

MASNET No. 42 OF 08.09.2004
Announcement No. 42

YHI INTERNATIONAL LIMITED

**INCORPORATION OF A WHOLLY OWNED ALLOY WHEEL
MANUFACTURING PLANT IN MALAYSIA – YHI MANUFACTURING
(MALAYSIA) SDN BHD**

The Board of Directors of YHI International Limited (the "Company") wishes to announce that YHI Manufacturing (Singapore) Pte Ltd ("YHI (MS)"), a wholly-owned subsidiary of the Company, has incorporated a wholly-owned subsidiary, YHI Manufacturing (Malaysia) Sdn Bhd ("YHI (MM)") in Malaysia which was incorporated on 6 September 2004.

The principal activity of YHI (MM) is to manufacture alloy wheels to serve the ASEAN market.

The initial investment in the new manufacturing plant with an initial annual production capacity of about 180,000 pieces of wheels is approximately S\$7.8 million. The Company anticipate that the new facility will be constructed and operational ready for production by second half of 2005.

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 08/09/2004 to the SGX