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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)

CONTINUING CONNECTED TRANSACTIONS

(1) RENEWAL OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF 2027 TO 2029; AND (2) NEW CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF STORAGE AND LOGISTICS SERVICES

1. BACKGROUND

References are made to (i) the announcement of the Company dated 17 October 2023 and (ii) the circular of the Company dated 23 November 2023 in relation to, among other matters, the renewal of the annual caps for certain continuing connected transactions for the three years ending 31 December 2026.

As disclosed in the aforementioned announcement and circular, the Group entered into, among others, the following agreements with connected persons, each of which will expire on 31 December 2026: (i) the Existing Shuhai Purchase Agreement; (ii) the Existing Haidilao Master Sales Agreement; (iii) the Existing Super Hi Master Sales Agreement; (iv) the Existing Shuhai Sales Agreement; and (v) the Existing Joint Venture Framework Sales and Purchase Agreements. The Company intends to continue the transactions contemplated under such agreements after 31 December 2026.

Since 2025, the Group has procured certain logistics services from members of the Shuhai Supply Chain Group from time to time and on an as-needed basis in the ordinary and usual course of business and on normal commercial terms or better (the “**Existing Logistics Transactions**”). Given the anticipated increase in the Group’s demand for such services and the proposed adoption of a standardised delivery model, which will also require warehousing and storage services, to better serve the Group’s major customers, on 26 October 2026, the Company entered into the Shuhai Framework Storage and Logistics Service Agreement with Shuhai Supply Chain to regulate the provision of storage and logistics services by the Shuhai Supply Chain Group to the Group for a term from 26 October 2026 to 31 December 2028.

Accordingly, on 26 October 2026, the Company entered into the Framework Agreements, comprising (i) agreements for the renewal of the Existing Agreements on terms of a substantially similar nature for a term of three years from 1 January 2027 to 31 December 2029, save for the expanded scope of products to be purchased under the Shuhai Purchase Agreement; and (ii) the new Shuhai Framework Storage and Logistics Service Agreement for a term from 26 October 2026 to 31 December 2028.

The renewed Framework Agreements will take effect from 1 January 2027, subject to the fulfilment of their respective conditions precedent, including the obtaining of Independent Shareholders’ approval where required under the Listing Rules. The Shuhai Framework Storage and Logistics Service Agreement took effect on 26 October 2026 and will remain in force until 31 December 2028.

2. LISTING RULES IMPLICATIONS

Shuhai Purchase Agreement

Since the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the proposed annual caps in respect of the transactions contemplated under the Shuhai Purchase Agreement are more than 0.1% but less than 5%, the transactions and the proposed annual caps for such transactions for each of the three years ending 31 December 2029 are subject to the reporting, annual review and announcement requirements but are exempt from the circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Haidilao Master Sales Agreement, Super Hi Master Sales Agreement and Shuhai Sales Agreement

Since (i) the nature of products to be sold under the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement and the Shuhai Sales Agreement is similar and (ii) Haidilao, Super Hi and Shuhai Supply Chain are associates of Mr. Zhang Yong ("**Mr. Zhang**"), a non-executive Director, and his spouse, Ms. Shu Ping ("**Ms. Shu**"), together holding approximately 31.44% of the total issued shares of the Company and therefore being controlling shareholders of the Company (the "**Controlling Shareholders**"), the transactions contemplated under the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement and the Shuhai Sales Agreement will be aggregated pursuant to Rule 14A.82(1) and Rule 14A.83 of the Listing Rules. Accordingly, the annual caps in respect of the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement and the Shuhai Sales Agreement are aggregated.

Since the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the aggregated proposed annual caps in respect of the transactions contemplated under the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement and the Shuhai Sales Agreement are more than 5%, the transactions and the proposed annual caps for such transactions for each of the three years ending 31 December 2029 are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Joint Venture Framework Sales and Purchase Agreements

Since the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the proposed annual caps in respect of the transactions contemplated under the Joint Venture Framework Sales and Purchase Agreements are more than 5%, the transactions and the proposed annual caps for each of the three years ending 31 December 2029 are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Shuhai Framework Storage and Logistics Service Agreement

Since the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the proposed annual caps under the Shuhai Framework Storage and Logistics Service Agreement are more than 0.1% but less than 5%, the Shuhai Framework Storage and Logistics Service Agreement, the transactions contemplated thereunder and the proposed annual caps for each of the three years ending 31 December 2028 are subject to the reporting, annual review and announcement requirements but are exempt from the circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Although both the Shuhai Purchase Agreement and the Shuhai Framework Storage and Logistics Service Agreement are entered into with Shuhai Supply Chain, the transactions thereunder are not aggregated under Rules 14A.81 and 14A.82 of the Listing Rules, as they differ in nature (purchase of ingredients and related products versus provision of storage and logistics services), are separately negotiated and priced, are not interdependent, and serve different business purposes of the Group. In any event, the applicable percentage ratios under the Shuhai Purchase Agreement and the Shuhai Framework Storage and Logistics Service Agreement would remain below 5% even if they were aggregated.

Voting at the Extraordinary General Meeting

The Extraordinary General Meeting will be convened to consider and, if thought fit, to approve the Yihai Continuing Connected Transactions (including their respective proposed annual caps).

In accordance with the Listing Rules, Mr. Zhang, Ms. Shu, Mr. Sean Shi (“**Mr. Shi**”), Ms. Hailey Lee (“**Ms. Lee**”) and their respective associates have a material interest in each of the Non-exempt Framework Agreements and will, at the Extraordinary General Meeting, abstain from voting on the ordinary resolutions to approve each of the Non-exempt Framework Agreements (including the proposed annual caps). Ms. Zhang Fan (“**Ms. Zhang**”) and her associates have a material interest in the Haidilao Master Sales Agreement and will, at the Extraordinary General Meeting, abstain from voting on the ordinary resolution to approve the Haidilao Master Sales Agreement (including the proposed annual caps). Mr. Zhao Xiaokai (“**Mr. Zhao**”) and his associates have a material interest in the Joint Venture Framework Sales and Purchase Agreements and will, at the Extraordinary General Meeting, abstain from voting on the ordinary resolutions to approve the Joint Venture Framework Sales and Purchase Agreements (including the proposed annual caps).

In addition, pursuant to Rule 17.05A of the Listing Rules, trustees holding unvested Shares of any share scheme of the Company, whether directly or indirectly, shall abstain from voting on matters that require Shareholders’ approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner’s direction and such a direction is given. As at the date of this announcement, Futu Trustee Limited, as trustee of the 2026 Share Award Scheme, held 66,568,000 unvested Shares through JLJH YIHAI Ltd, representing approximately 6.42% of the issued Shares. Futu Trustee Limited will accordingly abstain from voting on the ordinary resolutions to approve each of the Non-exempt Framework Agreements (including the proposed annual caps) at the Extraordinary General Meeting.

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Yihai Continuing Connected Transactions (including their respective proposed annual caps). In this respect, South China Capital Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

A circular containing, among others, further information on the Yihai Continuing Connected Transactions, a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with a notice to convene the Extraordinary General Meeting to consider and, if thought fit, approve the Yihai Continuing Connected Transactions (including their respective proposed annual caps) will be despatched to the Shareholders in accordance with the Listing Rules. As the Company requires additional time to prepare and finalise certain information for inclusion in the circular, the circular is expected to be despatched to the Shareholders on or before 27 November 2026.

I. RENEWAL OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF 2027 TO 2029

A. BACKGROUND

References are made to (i) the announcement of the Company dated 17 October 2023 and (ii) the circular of the Company dated 23 November 2023 in relation to, among other matters, the renewal of the annual caps for certain continuing connected transactions for the three years ending 31 December 2026.

As disclosed in the aforementioned announcement and circular, the Group entered into, among others, the following agreements with connected persons, each of which will expire on 31 December 2026: (i) the Existing Shuhai Purchase Agreement; (ii) the Existing Haidilao Master Sales Agreement; (iii) the Existing Super Hi Master Sales Agreement; (iv) the Existing Shuhai Sales Agreement; and (v) the Existing Joint Venture Framework Sales and Purchase Agreements. The Company intends to continue the transactions contemplated under such agreements after 31 December 2026.

Since 2025, the Group has procured certain logistics services from members of the Shuhai Supply Chain Group from time to time and on an as-needed basis in the ordinary and usual course of business and on normal commercial terms or better. Given the anticipated increase in the Group's demand for such services and the proposed adoption of a standardised delivery model, which will also require warehousing and storage services, to better serve the Group's major customers, on 26 October 2026, the Company entered into the Shuhai Framework Storage and Logistics Service Agreement with Shuhai Supply Chain to regulate the provision of storage and logistics services by the Shuhai Supply Chain Group to the Group for a term from 26 October 2026 to 31 December 2028.

Accordingly, on 26 October 2026, the Company entered into the Framework Agreements, comprising (i) agreements for the renewal of the Existing Agreements on terms of a substantially similar nature for a term of three years from 1 January 2027 to 31 December 2029, save for the expanded scope of products to be purchased under the Shuhai Purchase Agreement; and (ii) the new Shuhai Framework Storage and Logistics Service Agreement for a term from 26 October 2026 to 31 December 2028.

The renewed Framework Agreements will take effect from 1 January 2027, subject to the fulfilment of their respective conditions precedent, including the obtaining of Independent Shareholders' approval where required under the Listing Rules. The Shuhai Framework Storage and Logistics Service Agreement took effect on 26 October 2026 and will remain in force until 31 December 2028.

The principal terms of each of the Framework Agreements are summarised below.

B. RENEWED CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF PURCHASE OF SHUHAI PRODUCTS

1. Shuhai Purchase Agreement

Date

26 October 2026

Parties

(1) the Company

(2) Shuhai Supply Chain

(each for itself and on behalf of its subsidiaries)

Term

The Shuhai Purchase Agreement has an initial term of three years from 1 January 2027 to 31 December 2029.

Nature of transactions

Pursuant to the terms of the Shuhai Purchase Agreement, the Group will purchase from the Shuhai Supply Chain Group (i) Shuhai Ingredients, comprising food ingredients and compound ingredients, which will primarily be used in the manufacture of Convenient Ready-to-eat Food Products and customized products; and (ii) Staff Meal Supplies. The purchase prices of the Shuhai Products shall be determined based on the pricing policy as set out below. Purchases will be made on the basis of individual orders specifying the type of product, purchase volume and delivery date, etc.

Pricing basis

The purchase prices of the Shuhai Products are determined by the parties with reference to a number of factors as stated below. If there is any change in pricing policy in the future, the Group shall fully comply with the relevant requirements under Chapter 14A of the Listing Rules (if applicable).

The purchase prices of the Shuhai Products shall be determined by the parties after arm's length negotiations with reference to the prevailing market prices of the same or similar products, and shall be adjusted in a timely manner in light of market fluctuations. To ascertain the prevailing market prices, the Group's procurement department will, before the agreed prices are set and at each review, obtain quotations from no fewer than two independent third party suppliers for products of comparable specification, quality and quantity (and, in the case of the Staff Meal Supplies, also refer to the prices at which the Group has historically procured comparable products from independent third party suppliers). The purchase prices shall not be higher than the quotations so obtained, and the terms on which the Shuhai Supply Chain Group supplies the Shuhai Products to the Group shall be no less favourable than those on which it supplies the same or similar products to independent third parties.

Payment terms

Payment shall be made by the Company on a monthly basis following the delivery of products and issuance of delivery invoices by Shuhai Supply Chain Group.

Historical amounts

The table below sets forth the historical amounts for the purchase of Shuhai Ingredients under the Existing Shuhai Purchase Agreement for the years ended 31 December 2024 and 31 December 2025 and the six months ended 30 June 2026, and the annual cap for the year ending 31 December 2026. As the compound ingredients and the Staff Meal Supplies are newly included within the scope of the Shuhai Purchase Agreement, the historical amounts and the annual cap for the year ending 31 December 2026 relate solely to food ingredients.

For the year ended 31 December 2024 <i>(RMB'000)</i>	For the year ended 31 December 2025 <i>(RMB'000)</i>	For the six months ended 30 June 2026 <i>(RMB'000) (unaudited)</i>	Annual cap for the year ending 31 December 2026 <i>(RMB'000)</i>
1,694	2,944	2,138	16,000

As at the date of this announcement, the actual transaction amount has not exceeded the annual cap for the year ending 31 December 2026.

Proposed annual caps and basis of determination

The Company estimates that the annual caps for the Shuhai Purchase Agreement for the three years ending 31 December 2029 are as follows:

	For the year ending 31 December 2027 <i>(RMB'000)</i>	For the year ending 31 December 2028 <i>(RMB'000)</i>	For the year ending 31 December 2029 <i>(RMB'000)</i>
Total	35,000	40,000	45,000

In arriving at the above proposed annual caps, the Group has taken into account the following factors:

- (i) the historical transaction amounts with the Shuhai Supply Chain Group for the two years ended 31 December 2025 and the six months ended 30 June 2026, as set out above, which relate solely to the Group's historical purchases of food ingredients. Taking into account the actual transaction amount for the six months ended 30 June 2026, as adjusted for seasonal fluctuations, the Company has estimated the transaction amount for the year ending 31 December 2026, which serves as the base period for determining the proposed annual caps in respect of the Shuhai Ingredients for the three years ending 31 December 2029, with an allowance for the Group's expected purchases of compound ingredients. The historical transaction amounts were relatively small as the Group purchased from the Shuhai Supply Chain Group only on a limited basis. As the Group intends to consolidate more of its procurement with the Shuhai Supply Chain Group during the term of the Shuhai Purchase Agreement, the purchase volume is expected to increase accordingly;

- (ii) the inclusion within the scope of the Shuhai Purchase Agreement of the Staff Meal Supplies, which the Group did not previously procure from the Shuhai Supply Chain Group and which account for a substantial portion of the proposed annual caps. The Group intends to adopt a centralised procurement plan for staff meals, which will allow the Group to obtain volume-based pricing, reduce the administrative, logistics and quality inspection costs of managing multiple suppliers, and mitigate compliance risks at the factory procurement level. Under such plan, the Shuhai Supply Chain Group will undertake the Group's staff meal supply requirements, replacing the fragmented procurement from multiple independent suppliers previously undertaken by individual factories. Based on the Group's historical staff meal costs of approximately RMB25 million for the year ended 31 December 2025 and approximately RMB13 million for the six months ended 30 June 2026, the Company has estimated the transaction amount for the Staff Meal Supplies to be not exceeding RMB25 million for each of the three years ending 31 December 2029;
- (iii) the prevailing market price for similar products sold by comparable companies, which, together with the expected purchase volumes, determines the transaction amounts under the Shuhai Purchase Agreement, as well as potential fluctuations in the prices of food ingredients, compound ingredients and raw materials during the term of the agreement; and
- (iv) the further recovery of the market for the Convenient Ready-to-eat Food Products and the extensive potential of that market.

The Shuhai Supply Chain Group has been a key supplier of food ingredients to the Haidilao Group's restaurants and a number of other catering customers over the years, and its product quality, stable supply and health standards have been well accepted by the Haidilao Group and consumers.

Shareholders should note that the above proposed annual caps should not be construed as an assurance or forecast by the Company of the future financial performance of the Group under the terms of the Shuhai Purchase Agreement.

Reasons for and benefits of entering into the Shuhai Purchase Agreement

The Group manufactures Convenient Ready-to-eat Food Products and customized products and plans to further expand such manufacture and sales in light of growing demand. Shuhai Supply Chain is a service provider focusing on catering supply chain solutions, with over 20 years of industry experience, and is primarily engaged in the supply of food ingredients and the provision of storage and logistics services to catering service providers. Shuhai Supply Chain Group has established a comprehensive food safety management system, which is in compliance with ISO22000 and HACCP standards. There are currently 39 companies under the Shuhai Supply Chain Group, which operate in over 40 key cities in the PRC and serve more than 5,000 catering clients. Its broad range of products gives the Group access to high quality food ingredients and compound ingredients that may be used in the manufacture of Convenient Ready-to-eat Food Products and customized products. Shuhai Supply Chain Group also has a strong research and development team, which enables it to develop and produce high quality products and give assurance to the Group in relation to food product safety.

In respect of the Staff Meal Supplies in particular, consolidating the Group's staff meal procurement with the Shuhai Supply Chain Group under centralised administration mitigates compliance risks at the factory procurement level and allows the Group to obtain bulk purchase pricing and reduce the costs of managing multiple suppliers. In addition, the Shuhai Supply Chain Group can provide a one-stop supply of meat, vegetable, soup and staple food ingredients tailored to the Group's staff meal standards and nutritional requirements, and respond promptly to menu adjustments and contingency supply needs.

Listing Rules implications

Mr. Zhang, a non-executive Director, and his spouse, Ms. Shu, together hold approximately 31.44% of the total issued Shares and are therefore the Controlling Shareholders. As at the date of this announcement, Shuhai Supply Chain is held as to (i) approximately 42.72% by Leda Haisheng and 0.92% by Leda Haisheng's wholly-owned subsidiary, Shanghai Haiyue Investment Management Co., Ltd.* (上海海悦投资管理有限公司) (“**Shanghai Haiyue**”), (ii) approximately 26.17% by Jinghai Investment and (iii) approximately 30.19% by 22 independent third parties, none of which holds more than 5% equity interest in it. Shuhai Supply Chain is therefore a connected person of the Company by virtue of being an associate of Mr. Zhang and Ms. Shu, the Controlling Shareholders, and the transactions contemplated under the Shuhai Purchase Agreement constitute continuing connected transactions of the Company under the Listing Rules.

Since the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the proposed annual caps in respect of the transactions contemplated under the Shuhai Purchase Agreement are more than 0.1% but less than 5%, the transactions and the proposed annual caps for such transactions for each of the three years ending 31 December 2029 are subject to the reporting, annual review and announcement requirements but are exempt from the circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

C. RENEWED CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF SALES AND DISTRIBUTION

1. HAIDILAO MASTER SALES AGREEMENT

Date

26 October 2026

Parties

(1) the Company

(2) Haidilao

(each for itself and on behalf of its subsidiaries)

Term

The Haidilao Master Sales Agreement has an initial term of three years from 1 January 2027 to 31 December 2029.

Nature of transactions

(a) Sale of Haidilao Customized Products

Pursuant to the terms of the Haidilao Master Sales Agreement, the Group is a supplier of Haidilao Customized Products to the Haidilao Group for use in its restaurants in Greater China. If the Group is unable to satisfy the quantity of the products demanded, or the quality of the Haidilao Customized Products supplied by the Group does not fulfill the specifications of the Haidilao Group, and the matter cannot be resolved within a reasonable period (not longer than 30 days) after negotiation between both parties, the Haidilao Group may engage other suppliers. Under the Haidilao Master Sales Agreement, the Group may engage contract manufacturers to produce Haidilao Customized Products.

Sale of Haidilao Customized Products will be made on the basis of individual orders specifying the type of product, purchase volume, sales price and delivery date, etc. The sales price of Haidilao Customized Products shall be determined based on the pricing policy as set out below.

The Haidilao Group owns the proprietary rights to the formulas of Haidilao Customized Products (the “**Haidilao Group Formulas**”) and licenses the Haidilao Group Formulas to the Group and its contract manufacturers to use for production on a royalty-free basis. The Group is required to, and shall use reasonable efforts to procure its contract manufacturers to: (i) keep confidential the Haidilao Group Formulas, and (ii) unless the Haidilao Group has given written consent, refrain from selling products that use these formulas to any of the Haidilao Group’s competitors in Greater China.

For any upgrades and developments in the Haidilao Group Formulas made through the joint efforts of the Haidilao Group and the Group, the Haidilao Group will own the proprietary rights, and the Group and its contract manufacturers will be entitled to use such upgraded formulas for production of Haidilao Customized Products. Such upgrades are adjustments to, or derivatives of, the Haidilao Group Formulas owned by the Haidilao Group rather than standalone formulas, and the requirement for the upgrade, its technical direction and the core solution are generally initiated and led by the Haidilao Group, with the Group responsible for technical implementation and the related blending and processing work. In relation to the sales of products which will be produced with such upgraded formulas, and in accordance with the Haidilao Master Sales Agreement, a supplemental agreement will be entered into by the parties to confirm that the upgraded formulas are a result of joint efforts of the Haidilao Group and the Group.

For any upgrades and developments in the Haidilao Group Formulas made through the Group's own efforts, the Group will own the proprietary rights of such upgraded formulas unless otherwise agreed between the parties. If the Group agrees to supply any product which will be produced with such upgraded formulas to the Haidilao Group, in accordance with the Haidilao Master Sales Agreement, a supplemental agreement will be entered into by the parties to confirm that the upgraded formulas are a result of the Group's own efforts and to confirm the usage of such upgraded formulas.

(b) Sale of Haidilao General Products

Pursuant to the terms of the Haidilao Master Sales Agreement, the Group is the supplier of the Haidilao General Products to the Haidilao Group for display and sales to consumers in the restaurant business operated by the Haidilao Group and on the online platforms of the Haidilao Group. Haidilao General Products are manufactured with the Group's own formulas. The Haidilao Group is not permitted to consign or resell the Group's products to any third party distributor.

Sale of Haidilao General Products will be made on the basis of individual orders specifying the type of product, purchase volume and delivery date, etc. The sales price of Haidilao General Products shall be determined based on the pricing policy as set out below.

Pricing basis

The sale prices of Haidilao Customized Products and Haidilao General Products are determined by the parties with reference to a number of factors as stated below. If there is any change in pricing policy in the future, the Group shall fully comply with the relevant requirements under Chapter 14A of the Listing Rules (if applicable).

The Group prices its sales of products to connected persons by applying one of two methods, depending on whether comparable products are available in the market: (i) for general products and customized products for which comparable products of the same type are available in the market, the Group adopts market-based pricing under the comparable uncontrolled price method, under which the price is determined with reference to market pricing materials, being the prevailing market price and historical selling price of the same or similar products sold to independent third parties; and (ii) for customized products exclusive to the connected person for which no comparable market price is publicly available, the Group adopts the transactional net margin method, under which the price is determined with reference to unit manufacturing cost, the net profit margin of comparable transactions with independent third parties and the applicable income tax rate.

Accordingly, the sale prices of Haidilao Customized Products and Haidilao General Products shall be determined by the parties after arm's length negotiations with reference to (i) the historical sales price, (ii) the composition of the Group's costs and expenses, including the cost of raw materials, selling and administrative expenses, incurred in connection with the relevant products, (iii) the Group's estimated net profit margin through sales to independent third parties and (iv) the prevailing market price of comparable products transacted with independent third parties, ascertained by obtaining and comparing quotations from no fewer than two independent counterparties, and with reference to the respective internal policies of the Company and Haidilao on the management of connected transactions. Any adjustment to the sale prices must be agreed between the parties, and the final terms of the transactions shall be no less favourable than those available from independent third parties.

Payment terms

Fees payable under the Haidilao Master Sales Agreement will be billed on a monthly basis, following the delivery of products and issuance of delivery invoices by the Group, or otherwise in a timely and appropriate manner according to the terms agreed by both parties.

Historical amounts

The table below sets forth the historical amounts for the sales to the Haidilao Group under the Existing Haidilao Master Sales Agreement for the two years ended 31 December 2025 and the six months ended 30 June 2026 and the annual cap for the year ending 31 December 2026:

	For the year ended 31 December 2024 <i>(RMB'000)</i>	For the year ended 31 December 2025 <i>(RMB'000)</i>	For the six months ended 30 June 2026 <i>(RMB'000)</i> <i>(unaudited)</i>	Annual cap for the year ending 31 December 2026 <i>(RMB'000)</i>
Sales to the Haidilao Group	<u>1,840,877</u>	<u>1,684,374</u>	<u>925,581</u>	<u>3,990,000</u>

As at the date of this announcement, the actual transaction amount has not exceeded the annual cap for the year ending 31 December 2026.

Proposed annual caps and basis of determination

The Company estimates that the annual caps for the Haidilao Master Sales Agreement for the three years ending 31 December 2029 are as follows:

	For the year ending 31 December		
	2027 <i>(RMB'000)</i>	2028 <i>(RMB'000)</i>	2029 <i>(RMB'000)</i>
Sales to the Haidilao Group	<u>2,340,000</u>	<u>2,820,000</u>	<u>3,450,000</u>

In arriving at the above proposed annual caps, the Group has taken into account the following factors:

- (i) the historical transaction amounts with the Haidilao Group for the two years ended 31 December 2025 and the six months ended 30 June 2026, as set out above. Taking into account the actual transaction amount for the six months ended 30 June 2026, as adjusted for seasonal fluctuations and the incremental purchases attributable to restaurants opened during the year, the Company has estimated the transaction amount for the year ending 31 December 2026, which serves as the base period for determining the proposed annual caps for the three years ending 31 December 2029. The growth applied to the base period transaction amount in determining the proposed annual caps for the three years ending 31 December 2029 reflects principally the expected growth in the Haidilao Group's business estimated by segment and the other factors as described in paragraphs (ii) to (iv) below;
- (ii) the expected growth in the Haidilao Group's business, which underpins the growth applied to the base period transaction amount referred to in paragraph (i) above, estimated by reference to (a) the expected steady growth of the Haidilao Group's hot pot restaurant business for each of the three years ending 31 December 2029, driven by the planned opening of new hot pot restaurants and the resulting increase in guest traffic; (b) the expected relatively rapid growth in revenue from its restaurants operated under other brands, driven by the launch of new brands and the opening of new restaurants; and (c) the expected relatively rapid growth and market potential of its delivery business, which has entered a phase of rapid development in line with the expansion of the food delivery market in the PRC;
- (iii) the enhancement of the Group's supply capacity and the continuous development and launch of new products by the Group; and
- (iv) the substantial scale of the domestic demand market in the PRC and the broad market prospects of the catering industry, including the strong growth and extensive market potential of the Haidilao Group's delivery business in line with the expansion of the food delivery market in the PRC.

Shareholders should note that the above proposed annual caps should not be construed as an assurance or forecast by the Company of the future financial performance of the Group under the terms of the Haidilao Master Sales Agreement.

Reasons for and benefits of entering into the Haidilao Master Sales Agreement

The principal activities of the Group are researching and developing, manufacturing, distributing and selling high-quality hot pot soup flavoring, hot pot dipping sauce, compound condiment products and Convenient Ready-to-eat Food Products. The Haidilao Group operates the largest hot pot restaurant chain in Greater China, together with restaurants under its other brands. Being the supplier of hot pot soup flavoring products, hot pot dipping sauce products, compound condiment products and Convenient Ready-to-eat Food Products for the Haidilao Group in Greater China, the Group has benefited from working with the Haidilao Group. The Group has established a long-term and stable relationship with the Haidilao Group. Such relationship is fair and reasonable, beneficial for the stable operation and business expansion of the Group and in the interests of the Company and the Shareholders as a whole.

Listing Rules implications

Haidilao is held as to approximately 45.51% by Mr. Zhang and Ms. Shu, the Controlling Shareholders. Haidilao is therefore a connected person of the Company by virtue of being an associate of the Controlling Shareholders, and the sales transactions between the Group and the Haidilao Group constitute continuing connected transactions of the Company under the Listing Rules.

Since (i) the nature of products to be sold under the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement and the Shuhai Sales Agreement is similar and (ii) Haidilao, Super Hi and Shuhai Supply Chain are associates of Mr. Zhang (also being a Director) and Ms. Shu, the Controlling Shareholders, the transactions contemplated under the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement and the Shuhai Sales Agreement will be aggregated pursuant to Rule 14A.82(1) and Rule 14A.83 of the Listing Rules. Accordingly, the annual caps in respect of the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement and the Shuhai Sales Agreement are aggregated.

Since the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregated transactions are more than 5%, the transactions contemplated under the Haidilao Master Sales Agreement and the proposed annual caps for such transactions for each of the three years ending 31 December 2029 are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

2. SUPER HI MASTER SALES AGREEMENT

Date

26 October 2026

Parties

(1) the Company

(2) Super Hi

(each for itself and on behalf of its subsidiaries)

Term

The Super Hi Master Sales Agreement has an initial term of three years from 1 January 2027 to 31 December 2029.

Nature of transactions

(a) Sale of Super Hi Customized Products

During the term of the Super Hi Master Sales Agreement, the Group is the supplier of Super Hi Customized Products to the Super Hi Group for use in its restaurants outside Greater China. If the Group is unable to supply the quantity of the products demanded, or the quality of the Super Hi Customized Products supplied by the Group does not fulfill the specifications of the Super Hi Group, and the matter cannot be resolved within a reasonable period (not longer than 30 days) after negotiation between the parties, the Super Hi Group may engage other suppliers. Under the Super Hi Master Sales Agreement, the Group may engage contract manufacturers to produce Super Hi Customized Products.

Sale of Super Hi Customized Products will be made on the basis of individual orders specifying the type of product, purchase volume, sales price and delivery date, etc. The sales price of Super Hi Customized Products shall be determined based on the pricing policy as set out below.

The Super Hi Group owns the proprietary rights to the formulas of Super Hi Customized Products (the “**Super Hi Group Formulas**”) and licenses the Super Hi Group Formulas to the Group and its contract manufacturers to use for production on a royalty-free basis. The Group is subject to contractual obligations where it shall, and shall use reasonable efforts to procure its contract manufacturers to (i) keep confidential the Super Hi Group Formulas, and (ii) unless the Super Hi Group has given written consent, refrain from selling products that use these formulas to any other third parties.

For any upgrades and developments in the Super Hi Group Formulas made through the joint efforts of the Super Hi Group and the Group, the Super Hi Group will own the proprietary rights, and the Group and its contract manufacturers will be entitled to use such upgraded formulas for production of Super Hi Customized Products. Such upgrades are adjustments to, or derivatives of, the Super Hi Group Formulas owned by the Super Hi Group rather than standalone formulas, and the requirement for the upgrade, its technical direction and the core solution are generally initiated and led by the Super Hi Group, with the Group responsible for technical implementation and the related blending and processing work. In relation to the sales of products which will be produced with such upgraded formulas, and in accordance with the Super Hi Master Sales Agreement, a supplemental agreement will be entered into by the parties to confirm that the upgraded formulas are a result of joint efforts of the Super Hi Group and the Group.

For any upgrades and developments in the Super Hi Group Formulas made through the Group’s own efforts, the Group will own the proprietary rights of such upgraded formulas unless otherwise agreed between the parties. If the Group agrees to supply any product which will be produced with such upgraded formulas to the Super Hi Group, in accordance with the Super Hi Master Sales Agreement, a supplemental agreement will be entered into by the parties to confirm that the upgraded formulas are a result of the Group’s own efforts and to confirm the usage of such upgraded formulas.

(b) Sale of Super Hi General Products

During the term of the Super Hi Master Sales Agreement, the Group is the supplier of the Super Hi General Products to the Super Hi Group for display and sales to consumers in the restaurants of the Super Hi Group and on the online platforms of the Super Hi Group. Super Hi General Products are manufactured with the Group's own formulas. The Super Hi Group is not permitted to consign or resell the Group's products to any third party distributor.

Sale of Super Hi General Products will be made on the basis of individual orders specifying the type of product, purchase volume and delivery date, etc. The price of the Super Hi General Products shall be determined based on the pricing basis as set out below.

Pricing basis

The sale prices of Super Hi Customized Products and Super Hi General Products are determined by the parties with reference to a number of factors as stated below. If there is any change in pricing policy in the future, the Group shall fully comply with the relevant requirements under Chapter 14A of the Listing Rules (if applicable). The Group applies to its sales to the Super Hi Group the same pricing mechanism as that described under the sub-section headed "Pricing basis" in relation to the Haidilao Master Sales Agreement above.

Accordingly, the sale prices of Super Hi Customized Products and Super Hi General Products shall be determined by the parties after arm's length negotiations with reference to (i) the historical sales price, (ii) the composition of the Group's costs and expenses, including the cost of raw materials, selling and administrative expenses, incurred in connection with the relevant products, (iii) the Group's estimated net profit margin of similar transactions with independent third parties and (iv) the prevailing market price of comparable products transacted with independent third parties, ascertained by obtaining and comparing quotations from no fewer than two independent counterparties, and with reference to the respective internal policies of the Company and Super Hi on the management of connected transactions. Any adjustment to the sale prices must be agreed between the parties, and the final terms of the transactions shall be no less favourable than those available from independent third parties.

Payment terms

Fees payable under the Super Hi Master Sales Agreement will be made based on the purchase volume per order, or otherwise in a timely and appropriate manner according to the terms agreed by both parties. The maximum allowable credit period from receipt of products by the Super Hi Group to settlement is one month, according to the Company's policy.

Historical amounts

The table below sets forth the historical amounts for the sales to the Super Hi Group under the Existing Super Hi Master Sales Agreement for the two years ended 31 December 2025 and the six months ended 30 June 2026 and the annual cap for the year ending 31 December 2026:

	For the year ended 31 December 2024	For the year ended 31 December 2025	For the six months ended 30 June 2026	Annual cap for the year ending 31 December 2026
	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Sales to the Super Hi Group	123,122	136,045	72,967	355,000

As at the date of this announcement, the actual transaction amount has not exceeded the annual cap for the year ending 31 December 2026.

Proposed annual caps and basis of determination

The Company estimates that the annual caps for the Super Hi Master Sales Agreement for the three years ending 31 December 2029 are as follows:

	For the year ending 31 December		
	2027	2028	2029
	(RMB'000)	(RMB'000)	(RMB'000)
Sales to the Super Hi Group	197,700	239,990	282,010

In arriving at the above proposed annual caps, the Group has taken into account the following factors:

- (i) the historical transaction amounts with the Super Hi Group for the two years ended 31 December 2025 and the six months ended 30 June 2026, which, as set out above, were below the corresponding prescribed annual caps. Taking into account the actual transaction amount for the six months ended 30 June 2026, as adjusted for seasonal fluctuations and the incremental purchases attributable to restaurants opened during the year, the Company has estimated the transaction amount for the year ending 31 December 2026, which serves as the base period for determining the proposed annual caps for the three years ending 31 December 2029. The growth applied to the base period transaction amount in determining the proposed annual caps for each of the three years ending 31 December 2029 principally reflects the expected increase in the Super Hi Group's demand described in paragraph (ii) below, and also takes into account the other factors described in paragraphs (iii) to (vi) below;

- (ii) the estimated increase in the Super Hi Group's demand for Super Hi Customized Products, which underpins the growth referred to in paragraph (i) above, as a result of the expected (a) increase in the number of the Super Hi Group's restaurants, covering both its hot pot restaurants and the restaurants operated under its other brands, under its network expansion plan, (b) moderate growth in the customer flow and turnover rates of the Super Hi Group's restaurants, and (c) growth of the Super Hi Group's delivery business. The restaurant network of Super Hi expanded from 115 as at 31 December 2023 to 129 as at 30 June 2026 and is expected to continue to grow, including in the countries where the Super Hi Group has existing business operations and new markets to be entered whenever opportunities arise. As the scope and nature of the transactions remain substantially unchanged, the Super Hi Group's purchase requirements are positively correlated with, and are accordingly expected to grow broadly in line with, its business growth;
- (iii) the prevailing costs and expenses incurred by the Group in connection with the Super Hi Customized Products and Super Hi General Products, taking into account potential changes in the market environment, including fluctuations in the prices of raw materials, packaging materials, labor, energy, logistics and freight costs, foreign exchange rates, as well as inflation and changes in tariffs, taxes and other regulatory requirements in the relevant markets;
- (iv) the expected diversification in the types of Super Hi Customized Products;
- (v) the continuous enhancement of the Group's domestic and overseas supply capacity and the continuous development and launch of new products by the Group; and
- (vi) the strong growth and extensive market potential of the catering industry and the market of condiment products in the overseas markets in which the Super Hi Group operates.

Shareholders should note that the above proposed annual caps should not be construed as an assurance or forecast by the Company of the future financial performance of the Group under the terms of the Super Hi Master Sales Agreement.

Reasons for and benefits of entering into the Super Hi Master Sales Agreement

The principal activities of the Group are researching and developing, manufacturing, distributing and selling high-quality hot pot soup flavorings, hot pot dipping sauce, compound condiment products and Convenient Ready-to-eat Food Products. The Super Hi Group is a self-operated restaurant brand, primarily serving Haidilao hot pot in the international market outside Greater China. Being the supplier of hot pot soup flavoring products, hot pot dipping sauce products, compound condiment products and Convenient Ready-to-eat Food Products for the Super Hi Group outside Greater China, the Group has benefited from working with the Super Hi Group.

The Group has established a long-term, stable and mutually beneficial business relationship with the Super Hi Group. Such relationship is fair and reasonable, beneficial for the stable operation and business expansion of the Group and in the interests of the Company and the Shareholders as a whole.

Listing Rules implications

Super Hi is held as to approximately 43.02% by Mr. Zhang and Ms. Shu. Super Hi is therefore a connected person of the Company by virtue of being an associate of the Controlling Shareholders of the Company, and the sales transactions between the Group and the Super Hi Group constitute continuing connected transactions of the Company under the Listing Rules.

Since (i) the nature of products to be sold under the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement and the Shuhai Sales Agreement is similar and (ii) Haidilao, Super Hi and Shuhai Supply Chain are associates of Mr. Zhang (also being a Director) and Ms. Shu, the Controlling Shareholders, the transactions contemplated under the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement and the Shuhai Sales Agreement will be aggregated pursuant to Rule 14A.82(1) and Rule 14A.83 of the Listing Rules. Accordingly, the annual caps in respect of the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement and the Shuhai Sales Agreement are aggregated.

Since the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregated transactions are more than 5%, the transactions contemplated under the Super Hi Master Sales Agreement and the proposed annual caps for such transactions for each of the three years ending 31 December 2029 are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

3. SHUHAI SALES AGREEMENT

Date

26 October 2026

Parties

(1) the Company

(2) Shuhai Supply Chain

(each for itself and on behalf of its subsidiaries)

Term

The Shuhai Sales Agreement has an initial term of three years from 1 January 2027 to 31 December 2029.

Nature of transactions

Pursuant to the terms of the Shuhai Sales Agreement, the Group will supply Shuhai Customized Products and Shuhai Retail Products to the Shuhai Supply Chain Group. Shuhai Customized Products will be sold and distributed by Shuhai Supply Chain Group to its customers who are catering service clients.

The sales price of the Shuhai Customized Products and Shuhai Retail Products shall be determined based on the pricing policy as set out below. Sales of the Shuhai Customized Products and Shuhai Retail Products will be made on the basis of individual orders specifying the type of product, purchase volume and delivery date, etc.

Pricing basis

The sales price of Shuhai Customized Products and Shuhai Retail Products shall be determined by the parties with reference to a number of factors, details of which are further disclosed below. If there is any change in pricing policy in the future, the Group shall fully comply with the relevant requirements under Chapter 14A of the Listing Rules (if applicable). The Group applies to its sales to the Shuhai Supply Chain Group the same pricing mechanism as that described under the sub-section headed “Pricing basis” in relation to the Haidilao Master Sales Agreement above.

(a) Sale of Shuhai Customized Products

In respect of the Shuhai Customized Products, the sales price shall be determined by the parties after arm’s length negotiations with reference to (i) historical sales price, (ii) the Group’s estimated net profit margin of similar transactions with independent third parties, (iii) the composition of the Group’s costs and expenses, including the cost of raw materials, selling and administrative expenses, incurred in connection with the relevant products, and (iv) the prevailing market price of comparable similar products transacted with independent third parties, ascertained by obtaining and comparing quotations from no fewer than two independent counterparties. The final terms of the transactions shall be no less favourable than those available from independent third parties.

(b) Sale of Shuhai Retail Products

In respect of the Shuhai Retail Products, the sales price shall be consistent with the pricing policy for similar products the Group offers to independent third party distributors and shall be determined by the parties after arm's length negotiations with reference to (i) the composition of the Group's costs and expenses, including the cost of raw materials, selling and administrative expenses, incurred in connection with the relevant products, and (ii) the prevailing market price of similar products transacted with independent third parties, ascertained by obtaining and comparing quotations from no fewer than two independent counterparties.

Payment terms

Payment shall be made by Shuhai Supply Chain Group on a monthly basis following the delivery of products and the Group's issuance of delivery invoices.

Historical amounts

The table below sets forth the historical amounts for the sales to the Shuhai Supply Chain Group under the Existing Shuhai Sales Agreement for the two years ended 31 December 2025 and the six months ended 30 June 2026 and the annual cap for the year ending 31 December 2026:

	For the year ended 31 December 2024 <i>(RMB'000)</i>	For the year ended 31 December 2025 <i>(RMB'000)</i>	For the six months ended 30 June 2026 <i>(RMB'000)</i> <i>(unaudited)</i>	Annual cap for the year ending 31 December 2026 <i>(RMB'000)</i>
Sales to the Shuhai Supply Chain Group	9,894	10,638	2,711	134,000

As at the date of this announcement, the actual transaction amount has not exceeded the annual cap for the year ending 31 December 2026.

Proposed annual caps and basis of determination

The Company estimates that the annual caps for the Shuhai Sales Agreement for the three years ending 31 December 2029 are as follows:

	For the year ending 31 December		
	2027 <i>(RMB'000)</i>	2028 <i>(RMB'000)</i>	2029 <i>(RMB'000)</i>
Sales to the Shuhai Supply Chain Group	30,000	50,000	80,000

In arriving at the above proposed annual caps, the Group has taken into account the following factors:

- (i) historical sales of Shuhai Customized Products and Shuhai Retail Products by the Group to the Shuhai Supply Chain Group, including sales volumes and sales prices. Taking into account the actual transaction amount for the six months ended 30 June 2026, as adjusted for seasonal fluctuations, the Company has estimated the transaction amount for the year ending 31 December 2026, which serves as the base period for determining the proposed annual caps for the three years ending 31 December 2029. The growth applied to the base period transaction amount reflects the factors described in paragraphs (ii) to (v) below;
- (ii) the existing business volume and scale of the Shuhai Supply Chain Group, whose continuously broadening customer channels, steadily growing end-market demand and ongoing supply chain expansion have supported sound growth momentum in the new product categories taken on by the Group during the year. The growth referred to in paragraph (i) above is underpinned by a three-year plan adopted by the Group, under which: (a) the year ending 31 December 2027 will be a consolidation phase. The Shuhai Supply Chain Group has substantial procurement demand for spices and oils and fats, of which the Group currently supplies less than 1%. Backed by its strong supply capabilities in spices and oils and fats as described in paragraph (iii) below, the Group expects significant growth in its supply of these products in 2027 from a low base. To capture this demand, the Group will (1) increase the penetration of its core products among existing customers through higher repurchase rates and purchase frequency; (2) expand the number of stock keeping units (“SKUs”) supplied to the Shuhai Supply Chain Group from 12 at present to nearly 40, with the new SKUs comprising product categories that have been validated by the Shuhai Supply Chain Group as having strong customer demand and favorable market feedback, and which are therefore expected to achieve a higher revenue growth rate than the existing SKUs; and (3) shorten its customization delivery cycle to within two weeks, which is expected to increase its annual customization business volume by at least 75%. Together, these measures will establish the product and customer base underlying the proposed annual cap for that year; (b) the year ending 31 December 2028 will be a rapid development phase, during which the Group targets a doubling of the number of customers served, the launch of two to three new products each quarter and the expansion of its hot pot soup base product specifications to serve different customer requirements; and (c) the year ending 31 December 2029 will be a scale leadership phase, during which the Group targets full category coverage across spices, compound condiments, hot pot soup bases and customized products, together with breakthroughs with key accounts, enabling it to provide one-stop seasoning procurement solutions to catering customers;

- (iii) the Group's established, stable and reliable supply capabilities. The Shuhai Supply Chain Group has substantial procurement demand for spices and oils and fats as described in paragraph (ii) above. Leveraging the integrated production, research and development and sales system of its spice factory and oils and fats factory, the Group is able to rapidly develop and customise spice and oils and fats products to meet such demand. The spice factory has established mechanisms for place-of-origin traceability, dynamic optimisation of quality indicators and competitive supplier selection, and is equipped with specialised production equipment, a dedicated procurement team and a visualised quality management system. Together, these capabilities ensure supply stability, product consistency and responsiveness, and provide the Group with a cost advantage, enabling it to supply the Shuhai Supply Chain Group with high-quality products in sufficient volumes on competitive terms;
- (iv) (a) the Group's continuously broadening product supply matrix and efficient product research and development capabilities, which enable the Group to continue to deliver highly adaptable and high-quality products (such as spices, oils and fats, and compound condiments) with substantial market potential; and (b) the Shuhai Supply Chain Group's large and continuously broadening customer base, which, together with the Group's expanded product range, will enable the Group to further reach the existing customers of the Shuhai Supply Chain Group and expand its customer coverage, as a result of which the demand for Shuhai Customized Products and Shuhai Retail Products is expected to increase significantly, leading to a further increase in the Group's revenue from sales to the Shuhai Supply Chain Group; and
- (v) the prevailing costs and expenses incurred by the Group in connection with the Shuhai Customized Products and Shuhai Retail Products.

Shareholders should note that the above proposed annual caps should not be construed as an assurance or forecast by the Company of the future financial performance of the Group under the terms of the Shuhai Sales Agreement.

Reasons for and benefits of entering into the Shuhai Sales Agreement

Shuhai Supply Chain is a service provider focusing on catering supply chain solutions, with over 20 years of industry experience. Shuhai Supply Chain is primarily engaged in the supply of food ingredients and provision of storage and logistics services to catering service providers. Its extensive client network increases consumer exposure to the Group's products and promotes the brand image of the Group.

There are currently 39 companies under the Shuhai Supply Chain Group, which operate in over 40 key cities in the PRC and serve more than 5,000 catering clients. The Company's understanding of Shuhai Supply Chain's future business plans is to expand both the PRC and overseas markets by increasing their customer base and offering a wider variety of food and beverage. Accordingly, the transactions contemplated under the Shuhai Sales Agreement could benefit the Group by expanding its existing product scope and existing business through the client network of Shuhai Supply Chain.

Listing Rules implications

As stated in “ — Shuhai Purchase Agreement — Listing Rules implications” above, Shuhai Supply Chain is a connected person of the Company by virtue of being an associate of Mr. Zhang and Ms. Shu, the Controlling Shareholders, and the transactions contemplated under the Shuhai Sales Agreement constitute continuing connected transactions of the Company under the Listing Rules.

Since (i) the nature of products to be sold under the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement and the Shuhai Sales Agreement is similar and (ii) Haidilao, Super Hi and Shuhai Supply Chain are associates of Mr. Zhang (also being a Director) and Ms. Shu, the Controlling Shareholders, the transactions contemplated under the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement and the Shuhai Sales Agreement will be aggregated pursuant to Rule 14A.82(1) and Rule 14A.83 of the Listing Rules. Accordingly, the annual caps in respect of the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement and the Shuhai Sales Agreement are aggregated.

Since the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregated transactions are more than 5%, the transactions contemplated under the Shuhai Sales Agreement and the proposed annual caps for such transactions for each of the three years ending 31 December 2029 are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

D. RENEWED CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF SALE AND PURCHASE OF PRODUCTS WITH JOINT VENTURE

1. Joint Venture Framework Sales and Purchase Agreements

Date

26 October 2026

Parties

(1) the Company

(2) Joint Venture

(each for itself and on behalf of its subsidiaries)

Term

The Joint Venture Framework Sales and Purchase Agreements are for an initial term of three years from 1 January 2027 to 31 December 2029.

Nature of transactions

Pursuant to the Joint Venture Framework Sales and Purchase Agreements, (a) the Company (for itself and on behalf of its subsidiaries, other than the Joint Venture and its subsidiaries) agreed to sell condiment products and other food products (e.g. casual snacks or semi-finished ingredients, etc.) to the Joint Venture and its subsidiaries primarily used as raw materials for the manufacture of Convenient Ready-to-eat Food Products; and (b) the Joint Venture (for itself and on behalf of its subsidiaries) agreed to sell Convenient Ready-to-eat Food Products (e.g. self-serving small hot pots, self-serving rice, brewed vermicelli and instant rice, etc.) to the Company and its subsidiaries (excluding the Joint Venture and its subsidiaries).

The quantities of (a) the condiment products and other food products to be sold to the Joint Venture and its subsidiaries; and (b) the Convenient Ready-to-eat Food Products to be sold to the Group, respectively, are not fixed under the Joint Venture Framework Sales and Purchase Agreements but are to be determined and agreed between the relevant parties from time to time.

During the current term of the Joint Venture Framework Sales and Purchase Agreements, the Company and the Joint Venture may enter into separate agreements from time to time in respect of the sale of the condiment products and other food products and the purchase of the Convenient Ready-to-eat Food Products upon and subject to the terms and conditions in compliance with the Joint Venture Framework Sales and Purchase Agreements.

Pricing basis

The sales prices of condiment products and other food products (e.g. casual snacks or semi-finished ingredients, etc.) and the purchase price of the Convenient Ready-to-eat Food Products shall be determined by the parties with reference to a number of factors, details of which are further disclosed below. Any adjustment to the aforementioned prices must be agreed by both parties after one party gives prior written notice one month in advance.

(a) Sale of condiment products and other food products

As comparable products of the same or similar category are available in the market for condiment products and other food products, these sales are priced under the market-based pricing method described under the sub-section headed “Pricing basis” in relation to the Haidilao Master Sales Agreement above. Accordingly, the sales price of condiment products and other food products (e.g. casual snacks or semi-finished ingredients, etc.) shall be determined by the parties after arm’s length negotiations with reference to (i) the prevailing costs and expenses incurred by the Group in connection with the relevant products, and (ii) the prevailing market price of similar products sold by comparable companies, ascertained by reference to the prices of two independent third parties. The sales price of condiment products and other food products to the Joint Venture and its subsidiaries shall not be less favourable than the sales price to independent third parties.

(b) Purchase of Convenient Ready-to-eat Food Products

The Group prices these purchases on a cost-plus basis, under which cost is marked up by a gross profit margin determined by reference to prevailing market levels, with the relevant freight costs borne by the seller. Accordingly, the purchase price of Convenient Ready-to-eat Food Products shall be determined by the parties after arm’s length negotiations with reference to (i) the cost, including the cost of raw materials, and selling and administrative expenses incurred by the Joint Venture in connection with the Convenient Ready-to-eat Food Products, and (ii) the prevailing market price of similar products, ascertained by reference to the quotations from no fewer than two independent counterparties. The purchase price of Convenient Ready-to-eat Food Products shall not be less favourable than the quotations obtained from independent third parties.

Payment terms

Fees payable under the Joint Venture Framework Sales and Purchase Agreements will be billed in a timely and appropriate manner (i.e. within one month after the product delivery according to the Company’s policy) according to terms agreed by both parties and settled within the following month.

Historical amounts

The table below sets forth the historical amounts for the sales of condiment products to the Joint Venture and the purchase of Convenient Ready-to-eat Food Products under the Existing Joint Venture Framework Sales and Purchase Agreements for the two years ended 31 December 2025 and the six months ended 30 June 2026, and the annual cap for the year ending 31 December 2026:

	For the year ended 31 December 2024 <i>(RMB'000)</i>	For the year ended 31 December 2025 <i>(RMB'000)</i>	For the six months ended 30 June 2026 <i>(RMB'000)</i> <i>(unaudited)</i>	Annual cap for the year ending 31 December 2026 <i>(RMB'000)</i>
Sale of condiment products and other food products (e.g. casual snacks or semi-finished ingredients, etc.)	124,257	158,751	74,453	524,000
Purchase of Convenient Ready-to-eat Food Products	117,996	137,481	85,844	238,000
Total	242,253	296,232	160,297	762,000

As at the date of this announcement, the actual transaction amount has not exceeded the annual cap for the year ending 31 December 2026.

Proposed annual caps and basis of determination

The Company estimates that the caps for the Joint Venture Framework Sales and Purchase Agreements for the three years ending 31 December 2029 are as follows:

	For the year ending 31 December		
	2027 <i>(RMB'000)</i>	2028 <i>(RMB'000)</i>	2029 <i>(RMB'000)</i>
Sale of condiment products and other food products (e.g. casual snacks or semi-finished ingredients, etc.)	244,125	280,744	322,856
Purchase of Convenient Ready-to-eat Food Products	246,920	283,958	326,551
Total	491,045	564,702	649,407

Given the different nature, use and underlying demand of the two categories of transactions, the Company has adopted a different forecast basis for each. The proposed annual caps for the sale of condiment products and other food products are determined by reference to the aggregate sales of Convenient Ready-to-eat Food Products by the Joint Venture and its subsidiaries to their customers generally, including the Group, while the proposed annual caps for the purchase of Convenient Ready-to-eat Food Products are determined by reference to the Group's own external sales of those products.

For each category, the Company has taken the estimated transaction amount for the year ending 31 December 2026 as the base period for estimating the proposed annual caps for the three years ending 31 December 2029. The base period amount was derived from the actual transaction amount of that category for the six months ended 30 June 2026, having regard to the historical transaction amounts for the two years ended 31 December 2025 and the six months ended 30 June 2026, and adjusted upward to reflect the expected higher transaction amount for the second half of 2026, mainly due to seasonally higher demand during the peak holiday period, more intensive holiday marketing campaigns and a full-period contribution from newly launched products. On this basis, expected growth rates of approximately 16%, 15% and 15% have been applied to each base period for the three years ending 31 December 2029. Although the same growth rates apply to both categories, the sales scale, source of demand and base period amount for each are different. The growth rates reflect principally the expected growth of the convenient ready-to-eat food business, together with the other factors described below.

i. Sale of condiment products and other food products

The proposed annual caps for the sale of condiment products and other food products are determined by reference to the overall sales scale of the Convenient Ready-to-eat Food Products of the Joint Venture and its subsidiaries and their corresponding raw material requirements. Those products are sold not only to the Group but also to other distributors and independent customers, and the demand of the Joint Venture and its subsidiaries for condiment products and other food products therefore depends on the overall production and sales scale of their convenient ready-to-eat food business, rather than only on the amount purchased from them by the Group. The Group has supplied condiment products to the Joint Venture for the production of Convenient Ready-to-eat Food Products since its establishment in September 2017.

The Joint Venture produces, or purchases from the Shuhai Supply Chain Group and/or other independent third parties, certain food ingredients, and combines them with condiments into packs of Convenient Ready-to-eat Food Products for sale to the Group, related parties, other independent distributors and independent customers. As it continues to launch new products, the Joint Venture will correspondingly increase its procurement of condiment products and food ingredients from the Group, the Shuhai Supply Chain Group and/or other independent suppliers.

In forecasting the growth of that business and the related raw material requirements, the Group has taken into account the following factors:

- (i) the Group's market demand-driven approach of enriching its product portfolio and optimizing its product price bands, and advancing product iteration and new product launches in an orderly manner, with high-growth products expected to continue to drive the overall growth of the Convenient Ready-to-eat Food Products business;
- (ii) the development of products tailored to the customization requirements of different sales channels and to consumer-end and business-end demand, which continues to expand the Group's market coverage; and
- (iii) the continuing enhancement of the Group's supply capacity and the gradual release of its production capacity advantages.

While revenue from Convenient Ready-to-eat Food Products has fluctuated in recent years, the Group considers that the category retains substantial development potential. During 2023 and 2024, the industry entered a period of adjustment following the recovery of food delivery services and the concentrated release of at-home consumption demand from 2020 to 2022, and the Group responded by expanding into lower price tiers and enriching its product lines to reduce reliance on any single category. Since 2025, the pace of market consolidation has stabilized and the Group has completed the restructuring of its product portfolio and pricing system: Small Hot Pot Products have consolidated their existing markets while expanding into lower-tier markets, self-serving rice products have stabilized following process improvements, and value-for-money convenient food products have formed a new growth driver. The Group has established a product portfolio spanning multiple price bands with coordinated development across categories, supported by process improvements, channel expansion, brand equity and flavour research and development capabilities, and considers that the business has emerged from the trough of the adjustment period and is expected to enter a new round of growth as its product and business mix is optimized.

ii. Purchase of Convenient Ready-to-eat Food Products

The Convenient Ready-to-eat Food Products purchased by the Group from the Joint Venture and its subsidiaries are primarily resold through the Group's online platforms. The proposed annual caps for these purchases are accordingly determined by reference to the Group's own external sales of those products and the expected sales demand on its online platforms, rather than the overall sales scale of the convenient ready-to-eat food business of the Joint Venture and its subsidiaries. In determining these proposed annual caps, the Group has applied the forecast base period and expected growth rates for this category described above, and has taken into account the following factors:

- (i) the prevailing market price of similar products;
- (ii) current costs and expenses incurred by the Joint Venture and its subsidiaries in connection with the production of Convenient Ready-to-eat Food Products; and
- (iii) the expected sales demand for Convenient Ready-to-eat Food Products on the Group's online platforms.

The Group adheres to a market demand-driven approach to product research and development and a strategy of autonomous product selection by its sales teams, deepening product iteration and category expansion to drive the optimization of its product portfolio and its ability to match market needs. With the continuous launch of new products, the Group generated revenue from Convenient Ready-to-eat Food Products of approximately RMB1,387.1 million, RMB1,604.7 million, RMB1,564.1 million and RMB793.7 million for each of the three years from 2023 to 2025 and the six months ended 30 June 2026, respectively, and will continue to develop further categories of Convenient Ready-to-eat Food Products to meet consumers' increasing demands for diversified usage scenarios.

Shareholders should note that the above proposed annual caps should not be construed as an assurance or forecast by the Company of the future financial performance of the Group under the terms of the Joint Venture Framework Sales and Purchase Agreements.

Reasons for and benefits of entering into the Joint Venture Framework Sales and Purchase Agreements

Convenient Ready-to-eat Food Products are convenient products that can be sold through both online and offline sales channels.

By selling condiment products and other food products (e.g. casual snacks or semi-finished ingredients, etc.) to the Joint Venture and its subsidiaries, the Company can further improve customer satisfaction with the Convenient Ready-to-eat Food Products to be manufactured by the Joint Venture and its subsidiaries.

The Group's sale of the products of the Joint Venture and its subsidiaries to the clients through its specific channels such as the Group's Tmall flagship store can further boost the sale of the Convenient Ready-to-eat Food Products, and thus increase the profitability of the Company.

Listing Rules implications

The Joint Venture is currently a 60%-owned non-wholly-owned subsidiary of the Company. As the Joint Venture is owned as to 40% by Xinpai (Shanghai) Catering Management Co., Ltd.* (新派(上海)餐飲管理有限公司) (“**Xinpai Shanghai**”), which is a wholly-owned subsidiary of Haidilao, and Mr. Zhang and Ms. Shu, the Controlling Shareholders, are also the controlling shareholders of Haidilao, the Joint Venture is therefore a connected subsidiary of the Company. Accordingly, the transactions contemplated under the Joint Venture Framework Sales and Purchase Agreements constitute continuing connected transactions of the Company for the purpose of the Listing Rules.

Since the sales of condiment products and other food products (e.g. casual snacks or semi-finished ingredients, etc.) to the Joint Venture primarily used as raw materials for the manufacture of Convenient Ready-to-eat Food Products and the subsequent purchase of Convenient Ready-to-eat Food Products are related, the sales and purchase transactions as contemplated under the Joint Venture Framework Sales and Purchase Agreements will be aggregated and treated as if they were one transaction pursuant to Rule 14A.82(1) and Rule 14A.83 of the Listing Rules. Accordingly, the annual caps in respect of (i) sales of condiment products and other food products; and (ii) purchase of Convenient Ready-to-eat Food Products are aggregated.

Since the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the proposed annual caps in respect of the transactions contemplated under the Joint Venture Framework Sales and Purchase Agreements are more than 5%, the transactions and the proposed annual caps for each of the three years ending 31 December 2029 are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

E. NEW CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF STORAGE AND LOGISTICS SERVICES

1. SHUHAI FRAMEWORK STORAGE AND LOGISTICS SERVICE AGREEMENT

Date

26 October 2026

Parties

(1) the Company

(2) Shuhai Supply Chain

(each for itself and on behalf of its subsidiaries)

Term

The Shuhai Framework Storage and Logistics Service Agreement has a term from 26 October 2026, being the date of the agreement, to 31 December 2028.

Nature of transactions

Pursuant to the terms of the Shuhai Framework Storage and Logistics Service Agreement, Shuhai Supply Chain Group will provide the Group with (i) warehousing and storage services in respect of the Group's products at its central warehouses, including warehouse storage, inbound and outbound handling, sorting, scanning, first-in-first-out inventory management, stock-taking and inventory data reporting; and (ii) logistics services for the Group's products from the Group's factories to the warehouses designated by the customers. Services will be provided according to the Group's requirements from time to time and the volume of services is not fixed under the agreement. The service fees shall be determined based on the pricing policy as set out below.

Pricing basis

The service fees payable under the Shuhai Framework Storage and Logistics Service Agreement are determined by the parties with reference to a number of factors as stated below. If there is any change in pricing policy in the future, the Group shall fully comply with the relevant requirements under Chapter 14A of the Listing Rules (if applicable).

The service fees payable under the Shuhai Framework Storage and Logistics Service Agreement, comprising warehousing and storage fees and logistics fees, shall be charged in accordance with the rate schedule annexed to the agreement, which shall remain fixed throughout the term of the agreement, subject to the adjustment mechanism described below. The rate schedule specifies (i) a basic service fee covering ambient storage, inbound and outbound handling, loading and unloading, order management and packaging materials, (ii) a surcharge for inventory held beyond an agreed turnover period during non-business days, and (iii) transportation rates expressed in RMB per tonne for each delivery route, graduated by consignment weight band.

The rates were determined through commercial negotiations between the parties with reference to, among others, (i) the rates charged by the Shuhai Supply Chain Group for similar services provided to independent third parties, and (ii) the prevailing market rates for similar services, ascertained by obtaining and comparing quotations from no fewer than two independent third party service providers. The service fees shall not be less favourable to the Group than the quotations obtained from independent third party service providers. In the event of policy changes or material changes in market conditions acknowledged by both parties, the parties may negotiate and agree new fee rates, which must be documented by way of a supplemental agreement, must continue to comply with the pricing principles described above and must not cause the transaction amounts to exceed the applicable annual caps.

Payment terms

Shuhai Supply Chain Group shall deliver its invoices, together with other required documents, to the Company by the 20th day of the month following the month in which the services are provided. Following verification by the Company's finance department, payment shall be made by the Company by telegraphic transfer on or before the 25th day of that month in respect of the fees incurred in the preceding month.

Historical amounts

The actual transaction amounts in respect of the Existing Logistics Transactions for the two years ended 31 December 2025 and the six months ended 30 June 2026 were as follows:

For the year ended 31 December 2024	For the year ended 31 December 2025	For the period from 1 January 2026 to 30 June 2026
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
—	1,171	948

Proposed annual caps and basis of determination

The Company estimates that the annual caps for the Shuhai Framework Storage and Logistics Service Agreement for each of the three years ending 31 December 2028 are as follows:

For the year ending 31 December 2026 ⁽¹⁾	For the year ending 31 December 2027	For the year ending 31 December 2028
<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
12,000	37,000	42,000

Note:

- (1) The annual cap for the year ending 31 December 2026 covers the whole of that financial year and comprises (i) the service fees of approximately RMB0.95 million incurred in respect of the Existing Logistics Transactions during the period from 1 January 2026 to 30 June 2026 and (ii) the service fees estimated to be payable in respect of the period from 1 July 2026 to 31 December 2026.

In arriving at the above proposed annual caps, the Group has taken into account the following factors:

- (i) the historical amounts in respect of the Existing Logistics Transactions for the two years ended 31 December 2025 and the period from 1 January 2026 to 30 June 2026, as set out above. Those amounts were relatively small as they related solely to logistics services procured from time to time on an as-needed basis, and did not include the warehousing and storage services to be provided under the new standardised delivery model. As the Group will consolidate its storage and delivery requirements with the Shuhai Supply Chain Group under the standardised delivery model, the volume of services, and accordingly the transaction amounts, is expected to increase significantly compared with the historical amounts;
- (ii) the expected volume of the Group's products to be stored at and distributed through the central warehouses, measured by the number of items and tonnage handled and estimated based on the order volumes of the Group's major customers;
- (iii) the unit rates set out in the rate schedule annexed to the Shuhai Framework Storage and Logistics Service Agreement, including the basic service fee, the surcharge applicable to inventory held beyond the agreed turnover period, and the transportation rates applicable to each delivery route and consignment weight band; and
- (iv) a reasonable buffer to accommodate seasonal peaks in storage and delivery volumes, in particular during the winter months and the Chinese New Year and other festive periods, when demand for the Group's products is higher and inventory is more likely to be held beyond the agreed turnover period, and the Group's continuing launch of new products.

Shareholders should note that the above proposed annual caps should not be construed as an assurance or forecast by the Company of the future financial performance of the Group under the terms of the Shuhai Framework Storage and Logistics Service Agreement.

Reasons for and benefits of entering into the Shuhai Framework Storage and Logistics Service Agreement

To better serve its major customers, the Group intends to adopt a standardised delivery model and, in addition to the logistics services currently procured, will engage the Shuhai Supply Chain Group to provide warehousing and storage services. Under this model, the Group's products will be allocated from central warehouses and then distributed on a regional basis, which is expected to allow the Group to apply consistent delivery standards across regions, shorten delivery times, improve inventory turnover and reduce the costs associated with fragmented, *ad hoc* deliveries.

Shuhai Supply Chain is a service provider focusing on catering supply chain solutions, with over 20 years of industry experience, and is primarily engaged in the supply of food ingredients and the provision of storage and logistics services to catering service providers. Shuhai Supply Chain Group operates a national network of logistics centres with cold chain capability, which better ensures the safety of food storage and the timeliness of delivery. In respect of logistics services, Shuhai Supply Chain Group's regional distribution centres cover the principal economic regions in the PRC, enabling the Group to reach its customers nationwide within agreed delivery timeframes, and its order tracking system supports the Group's inventory management and customer service. Its service fees are charged on the basis of a standard rate schedule covering both storage and delivery and, as described above, are no less favourable to the Group than the quotations obtained from independent third party service providers. As a dedicated supply chain service provider, the Shuhai Supply Chain Group has extensive experience in warehousing and delivery for catering customers, including Haidilao, and is familiar with their goods receipt standards, goods acceptance specifications and inbound warehousing procedures. Using its services can therefore effectively reduce delivery exceptions and complaints from the Group's major customers and better ensure stability of supply.

Having considered the relevant expertise of Shuhai Supply Chain Group and the service fees charged, which are no less favourable to the Group than those available from independent third party service providers, the Directors consider the Shuhai Framework Storage and Logistics Service Agreement to be consistent with the business and commercial objectives of the Company and that the Group can benefit from the co-operation with the Shuhai Supply Chain Group.

Listing Rules implications

As stated in “ — Shuhai Purchase Agreement — Listing Rules implications” above, Shuhai Supply Chain is a connected person of the Company by virtue of being an associate of Mr. Zhang and Ms. Shu, the Controlling Shareholders, and the transactions contemplated under the Shuhai Framework Storage and Logistics Service Agreement constitute continuing connected transactions of the Company under the Listing Rules.

Prior to the effective date of the Shuhai Framework Storage and Logistics Service Agreement, the Group procured logistics services from the Shuhai Supply Chain Group from time to time on an as-needed basis. As all the applicable percentage ratios in respect of the Existing Logistics Transactions were less than 0.1%, such transactions were fully exempt from the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements pursuant to Rule 14A.76(1)(a) of the Listing Rules.

Since the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the proposed annual caps under the Shuhai Framework Storage and Logistics Service Agreement are more than 0.1% but less than 5%, the Shuhai Framework Storage and Logistics Service Agreement, the transactions contemplated thereunder and the proposed annual caps for each of the three years ending 31 December 2028 are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Although both the Shuhai Purchase Agreement and the Shuhai Framework Storage and Logistics Service Agreement are entered into with Shuhai Supply Chain, the transactions thereunder are not aggregated under Rules 14A.81 and 14A.82 of the Listing Rules, as they differ in nature (purchase of ingredients and related products versus provision of storage and logistics services), are separately negotiated and priced, are not interdependent, and serve different business purposes of the Group. In any event, the applicable percentage ratios under the Shuhai Purchase Agreement and the Shuhai Framework Storage and Logistics Service Agreement would remain below 5% even if they were aggregated.

II. DIRECTORS' CONFIRMATION

The Framework Agreements have been negotiated and agreed on an arm's length basis by the parties thereto. The Directors (including the independent non-executive Directors) are of the view that (i) the transactions contemplated under the Shuhai Purchase Agreement and the Shuhai Framework Storage and Logistics Service Agreement have been and will be entered into in the ordinary and usual course of business, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and (ii) the proposed annual caps under the Shuhai Purchase Agreement for each of the three years ending 31 December 2029, and the proposed annual caps under the Shuhai Framework Storage and Logistics Service Agreement for each of the three years ending 31 December 2028, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors (excluding the independent non-executive Directors whose view will be expressed after receiving advice from the Independent Financial Adviser) are of the view that (i) the Yihai Continuing Connected Transactions have been and will be entered into in the ordinary and usual course of business, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and (ii) the proposed annual caps under the respective Non-exempt Framework Agreements for each of the three years ending 31 December 2029 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The following Directors have abstained from voting on the relevant Board resolutions approving the Framework Agreements: (i) Mr. Zhang, a non-executive Director and one of the Controlling Shareholders, by virtue of his interests in Haidilao, Super Hi, Shuhai Supply Chain and the Joint Venture, in respect of all the Framework Agreements; (ii) Ms. Zhang, a non-executive Director, by virtue of her positions as director of the chairman's office (董事長辦公室主任), head of the inspection department (稽查部長) and secretary of the disciplinary committee (紀委書記) of the Haidilao Group, in respect of the Haidilao Master Sales Agreement; and (iii) Mr. Zhao, an executive Director, by virtue of his directorship in the Joint Venture, in respect of the Joint Venture Framework Sales and Purchase Agreements. Save as disclosed above, none of the Directors has any material interest in the Framework Agreements or is required to abstain from voting on the relevant Board resolutions.

III. APPROVAL BY INDEPENDENT SHAREHOLDERS

The Extraordinary General Meeting will be convened to consider and, if thought fit, to approve the Yihai Continuing Connected Transactions (including their respective proposed annual caps).

Interests in the Company

As at the date of this announcement, (i) Mr. Zhang, a non-executive Director, and his spouse, Ms. Shu, together hold approximately 31.44% of the total issued Shares, and are therefore the Controlling Shareholders; (ii) Mr. Shi and his spouse, Ms. Lee, together hold approximately 12.26% of the total issued Shares, and are therefore substantial shareholders of the Company (the "**Substantial Shareholders**"); (iii) Ms. Zhang, a non-executive Director, holds 10,000 Shares, representing approximately 0.001% of the total issued Shares; and (iv) Mr. Zhao, an executive Director, holds 160,000 Shares, representing approximately 0.02% of the total issued Shares.

Interests in the counterparties

As at the date of this announcement: (i) Haidilao is held as to approximately 45.51% by Mr. Zhang and Ms. Shu and approximately 19.18% by Mr. Shi and Ms. Lee; (ii) Super Hi is held as to approximately 43.02% by Mr. Zhang and Ms. Shu and approximately 17.19% by Mr. Shi and Ms. Lee; (iii) Shuhai Supply Chain is held as to approximately 42.72% by Leda Haisheng, which is in turn held as to approximately 62.70% by Beijing Yihan Management Consulting Co., Ltd.* (北京宜涵管理諮詢有限公司) (“**Beijing Yihan**”), a company controlled by Mr. Zhang and Ms. Shu, and approximately 29.70% by Mr. Shi and Ms. Lee, and as to approximately 26.17% by Jinghai Investment, a wholly-owned subsidiary of Jingyuan Investment, which is in turn held as to 68% by Mr. Zhang and Ms. Shu and 32% by Mr. Shi and Ms. Lee; and (iv) the Joint Venture is held as to 40% by Xinpai Shanghai, a wholly-owned subsidiary of Haidilao. Accordingly, each of Mr. Zhang, Ms. Shu, Mr. Shi and Ms. Lee is interested, directly or indirectly, in each of Haidilao, Super Hi, Shuhai Supply Chain and the Joint Venture.

In addition, Ms. Zhang serves as director of the chairman’s office, head of the inspection department and secretary of the disciplinary committee of the Haidilao Group, and Mr. Zhao is a director of the Joint Venture.

Abstention from voting

In accordance with the Listing Rules, the following Shareholders and their respective associates will abstain from voting at the Extraordinary General Meeting:

- (a) in respect of transactions contemplated under the Haidilao Master Sales Agreement and the proposed annual caps for three years ending 31 December 2029 thereunder, Mr. Zhang, Ms. Shu, Mr. Shi and Ms. Lee, by virtue of their interests in Haidilao, and Ms. Zhang, by virtue of her positions in the Haidilao Group (together holding 452,980,013 Shares, representing approximately 43.69% of the issued Shares);
- (b) in respect of transactions contemplated under the Super Hi Master Sales Agreement and the proposed annual caps for three years ending 31 December 2029 thereunder, Mr. Zhang, Ms. Shu, Mr. Shi and Ms. Lee, by virtue of their interests in Super Hi (together holding 452,970,013 Shares, representing approximately 43.69% of the issued Shares);
- (c) in respect of transactions contemplated under the Shuhai Sales Agreement and the proposed annual caps for three years ending 31 December 2029 thereunder, Mr. Zhang, Ms. Shu, Mr. Shi and Ms. Lee, by virtue of their indirect interests in Shuhai Supply Chain through Leda Haisheng and Jinghai Investment (together holding 452,970,013 Shares, representing approximately 43.69% of the issued Shares); and
- (d) in respect of transactions contemplated under the Joint Venture Framework Sales and Purchase Agreements and the proposed annual caps for three years ending 31 December 2029 thereunder, Mr. Zhang, Ms. Shu, Mr. Shi and Ms. Lee, by virtue of their indirect interests in the Joint Venture through Haidilao and Xinpai Shanghai, and Mr. Zhao, by virtue of his directorship in the Joint Venture (together holding 453,130,013 Shares, representing approximately 43.71% of the issued Shares).

In addition, pursuant to Rule 17.05A of the Listing Rules, trustees holding unvested Shares of any share scheme of the Company, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given. As at the date of this announcement, Futu Trustee Limited, as trustee of the 2026 Share Award Scheme, held 66,568,000 unvested Shares through JLJH YIHAI Ltd, representing approximately 6.42% of the issued Shares. Futu Trustee Limited will accordingly abstain from voting on each of the above resolutions.

Save as disclosed above, no other Shareholder has a material interest in the Non-exempt Framework Agreements or is required to abstain from voting on the relevant resolutions at the Extraordinary General Meeting.

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Yihai Continuing Connected Transactions (including their respective proposed annual caps). In this respect, South China Capital Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

A circular containing, among others, further information on the Yihai Continuing Connected Transactions, a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with a notice to convene the Extraordinary General Meeting to consider and, if thought fit, approve the Yihai Continuing Connected Transactions (including their respective proposed annual caps) will be despatched to the Shareholders in accordance with the Listing Rules. As the Company requires additional time to prepare and finalise certain information for inclusion in the circular, the circular is expected to be despatched to the Shareholders on or before 27 November 2026.

IV. INFORMATION ON THE PARTIES

The Group is principally engaged in the research and development, manufacture, distribution and sales of high-quality hot pot soup flavoring, hot pot dipping sauce products, compound condiment products and Convenient Ready-to-eat Food Products.

The Joint Venture is principally engaged in the manufacture and sales of Convenient Ready-to-eat Food Products. As at the date of this announcement, the Joint Venture is owned as to 60% by the Company and as to 40% by Xinpai Shanghai. Xinpai Shanghai is a wholly-owned subsidiary of Haidilao. For information on the ultimate beneficial owners of Haidilao, please see the paragraph below.

Haidilao Group is primarily engaged in the hot pot restaurant business in Greater China among other ancillary businesses. Haidilao is a company listed on the Main Board of the Stock Exchange (stock code: 6862). As at the date of this announcement, Haidilao is held as to approximately 45.51% by Mr. Zhang and Ms. Shu, the Controlling Shareholders, and approximately 19.18% by Mr. Shi and Ms. Lee, the Substantial Shareholders.

Super Hi Group is a self-operated restaurant brand, primarily serving Haidilao hot pot in the international market outside Greater China. Super Hi is a company listed on the Main Board of the Stock Exchange (stock code: 9658), and its American depositary shares are listed on Nasdaq (ticker symbol: HDL). As at the date of this announcement, Super Hi is held as to approximately 43.02% by Mr. Zhang and Ms. Shu, the Controlling Shareholders, and approximately 17.19% by Mr. Shi and Ms. Lee, the Substantial Shareholders.

Shuhai Supply Chain and its subsidiaries are primarily engaged in the supply of food ingredients and provision of storage and logistics services. As at the date of this announcement, Shuhai Supply Chain is held as to (i) approximately 42.72% by Leda Haisheng and 0.92% by Leda Haisheng's wholly-owned subsidiary, Shanghai Haiyue; (ii) approximately 26.17% by Jinghai Investment; and (iii) approximately 30.19% by 22 independent third parties, none of which holds more than 5% equity interest in it. Leda Haisheng is held as to approximately 62.70% by Beijing Yihan, a company controlled by Mr. Zhang and Ms. Shu, approximately 29.70% by Mr. Shi and Ms. Lee, and approximately 7.60% by five independent third parties. Jinghai Investment is a wholly-owned subsidiary of Jingyuan Investment, which is held as to 68% by Mr. Zhang and Ms. Shu and 32% by Mr. Shi and Ms. Lee.

V. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“2026 Share Award Scheme”	the 2026 share award scheme of the Company which was considered, approved and adopted by the Board on 27 January 2026
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“China” or “PRC”	the People's Republic of China and, except where the context requires, references in this announcement to the PRC or China exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	YIHAI INTERNATIONAL HOLDING LTD. (頤海國際控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 18 October 2013, and the Shares of which have been listed on the Main Board of the Stock Exchange since 13 July 2016
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Convenient Ready-to-eat Food Products”	collectively, self-serving products (such as Small Hot Pot Products), brewed vermicelli, quick-serve dishes, puffed food etc.

“Director(s)”	director(s) of the Company
“Existing Agreements”	collectively, the Existing Shuhai Purchase Agreement, the Existing Haidilao Master Sales Agreement, the Existing Super Hi Master Sales Agreement, the Existing Shuhai Sales Agreement and the Existing Joint Venture Framework Sales and Purchase Agreements
“Existing Haidilao Master Sales Agreement”	the master sales agreement dated 17 October 2023 entered into between Haidilao and the Company to regulate the sale of Haidilao Customized Products (excluding ancillary products) and Haidilao General Products by the Group to the Haidilao Group
“Existing Joint Venture Framework Sales and Purchase Agreements”	collectively, the hot pot soup flavoring products sales agreement dated 17 October 2023 entered into between the Joint Venture and the Company in relation to the sales of condiment products from the Group to the Joint Venture, and the Convenient Ready-to-eat Food Products sales agreement dated 17 October 2023 entered into between the Joint Venture and the Company in relation to the sales of Convenient Ready-to-eat Food Products by the Joint Venture to the Group
“Existing Shuhai Purchase Agreement”	the purchase agreement dated 17 October 2023 entered into between Shuhai Supply Chain and the Company in relation to the sale of Shuhai Ingredients (excluding compound ingredients) by the Shuhai Supply Chain Group to the Group
“Existing Shuhai Sales Agreement”	the sales agreement dated 17 October 2023 entered into between Shuhai Supply Chain and the Company in relation to the sale of hot pot soup flavoring products, hot pot dipping sauce products and other compound condiment products by the Group to Shuhai Supply Chain Group
“Existing Super Hi Master Sales Agreement”	the master sales agreement dated 17 October 2023 entered into between Super Hi and the Company to regulate the sale of Super Hi Customized Products (excluding ancillary products) and Super Hi General Products by the Group to the Super Hi Group
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the Yihai Continuing Connected Transactions, or any adjournment thereof
“Framework Agreements”	collectively, the Shuhai Purchase Agreement, the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement, the Shuhai Sales Agreement, the Joint Venture Framework Sales and Purchase Agreements and the Shuhai Framework Storage and Logistics Service Agreement
“Greater China”	mainland China, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Group”	the Company and its subsidiaries
“Haidilao”	Haidilao International Holding Ltd., a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6862)
“Haidilao Customized Products”	the hot pot soup flavorings, hot pot dipping sauce, compound condiment products and other customized products (e.g. seasoned hot pot bases with ingredients and semi-finished ingredients, etc.) manufactured by the Group using formulas owned by Haidilao Group, and ancillary products, in each case for the Haidilao Group’s internal use and for use in the operation of its restaurants in Greater China
“Haidilao General Condiments”	the hot pot soup flavorings, hot pot dipping sauce products, compound condiment products and other condiment products manufactured by the Group using formulas owned by the Group, for display and sale to consumers in the Haidilao Group’s restaurants and on the various online platforms of Haidilao Group, which are the same products as those sold by the Group through independent third party distributors
“Haidilao General Products”	collectively, the Haidilao General Condiments and the Convenient Ready-to-eat Food Products sold by the Group to the Haidilao Group for display and sale to consumers in the Haidilao Group’s restaurants and on the various online platforms of Haidilao Group
“Haidilao Group”	Haidilao and its subsidiaries, the principal business of which is to operate restaurants in Greater China, including its hot pot restaurant chain
“Haidilao Master Sales Agreement”	the master sales agreement dated 26 October 2026 entered into between Haidilao and the Company to regulate the sale of Haidilao Customized Products and Haidilao General Products by the Group to the Haidilao Group
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely Ms. Cui Jin, Mr. Wang Xin and Ms. Li Ping, established to advise the Independent Shareholders on the Yihai Continuing Connected Transactions
“Independent Financial Adviser”	South China Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Yihai Continuing Connected Transactions

“Independent Shareholders”	has the meaning ascribed to it under the Listing Rules; and in relation to approving the Yihai Continuing Connected Transactions at the Extraordinary General Meeting, means the Shareholders other than those required under the Listing Rules to abstain from voting on the resolutions to be proposed at the Extraordinary General Meeting
“independent third party(ies)”	party(ies) not connected with any of the Directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates
“Jinghai Investment”	Jianyang Jinghai Investment Co., Ltd.* (簡陽市靜海投資有限公司), a limited liability company incorporated in the PRC on 11 May 2011, which is a wholly-owned subsidiary of Jingyuan Investment
“Jingyuan Investment”	Jianyang City Jingyuan Investment Co., Ltd.* (簡陽市靜遠投資有限公司), a limited liability company established in the PRC on 13 March 2009, which is held as to 68% by Mr. Zhang Yong, a non-executive Director, and his spouse, Ms. Shu Ping, both of whom are the controlling shareholders of the Company, and 32% by Mr. Sean Shi and his spouse, Ms. Hailey Lee
“Joint Venture”	Fuhai (Shanghai) Food Technology Co., Ltd.* (馥海(上海)食品科技有限公司), a company established in the PRC and owned as to 60% by the Company and as to 40% by Haidilao
“Joint Venture Framework Sales and Purchase Agreements”	collectively, the condiment and food products sales agreement dated 26 October 2026 entered into between the Joint Venture and the Company in relation to the sales of condiment products and other food products (e.g. casual snacks or semi-finished ingredients, etc.) from the Group to the Joint Venture and its subsidiaries, and the convenient ready-to-eat food products sales agreement dated 26 October 2026 entered into between the Joint Venture and the Company in relation to the sales of Convenient Ready-to-eat Food Products by the Joint Venture and its subsidiaries to the Group
“Leda Haisheng”	Shanghai Leda Haisheng Enterprise Management Consulting Co., Ltd.* (上海樂達海生企業管理諮詢有限公司), a limited liability company established in the PRC on 23 May 2017, which is held as to approximately 62.70% by Beijing Yihan Management Consulting Co., Ltd.* (北京宜涵管理諮詢有限公司), a company controlled by Mr. Zhang Yong, a non-executive Director, and his spouse, Ms. Shu Ping, both of whom are the controlling shareholders of the Company, approximately 29.70% by Mr. Sean Shi and his spouse, Ms. Hailey Lee and approximately 7.60% by five independent third parties

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Non-exempt Framework Agreements”	collectively, the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement, the Shuhai Sales Agreement and the Joint Venture Framework Sales and Purchase Agreements
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of US\$0.00001 each
“Shareholder(s)”	shareholder(s) of the Company
“Shuhai Customized Products”	the hot pot soup flavorings, hot pot dipping sauce, other single or compound condiment products and semi-finished ingredients (e.g. potato noodles and cellophane noodles, etc.) of the Group that are customized for Shuhai Supply Chain Group’s customers who are catering service clients
“Shuhai Framework Storage and Logistics Service Agreement”	the framework storage and logistics service agreement dated 26 October 2026 entered into between the Company and Shuhai Supply Chain in relation to the provision of storage and logistics services by the Shuhai Supply Chain Group to the Group
“Shuhai Ingredients”	the food ingredients and compound ingredients sold by Shuhai Supply Chain Group to the Group pursuant to the Shuhai Purchase Agreement
“Shuhai Products”	collectively, the Shuhai Ingredients and the Staff Meal Supplies to be purchased by the Group from the Shuhai Supply Chain Group pursuant to the Shuhai Purchase Agreement
“Shuhai Purchase Agreement”	the purchase agreement dated 26 October 2026 entered into between the Company and Shuhai Supply Chain in relation to the sale of Shuhai Products by the Shuhai Supply Chain Group to the Group
“Shuhai Retail Products”	the hot pot soup flavoring products, hot pot dipping sauce products, other single or compound condiment products of the Group and Convenient Ready-to-eat Food Products sold to the Shuhai Supply Chain Group that are targeted at the retail market

“Shuhai Sales Agreement”	the sales agreement dated 26 October 2026 entered into between Shuhai Supply Chain and the Company to regulate the sale of Shuhai Customized Products and Shuhai Retail Products by the Group to the Shuhai Supply Chain Group
“Shuhai Supply Chain”	Shuhai (Beijing) Supply Chain Management Co., Ltd.* (蜀海(北京)供應鏈管理有限責任公司), a limited liability company established in the PRC on 3 June 2014, which is held as to (i) approximately 42.72% by Leda Haisheng and 0.92% by Leda Haisheng’s wholly-owned subsidiary, Shanghai Haiyue, (ii) approximately 26.17% by Jinghai Investment, a company wholly owned by Jingyuan Investment, and (iii) approximately 30.19% by 22 independent third parties, none of which holds more than 5% equity interest in it
“Shuhai Supply Chain Group”	Shuhai Supply Chain and its subsidiaries
“Small Hot Pot Products”	the self-serving small hot pot products, which are types of Convenient Ready-to-eat Food Products, manufactured and sold by the Joint Venture
“Staff Meal Supplies”	the food ingredients and related food products purchased by the Group from the Shuhai Supply Chain Group for the preparation of staff meals at the Group’s production facilities and offices, comprising meat, poultry and aquatic products, vegetables, soup products and staple foods
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Super Hi”	SUPER HI INTERNATIONAL HOLDING LTD.* (特海国际控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability on 6 May 2022, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 9658) and the American depositary shares of which are listed on Nasdaq (ticker symbol: HDL)
“Super Hi Customized Products”	the hot pot soup flavorings, hot pot dipping sauce, compound condiment products and other customized products (e.g. seasoned hot pot bases with ingredients and semi-finished ingredients, etc.) manufactured by the Group using formulas owned by Super Hi Group, and ancillary products, in each case for the Super Hi Group’s internal use and for use in the operation of its restaurants

“Super Hi General Condiments”	the hot pot soup flavorings, hot pot dipping sauce products, compound condiment products and other condiment products manufactured by the Group using formulas owned by the Group, for display and sale to consumers in the restaurants and on the online platforms of the Super Hi Group, which are the same products as those sold by the Group through independent third party distributors
“Super Hi General Products”	collectively, the Super Hi General Condiments and the Convenient Ready-to-eat Food Products sold by the Group to the Super Hi Group for display and sale to consumers in the restaurants and on the online platforms of the Super Hi Group
“Super Hi Group”	Super Hi and its subsidiaries
“Super Hi Master Sales Agreement”	the master sales agreement dated 26 October 2026 entered into between Super Hi and the Company to regulate the sale of Super Hi Customized Products and Super Hi General Products by the Group to the Super Hi Group
“Yihai Continuing Connected Transactions”	collectively, (i) the sale of Haidilao Customized Products and Haidilao General Products to the Haidilao Group pursuant to the Haidilao Master Sales Agreement, (ii) the sale of Super Hi Customized Products and Super Hi General Products to the Super Hi Group pursuant to the Super Hi Master Sales Agreement, (iii) the sale of Shuhai Customized Products and Shuhai Retail Products by the Group to Shuhai Supply Chain Group pursuant to the Shuhai Sales Agreement and (iv) the sale of condiment products and other food products (e.g. casual snacks or semi-finished ingredients, etc.) to and purchase of Convenient Ready-to-eat Food Products from the Joint Venture and its subsidiaries pursuant to the Joint Venture Framework Sales and Purchase Agreements
“%”	per cent

* *For identification purposes only*

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

Hong Kong, 26 October 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.