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)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the "**Board**") of Yihai International Holding Ltd. (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**" or "**We**") for the six months ended 30 June 2026 (the "**Reporting Period**"), together with comparative figures for the same period of 2025.

GROUP FINANCIAL HIGHLIGHTS

- Revenue was RMB3,346.7 million for the six months ended 30 June 2026, a 14.3% increase from RMB2,927.4 million for the six months ended 30 June 2025.
- Gross profit was RMB1,123.1 million for the six months ended 30 June 2026, a 29.8% increase from RMB865.0 million for the six months ended 30 June 2025.
- Operating profit was RMB547.2 million for the six months ended 30 June 2026, a 27.1% increase from RMB430.5 million for the six months ended 30 June 2025.
- Net profit attributable to the owners of the Company was RMB375.6 million for the six months ended 30 June 2026, a 21.4% increase from RMB309.5 million for the six months ended 30 June 2025.
- Earnings per share (basic) was RMB38.72 cents for the six months ended 30 June 2026, a 21.4% increase from RMB31.90 cents for the six months ended 30 June 2025.

Interim Condensed Consolidated Balance Sheet

	Note	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Assets			
Non-current assets			
Property, plant and equipment		2,109,413	2,123,630
Right-of-use assets		266,317	283,030
Intangible assets		6,954	7,412
Deferred income tax assets		93,096	81,750
Financial assets at fair value through profit or loss		397,443	354,999
Other non-current assets	5	34,139	20,308
Total non-current assets		2,907,362	2,871,129
Current assets			
Inventories		450,684	521,861
Other current assets	5	94,440	132,640
Trade receivables	6	264,622	256,349
Other financial assets at amortised cost		15,801	13,701
Term deposits with the maturity within one year		–	54,461
Restricted cash		5,025	5,023
Cash and cash equivalents		1,750,420	2,084,546
Total current assets		2,580,992	3,068,581
Total assets		5,488,354	5,939,710
Equity			
Equity attributable to owners of the Company			
Share capital	7	67	67
Shares held for share scheme		(4)	(4)
Other reserves		298,416	333,118
Retained earnings		4,309,984	4,438,688
Capital and reserves attributable to owners of the Company		4,608,463	4,771,869
Non-controlling interests		121,489	173,054
Total equity		4,729,952	4,944,923

	Note	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Liabilities			
Non-current liabilities			
Lease liabilities		67,760	85,339
Deferred income tax liabilities		58,053	59,708
Other non-current liabilities		44,789	46,091
Total non-current liabilities		170,602	191,138
Current liabilities			
Trade payables	8	290,361	403,586
Contract liabilities		76,474	65,276
Lease liabilities		41,944	31,231
Other payables and accruals		132,531	170,824
Current income tax liabilities		46,490	132,732
Total current liabilities		587,800	803,649
Total liabilities		758,402	994,787
Total equity and liabilities		5,488,354	5,939,710

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Unaudited Six months ended 30 June 2026 RMB'000	2025 RMB'000
Revenue	4	3,346,661	2,927,391
Cost of sales	9	(2,223,524)	(2,062,428)
Gross profit		1,123,137	864,963
Distribution expenses	9	(449,868)	(369,512)
Administrative expenses	9	(143,095)	(156,474)
Other income and gains – net	10	17,052	91,491
Operating profit		547,226	430,468
Finance income		18,295	21,814
Finance costs		(2,317)	(2,083)
Finance income – net	11	15,978	19,731
Profit before income tax		563,204	450,199
Income tax expense	12	(167,170)	(121,090)
Profit for the period		396,034	329,109
Profit for the period attributable to:			
– Owners of the Company		375,599	309,480
– Non-controlling interests		20,435	19,629
		396,034	329,109
Other comprehensive losses			
Items that may be reclassified to profit or loss			
– Currency translation differences		(35,129)	(1,033)
Total other comprehensive loss for the period, net of tax		(35,129)	(1,033)
Total comprehensive income for the period		360,905	328,076
Total comprehensive income for the period attributable to:			
– Owners of the Company		340,470	308,447
– Non-controlling interests		20,435	19,629
		360,905	328,076
Earnings per share attributable to owners of the Company (expressed in RMB cents per share)			
– Basic	13	38.72	31.90
– Diluted	13	38.72	31.90

Notes:

1. GENERAL INFORMATION

Yihai International Holding Ltd. (the "**Company**") and its subsidiaries (together the "**Group**") are principally engaged in the production and sales of hot pot condiment, compound condiment, and convenient ready-to-eat food products in the People's Republic of China (the "**PRC**") and certain overseas countries and regions.

The Company was incorporated in the Cayman Islands on 18 October 2013 as an exempted company with limited liability under the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands.

The Company's global offering of its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "**HKEx**" or the "**Stock Exchange**") was completed on 13 July 2016.

The interim condensed consolidated financial information is presented in Renminbi ("**RMB**"), unless otherwise stated.

The interim condensed consolidated financial information was approved for issue by the Board of Directors of the Company on 25 August 2026.

The interim condensed consolidated financial information has been reviewed, not audited.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**").

3. ACCOUNTING POLICIES

The accounting policies applied to the preparation of the interim condensed consolidated financial information are consistent with those applied in the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings (Note 12) and the adoption of amended standards as set out below:

Amended standards adopted by the Group

The Group has applied the following amendments for the first time from 1 January 2026:

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Amendments to the Contracts Referencing Nature-dependent Electricity*
Annual improvements	*Annual improvements to IFRS Accounting Standards – Volume 11*

The amended standards and annual improvements listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New or amended standards and annual improvements not yet adopted

The following new or amended accounting standards have been published which are not mandatory for reporting periods commencing 1 January 2026 and have not been early adopted by the Group:

		Effective date
IFRS 18	*Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 19 and Amendment to IFRS 19	*Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendment to IAS 21	*Translation to a Hyperinflationary Presentation Currency*	1 January 2027
Amendments to IAS 28	*Fair value option for investments in associates and joint ventures*	1 January 2027
IFRS 20	*Regulatory Assets and Regulatory Liabilities*	1 January 2029
Amendments to IAS 28 and IFRS 10	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

These new or amended accounting standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions, except that the adoption of IFRS 18 upon its effective date is expected to have certain pervasive impact on the presentation and disclosures of the Group's consolidated financial statements which were described in the Group's annual consolidated financial statements for the year ended 31 December 2025.

4. REVENUE AND SEGMENT INFORMATION

Management determines the operating segments based on the reports reviewed by the chief operating decision makers ("**CODM**", being the executive directors of the Company) that are used to make strategic decisions. Operating segments are reported in a manner consistent with the internal reporting provided to the CODMs.

The Group's revenue, expenses, assets, liabilities and capital expenditure are primarily attributable to the manufacturing and sales of hot pot condiment, compound condiment and convenient ready-to-eat food products to third party and related party customers, which are considered by the CODM as one segment.

As at 30 June 2026, the carrying amounts of the non-current assets (other than financial assets and deferred income tax assets) located in the PRC amounted to approximately RMB2,129,377,000 (as at 31 December 2025: RMB2,117,354,000) and those as located in other countries and regions amounted to approximately RMB287,446,000 (as at 31 December 2025: RMB317,026,000).

Breakdown of revenue by product categories is as follows:

	Unaudited	
	Six months ended 30 June	
	2026	**2025**
	RMB'000	**RMB'000**
Revenue recognised at a point in time		
Hot pot condiment		
– Third parties	1,114,272	924,663
– Related parties	809,500	758,152
Subtotal	1,923,772	1,682,815
Compound condiment		
– Third parties	464,177	450,614
– Related parties	99,874	41,127
Subtotal	564,051	491,741

	Unaudited Six months ended 30 June 2026 RMB'000	Unaudited Six months ended 30 June 2025 RMB'000
Convenient ready-to-eat food products		
– Third parties	701,784	644,623
– Related parties	91,878	64,382
Subtotal	793,662	709,005
Others		
– Third parties	65,176	43,830
Total	3,346,661	2,927,391

Revenue from sales attributable to related parties accounted for approximately 29.9% and 29.5% of the Group's total revenue for the six months ended 30 June 2026 and 2025, respectively.

5. OTHER ASSETS

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Value-added tax recoverable	65,148	88,029
Prepayments for property, plant and equipment	34,139	20,308
Prepayments for marketing and consulting expenses	12,570	14,393
Prepayments for purchase of raw materials	5,956	20,164
Prepayments for short-term leases of warehouses and staff quarters	4,119	3,278
Others	6,647	6,776
	128,579	152,948
Less: non-current items	(34,139)	(20,308)
Other current assets	94,440	132,640

6. TRADE RECEIVABLES

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Trade receivables		
– Related parties	200,943	192,866
– Third parties	63,867	63,671
	264,810	256,537
Less: provision for impairment	(188)	(188)
Trade receivables – net	264,622	256,349

The majority of the Group's third party sales are conducted through receiving advances from customers before delivering the goods to customers, with only a few customers who are granted with credit periods ranged from 30 to 90 days. The related party customers of the Group are generally granted with credit period of 30 days. Ageing analysis based on recognition date of the trade receivables at the respective balance sheet dates is as follows:

	Unaudited 30 June 2026 RMB'000	**Audited 31 December 2025 RMB'000**
Within 3 months	264,810	256,537

No provision for the impairment allowance on trade receivables has been recognised during the six months ended 30 June 2026 and 2025.

7. SHARE CAPITAL

Authorised:

	Number of ordinary shares	**Nominal value of ordinary shares US$**	**Equivalent nominal value of ordinary shares RMB'000**
Ordinary shares of US$0.00001 each on 1 January 2025, 30 June 2025, 1 January 2026 and 30 June 2026	5,000,000,000	50,000	307

Issued and fully paid ordinary shares:

	Number of ordinary shares	**Nominal value of ordinary shares US$**	**Equivalent nominal value of ordinary shares RMB'000**
Ordinary shares of US$0.00001 each on 1 January 2025, 30 June 2025, 1 January 2026 and 30 June 2026	1,036,700,000	10,367	67

8. TRADE PAYABLES

Trade payables mainly arose from the purchases of materials. The credit terms of trade payables granted by the suppliers are usually 30 to 90 days.

The ageing analysis of trade payables based on invoice dates is as follows:

	Unaudited 30 June 2026 RMB'000	**Audited 31 December 2025 RMB'000**
Within 3 months	273,603	402,079
3 to 6 months	15,779	877
6 months to 1 year	979	630
Total	290,361	403,586

9. EXPENSES BY NATURE

Expenses included in cost of sales, distribution expenses and administrative expenses are analysed as follows:

	Unaudited Six months ended 30 June 2026 RMB'000	 2025 RMB'000
Changes in inventories of finished goods	36,800	10,866
Raw materials and consumables used	1,806,174	1,691,314
Employee benefit expenses	365,987	370,124
Transportation and related charges	137,611	125,603
Advertising and other marketing expenses	109,868	53,614
Depreciation of property, plant and equipment	102,329	90,679
Utilities	62,685	57,066
Warehouse expenses	36,023	27,760
Taxes and surcharges	29,215	30,544
Technical supporting fees, professional fees and other services fees	22,121	17,982
Travel and entertainment expenses	21,158	25,324
Depreciation of right-of-use assets	18,374	16,850
Maintenance costs	12,729	11,971
Expense relating to short-term leases not included in lease liabilities	7,418	8,603
Write off of obsolete inventories	2,214	1,996
Amortisation of intangible assets	1,464	2,659
Auditor's remuneration	1,078	993
Other expenses	43,239	44,466
Total	2,816,487	2,588,414

10. OTHER INCOME AND GAINS – NET

	Unaudited Six months ended 30 June 2026 RMB'000	 2025 RMB'000
Government grants (Note)	48,927	68,099
Change in fair value of financial assets at fair value through profit or loss	2,275	8,817
Net foreign exchange (losses)/gains	(38,501)	14,155
Sales of scrap materials	4,091	2,108
Losses on disposal/write-off of property, plant and equipment and intangible assets	(466)	(1,441)
Donation	(188)	(329)
Others	914	82
Total	17,052	91,491

Note:

Government grant is mainly from government grant reward for growing local economic development and amortization of deferred income from assets-related government grants. There are no unfulfilled conditions or other contingencies attaching to these grants. The Group did not benefit directly from any other forms of government assistance.

11. FINANCE INCOME – NET

	Unaudited Six months ended 30 June 2026 RMB'000	2025 RMB'000
Finance income		
– Interest income	18,295	21,814
Finance costs		
– Interest on lease liabilities	(2,317)	(2,083)
Finance income – net	15,978	19,731

12. INCOME TAX EXPENSE

	Unaudited Six months ended 30 June 2026 RMB'000	2025 RMB'000
Current income tax expense	180,171	115,453
Deferred income tax (credit)/expense	(13,001)	5,637
Income tax expense	167,170	121,090

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 June 2026 is approximately 29.7% (2025: 26.9%).

13. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share for each of the six months ended 30 June 2026 and 2025 is calculated by dividing the profit of the Group attributable to the owners of the Company by the weighted average number of ordinary shares in issue, less the shares as held for share scheme during the reporting period.

	Unaudited Six months ended 30 June 2026	2025
Profit attributable to owners of the Company (RMB'000)	375,599	309,480
Weighted average number of ordinary shares in issue less shares held for share scheme (thousands)	970,132	970,132
Basic earnings per share (RMB cents)	38.72	31.90

(b) Diluted earnings per share

The shares granted by the Company under its share scheme (including the RSU Scheme and the 2026 Share Award Scheme) have potential dilutive effect on earnings per share. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares arising from the shares granted by the Company (collectively forming the denominator for computing the diluted earnings per share). No adjustment is made to earnings (numerator).

For the six months ended 30 June 2026 and 2025, diluted earnings per share is the same as the basic earnings per share since there was no unvested shares under the share scheme of the Company (including the RSU Scheme and the 2026 Share Award Scheme).

14. DIVIDENDS

(a) Dividends payable to owners of the Company attributable to the current financial period

	Unaudited Six months ended 30 June	
	2026	**2025**
	RMB'000	**RMB'000**
Interim dividend declared after the end of the interim period of HKD0.4188 (equivalent to RMB0.3623) (2025: HKD0.3107 (equivalent to RMB0.2836)) per ordinary share	351,479	275,129

The interim dividend has not been recognised as a liability at the end of the reporting period.

(b) Dividends paid to owners of the Company attributable to the previous financial year

	Unaudited Six months ended 30 June	
	2026	**2025**
	RMB'000	**RMB'000**
Final dividend in respect of the year ended 31 December 2025, approved and paid during the reporting period, of HKD0.5968 (equivalent to RMB0.5252) (2024: HKD0.4283 (equivalent to RMB0.3950)) per ordinary share	503,876	380,779

(c) During the six months ended 30 June 2026 and 2025, the amounts of dividends paid as disclosed in (b) above are net of the dividends attributable to the shares held for share scheme of RMB34,575,000 and RMB26,128,000, respectively.

2026 INTERIM PERFORMANCE REVIEW

In the first half of 2026, the domestic economy was generally stable, production and supply steadily improved, employment and prices remained generally stable, and emerging industries continued to show momentum, but the pace of recovery in domestic demand was relatively slow, and the endogenous driving force for domestic consumption market still needs to be strengthened.

In the first half of 2026, the Group actively promoted the upgrade of differentiated operations of channels, and adhered to market-oriented product research and development strategies, continuously optimising the degree of alignment between products and channels, while further developing the business-end market and overseas operations.

In terms of channel building, the Group has continued to advance the intensive cultivation of channels and the operations layout with diversity. By integrating the inherent business format characteristics of different channels, we implemented differentiated operational strategies to optimise resource allocation efficiency. Furthermore, the Group closely aligned with the diversity of consumption scenarios, comprehensively launched customised products for channels, precisely matched the needs of channels, and achieved highly efficient synergy between the supply of products and operations of channels. Meanwhile, the Group continuously advanced the development of overseas channels. By launching a direct sales integration model in geographical regions such as Singapore, Malaysia, and Thailand, we continuously improved the coverage and point of sales reach capabilities of the overseas channels. For the six months ended 30 June 2026, the revenue from third-party business amounted to RMB2,345.4 million, representing a year-on-year increase of 13.7%, among which, the sales revenue from third-party overseas channel amounted to RMB279.1 million, representing a year-on-year increase of 46.8%.

With respect to product research and development, the Group is committed to focusing on market demand at its core. By multi-dimensionally analysing the market performance of products across different regions, the Group captures the preference characteristics of customers towards the products. Driven by market feedback and sales data for product updates and iterations, the Group continuously calibrates the direction of research and development, and improves the alignment between its products and market demand. Under such strategies, the sales of hot pot condiment products to third parties and convenient ready-to-eat food products achieved remarkable performance. Among which, the revenue from hot pot dipping sauce products was RMB232.8 million, representing a year-on-year increase of 25.2%. The revenue from tomato hot pot soup flavouring products was RMB202.8 million, representing a year-on-year increase of 21.2%. In terms of convenient ready-to-eat food products, the revenue from instant noodle products amounted to RMB43.2 million, representing a year-on-year increase of 271.7%, and the revenue from self-serving small hot pot series products amounted to RMB320.5 million, representing a year-on-year increase of 6.2%.

In terms of supply chain management, the Group continues to take the optimisation of production capacity allocation as its core, focusing on the enhancement of domestic and overseas synergistic efficiency. On the one hand, by advancing upgrades in technological processes and the automation transformation of production lines, an improvement in production efficiency and a decrease in unit labour cost have been achieved, supporting the continuous improvement of the gross profit margin. On the other hand, the production capacity of overseas factories was gradually released, and the supply coverage continued to expand, forming a mutually complementary and synergistic pattern with domestic bases. This consolidates the coverage and risk-resistance capabilities of the global supply network, and provides a solid guarantee for the expansion of overseas operations. In addition, in terms of business-end supply, relying on a highly efficient, synergistic, and flexible supply chain system, the Group can not only satisfy the customised demands of major business-end customers, but also output a standardised and diversified product matrix for minor business-end customers. For the six months ended 30 June 2026, the revenue from third-party catering and food product companies amounted to RMB182.9 million, representing a year-on-year increase of 17.6%.

BUSINESS REVIEW

For the six months ended 30 June 2026, the Group recorded a revenue of RMB3,346.7 million, representing a year-on-year increase of 14.3%, and a net profit of RMB396.0 million, representing a year-on-year increase of 20.3%.

Sales Channels

The Group continued to provide a variety of delicious condiments and a wide range of convenient food to household consumers, catering and food companies, as well as the related parties, being Haidilao International Holding Ltd. (together with its subsidiaries, the "**Haidilao Group**"), SUPER HI INTERNATIONAL HOLDING LTD. (together with its subsidiaries, the "**Super Hi Group**"), Shuhai (Beijing) Supply Chain Management Co., Ltd. (蜀海(北京)供應鏈管理有限責任公司) (together with its subsidiaries, the "**Shuhai Supply Chain Group**") and their respective subsidiaries. For the six months ended 30 June 2026, the Group's major products included, among others, hot pot condiments, compound condiments, convenient ready-to-eat food products and snacks. The major channels for sales to third parties included distributors, e-commerce channels and catering customers. The Group's sales to third-party distributors covered a total of 34 provincial and administrative regions in China as well as other 49 overseas countries and regions.

In the first half of 2026, the Group continued to focus on the refined cultivation and diversity management of channels. Combining innovations in digital management and control with adjustments to organisational mechanisms, the Group optimised the operation and management system of channels to comprehensively improve the operational quality of channels. Firstly, we implemented flexible and diversified cooperation mechanisms in the KA channel, and adhered to connecting with the point of sales through "direct-operation" and "two-direct" (direct management and direct delivery) models to accurately match the consumer demand of channels, improve the turnover efficiency of logistics, and facilitate market expansion and profitability enhancement. Secondly, in the channels of distributors, we relied on intelligent middle platforms to gradually realise multi-dimensional systematic management. Through the division of labour and collaboration between the front and back ends, we streamlined routine operational processes and effectively improved the overall operational efficiency of the channels. Lastly, we continued to empower the development of channels through the construction of digitised information. We accurately captured consumption data, dynamically tracked the sales movement of the end-market, and grasped market consumption trends. By utilising data to drive the iteration of operational strategies of channels and the optimisation of the product matrix, we continuously consolidated the core competitiveness of the channels. For the six months ended 30 June 2026, the sales revenue from third parties amounted to RMB2,345.4 million, representing a year-on-year increase of 13.7%.

In respect of e-commerce channels, in the first half of 2026, combining actual business needs and market changes, the Group continuously optimised its online products and operational strategies. On the one hand, we integrated optimal online distributors to achieve a precise match between both parties and ensure the subsequent implementation of various activities; on the other hand, we fully leveraged the dissemination advantages of online platforms to undertake the functions of brand promotion, new products testing, and consumer information collection, providing an effective basis for the iteration of new products and decision-making regarding product distribution in offline channels. Furthermore, the Group gradually launched its overseas online business, further broadening the market coverage of its e-commerce channels. Currently, the Group operates 15 flagship stores on e-commerce platforms such as Tmall.com, JD.com, and Pinduoduo.com. For the six months ended 30 June 2026, the Group's sales revenue from e-commerce channels amounted to RMB180.9 million, representing a year-on-year increase of 2.8%.

For sales to related parties, the pricing of products transacted with related parties was adaptively adjusted in response to fluctuations in market prices, the product matrix was updated and refined in line with changes in consumer tastes, and the cooperation in product categories also continued to expand in tandem with the business development of the related parties. For the six months ended 30 June 2026, the sales revenue from the Group's related parties was RMB1,001.3 million, representing a year-on-year increase of 15.9%.

Products

In the first half of 2026, the Group adhered to product research and development mechanisms driven by market demand. Through forward-looking demand analysis and the research and development strategies of autonomous product selection by our sales teams, we deeply engaged in product iteration and category expansion. Regarding seasoning products, on the one hand, we focused on the upgrade and optimisation of tastes and production processes, realising richer layers of tastes and an enhancement in quality stability; on the other hand, we endeavoured to advance a system of tastes tailored for regional specialisation and customised channels, deeply exploring the distinctive flavours of different geographic regions. Through a research and development layout that is refined, regionalised, and adapted to different scenarios, we built product advantages in the segmented market, enhancing the product adaptability and sell-out capabilities across various channels. For ready-to-eat products, through the analysis of the diversity of consumption scenarios and the variety of consumer groups, we drove product updates and iterations centering on directions such as innovation in tastes, texture optimisation, and experience upgrades. We continuously optimised freshness-locking technologies for food ingredients while taking consumption convenience into account, further catering to the dietary needs and quality pursuits of current customers. Regarding business-end products, we took basic tastes as the core and combinational innovation as the key driver. Based on the personalised demands of different business-end customers, through customised or proportional combination methods, we constructed a flexible and diverse matrix of product tastes. While ensuring the quality advantages of our core tastes, we efficiently responded to the diversified demands of customers and steadily enhanced the market penetration in the business-end market.

For overseas products, the Group carried out research on the culinary cultures and local customs of the target markets, and captured the taste preferences and consumption patterns of local consumers by leveraging classic tastes to carry out localised innovations and developing adaptable flavours tailored to local conditions. The overseas product portfolio was continuously optimised to strengthen recognition among overseas audiences. Furthermore, relying on the advantages of the overseas supply chain, the Group actively responded to changes in market demand, steadily expanded its business in the overseas business-end operation, and further enhanced the depth of existing cooperation with local restaurant chains or Chinese restaurant brands in countries such as Thailand, Malaysia, the United States and South Korea.

The Group continued to deepen the integration and empowerment of AI technology at the business level. Firstly, by introducing platform data resources from multiple dimensions to capture key information, and conducting in-depth breakdown analysis in conjunction with market consumption feedback, the Group accurately assessed catering market dynamics, trends of popular dishes and consumer taste preferences, thereby driving the continuous upgrade and iteration of product development and tastes. Secondly, the AI intelligent middle platform is able to provide diversified support to the business side. Through the functions of intelligent data inquiry and intelligent scenario analysis and consolidation, we lowered the data application threshold for business personnel, enhancing the efficiency and accuracy of information acquisition and analysis.

Currently, hot pot condiments, compound condiments, convenient ready-to-eat food products and snacks are the major products of the Group. For the six months ended 30 June 2026, the new products across all categories (excluding customised products for customers) amounted to more than 80 in total, including new flavours such as regional flavour condiments, crayfish seasonings and fish seasonings, as well as a variety of new convenient ready-to-eat food products. At the same time, considering both market feedback and sales situations, we discontinued the sales of certain products and consolidated certain product specifications. For the six months ended 30 June 2026, the Group had over 300 types of products (excluding customised products for customers) for sale.

The table below sets forth the data on the Group's revenue, sales volume and average selling price by product categories and distribution channels for the periods as indicated:

	For the six months ended 30 June					
	2026			2025		
	Revenue (RMB'000)	**Sales volume (tonnes)**	**Average selling price per kg (RMB)**	Revenue (RMB'000)	Sales volume (tonnes)	Average selling price per kg (RMB)
Hot pot condiments[1]						
Third parties	**1,114,272**	**41,745**	**26.7**	924,663	37,233	24.8
Related parties	**809,500**	**52,968**	**15.3**	758,152	46,054	16.5
Subtotal	**1,923,772**	**94,713**	**20.3**	1,682,815	83,287	20.2
Compound condiments[2]						
Third parties	**464,177**	**19,474**	**23.8**	450,614	20,150	22.4
Related parties	**99,874**	**8,656**	**11.5**	41,127	2,912	14.1
Subtotal	**564,051**	**28,130**	**20.1**	491,741	23,062	21.3
Convenient ready-to-eat food products[3]						
Third parties	**701,784**	**22,751**	**30.8**	644,623	20,833	30.9
Related parties	**91,878**	**5,895**	**15.6**	64,382	3,862	16.7
Subtotal	**793,662**	**28,646**	**27.7**	709,005	24,695	28.7
Others[4]	**65,176**	**9,235**	**7.1**	43,830	9,466	4.6
Total	**3,346,661**	**160,724**	**20.8**	2,927,391	140,510	20.8

Notes:

(1) Mainly including the Group's sales of hot pot soup flavourings and hot pot dipping sauce products

(2) Mainly including the Group's sales of products such as Chinese-style and Western-style compound condiments, ready-to-eat sauce, chicken powder and spices

(3) Mainly including the Group's sales of products such as self-serving products, instant vermicelli, instant noodles, puffed food, hot pot ingredients etc.

(4) Mainly including the Group's sales of products such as raw materials for trade and packaging materials

The table below sets forth the revenue of the Company in absolute terms and the percentage of the revenue of the Company by product categories for the periods as indicated:

	For the six months ended 30 June			
	2026		2025	
	Revenue (RMB'000)	**% of revenue**	Revenue (RMB'000)	% of revenue
Revenue from hot pot condiments	**1,923,772**	**57.5%**	1,682,815	57.5%
Revenue from compound condiments	**564,051**	**16.9%**	491,741	16.8%
Revenue from convenient ready-to-eat food products	**793,662**	**23.7%**	709,005	24.2%
Other revenue	**65,176**	**1.9%**	43,830	1.5%
Total revenue	**3,346,661**	**100%**	2,927,391	100%

FINANCIAL REVIEW

Revenue

The revenue of the Group increased by 14.3% from RMB2,927.4 million for the six months ended 30 June 2025 to RMB3,346.7 million for the six months ended 30 June 2026.

Revenue by product

	For the six months ended 30 June			
	2026		2025	
	Revenue (RMB'000)	**% of revenue from hot pot condiments**	Revenue (RMB'000)	% of revenue from hot pot condiments
Revenue from hot pot condiments products				
Revenue from third parties	**1,114,272**	**57.9%**	924,663	54.9%
Revenue from related parties	**809,500**	**42.1%**	758,152	45.1%
Total revenue from hot pot condiments products	**1,923,772**	**100%**	1,682,815	100%

Revenue from hot pot condiment products increased by 14.3% from RMB1,682.8 million for the six months ended 30 June 2025 to RMB1,923.8 million for the six months ended 30 June 2026, accounting for 57.5% of the revenue for the six months ended 30 June 2026. Among which, revenue from sales of hot pot condiments products to related parties increased by 6.8% year-on-year, primarily due to the marketing activities carried out by the stores of related parties that drove an increase in the sales volume of mixed oil hot pot soup flavourings; revenue from sales of hot pot condiments products to third parties increased by 20.5% year-on-year, primarily due to the continued development of customised business at the channel end and the iterative upgrades of hot pot dipping sauces, beef tallow and tomato hot pot soup flavouring at the product end, which together drove the growth in revenue from third parties.

	For the six months ended 30 June			
	2026		2025	
	Revenue (RMB'000)	**% of revenue from compound condiments**	Revenue (RMB'000)	% of revenue from compound condiments
Revenue from compound condiments				
Revenue from third parties	**464,177**	**82.3%**	450,614	91.6%
Revenue from related parties	**99,874**	**17.7%**	41,127	8.4%
Total revenue from compound condiments	**564,051**	**100%**	491,741	100%

Revenue from compound condiments increased by 14.7% from RMB491.7 million for the six months ended 30 June 2025 to RMB564.1 million for the six months ended 30 June 2026, accounting for 16.9% of the revenue for the six months ended 30 June 2026. Among which, revenue from sales of compound condiments to related parties increased by 143.1%, which was mainly due to an increase in demand for the Maocai soup packet product series driven by the expansion of the food delivery business of related party customers. Revenue from sales of compound condiments to third parties increased by 3.0%. The primary reason for the slow growth was the cessation of sales of certain low-margin products.

	For the six months ended 30 June			
	2026		2025	
	Revenue (RMB'000)	**% of revenue from convenient ready-to-eat food products**	Revenue (RMB'000)	% of revenue from convenient ready-to-eat food products
Revenue from convenient ready-to-eat food products				
Revenue from third parties	**701,784**	**88.4%**	644,623	90.9%
Revenue from related parties	**91,878**	**11.6%**	64,382	9.1%
Total revenue from convenient ready-to-eat food products	**793,662**	**100%**	709,005	100%

Revenue from convenient ready-to-eat food products increased by 11.9% from RMB709.0 million for the six months ended 30 June 2025 to RMB793.7 million for the six months ended 30 June 2026, accounting for 23.7% of the revenue for the six months ended 30 June 2026. Among which, revenue from sales of convenient ready-to-eat food products to related parties increased by 42.7%, which was mainly attributable to the increase in the sales volume of hot pot food ingredients and casual snacks. Revenue from sales of convenient ready-to-eat food products to third parties increased by 8.9%, which was mainly attributable to the launch of new products such as noodle and vermicelli products and self-serving hot pot.

Revenue by distribution network

	For the six months ended 30 June			
	2026		2025	
	Revenue (RMB'000)	**% of total revenue**	Revenue (RMB'000)	% of total revenue
Related party customers				
Haidilao Group, Super Hi Group and Shuhai Supply Chain Group	**1,001,252**	**29.9%**	863,661	29.5%
Third party customers				
Distributors	**1,622,636**	**48.5%**	1,727,188	59.0%
Direct sales stores in malls and supermarkets	**353,864**	**10.6%**	–	0.0%
E-commerce	**180,902**	**5.4%**	175,899	6.0%
Catering and food product companies	**182,900**	**5.5%**	155,475	5.3%
Others				
Ad hoc sales event	**5,107**	**0.1%**	5,168	0.2%
Total revenue	**3,346,661**	**100%**	2,927,391	100%

In the first half of 2026, the pricing of products transacted with related parties was adaptively adjusted with the dynamic changes in market prices, and the product matrix was updated and refined in line with changes in consumer tastes, and the cooperation in product categories also continued to expand in tandem with the business development of the related parties. For the six months ended 30 June 2026, the sales revenue from the related parties was RMB1,001.3 million, representing a year-on-year increase of 15.9%.

For the six months ended 30 June 2026, the sales revenue from distributors was RMB1,622.6 million, representing a year-on-year decrease of 6.1%, which was mainly due to the fact that the Group continued to promote direct sales business and conducted channel adjustments; for the six months ended 30 June 2026, the sales revenue from direct sales stores in malls and supermarkets was RMB353.9 million, which was mainly due to the continuous implementation of direct sales management over supermarket and hypermarket customers; the sales revenue from e-commerce channels was RMB180.9 million, representing a year-on-year increase of 2.8%; and sales revenue from sales to catering and food product companies was RMB182.9 million, representing a year-on-year increase of 17.6%, mainly due to the continuous development of new customers among catering and food product companies by the Company, driving an increase in sales revenue.

Revenue by geographic region

The table below sets forth the revenue by geographic regions of the Group for the periods as indicated:

	For the six months ended 30 June			
	2026		2025	
	Revenue (RMB'000)	**% of Total revenue**	Revenue (RMB'000)	% of Total revenue
Northern China[5]	**1,296,021**	**38.7%**	1,198,530	40.9%
Southern China[6]	**1,690,200**	**50.5%**	1,463,030	50.0%
Other markets	**360,440**	**10.8%**	265,831	9.1%
Total	**3,346,661**	**100%**	2,927,391	100%

Notes:

(5) Including Heilongjiang, Jilin, Liaoning, Nei Mongol, Beijing, Tianjin, Hebei, Shandong, Shanxi, Henan, Ningxia, Shaanxi, Gansu, Qinghai, Xinjiang and Xizang

(6) Including Jiangsu, Shanghai, Zhejiang, Anhui, Jiangxi, Fujian, Hubei, Hunan, Guangdong, Chongqing, Guizhou, Guangxi, Sichuan, Yunnan and Hainan

Cost of Sales

The Group's cost of sales, including raw materials, employee benefit expenses, depreciation and amortisation and utilities, increased by 7.8% from RMB2,062.4 million for the six months ended 30 June 2025 to RMB2,223.5 million for the six months ended 30 June 2026. The increase in cost of sales was mainly due to the increase in sales volume.

Gross Profit and Gross Profit Margin

	For the six months ended 30 June			
	2026		2025	
	Gross profit (RMB'000)	**Gross profit margin %**	Gross profit (RMB'000)	Gross profit margin %
Hot pot condiments	**680,875**	**35.4%**	525,441	31.2%
Third parties	**565,243**	**50.7%**	420,705	45.5%
Related parties	**115,632**	**14.3%**	104,736	13.8%
Compound condiments	**220,899**	**39.2%**	165,293	33.6%
Third parties	**204,362**	**44.0%**	159,892	35.5%
Related parties	**16,537**	**16.6%**	5,401	13.1%
Convenient ready-to-eat food products	**210,878**	**26.6%**	170,489	24.0%
Third parties	**199,765**	**28.5%**	161,523	25.1%
Related parties	**11,113**	**12.1%**	8,966	13.9%
Others	**10,485**	**16.1%**	3,740	8.5%
Total	**1,123,137**	**33.6%**	864,963	29.5%

The Group's gross profit increased by 29.8% from RMB865.0 million for the six months ended 30 June 2025 to RMB1,123.1 million for the six months ended 30 June 2026, and the gross profit margin increased from 29.5% for the six months ended 30 June 2025 to 33.6% for the six months ended 30 June 2026. The increase in gross profit margin was mainly due to the decrease in the price of raw materials, the improvement in production efficiency and lower product discount-related expenses.

Distribution Expenses

The Group's distribution expenses increased by 21.8% from RMB369.5 million for the six months ended 30 June 2025 to RMB449.9 million for the six months ended 30 June 2026. The Group's distribution expenses as a percentage of the Group's revenue increased from 12.6% for the six months ended 30 June 2025 to 13.4% for the six months ended 30 June 2026. The increase in distribution expenses was mainly attributable to the increase in marketing expenses and logistics expenses.

Administrative Expenses

The Group's administrative expenses decreased by 8.6% from RMB156.5 million for the six months ended 30 June 2025 to RMB143.1 million for the six months ended 30 June 2026. The Group's administrative expenses as a percentage of the Group's revenue decreased from 5.3% for the six months ended 30 June 2025 to 4.3% for the six months ended 30 June 2026.

Other Income and Gains – Net

The Group's net amount of other income and gains decreased by 81.3% from RMB91.5 million for the six months ended 30 June 2025 to RMB17.1 million for the six months ended 30 June 2026, which was mainly due to the increase in exchange losses arising from exchange rate fluctuations and the decrease in government grants received.

Finance Income – Net

The Group's net amount of finance income decreased by 18.8% from RMB19.7 million for the six months ended 30 June 2025 to RMB16.0 million for the six months ended 30 June 2026, which was mainly attributable to the decrease in deposit interest rate.

Profit before Income Tax

As a result of the foregoing, the Group's profit before income tax increased by 25.1% from RMB450.2 million for the six months ended 30 June 2025 to RMB563.2 million for the six months ended 30 June 2026.

Income Tax Expenses

The Group's income tax expenses increased by 38.1% from RMB121.1 million for the six months ended 30 June 2025 to RMB167.2 million for the six months ended 30 June 2026. The effective tax rate increased from 26.9% for the six months ended 30 June 2025 to 29.7% for the six months ended 30 June 2026.

Net Profit for the Period

As a result of the foregoing, net profit of the Group increased by 20.3% from RMB329.1 million for the six months ended 30 June 2025 to RMB396.0 million for the six months ended 30 June 2026. Basic earnings per share increased from RMB31.90 cents for the six months ended 30 June 2025 to RMB38.72 cents for the six months ended 30 June 2026, and net profit margin increased from 11.2% for the six months ended 30 June 2025 to 11.8% for the six months ended 30 June 2026.

Capital Liquidity and Financial Resources

For the six months ended 30 June 2026, the Group's operations were mainly funded by the cash generated from its operations. The Group intends to utilise internal resources to provide funds for its expansion and business operations through organic growth and sustainable development.

Cash and Cash Equivalents

As at 30 June 2026, the Group's cash and cash equivalents were mainly composed of Renminbi and U.S. dollars. Cash and cash equivalents amounted to approximately RMB1,750.4 million (31 December 2025: RMB2,084.5 million).

Asset-Liability Ratio

As at 30 June 2026, the Group's asset-liability ratio[7] was 13.8% (31 December 2025: 16.7%). The Group did not have any bank borrowings.

Note:

(7) The asset-liability ratio is calculated by dividing total liabilities as at the end of each financial period by total assets.

Inventories

Inventories mainly include raw materials, work-in-progress and finished goods. As at 30 June 2026, the inventories amounted to approximately RMB450.7 million (31 December 2025: RMB521.9 million), and the turnover days of inventories decreased from 40.5 days for the year ended 31 December 2025 to 39.4 days for the six months ended 30 June 2026. The decrease in turnover days of inventories was mainly due to the fact that the Group's control over inventory efficiency was improved.

Trade Receivables

Trade receivables represent the amounts due from customers in respect of sales of goods in the ordinary course of business. As at 30 June 2026, the trade receivables amounted to approximately RMB264.6 million (31 December 2025: RMB256.3 million). The change was mainly due to the increase in sales revenue to related parties. The turnover days of trade receivables decreased from 15.0 days for the year ended 31 December 2025 to 14.0 days for the six months ended 30 June 2026.

Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Due to the cyclical effects of low and peak seasons for production and sales and the seasonal procurement cycle, trade payables amounted to approximately RMB290.4 million as at 30 June 2026 (31 December 2025: RMB403.6 million). The turnover days of trade payables decreased from 36.3 days for the year ended 31 December 2025 to 28.1 days for the six months ended 30 June 2026.

Contingent Liabilities

As at 30 June 2026, the Company did not have any material contingent liabilities.

Charge of Assets

As at 30 June 2026, the Company did not charge any fixed assets as security for borrowings.

Borrowings

As at 30 June 2026, the Company did not have any bank borrowings.

Debt-to-Equity Ratio

As at 30 June 2026, the debt-to-equity ratio[8] of the Company was 2.3% (31 December 2025: 2.4%).

Note:

(8) Debt-to-equity ratio is calculated by dividing total debt by total equity. Total debt is defined as interest-bearing liabilities including lease liabilities.

Risk of Foreign Exchange Rate and Hedging

The Group mainly operates in the PRC with most of the transactions denominated and settled in RMB. However, the Group has certain cash in hand denominated in the U.S. dollars and Singapore dollars, and is therefore exposed to foreign exchange risk. The Group has not hedged against its foreign exchange risk. However, the Group will closely monitor the exposure and will take specific measures when necessary to make sure the foreign exchange risk is manageable and within control.

Employees and Remuneration Policy

As at 30 June 2026, the Group had a total of 2,321 employees (excluding temporary workers), comprising 1,638 employees in production, 554 employees in marketing and 129 employees in administration and management related functions.

For the six months ended 30 June 2026, the Group's total staff costs amounted to RMB366.0 million, including salaries, wages, allowances and benefits. The Group continued to optimise the incentive-based system in line with business development needs and implemented remuneration policies with competitiveness.

Material Acquisitions and Disposals

For the six months ended 30 June 2026, the Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures.

FUTURE PROSPECTS

Industry and Business Outlook

In the second half of 2026, with the domestic economy continuing to recover steadily, the Group will continue to regard channel building, product research and development and overseas expansion as the key strategic priorities.

In terms of channel building, the Group will continue to deepen the main line of refined channel operation, focus on the differentiated characteristics of the two core channels, namely distributors and KA channels, promote the upgrading of operation mechanisms and the strengthening of digital and intelligent control capabilities, and establish a more adaptable and competitive channel operation system. For the distributor channels, we will continue to implement the intelligent middle-platform control and the phased collaboration model among various teams. The intelligent middle-platform will uniformly issue campaign policies to distributors, which will be supervised and cooperatively executed by account managers, while the dedicated backend customer service team will respond to various demands from distributors, so as to ensure the implementation of various campaigns and the quality and timeliness of overall services. In the KA channels, we will continue to deepen the direct operation and the "two direct" operation model (direct management and direct distribution). In terms of the communication of campaign policies, demand matching and problem feedback, the sales team will conduct targeted communication with terminals to accurately respond to the personalised demands of terminals and improve the operational efficiency of the channels. In addition, the Group will continue to empower channel development with information technology construction, and deeply apply AI technology in core scenarios such as dynamic inventory control, new product promotion and optimisation of channel strategies, providing data support for channel operation and market decision-making, and promoting the optimised and efficient allocation of channel resources and the continuous upgrading of products.

In terms of product research and development, the Group will continue to adhere to a product research and development orientation centered on market demand, continuously implement the independent product selection at the sales end, adapt product research and development to dynamic demands such as regional consumption characteristics, channel diversity and seasonality, and steadily improve the overall compatibility between products and the market as well as core competitiveness. On the one hand, aiming at the characteristics of the KA channel, we will break through the limitation of single SKU supply, provide a full-scenario basket of solutions for compound condiments, appropriately establish an exclusive channel display and product portfolio, and strengthen product recognition and channel competitiveness. At the same time, we will closely follow the pace of seasonal consumption, prepare in advance for the peak season of hot pot consumption in autumn and winter, refine products around the upgrade of taste levels, the improvement of quality stability and the optimisation of scenario compatibility, and consolidate the market advantage of condiment categories by leveraging the peak season consumption window. On the other hand, we will continue to enhance the development of our research and development capabilities in the business-end market, and build a more flexible customised research and development capability by leveraging our core product advantages and our well-established supply chain system. By deeply exploring the personalised needs of major business-end customers, we will promote the implementation and deepening of customised products and strengthen cooperation stickiness. Meanwhile, we will focus on the taste optimisation and pairing flexibility improvement for minor business-end customers, broaden the compatible scenarios of standard products, and facilitate the expansion of the minor business-end customer base and the increase of market penetration.

Regarding overseas business, the Group will focus on the simultaneous development of products and channels. In terms of products, the Group will continue to deeply explore the food culture and consumption trends in overseas markets. On the one hand, we will promote the localised adaptation and transformation of domestic classic flavours to consolidate the existing customer base; on the other hand, we will deeply develop local flavours, promote the adaptation and upgrading of product flavours, enhance the acceptance of local consumers, and continuously improve the overseas product matrix. In terms of channels, the Group will implement a differentiated layout strategy, taking the optimisation of channel efficiency as the core driver for overseas revenue growth. In the Singapore, Malaysia and Thailand regions, we will continue to deepen the direct sales model, relying on stronger independent business control and market response speed to accelerate product turnover and consolidate revenue growth momentum. In other regions, we will mainly focus on the steady expansion of the distribution system, continue to increase the coverage of terminal points of sales, and enter untapped overseas markets in an orderly manner. Regarding the overseas business-end operation, along with the gradual release of production capacity of the Southeast Asian supply centre and the continuous improvement of the overseas supply chain system, the Group will further strengthen the customised service capabilities for catering customers, form a differentiated competitive advantage, and steadily expand the market share in the business-end market. At the same time, we will further accumulate experience through business-end customisation and market verification, so that the products can be transformed into customer-end products in a timely manner to achieve two-way empowerment, facilitating the continuous expansion of global market coverage.

Material Investments and Prospects

During the Reporting Period, the Group did not hold any material investments.

Future Plans for Material Investments

The Group will continue extensively seeking potential strategic investment opportunities, targeting potential high-quality candidates that can generate synergies for the Group in areas such as product research and development, product portfolio, channel expansion and cost control.

OTHER INFORMATION

Interim Dividend

The Board has resolved to declare an interim dividend of HK$0.4188 (equivalent to RMB0.3623) per share to the shareholders of the Company (the "**Shareholders**") whose names appear on the register of members of the Company on Tuesday, 15 September 2026. The interim dividend will be distributed in Hong Kong dollars and is calculated based on the average benchmark exchange rate of RMB against the Hong Kong dollar announced by the People's Bank of China in the five working days prior to but excluding the date of the Board meeting held on Tuesday, 25 August 2026. The interim dividend is expected to be paid on or before Thursday, 24 September 2026.

Closure of Register of Members

The register of members of the Company will be closed from Thursday, 10 September 2026 to Tuesday, 15 September 2026, both days inclusive, during which period no transfer of shares can be registered, in order to determine the entitlement of the Shareholders to the interim dividend. In order to qualify for the interim dividend, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration by 4:30 p.m. on Wednesday, 9 September 2026.

Event after the end of the Reporting Period

There has been no material event after the end of the Reporting Period which requires disclosure in this announcement.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares, if any) during the six months ended 30 June 2026.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Specific enquiries have been made to all the directors of the Company (the "**Directors**") and the Directors have confirmed that they have complied with the Model Code during the six months ended 30 June 2026.

The Company's employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company's employees was noted by the Company during the six months ended 30 June 2026.

Compliance with the Corporate Governance Code

The Company has applied the principles of good corporate governance and code provisions as set out in the part 2 of the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix C1 to the Listing Rules. During the six months ended 30 June 2026, save for the deviation from code provision C.2.1 described below, the Company complied with the code provisions in the Corporate Governance Code.

Following the appointment of Mr. Guo Qiang ("**Mr. Guo**") as the chairman of the Board (the "**Chairman**") with effect from 24 April 2026, Mr. Guo has held the dual positions of Chairman and chief executive officer of the Company (the "**Chief Executive Officer**"). Accordingly, the Company has deviated from code provision C.2.1 of part 2 of the Corporate Governance Code, which stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual, since 24 April 2026. The Board is confident in vesting the roles of Chairman and Chief Executive Officer in Mr. Guo, believing that this will ensure stable leadership for the Group and enable more effective formulation and implementation of the Group's business strategies, and considers it appropriate to deviate from code provision C.2.1 under the current circumstances. With oversight by the Board, which has a balanced structure with adequate checks and balances, the interests of the Company and its Shareholders are protected. The Board will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

Audit Committee

The Audit Committee has three members comprising all independent non-executive Directors, being Ms. Cui Jin (chairman), Mr. Wang Xin and Ms. Li Ping, with terms of reference in compliance with the Listing Rules. The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to internal controls and financial reporting with the management, including the review of the unaudited interim condensed consolidated financial results of the Group for the six months ended 30 June 2026. The Audit Committee considers that the interim financial results for the six months ended 30 June 2026 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Review of Interim Condensed Consolidated Financial Information

The Company's external auditor, PricewaterhouseCoopers, has performed a review of the Group's interim condensed consolidated financial information for the six months ended 30 June 2026 in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Based on their review, nothing has come to their attention that causes them to believe that the interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Publication of Interim Results Announcement and Interim Report

This announcement is published on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.yihchina.com**).

The interim report for the Reporting Period containing all the information required by Appendix D2 to the Listing Rules will be despatched (if so requested by Shareholders) to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Yihai International Holding Ltd.
Guo Qiang
Chairman

Hong Kong, 25 August 2026

As at the date of this announcement, the executive Directors of the Company are Mr. Guo Qiang, Mr. Sun Shengfeng and Mr. Zhao Xiaokai; the non-executive Directors of the Company are Mr. Zhang Yong and Ms. Zhang Fan; and the independent non-executive Directors of the Company are Ms. Cui Jin, Mr. Wang Xin and Ms. Li Ping.