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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)

VOLUNTARY ANNOUNCEMENT PROPOSED ON-MARKET SHARE BUY-BACK PLAN

This is a voluntary announcement made by Yihai International Holding Ltd. (the “**Company**”) to provide its shareholders and potential investors with information in relation to the latest developments regarding the Company.

Pursuant to an ordinary resolution passed by the shareholders of the Company (the “**Shareholders**”) at the annual general meeting held on 20 May 2022, the board of directors of the Company (the “**Board**”) has been granted a general and unconditional mandate (the “**2022 Share Buy-back Mandate**”) to buy back shares of the Company (the “**Shares**”) not exceeding 10% of the total number of the issued Shares as at 20 May 2022 (i.e. 104,690,000 Shares). The 2022 Share Buy-back Mandate will expire on the earlier of: (i) the conclusion of the next annual general meeting of the Company; (ii) the revocation or variation of the 2022 Share Buy-back Mandate by an ordinary resolution of the Shareholders in general meeting of the Company, whichever occurs first; or (iii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the amended and restated memorandum and articles of association of the Company (as amended from time to time) (the “**M&A**”) or the applicable laws of the Cayman Islands.

The Company also intends to propose an ordinary resolution to grant the Board a new general and unconditional mandate to buy back Shares (the “**2023 Share Buy-back Mandate**” and, if so approved by the Shareholders, together with the 2022 Share Buy-back Mandate, the “**Share Buy-back Mandates**”) at the annual general meeting to be held on 18 May 2023 (the “**2023 AGM**”) for consideration and, if thought fit, approval by the Shareholders, details of which have been set out in the notice and circular of the Company in connection with the 2023 AGM dated 24 April 2023.

The Board has duly resolved to exercise the Share Buy-back Mandates to buy back Shares in the open market from time to time up to a maximum aggregate amount of HK\$200 million within a three-month period commencing from the date of this announcement (the “**Proposed Share Buy-back**”). The Proposed Share Buy-back will be made in accordance with the M&A, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”), the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission, the laws of the Cayman Islands and all other applicable laws and regulations to which the Company is subject to. Any buy-back of Shares pursuant to the Proposed Share Buy-back on or after the date of 2023 AGM shall be subject to the approval of the 2023 Share Buy-back Mandate at the 2023 AGM.

The Company will conduct the Proposed Share Buy-back in compliance with Listing Rules. Pursuant to Rule 10.06(2)(e) of the Listing Rules, an issuer shall not purchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of (i) the date of the board meeting for the approval of the issuer’s results for any year, half-year, quarterly or any other interim period; and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period, and ending on the date of the results announcement, the issuer shall not purchase its shares on the Stock Exchange, unless the circumstances are exceptional.

The Board believes that the Proposed Share Buy-back demonstrates the Company’s confidence in its own business outlook and prospects and would, ultimately, benefit the Company and create value to the Shareholders. The Board believes that the current internal financial resources of the Company would enable it to implement the Proposed Share Buy-back while maintaining a solid financial position. The Board considers that the Proposed Share Buy-back is in the interest of the Company and the Shareholders as a whole.

Shareholders and potential investors should note that the Proposed Share Buy-back is subject to market conditions and at the absolute discretion of the Board and there is no guarantee as to the timing, number or price of any share buy-back, or whether or not the Company will make any further share buy-back at all. Therefore, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

By Order of the Board
Yihai International Holding Ltd.
Sean Shi
Chairman

Hong Kong, 8 May 2023

As at the date of this announcement, the executive directors of the Company are Mr. Sean Shi, Mr. Guo Qiang, Mr. Sun Shengfeng, Ms. Shu Ping and Mr. Zhao Xiaokai; the non-executive director of the Company is Mr. Zhang Yong; and the independent non-executive directors of the Company are Mr. Yau Ka Chi, Mr. Qian Mingxing and Ms. Ye Shujun.