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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)

**PARTIAL EXERCISE OF OVER-ALLOTMENT OPTION,
STABILIZING ACTIONS AND END OF STABILIZATION PERIOD**

PARTIAL EXERCISE OF OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option was partially exercised by China International Capital Corporation Hong Kong Securities Limited, on behalf of the International Underwriters, on August 5, 2016 in respect of 6,900,000 Shares (the “**Over-allotment Shares**”), representing 2.7% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), for the purpose of covering over-allocations in the International Offering.

The Over-allotment Shares will be issued and allotted by the Company at HK\$3.30 per Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and the Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

END OF STABILIZATION PERIOD AND STABILIZATION ACTIONS

The Company further announces that the stabilization period in connection with the Global Offering ended on August 5, 2016.

Stabilizing actions were undertaken by the Stabilizing Manager during the stabilization period, further information in relation to which is set out below.

PARTIAL EXERCISE OF OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus was partially exercised by China International Capital Corporation Hong Kong Securities Limited, on behalf of the International Underwriters, on August 5, 2016 in respect of 6,900,000 Shares, representing 2.7% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), for the purpose of covering over-allocations in the International Offering.

The Over-allotment Shares will be issued and allotted by the Company at HK\$3.30 per Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and the Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

Approval for the Listing and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Hong Kong Stock Exchange. Listing of and dealings in the Over-allotment Shares allotted and issued by the Company are expected to commence on the Main Board of the Hong Kong Stock Exchange at 9:00 a.m. on or around August 12, 2016.

The shareholding structure of the Company immediately before and immediately after the issue and allotment by the Company of the Over-allotment Shares is as follows:

(A) IMMEDIATELY BEFORE THE ISSUE AND ALLOTMENT OF THE OVER-ALLOTMENT SHARES

Shareholders	Number of Shares	Approximate percentage* of the Company's issued share capital
ZYSP YIHAI (<i>Note 1</i>)	372,547,021	35.82%
SYH YIHAI (<i>Note 2</i>)	88,621,746	8.52%
LHY YIHAI (<i>Note 2</i>)	88,621,746	8.52%
YLJ YIHAI (<i>Note 3</i>)	23,868,000	2.30%
GYQ YIHAI (<i>Note 4</i>)	25,974,000	2.50%
YHQ YIHAI (<i>Note 5</i>)	8,950,500	0.86%
CY YIHAI (<i>Note 6</i>)	358,193	0.03%
YB YIHAI (<i>Note 7</i>)	238,795	0.02%
Glorious Future	46,800,000	4.50%
Charlin Holdings	31,200,000	3.00%
Sky Ocean	15,599,999	1.50%
JLJH YIHAI	77,220,000	7.43%
Public	<u>260,000,000</u>	<u>25.00%</u>
Total	<u>1,040,000,000</u>	<u>100.00%</u>

* Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

Note 1 The entire share capital of ZYSP YIHAI is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the ZYSP Trust. ZYSP Trust is a discretionary trust set up by Mr. Zhang Yong and Ms. Shu Ping as the settlors and protectors on 1 June 2016 for their own benefit.

Note 2 The entire share capital of SYH YIHAI and LHY YIHAI is wholly owned by Twice Happiness Limited and ultimately owned by Cititrust Private Trust (Cayman) Limited as the trustee of the SL Trust. SL Trust is a discretionary trust set up by Mr. Shi Yonghong and Ms. Li Haiyan as the settlors and protectors on 2 June 2016 for their own benefit.

Note 3 YLJ YIHAI is wholly owned by Ms. Yang Lijuan.

Note 4 GYQ YIHAI is wholly owned by Mr. Gou Yiqun.

Note 5 YHQ YIHAI is wholly owned by Mr. Yuan Huaqiang.

Note 6 CY YIHAI is wholly owned by Mr. Chen Yong.

Note 7 YB YIHAI is wholly owned by Mr. Yang Bin.

(B) IMMEDIATELY AFTER THE ISSUE AND ALLOTMENTS OF THE OVER-ALLOTMENT SHARES

Shareholders	Number of Shares	Approximate percentage* of the Company's issued share capital
ZYSP YIHAI (<i>Note 1</i>)	372,547,021	35.59%
SYH YIHAI (<i>Note 2</i>)	88,621,746	8.47%
LHY YIHAI (<i>Note 2</i>)	88,621,746	8.47%
YLJ YIHAI (<i>Note 3</i>)	23,868,000	2.28%
GYQ YIHAI (<i>Note 4</i>)	25,974,000	2.48%
YHQ YIHAI (<i>Note 5</i>)	8,950,500	0.85%
CY YIHAI (<i>Note 6</i>)	358,193	0.03%
YB YIHAI (<i>Note 7</i>)	238,795	0.02%
Glorious Future	46,800,000	4.47%
Charlin Holdings	31,200,000	2.98%
Sky Ocean	15,599,999	1.49%
JLJH YIHAI	77,220,000	7.38%
Public	<u>266,900,000</u>	<u>25.49%</u>
Total	<u>1,046,900,000</u>	<u>100.00%</u>

* Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

Note 1 The entire share capital of ZYSP YIHAI is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the ZYSP Trust. ZYSP Trust is a discretionary trust set up by Mr. Zhang Yong and Ms. Shu Ping as the settlors and protectors on 1 June 2016 for their own benefit.

Note 2 The entire share capital of SYH YIHAI and LHY YIHAI is wholly owned by Twice Happiness Limited and ultimately owned by Cititrust Private Trust (Cayman) Limited as the trustee of the SL Trust. SL Trust is a discretionary trust set up by Mr. Shi Yonghong and Ms. Li Haiyan as the settlors and protectors on 2 June 2016 for their own benefit.

Note 3 YLJ YIHAI is wholly owned by Ms. Yang Lijuan.

Note 4 GYQ YIHAI is wholly owned by Mr. Gou Yiqun.

Note 5 YHQ YIHAI is wholly owned by Mr. Yuan Huaqiang.

Note 6 CY YIHAI is wholly owned by Mr. Chen Yong.

Note 7 YB YIHAI is wholly owned by Mr. Yang Bin.

The additional net proceeds of approximately HK\$22.1 million from the issue and allotment of the Over-allotment Shares (after deducting the underwriting commission, transaction levy and trading fee relating to the exercise of Over-allotment Option) will be used by the Company for the same purposes in the same proportions as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

Immediately after the issue and allotment of the Over-allotment Shares, the Company will continue to comply with the public float requirements under Rule 8.08(1)(a) of the Hong Kong Listing Rules that at least 25% of the Company’s total issued share capital must at all times be held by the public.

END OF STABILIZATION PERIOD AND STABILIZATION ACTIONS

Pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong), the Company announces that the stabilization period in connection with the Global offering ended on August 5, 2016, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering.

The stabilizing actions that have been undertaken by the Stabilizing Manager during the stabilization period involved:

- i. over-allocations of an aggregate of 39,000,000 Shares in the International Offering, representing 15.0% of the total number of Offer Shares initially available under the Global Offering;
- ii. borrowing of an aggregate of 39,000,000 Shares from ZYSP YIHAI pursuant to the Stock Borrowing Agreement between China International Capital Corporation Hong Kong Securities Limited and ZYSP YIHAI to cover the over-allocations in the International Offering;
- iii. the partial exercise of the Over-allotment Option by China International Capital Corporation Hong Kong Securities Limited on behalf of the International Underwriters on August 5, 2016 in respect of an aggregate of 6,900,000 Shares; and
- iv. the purchase of an aggregate of 32,100,000 Shares in the price range of HK\$3.20 to HK\$3.30 per Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and the Hong Kong Stock Exchange trading fee of 0.005%) on the market, during the stabilization period.

The Shares borrowed from ZYSP YIHAI pursuant to the Stock Borrowing Agreement will be returned to ZYSP YIHAI in accordance with the terms of the Stock Borrowing Agreement.

The last purchase in the course of stabilizing actions was made on August 4, 2016 at the price of HK\$3.27 per Share on the Hong Kong Stock Exchange (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and the Hong Kong Stock Exchange trading fee of 0.005%).

By Order of the Board
YIHAI INTERNATIONAL HOLDING LTD.
Gou Yiqun
Chairman

Hong Kong, August 5, 2016

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