YHI INTERNATIONAL LIMITED
Company No. 200007455H

INCORPORATION OF A WHOLLY-OWNED SUBSIDIARY IN MALAYSIA

The Board of Directors of YHI International Limited (the "**Company**") wishes to announce that its wholly-owned subsidiary, YHI Corporation (Singapore) Pte. Ltd. has incorporated a wholly-owned subsidiary in Malaysia known as "YHI Power (Malaysia) Sdn. Bhd." ("**YHI Power (Malaysia)**").

The issued share capital of YHI Power (Malaysia) is MYR 400,000/- (or approximately SGD132,400). The principal activity of YHI Power (Malaysia) is to distribute and market high-quality automotive, industrial products and golf buggies in Malaysia. Our Directors believe that the incorporation of YHI Power (Malaysia) will be beneficial to our Group as it will enable us to expand our power business network in Malaysia.

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 2016.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect in the investment of YHI Power (Malaysia).

BY ORDER OF THE BOARD

Tay Tian Hoe Richard
Executive Chairman & Group Managing Director

5 August 2016