



## YHI INTERNATIONAL LIMITED

Company Registration No. 200007455H

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### ESTABLISHMENT OF A JOINT VENTURE COMPANY IN MALAYSIA

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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 Tham Kong Moo (“**Tham**”), a Malaysian individual who is unrelated to the Group.

Under the terms of the Joint Venture Agreement, YHI Corporation and Tham will incorporate a joint venture company in Malaysia to be known as “Evo-Trend Corporation (Malaysia) Sdn Bhd” (“**Joint Venture Company**”). The principal activity of the Joint Venture Company is to distribute and market a secondary range of imported tyres, aftermarket alloy wheels, automotive parts and accessories in Malaysia.

The issued share capital of the Joint Venture Company will be RM200,000/- with YHI Corporation holding 80% and Tham holding 20% of the issued share capital in the Joint Venture Company.

Our Directors believe that this proposed joint venture is synergistic and beneficial to our Group as there is a significant market in the automotive industry in Malaysia. The joint venture will enable us to expand our network by developing new distribution channels with this secondary range of tyres and alloy 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 9 June 2006