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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Yihai International Holding Ltd.**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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)

(1) RENEWAL OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF 2027 TO 2029
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING

INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT SHAREHOLDERS

南華融資有限公司
South China Capital Limited

A notice convening the Extraordinary General Meeting of the Company to be held at Main Conference Room, Units 2806-2809 Hongqi Tower, No. 40, Lane 363 Zhenhua South Road, Putuo District, Shanghai, PRC at 2:00 p.m. on Tuesday, 15 December 2026, is set out on pages 93 to 97 of this circular. A form of proxy for use at the Extraordinary General Meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (**www.hkexnews.hk**) and the Company (**www.yihchina.com**).

Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time fixed for the holding of the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the Extraordinary General Meeting if they so wish.

23 November 2026

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

"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
"Articles of Association"	the articles of association of the Company
"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 circular 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 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 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 at 2:00 p.m. on Tuesday, 15 December 2026, at Main Conference Room, Units 2806-2809 Hongqi Tower, No. 40, Lane 363 Zhenhua South Road, Putuo District, Shanghai, PRC to consider and if thought fit, approve the Yihai Continuing Connected Transactions, or any adjournment thereof
"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 the 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
"JV Condiment Products Sales Agreement"	the condiment 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
"JV Convenient Ready-to-eat Food Products Sales Agreement"	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 to the Group

"Latest Practicable Date"	18 November 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
"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 (i) 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, (ii) approximately 29.70% by Mr. Sean Shi and his spouse, Ms. Hailey Lee, and (iii) approximately 7.60% by five individuals, each of whom is an independent third party and holds less than 5% of the equity interest therein, as at the Latest Practicable Date
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"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 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 Investment Management Co., Ltd.* (上海海悦投資管理有限公司), (ii) approximately 26.17% by Jinghai Investment, a company wholly owned by Jingyuan Investment, (iii) approximately 8.55% in aggregate by Ningbo Hongshan Zesheng Equity Investment Partnership (Limited Partnership)* (寧波紅杉澤盛股權投資合夥企業(有限合夥)) and Shenzhen Hongshan Yuechen Investment Partnership (Limited Partnership)* (深圳紅杉悦辰投資合夥企業(有限合夥)), which hold approximately 4.75% and 3.80%, respectively, and which, together with their ultimate beneficial owners, are independent third parties; and (iv) approximately 21.64% by 20 independent third parties (comprising companies, limited partnerships and individuals), none of which holds 5.00% or more of the equity interest therein, as at the Latest Practicable Date
"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
"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 purpose only*

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)

Executive Directors:
Mr. Guo Qiang *(Chairman and Chief Executive Officer)*
Mr. Sun Shengfeng
Mr. Zhao Xiaokai

Non-executive Directors:
Mr. Zhang Yong
Ms. Zhang Fan

Independent Non-executive Directors:
Ms. Cui Jin
Mr. Wang Xin
Ms. Li Ping

Registered office:
P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman
KY1-1205 Cayman Islands

Corporate Headquarters in the PRC:
Units 2806-2809 Hongqi Tower
No. 40, Lane 363 Zhenhua South Road
Putuo District
Shanghai, PRC

Principal place of business in Hong Kong:
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wan Chai, Hong Kong

23 November 2026

To the Shareholders

Dear Sir or Madam,

(1) RENEWAL OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF 2027 TO 2029
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information in connection with the proposals to be put forward at the Extraordinary General Meeting to consider: (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 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 the Joint Venture and its subsidiaries and the purchase of Convenient Ready-to-eat Food Products from the Joint Venture and its subsidiaries under the Joint Venture Framework Sales and Purchase Agreements. This circular gives all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolutions. A notice convening the Extraordinary General Meeting is set out on pages 93 to 97 of this circular.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

A. HAIDILAO MASTER SALES AGREEMENT

(I) SALE OF PRODUCTS TO THE HAIDILAO GROUP

Background

Reference is made to the announcement of the Company dated 26 October 2026 in relation to the renewal of annual caps for continuing connected transactions in respect of 2027 to 2029.

Continuing Connected Transactions under the Haidilao Master Sales Agreement

On 26 October 2026, the Company and Haidilao entered into the Haidilao Master Sales Agreement, pursuant to which the Group agreed to sell Haidilao Customized Products and Haidilao General Products to the Haidilao Group for a term of three years from 1 January 2027 to 31 December 2029. The principal terms of the Haidilao Master Sales Agreement are summarised below.

The Haidilao Master Sales Agreement

Date

26 October 2026

Parties

(1) the Company

(2) Haidilao

(each for itself and on behalf of its subsidiaries)

Term

Subject to approval by the Independent Shareholders and the independent shareholders of Haidilao, the Haidilao Master Sales Agreement will have 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. The parties will confirm in writing that (i) such upgraded formulas result from the joint efforts of the Haidilao Group and the Group, and (ii) any sales of products produced with such upgraded formulas will be subject to the Haidilao Master Sales Agreement.

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. The parties will confirm in writing that (i) such upgraded formulas result from the Group's own efforts, and (ii) any sales of products produced with such upgraded formulas to the Haidilao Group will be subject to the Haidilao Master Sales Agreement.

(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 (a) the unit manufacturing cost, (b) the estimated net profit margin and (c) the applicable income tax rate. The estimated net profit margin is calculated based on the after-tax net profit margins of historical comparable transactions with all independent third parties, taking into account the cost of sales, distribution expenses, administrative expenses, other income and gains (net), net finance costs and income tax expenses, each allocated in accordance with the Group's established allocation rules. The Group reviews the pricing of its sales to connected persons semi-annually to ensure that the net profit margins of such sales are consistent with

those of historical comparable transactions with independent third parties. The results of each review are subject to review by the independent non-executive Directors and are checked by the internal audit team and the external auditor.

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 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 generally billed on a monthly basis, following the delivery of products and issuance of delivery invoices by the Group. In the rare event that reconciliation is required due to product return, settlement will be made in a timely and appropriate manner on normal commercial terms agreed by both parties. For the internal control measures relating to payment terms, please refer to the section headed "Internal Control Measures" in this circular.

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

As at the Latest Practicable Date, 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	**2028**	**2029**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Sales to the Haidilao Group	**2,340,000**	**2,820,000**	**3,450,000**

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

(i) the historical transaction amounts with the 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.

(II) 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.

(III) INFORMATION OF 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.

Haidilao Group is primarily engaged in the hot pot restaurant business in Greater China among other ancillary businesses.

(IV) LISTING RULES IMPLICATIONS

Mr. Zhang Yong ("**Mr. Zhang**"), a non-executive Director, and his spouse, Ms. Shu Ping ("**Ms. Shu**"), together hold approximately 31.44% of the total issued shares of the Company and are therefore controlling shareholders of the Company (the "**Controlling Shareholders**"). Haidilao is held as to approximately 45.51% by Mr. Zhang and Ms. Shu. Haidilao 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 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.

(V) DIRECTORS' CONFIRMATION IN RELATION TO HAIDILAO MASTER SALES AGREEMENT

The Directors (including the independent non-executive Directors) are of the view that the Haidilao Master Sales Agreement has been and will be entered into in the ordinary and usual course of business, is on normal commercial terms and is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) are of the view that the proposed annual caps under the Haidilao Master Sales Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ms. Zhang Fan ("**Ms. Zhang**"), our non-executive Director, serves 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.

Except for Mr. Zhang and Ms. Zhang, none of the other Directors has any material interest in the Haidilao Master Sales Agreement or is required to abstain from voting on the Board resolution.

(VI) APPROVAL BY INDEPENDENT SHAREHOLDERS

Mr. Sean Shi ("**Mr. Shi**") and his spouse, Ms. Hailey Lee ("**Ms. Lee**") hold approximately 12.26% of the total issued shares of the Company and are therefore substantial shareholders of the Company (the "**Substantial Shareholders**"). Haidilao is held as to approximately 45.51% by Mr. Zhang (also being a Director) and Ms. Shu, both the Controlling Shareholders, and approximately 19.18% by Mr. Shi and Ms. Lee, both the Substantial Shareholders. Ms. Zhang, our non-executive Director, who also holds several roles in Haidilao Group, holds 10,000 Shares representing approximately 0.001% of our total issued Shares.

In accordance with the Listing Rules, Mr. Zhang, Ms. Shu, Mr. Shi, Ms. Lee, Ms. Zhang and their respective associates (which, as at the Latest Practicable Date, in aggregate hold 452,980,013 Shares, representing approximately 43.69% of the issued Shares) will abstain from voting on the ordinary resolutions to approve the Haidilao Master Sales Agreement (including the proposed annual caps) at the Extraordinary General Meeting.

Apart from the above, none of the Shareholders have a material interest in the transactions under the Haidilao Master Sales Agreement, and save for the abstention by the trustee of the 2026 Share Award Scheme referred to in the section headed "Extraordinary General Meeting" below, no other Shareholder is required to abstain from voting on the proposed resolutions approving the same.

The Company will seek the Independent Shareholders' approval at the Extraordinary General Meeting for, among others, the Haidilao Master Sales Agreement on the condition that:

1. the annual transaction amount of the Haidilao Master Sales Agreement shall not exceed the respective annual caps;

2. (i) the Haidilao Master Sales Agreement will be entered into in the ordinary and usual course of business of the Group and either (a) on normal commercial terms or better; or (b) if there is no available comparison, on terms no less favourable than terms available to the Group from independent third parties; and

   (ii) the transactions will be entered into in accordance with the Haidilao Master Sales Agreement and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company will comply with relevant provisions of the Listing Rules in relation to the transactions under the Haidilao Master Sales Agreement.

B. SUPER HI MASTER SALES AGREEMENT

(I) SALE OF PRODUCTS TO THE SUPER HI GROUP

Background

Reference is made to the announcement of the Company dated 26 October 2026 in relation to the renewal of annual caps for continuing connected transactions in respect of 2027 to 2029.

Continuing Connected Transactions under the Super Hi Master Sales Agreement

On 26 October 2026, the Company and Super Hi entered into the Super Hi Master Sales Agreement, pursuant to which the Group agreed to sell Super Hi Customized Products and Super Hi General Products to the Super Hi Group for a term of three years from 1 January 2027 to 31 December 2029. The principal terms of the Super Hi Master Sales Agreement are summarised below.

The 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

Subject to approval by the Independent Shareholders and the independent shareholders of Super Hi, the Super Hi Master Sales Agreement will have 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. The parties will confirm in writing that (i) such upgraded formulas result from the joint efforts of the Super Hi Group and the Group, and (ii) any sales of products produced with such upgraded formulas will be subject to the Super Hi Master Sales Agreement.

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. The parties will confirm in writing that (i) such upgraded formulas result from the Group's own efforts, and (ii) any sales of products produced with such upgraded formulas to the Super Hi Group will be subject to the Super Hi Master Sales Agreement.

(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 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. The credit term from receipt of products by the Super Hi Group to settlement is generally one month according to the Company's policy. In the rare event that reconciliation is required due to product return, settlement will be made in a timely and appropriate manner on normal commercial terms agreed by both parties. For the internal control measures relating to payment terms, please refer to the section headed "Internal Control Measures" in this circular.

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

As at the Latest Practicable Date, 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 performances of the Group under the terms of the Super Hi Master Sales Agreement.

(II) 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.

(III) INFORMATION OF 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.

Super Hi Group is a self-operated restaurant brand, primarily serving Haidilao hot pot in the international market outside Greater China.

(IV) 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.

(V) DIRECTORS' CONFIRMATION IN RELATION TO SUPER HI MASTER SALES AGREEMENT

The Directors (including the independent non-executive Directors) are of the view that the Super Hi Master Sales Agreement has been and will be entered into in the ordinary and usual course of business of the Group, is on normal commercial terms and is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) are of the view that the proposed annual caps under the Super Hi Master Sales Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Except for Mr. Zhang, none of the Directors has any material interest in the Super Hi Master Sales Agreement or is required to abstain from voting on the Board resolution.

(VI) APPROVAL BY INDEPENDENT SHAREHOLDERS

Super Hi is held as to approximately 43.02% by Mr. Zhang (also being a Director) and Ms. Shu, both the Controlling Shareholders, and approximately 17.19% by Mr. Shi and Ms. Lee, both the Substantial Shareholders.

In accordance with the Listing Rules, Mr. Zhang, Ms. Shu, Mr. Shi, Ms. Lee and their respective associates (which, as at the Latest Practicable Date, in aggregate hold 452,970,013 Shares, representing approximately 43.69% of the issued Shares) will abstain from voting on the ordinary resolutions to approve the Super Hi Master Sales Agreement (including the proposed annual caps) at the Extraordinary General Meeting.

Apart from the above, none of the Shareholders have a material interest in the transactions under the Super Hi Master Sales Agreement, and save for the abstention by the trustee of the 2026 Share Award Scheme referred to in the section headed "Extraordinary General Meeting" below, no other Shareholder is required to abstain from voting on the proposed resolutions approving the same.

The Company will seek the Independent Shareholders' approval at the Extraordinary General Meeting for, among others, the Super Hi Master Sales Agreement on the condition that:

1. the annual transaction amount of the Super Hi Master Sales Agreement shall not exceed the respective annual caps;

2. (i) the Super Hi Master Sales Agreement will be entered into in the ordinary and usual course of business of the Group and either (a) on normal commercial terms or better; or (b) if there is no available comparison, on terms no less favourable than terms available to the Group from independent third parties; and

   (ii) the transactions will be entered into in accordance with the Super Hi Master Sales Agreement and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company will comply with relevant provisions of the Listing Rules in relation to the transactions under the Super Hi Master Sales Agreement.

C. SHUHAI SALES AGREEMENT

(I) SALE OF PRODUCTS TO THE SHUHAI SUPPLY CHAIN GROUP

Background

Reference is made to the announcement of the Company dated 26 October 2026 in relation to the renewal of annual caps for continuing connected transactions in respect of 2027 to 2029.

Continuing Connected Transactions under the Shuhai Sales Agreement

On 26 October 2026, the Company and Shuhai Supply Chain entered into the Shuhai Sales Agreement, pursuant to which the Group agreed to supply Shuhai Customized Products and Shuhai Retail Products to the Shuhai Supply Chain Group for a term of three years from 1 January 2027 to 31 December 2029.

The principal terms of the Shuhai Sales Agreement are summarised below.

The 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, (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 generally on a monthly basis following the delivery of products and the Group's issuance of delivery invoices. In the rare event that reconciliation is required due to product return, settlement will be made in a timely and appropriate manner on normal commercial terms agreed by both parties. For the internal control measures relating to payment terms, please refer to the section headed "Internal Control Measures" in this circular.

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

As at the Latest Practicable Date, 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 *(RMB'000)*	2028 *(RMB'000)*	2029 *(RMB'000)*
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 historically maintained substantial procurement demand for spices and oils and fats, of which less than 1% is currently sourced from the Group. Under the three-year plan, the Group expects significant growth in its supply of these products 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.

(II) 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.

(III) INFORMATION OF 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.

Shuhai Supply Chain and its subsidiaries are primarily engaged in the supply of food ingredients and provision of storage and logistics services.

(IV) LISTING RULES IMPLICATIONS

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.* (上海海悦投資管理有限公司), (ii) approximately 26.17% by Jinghai Investment, a company wholly owned by Jingyuan Investment, (iii) approximately 8.55% in aggregate by Ningbo Hongshan Zesheng Equity Investment Partnership (Limited Partnership)* (寧波紅杉澤盛股權投資合夥企業(有限合夥)) and Shenzhen Hongshan Yuechen Investment Partnership (Limited Partnership)* (深圳紅杉悦辰投資合夥企業(有限合夥)), which hold approximately 4.75% and 3.80%, respectively, and which, together with their ultimate beneficial owners, are independent third parties, and (iv) approximately 21.64% by 20 independent third parties (comprising companies, limited partnerships and individuals), none of which holds 5.00% or more of the equity interest therein, as at the Latest Practicable Date. 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 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.

(V) DIRECTORS' CONFIRMATION IN RELATION TO THE SHUHAI SALES AGREEMENT

The Directors (including the independent non-executive Directors) are of the view that the Shuhai Sales Agreement has been and will be entered into in the ordinary and usual course of business of the Group, is on normal commercial terms and is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) are of the view that the proposed annual caps under the Shuhai Sales Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Except for Mr. Zhang, none of the Directors has any material interest in the Shuhai Sales Agreement or is required to abstain from voting on the board resolutions for approving the Shuhai Sales Agreement.

(VI) APPROVAL BY INDEPENDENT SHAREHOLDERS

Leda Haisheng, which holds approximately 42.72% of Shuhai Supply Chain, 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 (also being a Director) and Ms. Shu, both the Controlling Shareholders, and approximately 29.70% by Mr. Shi and Ms. Lee, both the Substantial Shareholders.

In accordance with the Listing Rules, Mr. Zhang, Ms. Shu, Mr. Shi, Ms. Lee and their respective associates (which, as at the Latest Practicable Date, in aggregate hold 452,970,013 Shares, representing approximately 43.69% of the issued Shares) will abstain from voting on the ordinary resolutions to approve the Shuhai Sales Agreement (including the proposed annual caps) at the Extraordinary General Meeting.

Apart from the above, none of the Shareholders have a material interest in the transactions under the Shuhai Sales Agreement, and save for the abstention by the trustee of the 2026 Share Award Scheme referred to in the section headed "Extraordinary General Meeting" below, no other Shareholder is required to abstain from voting on the proposed resolutions approving the same.

The Company will seek the Independent Shareholders' approval at the Extraordinary General Meeting for, among others, the Shuhai Sales Agreement on the condition that:

1. the annual transaction amount of the Shuhai Sales Agreement shall not exceed the respective annual caps;

2. (i) the Shuhai Sales Agreement will be entered into in the ordinary and usual course of business of the Group and either (a) on normal commercial terms or better; or (b) if there is no available comparison, on terms no less favourable than terms available to the Group from independent third parties; and

   (ii) the transactions will be entered into in accordance with the Shuhai Sales Agreement and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company will comply with relevant provisions of the Listing Rules in relation to the transactions under the Shuhai Sales Agreement.

D. JOINT VENTURE FRAMEWORK SALES AND PURCHASE AGREEMENTS

(I) SALE OF CONDIMENT PRODUCTS AND OTHER FOOD PRODUCTS TO AND PURCHASE OF CONVENIENT READY-TO-EAT FOOD PRODUCTS FROM THE JOINT VENTURE AND ITS SUBSIDIARIES

Background

Reference is made to the announcement of the Company dated 26 October 2026 in relation to the renewal of annual caps for continuing connected transactions in respect of 2027 to 2029.

Continuing Connected Transactions under the Joint Venture Framework Sales and Purchase Agreements

On 26 October 2026, the Company and the Joint Venture entered into the JV Condiment Products Sales Agreement and JV Convenient Ready-to-eat Food Products Sales Agreement, pursuant to which (i) 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 under the JV Condiment Products Sales Agreement; and (ii) the Joint Venture (for itself and on behalf of its subsidiaries) agreed to sell Convenient Ready-to-eat Food Products to the Group (other than the Joint Venture and its subsidiaries) under the JV Convenient Ready-to-eat Food Products Sales Agreement for a term of three years from 1 January 2027 to 31 December 2029.

The principal terms of the Joint Venture Framework Sales and Purchase Agreements are summarised below.

The 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 generally within one month after the product delivery according to the Company's policy and settled within the following month. In the rare event that reconciliation is required due to product return, settlement will be made in a timely and appropriate manner on normal commercial terms agreed by both parties. For the internal control measures relating to payment terms, please refer to the section headed "Internal Control Measures" in this circular.

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 *(RMB'000)*	For the year ended 31 December 2025 *(RMB'000)*	For the six months ended 30 June 2026 *(RMB'000)* (unaudited)	Annual cap for the year ending 31 December 2026 *(RMB'000)*
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 Latest Practicable Date, 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 *(RMB'000)*	2028 *(RMB'000)*	2029 *(RMB'000)*
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, more intensive 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 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 R&D 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.

(II) 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.

(III) INFORMATION OF 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.

(IV) 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.

(V) DIRECTORS' CONFIRMATION IN RELATION TO THE SALE AND PURCHASE OF PRODUCTS WITH THE JOINT VENTURE

The Directors (including the independent non-executive Directors) are of the view that the Joint Venture Framework Sales and Purchase Agreements have been and will be entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) are of the view that the proposed annual caps under the Joint Venture Framework Sales and Purchase Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As Mr. Zhang is indirectly interested in the equity interests of Xinpai Shanghai, which holds 40% equity interests in the Joint Venture, and Mr. Zhao Xiaokai ("**Mr. Zhao**"), an executive Director, is a director of the Joint Venture, each of Mr. Zhang and Mr. Zhao has abstained from voting on the relevant board resolutions approving the Joint Venture Framework Sales and Purchase Agreements. Except for Mr. Zhang and Mr. Zhao, no other Director has a material interest in the Joint Venture Framework Sales and Purchase Agreements or is required to abstain from voting on the board resolutions for approving the Joint Venture Framework Sales and Purchase Agreements and the proposed annual caps thereunder.

(VI) APPROVAL BY INDEPENDENT SHAREHOLDERS

Haidilao, which wholly controls Xinpai Shanghai, is held as to approximately 45.51% by Mr. Zhang (also being a Director) and Ms. Shu, both the Controlling Shareholders, and approximately 19.18% by Mr. Shi and Ms. Lee, both the Substantial Shareholders.

In accordance with the Listing Rules, Mr. Zhang, Ms. Shu, Mr. Shi, Ms. Lee, Mr. Zhao and their respective associates (which, as at the Latest Practicable Date, in aggregate hold 453,130,013 Shares, representing approximately 43.71% of the issued Shares) will abstain from voting on the ordinary resolutions to approve the Joint Venture Framework Sales and Purchase Agreements (including the proposed annual caps) at the Extraordinary General Meeting.

Apart from the above, none of the Shareholders have a material interest in the transactions under the Joint Venture Framework Sales and Purchase Agreements, and save for the abstention by the trustee of the 2026 Share Award Scheme referred to in the section headed "Extraordinary General Meeting" below, no other Shareholder is required to abstain from voting on the proposed resolutions approving the same.

The Company will seek the Independent Shareholders' approval at the Extraordinary General Meeting for, among others, the Joint Venture Framework Sales and Purchase Agreements on the condition that:

1. the annual transaction amount of the Joint Venture Framework Sales and Purchase Agreements shall not exceed the respective annual caps;

2. (i) the Joint Venture Framework Sales and Purchase Agreements will be entered into in the ordinary and usual course of business of the Group and either (a) on normal commercial terms or better; or (b) if there is no available comparison, on terms no less favourable than terms available to the Group from independent third parties; and

   (ii) the transactions will be entered into in accordance with the Joint Venture Framework Sales and Purchase Agreements and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company will comply with relevant provisions of the Listing Rules in relation to the transactions under the Joint Venture Framework Sales and Purchase Agreements.

INTERNAL CONTROL MEASURES

The Group has a comprehensive internal control system to ensure that the terms of the Non-exempt Framework Agreements are fair and reasonable, and the Non-exempt Framework Agreements are conducted on normal commercial terms or better and in the ordinary course of business of the Group, and in the interests of the Company and the Shareholders as a whole. Relevant internal control measures include:

(i) The Group has designated a team of senior management from business operation, legal, risk control and finance departments and the Board office to continuously monitor continuing connected transactions. The team of senior management continuously traces and regularly monitors the progress of continuing connected transactions and reports to the Board.

(ii) The relevant personnel of the business department of the Company will conduct regular checks on the prevailing market price for the purpose of considering if the price charged for a specific transaction is fair and reasonable and in accordance with the pricing basis for the relevant continuing connected transactions:

(a) the marketing team will from time to time (on a regular basis and/or prior to price negotiation) gather market intelligence by way of research, investigation and obtaining quotations from independent third parties, and obtain complete supporting materials for market pricing. The source pricing materials must be filed and retained at the time of any price adjustment for review by the independent non-executive Directors, and external reference prices must specify their source and pricing date, with written evidence rather than oral representations required, in each case to ascertain the quality of the Group's products compared to similar products in the market and the reference price of each type of the products in the market. The finance department is responsible for entering the finalized product prices into the Group's SAP system, and the sale prices recorded in the SAP system are used as the basis for pricing; and

(b) the Company would conduct regular reviews on a monthly basis of the sales, profit margin, market and profitability of the products, and ensure the transactions are within the annual cap.

(iii) The team of senior management of the Group collects and reviews continuing connected transactions each month in order to guarantee (i) the connected parties have fulfilled the terms of the agreements in relation to continuing connected transactions during the relevant month; and (ii) the actual transaction amounts incurred and estimated to be incurred between the Company and the connected parties are within the annual caps.

(iv) The Group applies the same credit terms and credit management standards to connected persons as to independent third-party customers, and all credit terms are centrally managed through the Group's ERP system, which automatically issues reminders and suspends deliveries in the event of overdue payments. In such event, the finance department of the Group is also responsible for reminding the sales team to promptly follow up on the reconciliation and settlement of the outstanding payments. Any deferred settlement arising from reconciliation is documented, and the internal audit team regularly reviews payment collection and credit terms.

(v) The independent non-executive Directors review and re-assess the transaction consideration semi-annually to maintain a net profit margin for such sales (where applicable) consistent with that for the transactions with independent third party customers.

(vi) The team of senior management of the Group organizes and runs internal control tests regularly to evaluate the completeness and effectiveness of the internal control measures in relation to continuing connected transactions.

(vii) The Board conducts an annual review on the implementation of continuing connected transactions and conducts review of financial statements which include the disclosure of continuing connected transactions semi-annually. The review mainly includes a review on whether the Group and the connected parties have fulfilled the terms of the agreements in relation to continuing connected transactions during the relevant year or semi-annually and whether the actual transaction amounts incurred between the Group and the connected persons are within the annual caps.

(viii) The independent non-executive Directors conduct an annual review of continuing connected transactions and provide annual confirmations in the Company's annual report on whether the continuing connected transactions are conducted (i) in the Group's ordinary course of business; (ii) in accordance with normal commercial terms or better and on terms that are fair and reasonable; (iii) in accordance with the terms of the relevant agreements; and (iv) in the interests of the Company and the Shareholders as a whole.

(ix) The audit committee of the Board has assigned the independent internal audit team the task of carrying out checks from time to time on the implementation of the Company's connected transactions.

(x) To assist the Company in complying with the applicable rules listed in Chapter 14A of the Listing Rules, the external auditor of the Company performs work in accordance with the regulations in the "Hong Kong Standard on Assurance Engagements 3000 – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to the "Practice Note 740 – Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants, on the Company's continuing connected transactions and issues a letter in respect of the continuing connected transactions disclosed in the Company's annual report in accordance with the applicable accounting standards and the Listing Rules.

Based on the above internal control measures and the pricing methods and procedures described in this circular, the Directors (including the independent non-executive Directors) are of the view that the Yihai Continuing Connected Transactions will be conducted on normal commercial terms and on terms no less favourable to the Group than those available from or to independent third parties, and will not be prejudicial to the interests of the Company and its minority Shareholders.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 10 December 2026 to Tuesday, 15 December 2026, both days inclusive, in order to determine the eligibility of the shareholders to attend and vote at the Extraordinary General Meeting. The shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 15 December 2026 will be entitled to attend and vote at the Extraordinary General Meeting. In order to be eligible to attend and vote at the Extraordinary General Meeting, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on Wednesday, 9 December 2026.

EXTRAORDINARY GENERAL MEETING

Set out on pages 93 to 97 of this circular is the notice of the Extraordinary General Meeting at which, inter alia, ordinary resolutions will be proposed to the Shareholders to consider and approve (i) the sale of Haidilao Customized Products and Haidilao General Products to the Haidilao Group pursuant to the Haidilao Master Sales Agreement (including the proposed annual caps), (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 (including the proposed annual caps), (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 (including the proposed annual caps), and (iv) the sale of condiment products and other food products (e.g. casual snacks or semi-finished ingredients, etc.) to the Joint Venture and its subsidiaries and the purchase of Convenient Ready-to-eat Food Products from the Joint Venture and its subsidiaries under the Joint Venture Framework Sales and Purchase Agreements (including the proposed annual caps).

A form of proxy is enclosed for use at the Extraordinary General Meeting. Such form of proxy is also published on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.yihchina.com**). Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time fixed for the holding of the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude Shareholders from attending and voting in person at the Extraordinary General Meeting or any adjourned meeting thereof should they so wish.

In accordance with the Listing Rules, Mr. Zhang, Ms. Shu, Mr. Shi, 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 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 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 Latest Practicable Date, 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.

Except as disclosed, no other Shareholder has any material interest in the proposed resolutions and is required to abstain from voting on such resolutions.

Pursuant to Rule 13.39(4) of the Listing Rules and Article 13.6 of the Articles of Association, a resolution put to the vote at any general meeting shall be decided on a poll save that the Chairman may, in good faith, allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorized representative shall have one vote for each share registered in his/her/its name in the register of members. A Shareholder entitled to more than one vote need not use up all his/her/its votes nor cast all the votes in the same way.

RECOMMENDATION OF THE BOARD

The Directors are of the opinion that the terms of the Non-exempt Framework Agreements (including the proposed caps under the Yihai Continuing Connected Transactions) are fair and reasonable, on normal commercial terms or better, and the Yihai Continuing Connected Transactions are carried out in the ordinary and usual course of business. They are also of the opinion that the Yihai Continuing Connected Transactions are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the relevant ordinary resolutions to be proposed at the Extraordinary General Meeting.

RECOMMENDATION OF THE INDEPENDENT FINANCIAL ADVISER AND THE INDEPENDENT BOARD COMMITTEE

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), and South China Capital Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

The Independent Financial Adviser considers the Non-exempt Framework Agreements (including the proposed annual caps) are on normal commercial terms and conducted in the ordinary and usual course of business of the Group. The Independent Financial Adviser also considers that the Non-exempt Framework Agreements (including the proposed annual caps) are fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole. The full text of the letter from the Independent Financial Adviser issued by South China Capital Limited containing its recommendation in respect of the Non-exempt Framework Agreements (including the proposed annual caps) is set out on pages 47 to 86 of this circular.

The Independent Board Committee, having taken into account the advice of South China Capital Limited, considers the terms of the Non-exempt Framework Agreements (including the proposed annual caps) are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the Extraordinary General Meeting to approve the Non-exempt Framework Agreements (including the proposed annual caps). The full text of the letter from the Independent Board Committee is set out on page 46 of this circular.

Yours faithfully,
For and on behalf of the Board
Yihai International Holding Ltd.
Guo Qiang
Chairman

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)

23 November 2026

To the Independent Shareholders

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

Dear Sir or Madam,

We have been appointed as the Independent Board Committee to advise you in connection with the Yihai Continuing Connected Transactions (including the proposed annual caps), details of which are set out in the letter from the Board contained in the circular issued by the Company to the Shareholders dated 23 November 2026, of which this letter forms part. We wish to draw your attention to the letter from the Independent Financial Adviser as set out on pages 47 to 86 of the circular. Terms defined in the circular shall have the same meanings when used herein, unless the context otherwise requires.

Having considered the information set out in the letter from the Board, the terms of the Non-exempt Framework Agreements and the advice of South China Capital Limited in relation thereto as set out on pages 47 to 86 of the circular, we are of the view that the Non-exempt Framework Agreements (including the proposed annual caps) are on normal commercial terms and conducted in the ordinary and usual course of the business of the Group. We are also of the view that the Non-exempt Framework Agreements (including the proposed annual caps) are in the interests of the Company and the Shareholders as a whole, and are fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the Extraordinary General Meeting to approve (i) the Haidilao Master Sales Agreement (including the proposed annual caps), (ii) the Super Hi Master Sales Agreement (including the proposed annual caps), (iii) the Shuhai Sales Agreement (including the proposed annual caps), and (iv) the Joint Venture Framework Sales and Purchase Agreements (including the proposed annual caps).

Yours faithfully,
Yihai International Holding Ltd.
CUI Jin WANG Xin LI Ping
Independent Non-executive Directors

The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from the Independent Financial Adviser setting out its opinion regarding the Yihai Continuing Connected Transactions (including the respective proposed annual caps) contemplated under the Non-exempt Framework Agreements for the purpose of inclusion in this circular.



South China Capital Limited
36/F., The Centrium
No. 60, Wyndham Street
Central
Hong Kong

23 November 2026

To the Independent Board Committee and
the Independent Shareholders

Yihai International Holding Ltd.
Units 2806-2809, Hongqi Tower
No. 40, Lane 363, Zhenhua South Road
Putuo District
Shanghai
The PRC

Dear Sirs,

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

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Yihai Continuing Connected Transactions (including the respective proposed annual caps) contemplated under each of the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement, the Shuhai Sales Agreement and the Joint Venture Framework Sales and Purchase Agreements, details of which are contained in the letter from the Board (the "**Letter from the Board**") as set out in the circular dated 23 November 2026 (the "**Circular**"). Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those ascribed in the Circular.

Reference is made to the announcement of the Company dated 26 October 2026 in relation to the Yihai Continuing Connected Transactions (including the respective proposed annual caps) contemplated under each of the Non-exempt Framework Agreements.

On 26 October 2026, the Company entered into each of the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement, the Shuhai Sales Agreement and the Joint Venture Framework Sales and Purchase Agreements, for a term of three years from 1 January 2027 to 31 December 2029.

IMPLICATIONS UNDER THE LISTING RULES

Mr. Zhang Yong, a non-executive Director, and his wife, Ms. Shu Ping together hold approximately 31.44% of the total issued Shares and are therefore controlling Shareholders.

Mr. Sean Shi, a substantial Shareholder, together with his wife, Ms. Hailey Lee, holds approximately 12.26% of the total issued Shares and are therefore substantial Shareholders.

The Haidilao Master Sales Agreement

Haidilao is held as to approximately 45.51% by Mr. Zhang Yong and Ms. Shu Ping, both the controlling Shareholders, and 19.18% by Mr. Sean Shi and his wife, Ms. Hailey Lee.

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.

Mr. Zhang Yong, together with his wife, Ms. Shu Ping, directly or indirectly, hold approximately 45.51% of Haidilao. Mr. Sean Shi, together with his wife, directly or indirectly, hold approximately 19.18% of Haidilao. Ms. Zhang Fan, a non-executive Director, who also bears several roles in Haidilao Group, holds 10,000 Shares representing approximately 0.001% of the total issued Shares.

In accordance with the Listing Rules, Mr. Zhang Yong, Ms. Shu Ping, Mr. Sean Shi, Ms. Hailey Lee, Ms. Zhang Fan and their respective associates (which, as at the Latest Practicable Date, in aggregate hold 452,980,013 Shares, representing approximately 43.69% of the issued Shares) will abstain from voting on the ordinary resolutions to approve the Haidilao Master Sales Agreement (including the proposed annual caps) at the Extraordinary General Meeting.

The Super Hi Master Sales Agreement

Super Hi is held as to approximately 43.02% by Mr. Zhang Yong and Ms. Shu Ping, both the controlling Shareholders, and 17.19% by Mr. Sean Shi, a substantial Shareholder, and his wife, Ms. Hailey Lee.

Super Hi 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 Super Hi Group constitute continuing connected transactions of the Company under the Listing Rules.

Mr. Zhang Yong, together with his wife Ms. Shu Ping, directly or indirectly, hold approximately 43.02% of Super Hi. Mr. Sean Shi, together with his wife, directly or indirectly, hold approximately 17.19% of Super Hi.

In accordance with the Listing Rules, Mr. Zhang Yong, Ms. Shu Ping, Mr. Sean Shi, Ms. Hailey Lee and their respective associates (which, as at the Latest Practicable Date, in aggregate hold 452,970,013 Shares, representing approximately 43.69% of the issued Shares) will abstain from voting on the ordinary resolutions to approve the Super Hi Master Sales Agreement (including the proposed annual caps) at the Extraordinary General Meeting.

The Shuhai Sales Agreement

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. (上海海悦投資管理有限公司), (ii) approximately 26.17% by Jinghai Investment, a company wholly owned by Jingyuan Investment, (iii) approximately 8.55% in aggregate by Ningbo Hongshan Zesheng Equity Investment Partnership (Limited Partnership)* (寧波紅杉澤盛股權投資合夥企業(有限合夥)) and Shenzhen Hongshan Yuechen Investment Partnership (Limited Partnership)* (深圳紅杉悦辰投資合夥企業(有限合夥)), which hold approximately 4.75% and 3.80%, respectively, and which, together with their ultimate beneficial owners, are independent third parties, (iv) approximately 21.64% by 20 independent third parties (comprising companies, limited partnerships and individuals), none of which holds 5.00% or more of the equity interest therein, as at the Latest Practicable Date.

Shuhai Supply Chain is therefore a connected person of the Company by virtue of being an associate of Mr. Zhang Yong, a non-executive Director, and Ms. Shu Ping, both 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 Yong, a non-executive Director, and Ms. Shu Ping, both the controlling Shareholders, the transactions contemplated under the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement and 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 each of the Haidilao Master Sales Agreement, the Super Hi Master Sales Agreement and 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.

In accordance with the Listing Rules, Mr. Zhang Yong, Ms. Shu Ping, Mr. Sean Shi, Ms. Hailey Lee and their respective associates (which as at the Latest Practicable Date, in aggregate hold 452,970,013 Shares, representing approximately 43.69% of the issued Shares) will abstain from voting on the ordinary resolutions to approve the Shuhai Sales Agreement (including the proposed annual caps) at the Extraordinary General Meeting.

The Joint Venture Framework Sales and Purchase Agreement

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 Yong, a non-executive Director, and Ms. Shu Ping, 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.

In accordance with the Listing Rules, Mr. Zhao Xiaokai (a director of the Joint Venture, which has a material interest in the Joint Venture Framework Sales and Purchase Agreements), Mr. Zhang Yong, Ms. Shu Ping, Mr. Sean Shi, Ms. Hailey Lee and their respective associates (which, as at the Latest Practicable Date, in aggregate hold 453,130,013 Shares, representing approximately 43.71% of the issued Shares) will abstain from voting on the ordinary resolutions to approve the Joint Venture Framework Sales and Purchase Agreements (including the proposed annual caps) at the Extraordinary General Meeting.

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 Latest Practicable Date, 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 Extraordinary General Meeting will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Yihai Continuing Connected Transactions (including the respective proposed annual caps).

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the three independent non-executive Directors, namely Ms. Cui Jin, Mr. Wang Xin and Ms. Li Ping, has been established to make recommendation to the Independent Shareholders regarding the Yihai Continuing Connected Transactions (including the respective proposed annual caps) contemplated under each of the Non-exempt Framework Agreements.

As the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to whether the Yihai Continuing Connected Transactions (including the respective proposed annual caps) contemplated under each of the Non-exempt Framework Agreements are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole, and to give independent advice to the Independent Board Committee and the Independent Shareholders as to whether the Independent Shareholders should vote in favour of the Yihai Continuing Connected Transactions (including the respective proposed annual caps) contemplated under each of the Non-exempt Framework Agreements.

OUR INDEPENDENCE

As at the Latest Practicable Date, having considered all the circumstances under Rule 13.84 of the Listing Rules, we did not have any relationship or connection (financial or otherwise) with, or interests in, the Company that could reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us in connection with this engagement, no arrangements exist whereby we had received any fees or benefits from the Company or any other party to the transaction that could reasonably be regarded as relevant to our independence. During the past two years, we did not have any engagement with the Company or the Directors, chief executives and substantial Shareholders or any of their associates. Therefore, we consider that we are independent of the Company during the time commencing from, and up to the end of, our engagement as the Independent Financial Adviser pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In arriving at our recommendation, we have reviewed, among other things, each of the Non-exempt Framework Agreements, the Company's annual report for the financial year ended 31 December 2024 (the "**2024 Annual Report**") and 2025 (the "**2025 Annual Report**") and the Company's interim report for the six months ended 30 June 2026 (the "**2026 Interim Report**"). We have also discussed with the management of the Company (the "**Management**") regarding the commercial implication of the Yihai Continuing Connected Transactions (including the respective proposed annual caps). In addition, we have relied on the information and facts provided by the Company and have assumed that any representations made to us are true, accurate and complete. We have also relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and the Management. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors and the Management for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the date of the despatch of the Circular.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular the omission of which would make any such statement contained in the Circular misleading. We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Directors and the Management, nor have we conducted an independent investigation into the business and affairs of the Group, the Haidilao Group, the Super Hi Group, the Shuhai Supply Chain Group and the Joint Venture and its subsidiaries (the "**Joint Venture Group**").

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation regarding the Yihai Continuing Connected Transactions (including the respective proposed annual caps), we have taken into consideration the following principal factors and reasons:

1. INFORMATION OF THE GROUP

The Group is a leading and fast-growing compound condiment manufacturer in China primarily focused on the hot pot condiment, compound condiments and convenient ready-to-eat food products market. The Group is the major supplier of hot pot soup flavoring products for Haidilao Group in China. In terms of third-party channels, the Group mainly employs a distributor model to sell its products. The Group is also expanding its sales network to direct sales stores in malls and supermarkets, catering and food companies and overseas markets.

The principal activities of the Group are researching and developing, manufacturing, distributing and selling high-quality hot pot soup flavouring, hot pot dipping sauce, compound condiment products and convenient ready-to-eat food products. For the six months ended 30 June 2026, the Group had over 300 types of products (excluding customised products for customers) for sale.

2. THE HAIDILAO MASTER SALES AGREEMENT

2.1 Information of Haidilao

Haidilao Group is principally engaged in the hot pot restaurant business in Greater China among other ancillary businesses.

2.2 Reasons for 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 flavouring 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.

The Management advised us that the Haidilao Master Sales Agreement could benefit the Group by providing a significant and stable income stream to it and we note that revenue from the Haidilao Group represented approximately 28.1% and 25.5% of the Group's revenue for the two years ended 31 December 2025, respectively. As advised by the Management, the Group has been supplying the Haidilao Customized Products and the Haidilao General Products to the Haidilao Group for years and the transactions contemplated under the Haidilao Master Sales Agreement will continue to be the one of the Group's focuses.

Having considered that (i) the long-term relationship with the Haidilao Group; (ii) the Group's existing business activities; and (iii) the historical revenue contribution from the Haidilao Group which could provide the Group with stable income stream, we are of the view that transactions contemplated under the Haidilao Master Sales Agreement are conducted in the ordinary and usual course of the Group's business and in the interests of the Company and the Shareholders as a whole.

2.3 Principal terms of the Haidilao Master Sales Agreement

On 26 October 2026, the Company and Haidilao entered into the Haidilao Master Sales Agreement, pursuant to which the Group agreed to sell the Haidilao Customized Products and the Haidilao General Products to the Haidilao Group for a term of three years from 1 January 2027 to 31 December 2029.

The principal terms of the Haidilao Master Sales Agreement are summarized below:

Term

Subject to approval by the Independent Shareholders and the independent shareholders of Haidilao, the Haidilao Master Sales Agreement will have 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 fulfil 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 the 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. The parties will confirm in writing that (i) such upgraded formulas result from the joint efforts of the Haidilao Group and the Group, and (ii) any sales of products produced with such upgraded formulas will be subject to the Haidilao Master Sales Agreement. The Directors consider the arrangement to be fair and reasonable, as ownership follows the party that owns the underlying formula and leads the development, the Group retains the right to use the upgraded formulas, and any formula developed by the Group on its own remains the property of the Group as described below.

Having considered the rationale behind for any upgrades and developments on top of the original Haidilao Group Formulas, we consider it to be fair and reasonable for Haidilao Group to retain the relevant upgraded proprietary rights; whilst any formula developed by the Group itself will remain the property of 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. The parties will confirm in writing that (i) such upgraded formulas result from the Group's own efforts, and (ii) any sales of products produced with such upgraded formulas to the Haidilao Group will be subject to the Haidilao Master Sales Agreement.

(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 (a) the unit manufacturing cost, (b) the estimated net profit margin and (c) the applicable income tax rate. The estimated net profit margin is calculated based on the after-tax net profit margins of historical comparable transactions with all independent third parties, taking into account the cost of sales, distribution expenses, administrative expenses, other income and gains (net), net finance costs and income tax expenses, each allocated in accordance with the Group's established allocation rules. The Group reviews the pricing of its sales to connected persons semi-annually to ensure that the net profit margins of such sales are consistent with those of historical comparable transactions with independent third parties. The results of each review are subject to review by the independent non-executive Directors and are checked by the internal audit team and the external auditor.

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, 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.

Assessment of the pricing basis

(a) Sale of Haidilao Customized Products

As part of our due diligence, we have reviewed the Group's five records of the reviewing reports prepared by the Management for the Independent non-executive Directors' review semi-annually regarding the analysis on the sales price, the gross profit margins and the net profit margins between transactions with the related parties (including the Haidilao Group) for each of the two years ended 31 December 2025 and the six months ended 30 June 2026, and noted that its pricing policies for maintaining a consistent, fair and equitable treatment between the related parties (including the Haidilao Group) and other independent third party distributors/customers had been followed. We consider that reviewing such reports to be representative and sufficient for the purpose of our assessment, because they can reflect the Group's latest business practice in its ordinary and usual course of business and cover the whole period under the relevant agreement.

(b) Sale of Haidilao General Products

As part of our due diligence, we have independently reviewed five sample invoices for each of the two years ended 31 December 2025 and the six months ended 30 June 2026 in relation to the sale of Haidilao General Products by the Group to each of the Haidilao Group and the independent third parties, and we have noted that the sales price of such similar products are (i) comparable among each other; and (ii) no more favourable to the Haidilao Group than that of the Group offered to the independent third parties. We consider the selected samples that we have reviewed to be representative and sufficient for the purpose of our assessment, which is in line with our usual practice, because they were transactions that took place recently that can reflect the Group's latest business practice in its ordinary and usual course of business and cover the whole period under the relevant agreement.

Having considered the above pricing basis of the Haidilao Customized Products and the Haidilao General Products, the review of the related reviewing reports and the respective invoices, we are of the view that the pricing basis of the Haidilao Customized Products and the Haidilao General Products to the Haidilao Group are on normal commercial terms or better, no less favourable to the Group than those offered to other independent third party customers, conducted in the ordinary and usual course of business of the Group, and fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Payment terms

Fees payable under the Haidilao Master Sales Agreement will be generally billed on a monthly basis, following the delivery of products and issuance of delivery invoices by the Group. In the rare event that reconciliation is required due to product return, settlement will be made in a timely and appropriate manner on normal commercial terms agreed by both parties. For the internal control measures relating to payment terms, please refer to the section headed "Internal Control Measures" in the Circular.

Assessment of the payment terms

According to the 2024 Annual Report and the 2025 Annual Report, the trade receivables are generally due for settlement within 30 to 90 days. The majority of the Group's third party sales are conducted through receiving advances from customers before delivering the goods to customers, with only a few customers who are granted with credit periods from 30 to 90 days. The Group's respective trade receivable balances as at 31 December 2024 and 2025 with ageing within three months accounted for 100%. Based on this observation, we consider that the payment terms on a monthly basis or in rare event with slight delay for about two weeks, as the case may be, for the supply of Haidilao Customized Products and Haidilao General Products to the Haidilao Group pursuant to the Haidilao Master Sales Agreement are usual, typical and on normal commercial terms or better, no less favourable to the Group than those offered to other independent third party customers, and therefore are fair and reasonable.

2.4 The historical transaction amounts, existing annual caps and the proposed annual caps for the Haidilao Master Sales Agreement

Historical transaction amounts

The table below sets out the historical transaction amounts in relation to the sales of Haidilao Customized Products and Haidilao General Products pursuant to the Existing Haidilao Master Sales Agreement during the periods indicated below:

	For the year ended/ending 31 December		
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Existing annual caps	2,880,000	3,420,000	3,990,000
Actual transaction amounts	1,840,877	1,684,374	925,581 *(Note 1)*
Utilisation rate of the existing annual caps	63.9%	49.3%	23.2% *(Note 1)*
Total revenue of the Group	6,539,569	6,612,566	N/A *(Note 2)*
Proportion of revenue from the Haidilao Group to the Group's total revenue	28.1%	25.5%	N/A *(Note 2)*

Notes:

1. The actual transaction amount for the year 2026 of Haidilao Customized Products and Haidilao General Products sold by the Group to the Haidilao Group was for the six months ended 30 June 2026. As at the Latest Practicable Date, the actual transaction amount has not exceeded the annual cap for the year ending 31 December 2026.

2. The Directors consider that it may not be appropriate to make forecast for the Group's total revenue for the full year ending 31 December 2026.

The proposed annual caps

	For the year ending 31 December		
	2027	**2028**	**2029**
	RMB'000	*RMB'000*	*RMB'000*
Sales to the Haidilao Group	2,340,000	2,820,000	3,450,000

Basis of determination of the proposed annual caps

With reference to the Letter from the Board, we understand that the above proposed annual caps in respect of the Haidilao Customized Products and the Haidilao General Products contemplated under the Haidilao Master Sales Agreement were determined by the Group with reference to 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 other factors 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.

We have reviewed the schedule prepared by the Management for each of the three years ending 31 December 2029, which sets out the number of existing restaurants and planned new restaurants, and the estimated increase in the Haidilao Group's demand for the food products (about 27% growth for 2027 on the highest actual transaction amounts during the period from 2024 to 2025 (i.e. approximately RMB1,841 million for 2024), 21% growth for 2028 on the preceding year, and 22% growth for 2029 on the preceding year).

We note that the growth rate for 2027 is relatively higher than that of 2028 and 2029 but if we compute the compound annual growth rate (the "**CAGR**") based on the actual transaction amount for 2025 and the proposed annual cap for 2029, the projected CAGR would be about 20%, which we consider to be justifiable and in line with the expected business growth of the Haidilao Group.

In addition, based on our independent research from public sources, according to (i) the statistical information from the official websites of the National Bureau of Statistics of China, we noted that the revenue from catering industry in the PRC during the seven months ended July 2026 increased by about 2.6%, suggesting that the catering sector remained stable with positive growth; and (ii) the annual report of Haidilao for the year ended 31 December 2025 and its interim report for the six months ended 30 June 2026, the annual/period growth rates of Haidilao's total revenue were about 1.1% and 7.9% respectively. In particular, Haidilao Group has developed its (1) franchise business by opening more franchised restaurants instead of self-operated restaurants, which had increased to 99 franchised Haidilao restaurants as at 30 June 2026 when compared to that of 41 as at 30 June 2025; (2) delivery business with significant revenue growth over the recent years/period; and (3) other restaurant operations with 21 other restaurant brands and 183 such restaurants as at 30 June 2026. Haidilao Group has sourced most of the condiment products and food ingredients from the Group for consumption by its franchised Haidilao restaurants, delivery business and other restaurant operations. The Management considers that Haidilao Group will procure more condiment products and food ingredients for further developing its franchised Haidilao restaurants, delivery business and other restaurant operations in the coming years. Haidilao Group's revenue generated from its delivery business and other restaurant operation amounted to (i) RMB2,658 million and RMB1,521 million for the year ended 31 December 2025, representing significant increases of 112% and 215%, respectively, when compared to that of the previous year; and (ii) RMB2,051 million and RMB1,271 million for the six months ended 30 June 2026, representing significant increases of 121% and 113%, respectively, when compared to that of the six months ended 30 June 2025. According to the Haidilao Group's current business plan, there will be many more franchised Haidilao restaurants and other brand restaurants to be opened in the coming years whilst the delivery business will also be further expanded so as leading to much greater demand for the Group's condiment products and food ingredients for the three years from 2027 to 2029.

Taking into account of (1) the projected CAGR of about 20% as mentioned above; (2) the current stable condition of the catering industry in the PRC; and (3) the historical revenue growth of Haidilao, particularly revenue growth from the delivery business and other restaurant operations, we consider the growth rate adopted in the abovementioned schedule to be justifiable, fair and reasonable.

Having considered that basis of the abovementioned annual caps, we consider that the proposed annual caps under the Haidilao Master Sales Agreement is fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

3. SUPER HI MASTER SALES AGREEMENT

3.1 Information of Super Hi

Super Hi Group is a self-operated restaurant brand, primarily serving Haidilao hot pot in the international market outside Greater China.

3.2 Reasons for 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 flavoring, hot pot dipping sauce products, 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 has been 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.

Referring to the 2024 Annual Report and 2025 Annual Report, we have noted that revenue from the Super Hi Group represented approximately 1.9% and 2.1% of the Group's revenue for each of the two years ended 31 December 2025, respectively. As advised by the Management, the transactions contemplated under the Super Hi Master Sales Agreement could benefit the Group by providing a stable income stream to it, and the Group has been supplying the flavoring products to the Super Hi Group for years. We have also noted that the transactions contemplated under the Super Hi Master Sales Agreement are conducted in the ordinary and usual course of the Group's business.

Having considered that (i) the long-term and stable business relationship with the Super Hi Group; (ii) the Group's existing business activities; and (iii) the historical revenue contribution from the Super Hi Group which could provide the Group with stable income stream, we are of the view that transactions contemplated under the Super Hi Master Sales Agreement are on normal commercial terms or better, no less favourable to the Group than those offered to independent third party customers, conducted in the ordinary and usual course of the Group's business and in the interests of the Company and the Shareholders as a whole.

3.3 Principal terms of the Super Hi Master Sales Agreement

On 26 October 2026, the Company and Super Hi entered into the Super Hi Master Sales Agreement, pursuant to which the Group agreed to sell Super Hi Customized Products and Super Hi General Products to the Super Hi Group for a term of three years from 1 January 2027 to 31 December 2029.

The principal terms of the Super Hi Master Sales Agreement are summarized below:

Term

Subject to approval by the Independent Shareholders and the independent shareholders of Super Hi, the Super Hi Master Sales Agreement will have 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 fulfil 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. The parties will confirm in writing that (i) such upgraded formulas result from the joint efforts of the Super Hi Group and the Group, and (ii) any sales of products produced with such upgraded formulas will be subject to the Super Hi Master Sales Agreement.

Having considered the rationale behind for any upgrades and developments on top of the original Super Hi Group Formulas, we consider it to be fair and reasonable for Super Hi Group to retain the relevant upgraded proprietary rights; whilst any formula developed by the Group itself will remain the property of 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. The parties will confirm in writing that (i) such upgraded formulas result from the Group's own efforts, and (ii) any sales of products produced with such upgraded formulas to the Super Hi Group will be subject to the Super Hi Master Sales Agreement.

(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 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, 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 adjustments 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.

Assessment of the pricing basis

(a) Sale of Super Hi Customized Products

As part of our due diligence, we have reviewed the Group's five records of the reviewing reports prepared by the Management for the Independent non-executive Directors' review semi-annually regarding the analysis on the sales price, the gross profit margins and the net profit margins between transactions with the related parties (including the Super Hi Group) and the independent third parties for each of the two years ended 31 December 2025, and have noted that its pricing policies for maintaining a consistent, fair and equitable treatment between the related parties (including the Super Hi Group) and other independent third party distributors/third parties had been followed. We consider that reviewing such reports to be representative and sufficient for the purpose of our assessment, because they can reflect the Group's latest business practice in its ordinary and usual course of business and cover the whole period under the relevant agreement.

(b) Sale of Super Hi General Products

As part of our due diligence, we have independently reviewed five sample invoices for each of the two years of 2024 and 2025 in relation to the sale of Super Hi General Products by the Group to each of the Super Hi Group and the third parties, and we have noted that the sales price of such similar products are (i) comparable among each other; and (ii) no more favourable to the Super Hi Group than that of the Group offered to the third parties. We consider the selected samples that we have reviewed to be representative and sufficient for the purpose of our assessment, which is in line with our usual practice, because they were transactions that took place recently that can reflect the Group's latest business practice in its ordinary and usual course of business and cover the whole period under the relevant agreement.

Having considered the above pricing basis of the Super Hi Customized Products and the Super Hi General Products, the review of the related reviewing reports and the respective invoices, we are of the view that the pricing basis of the same food products to the Super Hi Group are on normal commercial terms or better, no less favourable to the Group than those offered to other independent third party customers, and conducted in the ordinary and usual course of business of the Group, and fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Payment terms

Fees payable under the Super Hi Master Sales Agreement will be made based on the purchase volume per order. The credit term from receipt of products by the Super Hi Group to settlement is generally one month according to the Company's policy. In the rare event that reconciliation is required due to product return, settlement will be made in a timely and appropriate manner on normal commercial terms agreed by both parties. For the internal control measures relating to payment terms, please refer to the section headed "Internal Control Measures" in the Circular.

Assessment of the payment terms

According to the 2025 Annual Report, the trade receivables are generally due for settlement within 30 to 90 days. The majority of the Group's third party sales are conducted through receiving advances from customers before delivering the goods to customers, with only a few customers who are granted with credit periods from 30 to 90 days. The Group's respective trade receivable balances as at 31 December 2024 and 2025 with ageing within three months accounted for 100%. Based on this observation, we consider that the credit period from receipt of products by Super Hi Group to settlement (i.e. generally one month) or in rare event with slight delay for about two weeks, as the case may be, is on normal commercial terms or better, no less favourable to the Group than those offered to the independent third party customers, and therefore fair and reasonable.

3.4 The historical transaction amounts, existing annual caps and the proposed annual caps for the Super Hi Master Sales Agreement

Historical transaction amounts

The table below sets out the historical transaction amounts in relation to the sales to the Super Hi Group pursuant to the Existing Super Hi Master Sales Agreement during the periods indicated below:

	For the year ended/ending 31 December		
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Existing annual caps	213,000	283,000	355,000
Actual transaction amounts	123,122	136,045	72,967 *(Note)*
Utilisation rate of the existing annual caps	57.8%	48.1%	20.6% *(Note)*

Note:

The actual transaction amount for the year 2026 of sales to the Super Hi Group was for the six months ended 30 June 2026. As at the Latest Practicable Date, the actual transaction amount of sales to the Super Hi Group have not exceeded the annual cap for the year ending 31 December 2026.

The proposed annual caps

	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

Basis of determination of the proposed annual caps

With reference to the Letter from the Board, we understand that the above proposed annual caps in respect of the Super Hi Customized Products and the Super Hi General Products contemplated under the Super Hi Master Sales Agreement were determined by the Group with reference to the factors including the following:

(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 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, labour, 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.

We have reviewed a schedule prepared by the Management for each of the three years ending 31 December 2029, which sets out the Super Hi Group's estimated demand for Super Hi Customized Products and Super Hi General Products in the coming three years (about 45% growth for 2027 on the actual transaction amount for 2025 (i.e. approximately RMB136 million), 21% growth for 2028 on the preceding year and 18% growth for 2029 on the preceding year).

We note that the growth rate for 2027 will be relatively higher as compared to that of 2028 and 2029, but if we compute the CAGR of the actual transaction amount for 2025 and the proposed annual cap for 2027, the projected CAGR would account for about 21%, which we consider to be justifiable. We have reviewed the annual report of Super Hi for the year ended 31 December 2025, and noted that the annual growth rate of the Super Hi's total revenue for 2024 to 2025 was about 8%, in particular, the annual growth rate of its (a) delivery business was about 68%; and (b) other revenue, which mainly consisted of sales of hot pot condiment products and food under Haidilao brand and secondary brands to local guests and retailers, was about 61%.

In addition, according to the interim report of Super Hi for the six months ended 30 June 2026, we also noted that the period growth rate of total revenue for the six months ended 30 June 2026 was about 12%, in particular, the period growth rate of its (a) delivery business was about 92% whilst (b) other revenue, which mainly consisted of revenue from sales of hot pot condiment products and food under Haidilao brand and secondary brands to local guests and retailers, was about 143%. Based on the understanding from the Management, Super Hi will continue to further strengthen development in these two business focuses so as leading to greater demand for the Group's hot pot condiment products and food to cope with the expected increase in business volume in the coming three years from 2027 to 2029. Taking into account of (1) the projected CAGR of about 21% as mentioned above; and (2) the historical revenue growth of Super Hi, particularly the delivery business and other revenue, we consider the growth rate adopted in the abovementioned schedule is justifiable, fair and reasonable.

Having considered that the basis of the abovementioned annual caps, we consider that the proposed annual caps under the Super Hi Master Sales Agreement is fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

4. SHUHAI SALES AGREEMENT

4.1 Information of Shuhai Supply Chain

Shuhai Supply Chain and its subsidiaries are primarily engaged in the supply of food ingredients and provision of storage and logistics services.

4.2 Reasons for 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.

As advised by the Management, 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 the existing product scope and the existing business through the client network of Shuhai Supply Chain.

Having considered the reasons mentioned in the above, we are of the view that transactions contemplated under the Shuhai Sales Agreement are conducted in the ordinary and usual course of the Group's business and in the interests of the Company and the Shareholders as a whole.

4.3 Principal terms of the Shuhai Sales Agreement

On 26 October 2026, the Company and Shuhai Supply Chain entered into the Shuhai Sales Agreement, pursuant to which the Group agreed to supply Shuhai Customized Products and Shuhai Retail Products to the Shuhai Supply Chain Group for a term of three years from 1 January 2027 to 31 December 2029.

The principal terms of the Shuhai Sales Agreement are summarized below:

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 sale price of the Shuhai Customized Products and the 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, (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.

Assessment of the pricing basis

(a) Sale of Shuhai Customized Products

As part of our due diligence, we have reviewed the Group's five records of the reviewing reports prepared by the Management for the Independent non-executive Directors' review semi-annually regarding the analysis on the sales price, the gross profit margins and the net profit margins between transactions with the related parties (including the Shuhai Supply Chain Group) and the independent third parties for two years ended 31 December 2025 and the six months ended 30 June 2026, and have noted that its pricing policies for maintaining a consistent, fair and equitable treatment between the related parties (including the Shuhai Supply Chain Group) and other independent third party distributors/third parties had been followed. We consider that reviewing such reports to be representative and sufficient for the purpose of our assessment, because they can reflect the Group's latest business practice in its ordinary and usual course of business and cover the whole period under the relevant agreement.

(b) Sale of Shuhai Retail Products

As part of our due diligence, we have independently reviewed five sample invoices for each of the year of 2024 and 2025 and the six months ended 30 June 2026 in relation to the sale of Shuhai Retail Products by the Group to each of the Shuhai Supply Chain Group and the third parties, and we have noted that the sale price of such similar products are (i) comparable among each other; and (ii) no more favourable to the Shuhai Supply Chain Group than that of Group offered to the independent third parties. We consider the selected samples that we have reviewed to be representative and sufficient for the purpose of our assessment, which is in line with our usual practice, because they were transactions that took place recently that can reflect the Group's latest business practice in its ordinary and usual course of business and cover the whole period under the relevant agreement.

Having considered the above pricing basis of the Shuhai Customized Products and the Shuhai Retail Products, the review of the related reviewing reports and the respective invoices, we are of the view that the pricing basis of the Shuhai Customized Products and the Shuhai Retail Products to the Shuhai Supply Chain Group are on normal commercial terms or better, no less favourable to the Group than those offered to other independent third party customers, conducted in the ordinary and usual course of business of the Group, and fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Payment terms

Payment shall be made by Shuhai Supply Chain Group generally on a monthly basis following the delivery of products and the Group's issuance of delivery invoices. In the rare event that reconciliation is required due to product return, settlement will be made in a timely and appropriate manner on normal commercial terms agreed by both parties. For the internal control measures relating to payment terms, please refer to the section headed "Internal Control Measures" in the Circular.

Assessment of the payment terms

According to the 2024 Annual Report and the 2025 Annual Report, the Group's trade receivables are generally due for settlement within 30 to 90 days. The majority of the Group's third party sales are conducted through receiving advances from customers before delivering the goods to customers, with only a few customers who are granted with credit periods from 30 to 90 days. The Group's respective trade receivable balances as at 31 December 2024 and 2025 with ageing within three months accounted for 100%. Based on this observation, we consider that the payment terms on a monthly basis or in rare event with slight delay for about two weeks, as the case may be, for the supply of products under the Shuhai Sales Agreement are on normal commercial terms or better, no less favourable to the Group than those offered to independent third party customers, and therefore fair and reasonable.

4.4 The historical amounts, existing annual caps and the proposed annual caps for the Shuhai Sales Agreement

Historical transaction amounts

The table below sets out the historical transaction amounts in relation to the sales of Shuhai Customized Products and Shuhai Retail Products pursuant to the Existing Shuhai Sales Agreement during the periods indicated below:

	For the year ended/ending 31 December		
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Existing annual caps	64,000	102,000	134,000
Sales to the Shuhai Supply Chain Group	9,894	10,638	2,711 *(Note)*
Utilisation rate of the existing annual caps	15.5%	10.4%	2.0% *(Note)*

Note:

The actual transaction amount for the year 2026 of Shuhai Customized Products and Shuhai Retail Products sold by the Group to the Shuhai Supply Chain Group was for the six months ended 30 June 2026. As at the Latest Practicable Date, the actual amount of Shuhai Customized Products and Shuhai Retail Products sold by the Group to the Shuhai Supply Chain Group has not exceeded the annual cap for the year ending 31 December 2026.

The proposed annual caps

	For the year ending 31 December		
	2027	**2028**	**2029**
	RMB'000	*RMB'000*	*RMB'000*
Sales to the Shuhai Supply Chain Group	30,000	50,000	80,000

Basis of determination of the proposed annual caps

With reference to the Letter from the Board, we understand that the above proposed annual caps in respect of the Shuhai Customized Products and the Shuhai Retail Products contemplated under the Shuhai Sales Agreement were determined by the Group with reference to the factors including the following:

(i) the 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 historically maintained substantial procurement demand for spices and oils and fats, of which less than 1% is currently sourced from the Group. Under the three-year plan, the Group expects significant growth in its supply of these products 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; and (2) expand the number of 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 favourable 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.

We have reviewed a schedule prepared by the Management for the three years ending 31 December 2029, which sets out the Group's expected sales amount of the Shuhai Customized Products and the Shuhai Retail Products, and noted that the expected growth rate of about 182% growth for 2027 on the actual transaction amount of 2025 (i.e. RMB10.6 million), 67% growth for 2028 on the preceding year and 60% growth for 2029 on the preceding year for the Shuhai Customized Products and Shuhai Retail Products. Based on our observation and further discussion with the Management, since the historical transaction base amounts were relatively small, the proposed annual caps for the coming three years from 2027 to 2029 would account for a greater increase in percentage. As a result, we further noted that the historical transaction amount and the proposed annual cap for sale of Shuhai Customized Products and the Shuhai Retail Products to the Shuhai Supply Chain Group for the year ended/ending 31 December 2025 and 2027 would only account for 3.5% and 10%, respectively, of the Group's revenue of RMB300 million derived from sales to third party catering and food product companies for the year ended 31 December 2025. The Group's end customers, through Shuhai Supply Chain Group, are also catering service companies.

According to the Group's current business plan as mentioned above, in 2027, it will (i) develop many more new product categories compound condiment products and hot pot soup flavouring products; (ii) optimize customized product business flow; (iii) shorten customized product delivery cycle within two weeks; and (iv) enhance customized product economy of scale. The Management expects that, in 2028, the Group's end customer base can be doubled by launching two to three products each quarter and the expansion of its product specifications to serve different customer requirements. In 2029, the Group will also be capable to provide full product category coverage and one-stop seasoning procurement solutions to catering customers in 2029. Leveraging on such business planning in the coming three years and the Shuhai Supply Chain Group's extensive client base with over 5,000 catering customers in the PRC, the Management expects that there will be substantial increase in demand for the Shuhai Customized Products and the Shuhai Retail Products, and therefore proposes a greater increase in the proposed annual caps for the coming three years from 2027 to 2029.

As advised by the Management, the Group has received purchase orders from Shuhai Supply Chain Group for some new condiment products, which are more favourable for the market with faster sales growth. Based on our independent review of the 2025 Annual Report, we note that the Group's revenue from sales to catering and food product companies amounted to RMB300 million for the year ended 31 December 2025, representing a year-on-year increase of about 73.3%, mainly due to the launch of new products such as tomato hot pot soup flavouring in catering field and seasoning powder, which the Management believes that there will be corresponding increase in the sale of similar condiment products to Shuhai Supply Chain Group, and in turn to its catering end customers, in the coming years.

In addition, we note that there will be a considerable expected business growth in 2027 as compared to the actual transaction amount of RMB10.6 million in 2025, but if we compute the CAGR of the actual transaction amount for 2025 and the proposed annual cap for 2027, the projected CAGR would account for about 68% and comparing to the CAGR of the actual transaction amounts for RMB4.9 million in 2023 and RMB10.6 million in 2025 of about 47%, which we consider to be justifiable.

Having considered that the basis of the abovementioned annual caps, we consider that the proposed annual caps under the Shuhai Sales Agreement is fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

5. JOINT VENTURE FRAMEWORK SALES AND PURCHASE AGREEMENTS

5.1 Information of the Joint Venture

The Joint Venture Group is principally engaged in the manufacture and sales of Convenient Ready-to-eat Food Products.

5.2 Reasons for 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 Group, the Company can further improve customer satisfaction with the Convenient Ready-to-eat Food Products to be manufactured by the Joint Venture Group.

The Group's sale of the products of the Joint Venture Group 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.

The Group has supplied condiment products to the Joint Venture for production of Convenient Ready-to-eat Food Products since September 2017. The Joint Venture produces, or purchases from 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 as well as independent customers. As the Joint Venture continues to launch new products, it will correspondingly increase procurement of condiment products and food ingredients from the Group, Shuhai Supply Chain Group and/or other independent suppliers.

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. For the six months ended 30 June 2026, the new products across all categories (excluding customized products) amounted to more than 80 in total, including new flavours such as regional flavour condiments, crayfish seasonings and fish seasonings as well as a variety of new Convenient Ready-to-eat Food Products. At the same time, considering both market feedback and sales situations, the Group had consolidated certain product specifications, and had over 300 types of products (excluding customized products) for sale. The number of new products launched to the market has been increasing over the years. The Convenient Ready-to-eat Food Products had generated revenue of 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. The Group will continue to develop further categories of Convenient Ready-to-eat Food Products to meet consumers' increasing demands for diversified usage scenarios.

5.3 Principal terms of the Joint Venture Framework Sales and Purchase Agreements

On 26 October 2026, the Company and the Joint Venture entered into the JV Condiment Products Sales Agreement and JV Convenient Ready-to-eat Food Products Sales Agreement, pursuant to which (i) the Company (for itself and on behalf of its subsidiaries, other than the Joint Venture Group) agreed to sell condiment products and other food products (e.g. casual snacks or semi-finished ingredients, etc.) to the Joint Venture Group primarily used as raw materials for the manufacture of Convenient Ready-to-eat Food Products under the JV Condiment Products Sales Agreement; and (ii) the Joint Venture (for itself and on behalf of its subsidiaries) agreed to sell Convenient Ready-to-eat Food Products to the Group (other than the Joint Venture Group) under the JV Convenient Ready-to-eat Food Products Sales Agreement, for a term of three years from 1 January 2027 to 31 December 2029.

The principal terms of the Joint Venture Framework Sales and Purchase Agreement are summarized below.

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 transaction

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 Group) agreed to sell condiment products and other food products (e.g. casual snacks or semi-finished ingredients, etc.) to the Joint Venture Group 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 Group).

The quantities of (a) the condiment products and other food products to be sold to the Joint Venture Group; 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 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 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 Group 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.

Assessment of the pricing basis

(a) Sale of condiment products and other food products

As part of our due diligence, (1) we have reviewed five sample invoices for each of the two years of 2024 and 2025 and six months ended 30 June 2026 in relation to the sale of condiment products by the Group to each of the Joint Venture and independent third parties of the Group; and (2) we have reviewed the Group's five records of the reviewing reports prepared by the Management for the Independent non-executive Directors' review

semi-annually regarding the analysis on the sales price, the gross profit margins and the net profit margins between transactions with the related parties (including the Joint Venture Group) and the independent third parties on each of the two years ended 31 December 2025 and six months ended 30 June 2026, and have noted that its pricing policies for maintaining a consistent, fair and equitable treatment between the related parties (including the Joint Venture Group) and other third party distributors/third parties had been followed; as such, we note that the sales price of similar condiment products are (i) comparable among each other; and (ii) no more favourable to the Joint Venture than that of the Group offered to such independent third parties. We consider the selected samples that we have reviewed to be representative and sufficient for the purpose of our assessment, which is in line with our usual practice, because they were transactions that took place recently that can reflect the Group's latest business practice in its ordinary and usual course of business and cover the whole period under the relevant agreement.

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

As part of our due diligence, we have independently reviewed five sample invoices for each of the two years of 2024 and 2025 and the six months ended 30 June 2026 in relation to the purchase of Convenient Ready-to-eat Food Products from the Joint Venture and independent third parties, we note that the purchase price thereof was (i) comparable among each other; and (ii) no less favourable to the Group than that of offered by such independent third parties. We consider the selected samples that we have reviewed to be representative and sufficient for the purpose of our assessment, which is in line with our usual practice, because they were transactions that took place recently that can reflect the Group's latest business practice in its ordinary and usual course of business and cover the whole period under the relevant agreements.

Having considered the above pricing basis regarding the sale of condiment products and other food products and the purchase of Convenient Ready-to-eat Food Products, the review of the respective invoices, we are of the view that the pricing basis regarding the sale of condiment products and other food products to, and the purchase of Convenient Ready-to-eat Food Products from, the Joint Venture are on normal commercial terms or better, no less favourable to the Group than those offered to/available from independent third party customers/suppliers, conducted in the ordinary and usual course of business of the Group, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Payment terms

Fees payable under the Joint Venture Framework Sales and Purchase Agreements will be billed generally within one month after the product delivery according to the Company's policy and settled within the following month. In the rare event that reconciliation is required due to product return, settlement will be made in a timely and appropriate manner on normal commercial terms agreed by both parties. For the internal control measures relating to payment terms, please refer to the section headed "Internal Control Measures" in the Circular.

Assessment of the payment terms

According to the 2024 Annual Report and the 2025 Annual Report, (i) the Group's trade receivables are generally due for settlement within 30 to 90 days. The majority of the Group's third party sales are conducted through receiving advances from customers before delivering the goods to customers, with only a few customers who are granted with credit periods from 30 to 90 days. The Group's respective trade receivable balances as at 31 December 2024 and 2025 with ageing within three months accounted for 100%; and (ii) the credit terms of trade payables granted by the vendors are usually 30 to 90 days and the Group's respective trade payables as at 31 December 2024 and 2025 with ageing three months accounted for almost 99.6%. Based on this observation, we consider that the payment and credit terms on a monthly basis or in rare event with slight delay for about two weeks, as the case may be, for the purchase and supply of products under the Joint Venture Framework Sales and Purchase Agreements are on normal commercial terms or better, no less favourable to the Group than those offered to the independent third party customers, and therefore fair and reasonable.

5.4 The historical transaction amounts, existing annual caps and the proposed annual caps for the Joint Venture Framework Sales and Purchase Agreements

Historical transaction amounts

The table below sets out the historical transaction amounts in relation to the sales of condiment products to, and the purchase of Convenient Ready-to-eat Food Products from, the Joint Venture Group under the Existing Joint Venture Framework Sales and Purchase Agreements during the periods indicated below

	For the year ended/ending 31 December		
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Existing annual caps	**451,000**	**586,000**	**762,000**
Sales of condiment products and other food products	310,000	403,000	524,000
Purchase of Convenient Ready-to-eat Food Products	141,000	183,000	238,000
Total actual transaction amounts	**242,253**	**296,232**	**160,297** *(Note)*
Sales of condiment products and other food products	124,257	158,751	74,453* *(Note)*
Purchase of Convenient Ready-to-eat Food Products	117,996	137,481	85,844* *(Note)*
Utilisation rate of the existing annual caps	53.7%	50.6%	21.0%

Note:

The actual transaction amounts for the year 2026 of sales of condiment products to and purchase of Convenient Ready-to-eat Food Products from the Joint Venture were for the six months ended 30 June 2026. As at the Latest Practicable Date, the actual amounts of sales of condiment products to and purchase of Convenient Ready-to-eat Food Products from the Joint Venture have not exceeded the annual caps for the year ending 31 December 2026.

The proposed annual caps

	For the year ending 31 December		
	2027	**2028**	**2029**
	RMB'000	*RMB'000*	*RMB'000*
Total	**491,045**	**564,702**	**649,407**
Sales 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

Basis of determination of the proposed annual caps

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 Group 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, more intensive 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 described below, together with the other factors described below.

With reference to the Letter from the Board, we understand that the above 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 Group 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 Group 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.

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.

The Convenient Ready-to-eat Food Products purchased by the Group from the Joint Venture Group 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 Group.

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 Group 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.

As disclosed in the Letter from the Board, while revenue from Convenient Ready-to-eat Food Products has fluctuated in recent years, the Group considers that the category retains substantial development potential. Following the period of industry adjustment during 2023 and 2024 and the stabilisation of the pace of market consolidation since 2025, the Group has completed the restructuring of its product portfolio and pricing system and has established a product portfolio spanning multiple price bands with co-ordinated development across categories, supported by process improvements, channel expansion, brand equity and flavour R&D 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.

We have reviewed a schedule prepared by the Management for each of the three years ending 31 December 2029, which sets out the proposed annual caps for the (a) sales amount of the condiment products and other food products of RMB244 million for 2027, which has been derived from the actual transaction amount of that category for the six months ended 30 June 2026 and then annualized for the full year ending 31 December 2026, and further adjusted upward by 41% to reflect the expected higher transaction amount for the second half of 2026, mainly due to seasonally higher demand, more intensive marketing campaigns and a full-period contribution from newly launched products and the respective growth rate of 16% growth for 2027 when compared to the estimated transaction amount for 2026, 15% growth for 2028 on the preceding year and 15% growth for 2029 on the preceding year); and (b) purchase amount of the Convenient Ready-to-eat Food Products of RMB247 million for 2027, which has been derived from the actual transaction amount of that category for the six months ended 30 June 2026 and then annualized for the full year ending 31 December 2026, and further adjusted upward by 24% to reflect the expected higher transaction amount for the second half of 2026, mainly due to seasonally higher demand, more intensive marketing campaigns and a full-period contribution from newly launched products and the respective expected growth rate of 16% growth for 2027 when compared to the estimated transaction amount for 2026, 15% growth for 2028 on the preceding year and 15% growth for 2029 on the preceding year). Based on the above understanding, the Group has estimated the actual transaction amounts of (i) RMB210 million and RMB244 million for sale of condiment products and other food products; and (ii) RMB213 million and RMB247 million for purchase of the Convenient Ready-to-eat Food Products, for each of the two years ending 31 December 2027, respectively, representing an annual growth rate of 16% for the year 2027.

Based on our independent review of the 2025 Annual Report and 2026 Interim Report, the Group has continuously advanced the development of overseas channels with business coverage and point of sales to reach South-Asian market such as Singapore, Malaysia and Thailand. For the year ended 31 December 2025 and the six months ended 30 June 2026, the sales revenue from third-party overseas channel amounted to RMB426.0 million and RMB279.1 million, representing a year-on-year increase of 45.4% and 46.8%, respectively. According to the Group's current business plan, it will further strengthen its business focus on similar overseas countries so as to increase its sale of condiment products and Convenient Ready-to-eat Food Products therein in the coming three years from 2027 to 2029.

We note that there will be a substantial expected business growth in 2027 (about 54% for the sale of the condiment products and other food products; and 80% for the purchase of the Convenient Ready-to-eat Food Products) as compared to the highest actual transaction amounts during the period from 2024 to 2026 (i.e. 2025) mainly because the historical base transaction amounts were relatively low whilst the subsequent annual growth rates for years 2028 and 2029 would be stable at 15%. However, if we compute the CAGR of the actual transaction amount for 2024 and the proposed annual cap for 2027, the projected CAGR would account for about 25% for the sale of the condiment products and other food products, and about 28% for the purchase of the Convenient Ready-to-eat Food Products, which we consider to be prudent, fair and reasonable with reference to the Group's overseas sales revenue growth rates of such products as discussed above.

Having considered that the proposed annual caps are determined primarily based on the various factors listed in the above, in particular (i) the strong growth and extensive market potential of the Convenient Ready-to-eat Food Products markets in the PRC and overseas countries; (ii) the Group has continuously been enriching its product matrix and optimizing its product brands by launching high growth products; (iii) the sale of condiment products and other food products are revenue in nature whilst (iv) the purchase of Convenient Ready-to-eat Food Products is primarily for reselling through online platforms, we consider that the basis for determining the proposed annual caps under the Joint Venture Framework Sales and Purchase Agreements are fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

6. INTERNAL CONTROL MEASURES TO GOVERN THE YIHAI CONTINUING CONNECTED TRANSACTIONS

Apart from the reviewing the internal control measures as mentioned in the Letter from the Board, we have further independently reviewed the 2024 Annual Report and 2025 Annual Report, which had disclosed that the independent non-executive Directors have confirmed that the continuing connected transactions contemplated under the Existing Haidilao Master Sales Agreement, Existing Super Hi Master Sales Agreement, Existing Shuhai Sales Agreement and Existing Joint Venture Framework Sales and Purchase Agreement (collectively, the "**Existing Non-exempt Agreements**") for each of the two years 2024 and 2025 were entered into by the Group: (i) in the ordinary and usual course of its business; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreement (including the pricing principles and guidelines set out therein) governing them and on terms that were fair and reasonable and in the interests of the Company and the Shareholders as a whole. In addition, the auditors of the Group had reviewed the continuing connected transactions contemplated under the Existing Non-exempt Agreements for each of the two years 2024 and 2025 and confirmed to the Board that such continuing connected transactions: (a) have received the approval of the Board; (b) were in accordance with the pricing policies of the Group; (c) were entered into in accordance with the relevant agreement governing the transaction; and (d) have not exceeded the relevant annual caps.

Having discussed with the Management and considered the internal control procedures as set out in the Letter from the Board in more details, we are of the view that the internal control procedures adopted by the Company are adequate, and the interests of the Group and the Independent Shareholders can be properly safeguarded.

RECOMMENDATION

Having taken into account the principal factors and reasons as referred to the above, we are of the view that the Yihai Continuing Connected Transactions (including the respective proposed annual caps) are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the resolutions to be proposed at the Extraordinary General Meeting to approve the Yihai Continuing Connected Transactions (including the respective proposed annual caps).

Yours faithfully,
For and on behalf of
South China Capital Limited

Nicholas Cheng
Managing Director

Note:

Mr. Nicholas Cheng is a licensed person registered with the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has extensive experience in corporate finance industry and has participated in, and completed, the provision of independent financial advisory services for numerous connected transactions involving listed companies in Hong Kong.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company and their respective associates in the Shares, underlying Shares or debentures of the Company or any of the associated corporations of the Company (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	**Capacity/nature of interest**	**Number of ordinary shares**	**Approximate percentage of shareholding in the total issued share capital** *(%)*
Mr. Zhang Yong[(1)]	Founder of a discretionary trust, interest of controlled corporation, beneficial owner, beneficiary of a trust and interest of spouse	325,896,021(L)	31.44
Mr. Guo Qiang	Interest of spouse and beneficial owner	600,000(L)	0.06
Mr. Sun Shengfeng	Beneficial owner	200,000(L)	0.02
Mr. Zhao Xiaokai	Beneficial owner	160,000(L)	0.02
Ms. Zhang Fan	Beneficial owner	10,000(L)	0.001

(L) denotes a long position

Note:

(1) Mr. Zhang Yong and Ms. Shu Ping, as the settlors and protectors, established the ZYSP Trust for their own benefit, which holds the entire share capital of ZYSP YIHAI Ltd, which in turn holds 236,814,275 Shares. Ms. Shu Ping, as the settlor and protector, established the SP Trust, which holds the entire share capital of SP YH Ltd, which in turn holds 88,621,746 Shares. For the purpose of the SFO, Mr. Zhang Yong and Ms. Shu Ping are deemed to be interested in the Shares in which ZYSP YIHAI Ltd and SP YH Ltd are interested. Further details of the ZYSP Trust and the SP Trust are set out in note (1) to the table in the section headed "－3. Substantial Shareholders" below.

Mr. Zhang Yong is the spouse of Ms. Shu Ping and is deemed to be interested in the same number of Shares in which Ms. Shu Ping is interested for the purpose of the SFO. For details of Ms. Shu Ping's interests, please see the section headed "－3. Substantial Shareholders" below.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company and their respective associates has or is deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or which will be required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO, or which will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the following are the persons, other than the Directors or chief executives of the Company, who had interests or short positions in the Shares and underlying Shares which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

Name of Substantial Shareholder	**Capacity/nature of interest**	**Number of Ordinary Shares**	**Approximate percentage of shareholding in the total issued share capital** *(%)*
Ms. Shu Ping[(1)]	Founder of a discretionary trust, interest of controlled corporation, beneficial owner, beneficiary of a trust and interest of spouse	325,896,021(L)	31.44
UBS Trustees (B.V.I.) Limited[(1)]	Trustee (other than a bare trustee)	325,436,021(L)	31.39
ZYSP YIHAI Ltd[(1)]	Beneficial owner	236,814,275(L)	22.84

Name of Substantial Shareholder	Capacity/nature of interest	Number of Ordinary Shares	Approximate percentage of shareholding in the total issued share capital *(%)*
Mr. Sean Shi[(2)]	Founder of a discretionary trust, interest of controlled corporation, interest of spouse, beneficial owner and beneficiary of a trust	127,073,992(L)	12.26
Cititrust Private Trust (Cayman) Limited[(2)]	Trustee (other than a bare trustee)	126,613,992(L)	12.21
Hailey Lee[(2)]	Founder of a discretionary trust, interest of controlled corporation and interest of spouse	127,073,992(L)	12.26
Twice Happiness Limited[(2)]	Interest of controlled corporation	126,613,992(L)	12.21
SYH YIHAI Ltd[(2)]	Beneficial owner	88,621,746(L)	8.55
SP YH Ltd[(1)]	Beneficial owner	88,621,746(L)	8.55
JLJH YIHAI Ltd[(3)]	Beneficial owner and nominee for another person	66,568,000(L)	6.42
Futu Trustee Limited[(3)]	Trustee (other than a bare trustee)	66,568,000(L)	6.42

(L) denotes a long position

Notes:

(1) As at the Latest Practicable Date, Mr. Zhang Yong and Ms. Shuping held 360,000 Shares and 100,000 Shares directly. ZYSP Trust is a discretionary trust set up by Mr. Zhang Yong and Ms. Shu Ping as the settlors and Mr. Zhang Yong as protector on 1 June 2016 with UBS Trustees (B.V.I.) Limited acting as trustee for the benefit of themselves and their family. The entire share capital of ZYSP YIHAI Ltd is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the ZYSP Trust. Mr. Zhang Yong and Ms. Shu Ping (as founders of the ZYSP Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by ZYSP YIHAI Ltd for the purpose of the SFO.

SP Trust is a discretionary trust set up by Ms. Shu Ping as the settlor and protector on 31 December 2020 with UBS Trustees (B.V.I.) Limited acting as trustee for the benefit of herself, Mr. Zhang Yong and their family. The entire share capital of SP YH Ltd is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the SP Trust. Ms. Shu Ping (as founder of the SP Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by SP YH Ltd for the purpose of the SFO. Ms. Shu Ping is the spouse of Mr. Zhang Yong and is deemed to be interested in the same number of Shares in which Mr. Zhang Yong is interested for the purpose of the SFO.

(2) SL Trust is a discretionary trust set up by Mr. Sean Shi and Ms. Hailey Lee as the settlors and protectors on 2 June 2016 for their own benefit. The entire share capital of SYH YIHAI Ltd and LHY YIHAI Ltd is wholly owned by Twice Happiness Limited and ultimately owned by Cititrust Private Trust (Cayman) Limited as the trustee of the SL Trust. Mr. Sean Shi and Ms. Hailey Lee (as founders of the SL Trust), Twice Happiness Limited and Cititrust Private Trust (Cayman) Limited are taken to be interested in the Shares held by SYH YIHAI Ltd and LHY YIHAI Ltd for the purpose of the SFO. Mr. Sean Shi is the spouse of Ms. Hailey Lee and is deemed to be interested in the same number of Shares in which Ms. Hailey Lee is interested for the purpose of the SFO. Ms. Hailey Lee is the spouse of Mr. Sean Shi and is deemed to be interested in the same number of Shares in which Mr. Sean Shi is interested for the purpose of the SFO.

(3) Futu Trustee Limited, as the trustee, administers the 2026 Share Award Scheme. JLJH YIHAI Ltd, as the nominee, holds the underlying Shares for the eligible participants under the 2026 Share Award Scheme. Futu Trustee Limited owns 100% equity interest in JLJH YIHAI Ltd and therefore is deemed to be interested in the Shares held by JLJH YIHAI Ltd.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executives of the Company are not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

4. QUALIFICATIONS AND CONSENT

The following are the qualifications of the expert who has given its opinion or advice which is contained in this circular:

Name	Qualifications
South China Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

(a) As at the Latest Practicable Date, South China Capital Limited had not had any beneficial interest in the share capital of any member of the Group, did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and did not have any interest, either directly or indirectly, in any assets which had been, since 31 December 2025, being the date of the latest published audited accounts of the Company, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

(b) South China Capital Limited has given and has not withdrawn its written consent to the issue of this circular with inclusion of its opinion and letter, as the case may be, and the references to its name included herein in the form and context in which they respectively appear.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there has been no material adverse change in the financial or trading positions of the Company since 31 December 2025, being the date to which the latest published audited financial statements of the Company have been made up.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration proceedings of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

7. SERVICE CONTRACT OF THE DIRECTORS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with any member of the Group nor were there any other service contracts proposed which would not expire or be determinable by the member of the Group within one year without payment of compensation (other than statutory compensation).

8. INTERESTS OF DIRECTORS

(a) The Directors are not aware of any Director or his/her respective associates having, as at the Latest Practicable Date, any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which would be required to be disclosed under the Listing Rules.

(b) Save as disclosed in the section headed "Directors' Report – Connected and Continuing Connected Transactions" of the Company's 2025 annual report, the announcement of the Company dated 26 October 2026 and this circular, no Director was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant to the business of the Group taken as a whole.

(c) Since 31 December 2025, being the date of the latest published audited consolidated accounts of the Company, none of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired or disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to, any member of the Group.

9. GENERAL

(a) The registered office of the Company is P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

(b) The corporate headquarters of the Company in the PRC is Units 2806-2809, Hongqi Tower, No. 40, Lane 363, Zhenhua South Road, Putuo District, Shanghai, PRC.

(c) The principal place of business of the Company in Hong Kong is 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wan Chai, Hong Kong.

(d) The Company's principal share registrar and transfer agent in the Cayman Islands is Suntera (Cayman) Limited, at Suite 3204, Unit 2A, Block 3, Building D, P.O. Box 1586, Gardenia Court, Camana Bay, Grand Cayman, KY1-1100, Cayman Islands.

(e) The Company's Hong Kong branch share registrar is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

(f) The English text of this circular and the accompanying form of proxy shall prevail over the Chinese text in the case of any inconsistency.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be displayed on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company **(www.yihchina.com**) for 14 days from the date of this circular:

(a) the Haidilao Master Sales Agreement entered into between the Company and Haidilao;

(b) the Super Hi Master Sales Agreement entered into between the Company and Super Hi;

(c) the Shuhai Sales Agreement entered into between the Company and Shuhai Supply Chain;

(d) the JV Condiment Products Sales Agreement entered into between the Company and the Joint Venture; and

(e) the JV Convenient Ready-to-eat Food Products Sales Agreement entered into between the Company and the Joint Venture.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Unless otherwise specified, terms defined in this notice shall have the same meanings in the circular of Yihai International Holding Ltd. (the "**Company**") dated 23 November 2026 (the "**Circular**"). Details regarding the resolutions in this notice are set out in the Circular.

NOTICE IS HEREBY GIVEN that the extraordinary general meeting ("**Extraordinary General Meeting**") of the Company will be held at Main Conference Room, Units 2806-2809 Hongqi Tower, No. 40, Lane 363 Zhenhua South Road, Putuo District, Shanghai, PRC on Tuesday, 15 December 2026, at 2:00 p.m. for the following purposes:

AS ORDINARY RESOLUTIONS

1. "**THAT**

(i) the master sales agreement (the "**Haidilao Master Sales Agreement**") dated 26 October 2026 entered into between the Company and Haidilao International Holding Ltd. ("**Haidilao**" and together with its subsidiaries, the "**Haidilao Group**") in relation to the sale of (a) Haidilao Customized Products; and (b) Haidilao General Products to the Haidilao Group, and the transactions contemplated thereunder be and are hereby approved,

(ii) the proposed annual caps in relation to the transactions contemplated under the Haidilao Master Sales Agreement as specified below be and are hereby approved, ratified and confirmed:

For the year ending 31 December 2027	For the year ending 31 December 2028	For the year ending 31 December 2029
RMB2,340,000,000	RMB2,820,000,000	RMB3,450,000,000

(iii) any director of the Company be and is hereby authorized for and on behalf of the Company to sign, seal, execute, perfect, deliver and do all such documents, deeds, acts, matters and things as he/she may in his/her discretion consider necessary or desirable or expedient for the purpose of or in connection with the Haidilao Master Sales Agreement and to make and agree such variations of a non-material nature in or to the terms of the Haidilao Master Sales Agreement as he/she may in his/her discretion consider to be desirable and in the interests of the Company."

2. "THAT

(i) the master sales agreement (the "**Super Hi Master Sales Agreement**") dated 26 October 2026 entered into between the Company and Super Hi International Holding Ltd. ("**Super Hi**" and together with its subsidiaries, the "**Super Hi Group**") in relation to the sale of (a) Super Hi Customized Products; and (b) Super Hi General Products to the Super Hi Group, and the transactions contemplated thereunder be and are hereby approved,

(ii) the proposed annual caps in relation to the transactions contemplated under the Super Hi Master Sales Agreement as specified below be and are hereby approved, ratified and confirmed:

For the year ending 31 December 2027	For the year ending 31 December 2028	For the year ending 31 December 2029
RMB197,700,000	RMB239,990,000	RMB282,010,000

(iii) any director of the Company be and is hereby authorized for and on behalf of the Company to sign, seal, execute, perfect, deliver and do all such documents, deeds, acts, matters and things as he/she may in his/her discretion consider necessary or desirable or expedient for the purpose of or in connection with the Super Hi Master Sales Agreement and to make and agree such variations of a non-material nature in or to the terms of the Super Hi Master Sales Agreement as he/she may in his/her discretion consider to be desirable and in the interests of the Company."

3. "THAT

(i) the sales agreement (the "**Shuhai Sales Agreement**") dated 26 October 2026 entered into between the Company and Shuhai (Beijing) Supply Chain Management Co., Ltd. ("**Shuhai Supply Chain**", and together with its subsidiaries, the "**Shuhai Supply Chain Group**") in relation to the sale of (a) Shuhai Customized Products; and (b) Shuhai Retail Products to the Shuhai Supply Chain Group, and the transactions contemplated thereunder be and are hereby approved;

(ii) the proposed annual caps in relation to the transactions contemplated under the Shuhai Sales Agreement below be and are hereby approved, ratified and confirmed:

For the year ending 31 December 2027	For the year ending 31 December 2028	For the year ending 31 December 2029
RMB30,000,000	RMB50,000,000	RMB80,000,000

(iii) any director of the Company be and is hereby authorized for and on behalf of the Company to sign, seal, execute, perfect, deliver and do all such documents, deeds, acts, matters and things as he/she may in his/her discretion consider necessary or desirable or expedient for the purpose of or in connection with the Shuhai Sales Agreement and to make and agree such variations of a non-material nature in or to the terms of the Shuhai Sales Agreement as he/she may in his/her discretion consider to be desirable and in the interests of the Company."

4. "**THAT**

(i) the condiment products sales agreement (the "**JV Condiment Products Sales Agreement**") dated 26 October 2026 entered into between the Company and Fuhai (Shanghai) Food Technology Co., Ltd. (the "**Joint Venture**") in relation to the sale of condiment products and other food products (e.g. casual snacks or semi-finished ingredients, etc.) by the Company and its subsidiaries (excluding the Joint Venture and its subsidiaries) to the Joint Venture and its subsidiaries, and the convenient ready-to-eat food products sales agreement (the "**JV 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 Company and its subsidiaries (excluding the Joint Venture and its subsidiaries) (the JV Condiment Products Sales Agreement and the JV Convenient Ready-to-eat Food Products Sales Agreement are collectively referred to as the "**Joint Venture Framework Sales and Purchase Agreements**"), and the transactions contemplated thereunder be and are hereby approved;

(ii) the proposed annual caps in relation to the transactions contemplated under the Joint Venture Framework Sales and Purchase Agreements below be and are hereby approved, ratified and confirmed:

For the year ending 31 December 2027	For the year ending 31 December 2028	For the year ending 31 December 2029
RMB491,045,000	RMB564,702,000	RMB649,407,000

(iii) any director of the Company be and is hereby authorized for and on behalf of the Company to sign, seal, execute, perfect, deliver and do all such documents, deeds, acts, matters and things as he/she may in his/her discretion consider necessary or desirable or expedient for the purpose of or in connection with the Joint Venture Framework Sales and Purchase Agreements and to make and agree such variations of a non-material nature in or to the terms of the Joint Venture Framework Sales and Purchase Agreements as he/she may in his/her discretion consider to be desirable and in the interests of the Company."

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

Hong Kong, 23 November 2026

Notes:

(1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies (if such member is the holder of two or more shares) to attend and to vote instead of them. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude a member of the Company from attending the Extraordinary General Meeting and voting in person. In such event, his/her form of proxy will be deemed to have been revoked.

(2) Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.

(3) A form of proxy for use at the meeting is enclosed.

(4) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

(5) The voting at the Extraordinary General Meeting will be taken by poll.

(6) The register of members of the Company will be closed from Thursday, 10 December 2026 to Tuesday, 15 December 2026, both days inclusive, in order to determine the eligibility of the shareholders to attend and vote at the Extraordinary General Meeting. The shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 15 December 2026 will be entitled to attend and vote at the Extraordinary General Meeting. In order to be eligible to attend and vote at the Extraordinary General Meeting, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on Wednesday, 9 December 2026.

(7) In case any extreme conditions caused by bad weather announced by the government is/are in force at or at any time after 7:00 a.m. on the date of the meeting, the meeting will be adjourned. The Company will post an announcement on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.yihchina.com**).

As at the date of this notice, 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.