

**YHI INTERNATIONAL LIMITED**

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**ESTABLISHMENT OF A JOINT VENTURE COMPANY IN PRC**

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The Board of Directors of YHI International Limited (the "**Company**") wishes to announce that YHI Manufacturing (Singapore) Pte Ltd ("**YHI Manufacturing**"), a wholly-owned subsidiary of the Company, had entered into a joint venture agreement (the "**Joint Venture Agreement**") with Chromtech Plating Co., Ltd ("**Chromtech**"), a company incorporated in the Republic of China.

Under the terms of the Joint Venture Agreement, YHI Manufacturing and Chromtech Plating Co., Ltd will incorporate a joint venture company in Wuxi, PRC to be known as "Eastbourne Metal Coatings Co Ltd" (the "**Joint Venture Company**"). The principal activity of the Joint Venture Company is to provide metal surface finishing services for aluminium wheels and accessories (the "**Joint Venture**").

The total registered capital of the Joint Venture Company will be US\$1,000,000, with YHI Manufacturing holding 40% of the issued share capital in the Joint Venture Company and Chromtech holding 60% of the issued share capital.

The Directors of the Company believe that the Joint Venture is in line with the Company's strategy to expand the Company's business in the PRC and to meet increasing global demand for chrome wheels.

The above transaction will not have any material impact on the Company's net tangible assets and earnings per share for the financial year ended 31 December 2003. None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction.

Submitted by Yuen Sou Wai, Executive Director on 08/03/2004 to the SGX