

YHI INTERNATIONAL LIMITED

Company Registration No. 200007455H



INCORPORATION OF A WHOLLY OWNED SUBSIDIARY IN SHARJAH, UNITED ARAB EMIRATES – YHI (MIDDLE EAST) FZE

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 incorporated a wholly-owned subsidiary, YHI (Middle East) FZE ("**YHI (Middle East)**") in Sharjah Airport International Free Zone in the United Arab Emirates.

The total registered capital of YHI (Middle East) is AED150,000 (or approximately S\$70,000/-). The principal activity of YHI (Middle East) is to distribute and market automotive products comprising tyres, aftermarket alloy wheels and automotive batteries, parts and accessories in the Middle East, Africa and Central Asia. The Company believes that the incorporation of YHI (Middle East) is beneficial to the YHI Group as YHI (Middle East) would be able to expand the Group's network in the Middle East, Africa and Central Asia.

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 21 May 2007