



## YHI INTERNATIONAL LIMITED

Company Registration No. 200007455H

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### ESTABLISHMENT OF A JOINT VENTURE COMPANY IN INDONESIA

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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 Ms Monica Helina Jong ("**Helina**"), an Indonesian Resident.

Under the terms of the Joint Venture Agreement, YHI Corporation and Helina will incorporate a joint venture company in Indonesia to be known as "P.T. YHI (Indonesia)" ("**YHI (Indonesia)**"). The principal activity of YHI (Indonesia) is to distribute and market automotive products comprising tyres, aftermarket alloy wheels, automotive batteries, automotive parts and accessories in Indonesia.

The issued share capital of YHI (Indonesia) will be US\$320,000/- (or approximately S\$459,000/-) with YHI Corporation holding 95% and Helina holding 5% of the issued share capital.

Our Directors believe that this proposed joint venture is synergistic and beneficial to our Group as the joint venture will enable us to expand our network in Indonesia.

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 2008.

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 10 September 2008