



YHI INTERNATIONAL LIMITED

Company Registration No. 200007455H

INCORPORATION OF A WHOLLY OWNED SUBSIDIARY IN GUANGZHOU, THE PEOPLE'S REPUBLIC OF CHINA – YHI CORPORATION (GUANGZHOU) CO LTD

The Board of Directors of YHI International Limited (the "Company") wishes to announce that its wholly-owned subsidiary, YHI (China) Strategy Co Ltd ("YHI Strategy"), has incorporated a wholly-owned subsidiary, YHI Corporation (Guangzhou) Co Ltd ("YHI (Guangzhou)") in Guangzhou, PRC.

The total registered capital of YHI (Guangzhou) is RMB5,000,000. The principal activity of YHI (Guangzhou) is to distribute and market automotive and industrial products comprising tyres, alloy wheels, automotive batteries and EZGO golf and utility buggies in the PRC. The Company believes that the incorporation of YHI (Guangzhou) is beneficial to the YHI Group as YHI (Guangzhou) would be able to expand its network further in the PRC, particularly in the provinces along the Pearl River Delta.

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 2007.

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 5 January 2007