



YHI INTERNATIONAL LIMITED

Company Registration No. 200007455H

UPDATE RELATING TO THE GROUP'S SHANGHAI OPERATIONS

The Board of Directors (the “**Board**”) of YHI International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to update shareholders of the Company (“**Shareholders**”) that the Group has decided to embark on a restructuring plan to consolidate its wheel manufacturing operations in its Shanghai factory into its Suzhou factory (the “**Restructuring**”) to reduce operating cost.

In connection with the Restructuring, the Board wishes to announce that the Group expects its full year financial results ended 31 December 2016 (“**FY2016**”) to be adversely affected, due mainly to (a) provisions for retrenchment compensation to workers from its Shanghai factory; and (b) impairments relating to the decision to stop production in its Shanghai factory.

This update is based on the preliminary review of the management accounts of the Group for FY2016. Further details of the Group's financial performance and the Restructuring will be disclosed when the Company finalises and announces its unaudited results for FY2016, which is expected to be released on or around 27 February 2017.

By Order of the Board

Tay Tian Hoe Richard
Executive Chairman and Group Managing Director

17 February 2017