



YHI INTERNATIONAL LIMITED

Company Registration No. 200007455H

ESTABLISHMENT OF A JOINT VENTURE COMPANY IN VIETNAM

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**”) has entered into a joint venture agreement (the “Joint Venture Agreement”) with Mr. Chu Duong, a Vietnam Resident.

Pursuant to the terms of the Joint Venture Agreement, YHI Corporation and Mr. Chu Duong have recently incorporated a joint venture company in Vietnam known as “YHI (Vietnam) Company Limited” (“**YHI (Vietnam)**”). The principal activity of YHI (Vietnam) is to distribute and market high-quality automotive and industrial products in Vietnam.

The issued share capital of YHI (Vietnam) is VND6,249,000,000 (or approximately USD300,000/-) with YHI Corporation holding 85% and Mr Chu Duong holding 15% 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 Vietnam.

The investment is funded through the Company's internal resources and is not expected to have any material impact on the Company's net tangible assets per share or earnings per share for the financial year ending 31 December 2012.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect in the investment of YHI (Vietnam).

Submitted by Tay Tian Hoe Richard, Executive Chairman & Group Managing Director to the SGX-ST on 23 March 2012.