normal commercial terms and such transaction would no longer fall within the ambit of an interested person transaction within Chapter 9A of the Listing Manual.

Submitted by Yuen Sou Wai, Executive Director on 31/05/2004 to the SGX