

YHI INTERNATIONAL LIMITED

**YHI ENTERS INTO MOU TO ACQUIRE LAND FOR ADDITIONAL
MANUFACTURING FACILITY IN PRC**

We are pleased to announce that on 27 September 2004, our subsidiary YHI Manufacturing (Singapore) Pte Ltd ("YHI Manufacturing") has entered into a Memorandum of Understanding ("MOU") with Suzhou Industrial Park Kuatang Town Investment Promotion Centre ("SIP").

Pursuant to the MOU, YHI Manufacturing intends to acquire from SIP the land use right to a plot of land located in Kuatang Sub-district, Suzhou Industrial Park ("Land") for an aggregate consideration of approximately RMB4.55 million (approximately US\$550,000/-). The term of use for the Land is for a period of 50 years. We intend to use the Land to set up an additional manufacturing facility for the production of alloy wheels. The Company currently has an existing manufacturing facility located in Xinzhuang Industrial Zone, Shanghai.

The MOU is intended to be legally binding, and the transaction is subject to the appropriate approvals of the PRC authorities in connection with the transaction, the entry into further definitive documentation and upon YHI International Limited obtaining the approval of SGX-ST for the circular for shareholders' approval, where relevant. We intend to establish a new subsidiary in the PRC ("Newco") to undertake this transaction. We will make a further announcement when the Newco is established.

The transaction is not expected to have any material impact on the net tangible assets or 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 28/09/2004 to the SGX