

**YHI INTERNATIONAL LIMITED**

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**PRESS RELEASE**

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**YHI INTERNATIONAL SETS UP CHROMING FACILITY IN WUXI AND NEW SUBSIDIARY IN SHANGHAI FOR MANUFACTURING OF OWN BRAND, ADVANTI RACING ALLOY WHEELS IN CHINA**

- **Strategic expansion moves to meet rising global demand for chrome wheels as well as China's increasing domestic demand for alloy wheels**

Singapore, 9 March 2004: SGX Mainboard-listed YHI International Limited ("YHI" or "the Group"), an established distributor of automotive and industrial products and an original design manufacturer (ODM) of alloy wheels, is pleased to announce two strategic expansion moves in China.

First, its wholly-owned subsidiary, YHI Manufacturing (Singapore) Pte Ltd ("YHI Manufacturing"), will be setting up a chroming facility in Wuxi, China via a joint-venture with Chromtech Plating Co Ltd ("Chromtech"), a company incorporated in Taiwan. YHI Manufacturing will have a 40% stake in the company while the balance will be owned by Chromtech.

The joint-venture company, called Eastbourne Metal Coatings Co Ltd ("Eastbourne"), will provide metal finishing services for aluminium wheels and accessories. This chroming facility will enable the Group to meet the rising global demand for chrome wheels. The registered capital of the company is US\$1.0 million. The factory will commence manufacturing operations by 2nd quarter 2004.

Second, YHI Manufacturing will set up a wholly-owned subsidiary, YHI Advanti Manufacturing (Shanghai) Co Ltd ("YHI Advanti") in Shanghai, China. YHI Advanti, which has a registered capital of US\$1.5 million, will be manufacturing alloy wheels, under its own proprietary brand, Advanti Racing, for the domestic PRC market. Production is expected to commence in the first half of 2004.

"With the robust demand for alloy wheels both in China and globally, we have decided to accelerate our expansion plans in China. Our chroming facility in Wuxi, will provide chroming services for alloy wheels for the global market, which is enjoying strong demand for chrome wheels.

Through our wholly-owned subsidiary, YHI Advanti, we intend to manufacture our own brand of alloy wheels under the Advanti Racing brandname. This is a strategic move to build our own brandname in China. We also intend to develop valuable brand equity for our own products. The PRC market, which is currently the world's 4th largest auto market, is a significant market for automotive products and we believe that this will be an important strategic step for the Group to strengthen its leadership position in the industry," said Mr Richard Tay, YHI's Group Managing Director.

**About YHI International:**

The Group's distribution network spans Singapore, the PRC, Hong Kong, Taiwan, Malaysia, 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\$220.7million in FY2003 while its profit after tax grew from S\$4.8 million in FY2000 to S\$14.6 million in FY2003. YHI's distribution business accounted for approximately 73% and 66% of turnover and profit after tax respectively, while the manufacturing business accounted for approximately 27% and 34% of turnover and profit after tax respectively in FY2003.

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For more information, please contact:

Tham Moon Yee / Mabel Ong

Tel: 6227 0502

Email: [tmy@stratagemconsultants.com](mailto:tmy@stratagemconsultants.com)  
[mabel@stratagemconsultants.com](mailto:mabel@stratagemconsultants.com)

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Submitted by Yuen Sou Wai, Executive Director on 09/03/2004 to the SGX