



## **YHI INTERNATIONAL LIMITED**

Company Registration No. 200007455H

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### **ESTABLISHMENT OF A JOINT VENTURE COMPANY IN THAILAND**

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The Board of Directors of YHI International Limited (the "Company") wishes to announce that its wholly-owned subsidiary, YHI Corporation (Singapore) Pte Ltd ("YHI Corporation") had entered into a joint venture agreement (the "Joint Venture Agreement") with Mr Pairoj Tay ("Pairoj"), a Thai individual.

Under the terms of the Joint Venture Agreement, YHI Corporation and Pairoj will incorporate a joint venture company in Thailand to be known as "YHI Corporation (Thailand) Co Ltd" ("Joint Venture Company"). The principal activity of the Joint Venture Company is to distribute and market a secondary range of imported tyres, aftermarket aluminium wheels, automotive parts and accessories in Thailand.

The issued share capital of the Joint Venture Company will be 5.0 million bahts with YHI Corporation holding 49% of the issued share capital. Pairoj will hold 46% of the issued share capital and the remaining 5% of the issued share capital will be held by various minority shareholders.

Our Directors believe that this co-operation is synergistic and beneficial to our Group as there is a significant market in the automotive industry in Thailand to expand its network by developing new distribution channels with its secondary range of tyres and aluminium wheels.

The transaction is not expected to have any material impact on the Company's net tangible assets and earnings per share for the financial year ended 31 December 2006.

None of the directors or substantial shareholders of the Company have any interest, direct or indirect in the above transaction.

Submitted by Yuen Sou Wai, Executive Director to the SGX-ST on 6 October 2006