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YIHAI INTERNATIONAL HOLDING LTD.

頤海國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1579)

GRANT OF RESTRICTED SHARE UNITS

On 28 December 2016, the Board, based on the recommendation of the remuneration committee of the Company, approved and granted 9,140,000 RSUs pursuant to the Company's Restricted Share Unit Scheme, subject to acceptance of the Grantees.

The Board announces that on 28 December 2016, the Board has, based on the recommendation of the remuneration committee of the Company, approved and granted 9,140,000 RSUs pursuant to the Company's Restricted Share Unit Scheme to a total of 81 Grantees (subject to their acceptance), who are employees and/or officers of the Group and the Company's business partners (none of them being connected person of the Company except for the Directors as disclosed below), representing an aggregate of 9,140,000 Shares. The underlying Shares involved represent approximately 0.87% of the issued share capital of the Company as at the date of this announcement. The 9,140,000 RSUs represent the value of HK\$29,065,200, taking into account of the closing price of HK\$3.18 per Share on the date of the grant. The Grantees of the RSUs are required to pay US\$0.0082 (approximately HK\$0.06) for the grant of each RSU under the Restricted Share Unit Scheme.

The Restricted Share Unit Scheme aims to recognize and reward eligible persons for their contribution to the Group, to attract suitable personnel, and to provide incentives to such persons to remain with and further contribute to the Group. A summary of the terms of the Restricted Share Unit Scheme was set out in the section headed "*Statutory and General Information — D. RSU Scheme*" in Appendix IV to the Prospectus.

Details of the RSUs granted are as follows:

Date of grant	Vesting Schedule	Number of RSUs granted	Number of underlying Shares involved
28 December 2016	(1) as to 20% on 28 December 2018	9,140,000	9,140,000
	(2) as to 80% on 28 December 2019		

Among the total of 9,140,000 RSUs, 1,510,000 were granted to two Directors, details of which are as follows:

Name of Grantee	Position	Number of RSUs granted
Ms. Dang Chunxiang	executive Director, chief executive officer and general manager of the Company	1,010,000
Mr. Sun Shengfeng	executive Director, chief financial officer and joint company secretary of the Company	500,000

In accordance with the Restricted Shares Unit Scheme, the grant of the RSUs to the above Directors has been approved by all the independent non-executive Directors. Ms. Dang Chunxiang and Mr. Sun Shengfeng have abstained from approving the resolutions relating to the grant of the RSUs to herself or himself respectively.

The grant of the RSUs to the above Directors forms part of the remuneration package of the service contract of such director and accordingly, is exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.73(6) and Rule 14A.95 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for the grant to the Directors set out above, each of the Grantee is a third party independent of the Company and its connected persons.

As at the date of this announcement, all the relevant Shares underlying the Restricted Share Unit Scheme are directly held by JLJH YIHAI Ltd, a subsidiary of the Trustee, for the benefit of eligible persons of the Restricted Share Unit Scheme.

DEFINITIONS

“Board”	the board of directors of the Company
“Company”	Yihai International Holding Ltd., an exempted company incorporated under the laws of the Cayman Islands with limited liability
“Director(s)”	the director(s) of the Company
“Grantee(s)”	the recipient(s) of the grant of RSUs
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Prospectus”	the prospectus of the Company dated 30 June 2016
“Restricted Share Unit Scheme”	the restricted share unit scheme adopted by the Company on 24 February 2016
“RSU(s)”	restricted share unit(s) granted under the Restricted Share Unit Scheme
“Shares”	ordinary shares of US\$0.00001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Trustee”

Vistra Fiduciary (HK) Limited, the trustee to administer the granting and vesting of RSUs granted pursuant to the Restricted Share Unit Scheme

By Order of the Board
Yihai International Holding Ltd.
Mr. Gou Yiqun
Chairman

Beijing, 28 December 2016

As at the date of this announcement, the executive directors of the Company are Ms. Dang Chunxiang and Mr. Sun Shengfeng; the non-executive directors of the Company are Mr. Gou Yiqun, Mr. Zhang Yong, Mr. Shi Yonghong and Mr. Pan Di; and the independent non-executive directors of the Company are Mr. Yau Ka Chi, Mr. Qian Mingxing and Ms. Ye Shujun.