



YHI INTERNATIONAL LIMITED

Company Registration No. 200007455H

ESTABLISHMENT OF ADVANTI RACING USA, LLC.

The Board of Directors of YHI International Limited (the "**Company**") wishes to announce that its subsidiary, Pan-Mar Corporation dba Konig (American) ("**Konig (American)**") had entered into a joint venture agreement (the "**Joint Venture agreement**") with Mr Kelly Austin ("**Austin**"), an American Resident.

Under the terms of the Joint Venture agreement, Konig (American) and Austin will incorporate a joint venture company in the United States of America (the "**USA**") to be known as "Advanti Racing USA, LLC." ("**Advanti (USA)**"). The principal activity of Advanti (USA) is to distribute and market automotive products comprising tyres, aftermarket alloy wheels, automotive parts and accessories in USA.

The issued share capital of Advanti (USA) will be USD100,000/- (or approximately S\$136,600) with Konig (American) holding 90% and Austin holding 10% 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 further expand our network in USA.

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 4 July 2008