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YIHAI INTERNATIONAL HOLDING LTD.

頤海國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1579)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board of directors (the “**Board**”) of Yihai International Holding Ltd. (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**” or “**We**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), together with comparative figures for the same period of 2024.

GROUP FINANCIAL HIGHLIGHTS

- Revenue was RMB2,927.4 million for the six months ended 30 June 2025, remaining stable as compared to RMB2,926.9 million for the six months ended 30 June 2024.
- Gross profit was RMB865.0 million for the six months ended 30 June 2025, a 1.4% decrease from RMB877.5 million for the six months ended 30 June 2024.
- Operating profit was RMB430.5 million for the six months ended 30 June 2025, a 4.0% increase from RMB414.0 million for the six months ended 30 June 2024.
- Net profit attributable to the owners of the Company was RMB309.5 million for the six months ended 30 June 2025, remaining stable as compared to RMB308.3 million for the six months ended 30 June 2024.
- Earnings per share (basic) was RMB31.90 cents for the six months ended 30 June 2025, remaining stable as compared to RMB31.78 cents for the six months ended 30 June 2024.

Interim Condensed Consolidated Balance Sheet

	Note	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Assets			
Non-current assets			
Property, plant and equipment		2,042,877	1,943,138
Right-of-use assets		257,345	264,891
Intangible assets		8,519	10,250
Deferred income tax assets		78,381	71,162
Financial assets at fair value through profit or loss		352,880	356,227
Term deposits with the maturity over one year		–	104,835
Other non-current assets	5	49,447	69,852
Total non-current assets		2,789,449	2,820,355
Current assets			
Inventories		382,661	465,531
Other current assets	5	90,391	96,155
Trade receivables	6	207,228	285,405
Other financial assets at amortised cost		14,294	17,707
Financial assets at fair value through profit or loss		44,356	–
Term deposits with the maturity within one year		310,582	227,254
Restricted cash		5,022	5,020
Cash and cash equivalents		1,520,183	1,881,867
Total current assets		2,574,717	2,978,939
Total assets		5,364,166	5,799,294
Equity			
Equity attributable to owners of the Company			
Share capital	7	67	67
Shares held for restricted share unit scheme		(4)	(4)
Other reserves		325,655	326,688
Retained earnings		4,171,577	4,242,876
Capital and reserves attributable to owners of the Company		4,497,295	4,569,627
Non-controlling interests		143,162	163,533
Total equity		4,640,457	4,733,160

		Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Note			
Liabilities			
Non-current liabilities			
		57,245	67,103
		68,349	55,493
		39,307	40,208
		<u>164,901</u>	<u>162,804</u>
Total non-current liabilities			
Current liabilities			
	8	266,909	482,210
		55,309	95,771
		39,198	26,416
		141,891	180,509
		55,501	118,424
		<u>558,808</u>	<u>903,330</u>
Total current liabilities			
Total liabilities			
		<u>723,709</u>	<u>1,066,134</u>
Total equity and liabilities			
		<u>5,364,166</u>	<u>5,799,294</u>

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

		Unaudited Six months ended 30 June	
	Note	2025 RMB'000	2024 RMB'000
Revenue	4	2,927,391	2,926,925
Cost of sales	9	(2,062,428)	(2,049,417)
Gross profit		864,963	877,508
Distribution expenses	9	(369,512)	(352,261)
Administrative expenses	9	(156,474)	(140,207)
Other income and gains – net	10	91,491	28,966
Operating profit		430,468	414,006
Finance income		21,814	47,997
Finance costs		(2,083)	(2,442)
Finance income – net	11	19,731	45,555
Profit before income tax		450,199	459,561
Income tax expense	12	(121,090)	(125,418)
Profit for the period		329,109	334,143
Profit for the period attributable to:			
– Owners of the Company		309,480	308,280
– Non-controlling interests		19,629	25,863
		<u>329,109</u>	<u>334,143</u>
Other comprehensive losses			
<i>Items that may be reclassified to profit or loss</i>			
– Currency translation differences		(1,033)	(12,841)
Other comprehensive loss for the period, net of tax		<u>(1,033)</u>	<u>(12,841)</u>
Total comprehensive income for the period		<u>328,076</u>	<u>321,302</u>
Total comprehensive income for the period attributable to:			
– Owners of the Company		308,447	295,439
– Non-controlling interests		19,629	25,863
		<u>328,076</u>	<u>321,302</u>
Earnings per share attributable to owners of the Company (expressed in RMB cents per share)			
– Basic	13	31.90	31.78
– Diluted	13	<u>31.90</u>	<u>31.78</u>

Notes:

1. GENERAL INFORMATION

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

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

The Company’s global offering of its shares on the Main Board of The Stock Exchange of Hong Kong Limited was completed on 13 July 2016.

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

The interim condensed consolidated financial information was approved for issue by the Board of Directors of the Company on 25 August 2025.

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

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”).

3. ACCOUNTING POLICIES

The accounting policies applied to the preparation of the interim condensed consolidated financial information are consistent with those applied in the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of amended standards as set out below:

The Group has applied the following amended standard for the first time from 1 January 2025:

The amended standard listed above is not relevant to the Group and hence did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The following new or amended accounting standards and annual improvements have been published which are not mandatory for reporting periods commencing 1 January 2025 and have not been early adopted by the Group:

These new or amended accounting standards and annual improvements are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions, except that the adoption of IFRS 18 upon its effective date is expected to have certain pervasive impact on the presentation and disclosures of the Group's consolidated financial statements which were described in the Group's annual consolidated financial statements for the year ended 31 December 2024.

4. REVENUE AND SEGMENT INFORMATION

Management determines the operating segments based on the reports reviewed by the chief operating decision makers (“CODM”, being the executive directors of the Company) that are used to make strategic decisions. The Group’s revenue, expenses, assets, liabilities and capital expenditure are primarily attributable to the manufacturing and sales of hot pot condiment, compound condiment, convenient ready-to-eat food products and others to third party and related party customers, which are considered by the CODM as one segment. The Group’s principal market is the Mainland China and its sales to overseas customers contributed to less than 10% of the Group’s total revenues for the six months ended 30 June 2025 and 2024. Accordingly, no geographical information is presented. As at 30 June 2025, the carrying amounts of the non-current assets (other than financial assets and deferred income tax assets) located in the PRC amounted to approximately RMB2,057,037,000 (as at 31 December 2024: RMB1,996,046,000) and those as located in other countries and regions amounted to approximately RMB301,151,000 (as at 31 December 2024: RMB292,085,000).

Breakdown of revenue by product categories is as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB’000	RMB’000
Revenue recognised at a point in time		
Hot pot condiment		
– Third parties	924,663	860,246
– Related parties	758,152	887,273
Subtotal	1,682,815	1,747,519
Compound condiment		
– Third parties	450,614	430,179
– Related parties	41,127	24,232
Subtotal	491,741	454,411
Convenient ready-to-eat food products		
– Third parties	644,623	622,907
– Related parties	64,382	77,567
Subtotal	709,005	700,474
Others		
– Third parties	43,830	24,521
Total	2,927,391	2,926,925

Revenue from sales attributable to related parties accounted for approximately 29.5% and 33.8% of the Group’s total revenue for the six months ended 30 June 2025 and 2024, respectively.

5. OTHER ASSETS

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Value-added tax recoverable	62,303	67,362
Prepayments for property, plant and equipment	49,447	69,852
Prepayments for marketing and consulting expenses	12,414	17,230
Prepayments for purchase of raw materials	8,831	1,922
Prepayments for short-term leases of warehouses and staff quarters	2,175	2,186
Others	4,668	7,455
	<u>139,838</u>	<u>166,007</u>
Less: non-current items	<u>(49,447)</u>	<u>(69,852)</u>
Other current assets	<u>90,391</u>	<u>96,155</u>

6. TRADE RECEIVABLES

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Trade receivables		
– Third parties	34,839	48,424
– Related parties	172,577	237,169
	<u>207,416</u>	<u>285,593</u>
Less: provision for impairment	<u>(188)</u>	<u>(188)</u>
Trade receivables – net	<u>207,228</u>	<u>285,405</u>

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

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Within 3 months	<u>207,416</u>	<u>285,593</u>

No provision for the impairment allowance on trade receivables has been recognised during the six months ended 30 June 2025 and 2024.

7. SHARE CAPITAL

Authorised:

	Number of ordinary shares	Nominal value of ordinary shares US\$	Equivalent nominal value of ordinary shares RMB'000
Ordinary shares of US\$0.00001 each on 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	5,000,000,000	50,000	307

Issued and fully paid ordinary shares:

	Number of ordinary shares	Nominal value of ordinary shares US\$	Equivalent nominal value of ordinary shares RMB'000
Ordinary shares of US\$0.00001 each on 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	1,036,700,000	10,367	67

8. TRADE PAYABLES

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

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

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Within 3 months	253,446	480,058
3 to 6 months	12,824	1,985
6 months to 1 year	639	167
Total	266,909	482,210

9. EXPENSES BY NATURE

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

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Changes in inventories of finished goods	10,866	18,601
Raw materials and consumables used	1,691,314	1,737,047
Employee benefit expenses	370,124	311,661
Transportation and related charges	125,603	101,238
Depreciation of property, plant and equipment	90,679	79,805
Utilities	57,066	50,718
Advertising and other marketing expenses	53,614	82,931
Taxes and surcharges	30,544	19,979
Warehouse expenses	27,760	27,149
Travel and entertainment expenses	25,324	23,798
Technical supporting fees, professional fees and other services fees	17,982	17,828
Depreciation of right-of-use assets	16,850	16,648
Maintenance costs	11,971	10,280
Expense relating to short-term leases not included in lease liabilities	8,603	5,524
Amortisation of intangible assets	2,659	3,631
Write off of obsolete inventories	1,996	1,512
Auditor's remuneration	993	993
Other expenses	44,466	32,542
Total	2,588,414	2,541,885

10. OTHER INCOME AND GAINS – NET

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Government grants (Note)	68,099	27,241
Change in fair value of financial assets at fair value through profit or loss	8,817	12,717
Net foreign exchange gains/(losses)	14,155	(17,976)
Sales of scrap materials	2,108	4,278
Losses on disposal/write-off of property, plant and equipment and intangible assets	(1,441)	(112)
Donation	(329)	(711)
Others	82	3,529
Total	91,491	28,966

Note:

Government grant is mainly from government subsidy income. There are no unfulfilled conditions or other contingencies attaching to these grants. The Group did not benefit directly from any other forms of government assistance.

11. FINANCE INCOME – NET

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Finance income		
– Interest income	21,814	47,997
Finance costs		
– Interest on lease liabilities	(2,083)	(2,442)
Finance income – net	<u>19,731</u>	<u>45,555</u>

12. INCOME TAX EXPENSE

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current income tax expense	115,453	158,468
Deferred income tax expense/(credit)	<u>5,637</u>	<u>(33,050)</u>
Income tax expense	<u>121,090</u>	<u>125,418</u>

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 June 2025 is approximately 26.9% (2024: 27.3%).

13. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share for each of the six months ended 30 June 2025 and 2024 is calculated by dividing the profit of the Group attributable to the owners of the Company by the weighted average number of ordinary shares in issue, less the shares as held for the restricted share unit (“**RSU**”) scheme of the Company (the “**RSU Scheme**”) during the reporting period.

	Unaudited Six months ended 30 June	
	2025	2024
Profit attributable to owners of the Company (RMB'000)	<u>309,480</u>	<u>308,280</u>
Weighted average number of ordinary shares in issue less shares held for the RSU Scheme (thousands)	<u>970,132</u>	<u>970,132</u>
Basic earnings per share (RMB cents)	<u>31.90</u>	<u>31.78</u>

(b) Diluted earnings per share

The RSUs granted by the Company have potential dilutive effect on earnings per share. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares arising from RSUs granted by the Company (collectively forming the denominator for computing the diluted earnings per share). No adjustment is made to earnings (numerator).

	Unaudited Six months ended 30 June	
	2025	2024
Profit attributable to owners of the Company and profit used to determine diluted earnings per share (RMB'000)	309,480	308,280
Weighted average number of ordinary shares in issue less shares held for the RSU Scheme (thousands)	970,132	970,132
Adjustment for – RSUs (thousands)	–	33
Weighted average number of shares for diluted earnings per shares (thousands)	970,132	970,165
Diluted earnings per share (RMB cents)	<u>31.90</u>	<u>31.78</u>

For the six months ended 30 June 2025, the Group did not have any dilutive potential shares.

14. DIVIDENDS

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

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Interim dividend declared after the end of the interim period of HKD0.3107 (equivalent to RMB0.2836) per ordinary share (2024: RMB0.2825 per ordinary share paid)	<u>275,129</u>	<u>273,508</u>

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

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

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Final dividend in respect of the year ended 31 December 2024, approved and paid during the reporting period, of HKD0.4283 (equivalent to RMB0.3950) (2023: RMB0.74) per ordinary share	<u>380,779</u>	<u>719,183</u>

- (c) During the six months ended 30 June 2025 and 2024, the amounts of dividends paid as disclosed in (b) above are net of the dividends attributable to the shares held for the RSU Scheme of RMB26,128,000 and RMB49,446,000, respectively.

2025 INTERIM PERFORMANCE REVIEW

In the first half of 2025, with the domestic economy maintaining overall stability and the gradual effects of macroeconomic policies for boosting consumption, the consumer market has recovered steadily. However, there remains room for improvement in residents' consumption power and confidence, and the endogenous driving force for domestic consumption still needs to be strengthened.

In the first half of 2025, the Group's revenue from third-party business amounted to RMB2,063.7 million, representing a year-on-year increase of 6.5%, primarily due to the continuously improved product research and development mechanism and refined channel management, as well as the continuously optimised supply chain system to support the further expansion of business-end and overseas operations.

With respect to product research and development, the Group has consistently taken satisfying market demand as its guiding principle. Our sales teams captured the changes in consumers' demand for products by conducting multi-dimensional analysis of regional consumption characteristics and the market performance of competitive products, so as to offer products suitable for the sales in each region. At the same time, the Group remained focused on the continuous improvement of product quality, the optimisation of research and development efficiency and the enhancement of overall research and development capabilities. Under this strategy, sales to third-party customers across product categories recorded a solid performance. For example, within hot pot condiments, beef tallow hot pot soup flavourings and dipping sauces reported faster growth with revenue from beef tallow hot pot soup flavourings amounting to RMB225.5 million, representing a year-on-year increase of 20.5%, and revenue from dipping sauces amounting to RMB185.9 million, representing a year-on-year increase of 12.6%; within compound condiments, the fish seasoning and the 24-dish series catered to a broader range of consumer preferences through segmenting consumers needs and consumption scenarios, among which, revenue from fish seasoning amounted to RMB58.8 million, representing a year-on-year increase of 15.1% and revenue from the 24-dish series amounted to RMB31.7 million, representing a year-on-year increase of 17.5%; within convenient ready-to-eat food products, revenue from the home-cooked series increased from RMB7.9 million for the six months ended 30 June 2024 to RMB37.4 million for the six months ended 30 June 2025.

In terms of channel building, the Group has upheld a dual-engine strategy of refinement and standardisation. By conducting in-depth market research and analysis, as well as adopting the management standards matching the characteristics of each channel, the Group continued to optimise the channel structure on the basis of our regional layout. On one hand, while consolidating the market share of well-established traditional channels by supplementing products with diversified price ranges, we introduced services such as on-site stall cooking by leveraging the diversity of channels to broaden the coverage of consumption scenarios and allow our products to reach a wider range of consumer base. On the other hand, we further explored the growth potential of subdivided channels and launched channel-customised products to match the grocery shopping patterns in small-family households, so as to meet the consumption needs of a wider range of consumers. Meanwhile, in terms of management model, we continuously optimised the "partners" assessment system, introduced scientific and reasonable flexible indicators in accordance with different stages of channel building, dynamically adjusted the evaluation dimensions, as well as maximised the enthusiasm, creativity and coordination ability of partners, so as to facilitate the development of sales channels. For the six months ended 30 June 2025, the revenue from third-party distributor channel amounted to RMB1,727.2 million, representing a year-on-year increase of 2.1%.

In terms of supply chain management, the Group has persisted in optimising the allocation of production capacity. Through technological innovation and process upgrades, together with the continuous advancement of the supply chain management and control system, we enhanced the flexibility and efficiency in the production process, which not only improved product quality and production efficiency, but also product safety and stability. The Group actively developed the overseas supply chain system. With the ramp-up of production capacity at the Thai factory, the radius coverage in overseas supply network continued to expand, thereby strengthening the coverage of our global supply network. At the same time, leveraging the strengths of our supply chain system, we established a sales team of base flavouring products for business-end market to cater for business-end customers and business-end distributors, providing comprehensive solutions according to their needs such as customised products and the conversion of popular market flavours into products. For the six months ended 30 June 2025, the revenue from third-party business-end segment amounted to RMB155.5 million, representing a year-on-year increase of 131.7%.

BUSINESS REVIEW

For the six months ended 30 June 2025, the Group recorded the revenue of RMB2,927.4 million, remaining stable as compared with the same period of last year, and a net profit of RMB329.1 million, representing a year-on-year decrease of 1.5%.

Sales Channels

The Group continued to provide a variety of delicious condiments and a wide range of convenient food to household consumers, catering and food companies, as well as the related parties, being Haidilao International Holding Ltd. (together with its subsidiaries, the “**Haidilao Group**”), SUPER HI INTERNATIONAL HOLDING LTD. (together with its subsidiaries, the “**Super Hi Group**”), Shuhai (Beijing) Supply Chain Management Co., Ltd. (蜀海(北京)供應鏈管理有限責任公司) (together with its subsidiaries, the “**Shuhai Supply Chain Group**”) and their respective subsidiaries. For the six months ended 30 June 2025, the Group’s major products included, among others, hot pot condiments, compound condiments and convenient ready-to-eat food products. The major channels for sales to third parties included distributors, e-commerce channels and catering customers. The Group’s sales to third-party distributors covered a total of 34 provincial and administrative regions in China, as well as 49 countries and regions overseas.

In the first half of 2025, in terms of channel management, the Group maintained its core sales strategy of deepening and expanding third-party sales channels, analysing the differences in demand across various channels and regions. By continuous supply of customised products and products across diversified price ranges, the Group improved the precise alignment between regional products and channels, deepened its presence in lower-tier markets, and enhanced overall sales momentum. Meanwhile, the Group further improved the “partners” assessment system, using the “incremental profit” as the key incentive indicator, combining scientific and reasonable flexible indicators in accordance with different stages of channel building, so as to continuously inspire employees’ initiative and steadily improve the operational efficiency of channels. In addition, the Group gradually realised the dynamic capture of data by leveraging its digital infrastructure construction, which provided more accurate data support for optimizing channel strategies, product iteration and market presence, thereby helping to continuously enhance our channel competitiveness and market share. For the six months ended 30 June 2025, the revenue from sales to third parties amounted to RMB2,063.7 million, representing a year-on-year increase of 6.5%.

In respect of e-commerce channels, in the first half of 2025, the Group mainly reviewed and consolidated its e-commerce operation experience, and adjusted the direction of its online strategy in line with actual business needs. Rather than carrying out online activities by investing huge expenditure, the Group focused on key festive periods on online platforms with the promotion of target products on platforms as the core approach, and actively leveraging the media attributes and communication influence of online platforms. Currently, the Group has operated 10 flagship stores on e-commerce platforms such as Tmall.com, JD.com, and Pinduoduo.com. For the six months ended 30 June 2025, the Group’s sales revenue from e-commerce channels amounted to RMB175.9 million, representing a year-on-year increase of 0.3%.

For sales to related parties, the pricing of products transacted with related parties was adaptively adjusted in response to fluctuations in market prices, and the product mix was also updated and refined in line with changes in consumer tastes. For the six months ended 30 June 2025, the revenue from sales to the Group’s related parties was RMB863.7 million, representing a year-on-year decrease of 12.7%.

Products

In the first half of 2025, based on the overall management of the innovation committee members, collaborative implementation by the product team and a policy of independent product selection by sales teams, the Group took consumer demand as the core driving force for exploring diversified and personalised innovative research and development directions. We conducted in-depth research and development, tapped into local tastes, enriched product types and price ranges, and broadened product consumption scenarios, thereby continuing to expand consumer coverage. Through these research and development initiatives, we could continue to optimise our product mix, ensuring that our offerings aligned more closely with the market trends and consumer preferences in terms of flavour, packaging, usage scenarios and other aspects. During the process of research and development in business-end products, we selected basic flavours and adjusted flavour combinations according to specific taste requirements, creating a variety of flavour profiles. We also continued to upgrade and refine products in line with popular market tastes, so as to meet the increasingly diverse needs of our business-end customers.

For overseas products, the Group consistently conducted deep research into the culinary cultures and local customs of overseas target markets. By understanding the taste preferences and consumption patterns of local consumers, we tried to adapt existing products to local tastes, so as to attract local consumers. At the same time, leveraging our advantages in supply chain and the continuous upgrading and iteration on the flavours of the existing products, we were able to consolidate the recognition among the existing overseas customers, and also actively responded to the changes in market demand. Besides, we gradually reached out to unexplored overseas countries, so as to improve the overall coverage of the overseas customer base and regions.

Currently, hot pot condiments, compound condiments, convenient ready-to-eat food products and snacks are the major products of the Group. For the six months ended 30 June 2025, the new products across all categories amounted to more than 50 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 foods. At the same time, considering both market feedbacks and sales performance, we discontinued the sales of certain products and consolidated certain product specifications. For the six months ended 30 June 2025, the Group had over 200 kinds of products (excluding business-end customised products) for sale.

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

	For the six months ended 30 June					
	2025			2024		
	Revenue (RMB'000)	Sales volume (tonnes)	Average selling price per kg (RMB)	Revenue (RMB'000)	Sales volume (tonnes)	Average selling price per kg (RMB)
Hot pot condiments ⁽¹⁾						
Third parties	924,663	37,233	24.8	860,246	32,863	26.2
Related parties	758,152	46,054	16.5	887,273	51,881	17.1
Subtotal	<u>1,682,815</u>	<u>83,287</u>	<u>20.2</u>	<u>1,747,519</u>	<u>84,744</u>	<u>20.6</u>
Compound condiments ⁽²⁾						
Third parties	450,614	20,150	22.4	430,179	18,218	23.6
Related parties	41,127	2,912	14.1	24,232	1,396	17.4
Subtotal	<u>491,741</u>	<u>23,062</u>	<u>21.3</u>	<u>454,411</u>	<u>19,614</u>	<u>23.2</u>
Convenient ready-to-eat food products ⁽³⁾						
Third parties	644,623	20,833	30.9	622,907	18,097	34.4
Related parties	64,382	3,862	16.7	77,567	4,754	16.3
Subtotal	<u>709,005</u>	<u>24,695</u>	<u>28.7</u>	<u>700,474</u>	<u>22,851</u>	<u>30.7</u>
Others ⁽⁴⁾	<u>43,830</u>	<u>9,466</u>	<u>4.6</u>	<u>24,521</u>	<u>5,337</u>	<u>4.6</u>
Total	<u>2,927,391</u>	<u>140,510</u>	<u>20.8</u>	<u>2,926,925</u>	<u>132,546</u>	<u>22.1</u>

Notes:

- (1) Mainly including the Group's sales of hot pot soup flavourings and hot pot dipping sauce products
- (2) Mainly including the Group's sales of products such as Chinese-style and Western-style compound condiments, ready-to-eat sauce, chicken powder and spices
- (3) Mainly including the Group's sales of products such as self-serving products (e.g., self-serving small hot pots), instant vermicelli, instant meal, puffed food etc.
- (4) Mainly including the Group's sales of products such as raw materials for trade and packaging materials

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

	For the six months ended 30 June			
	2025		2024	
	(RMB'000)	% of revenue	(RMB'000)	% of revenue
Revenue from hot pot condiments	1,682,815	57.5%	1,747,519	59.7%
Revenue from compound condiments	491,741	16.8%	454,411	15.5%
Revenue from convenient ready-to-eat food products	709,005	24.2%	700,474	23.9%
Other revenue	43,830	1.5%	24,521	0.9%
Total revenue	2,927,391	100%	2,926,925	100%

FINANCIAL REVIEW

Revenue

The revenue of the Group was RMB2,927.4 million for the six months ended 30 June 2025, remaining stable as compared to RMB2,926.9 million for the six months ended 30 June 2024.

Revenue by product

	For the six months ended 30 June			
	2025		2024	
	Revenue (RMB'000)	% of revenue from hot pot condiments	Revenue (RMB'000)	% of revenue from hot pot condiments
Revenue from hot pot condiments products				
Revenue from third parties	924,663	54.9%	860,246	49.2%
Revenue from related parties	758,152	45.1%	887,273	50.8%
Total revenue from hot pot condiments products	1,682,815	100%	1,747,519	100%

Revenue from hot pot condiments products decreased by 3.7% from RMB1,747.5 million for the six months ended 30 June 2024 to RMB1,682.8 million for the corresponding period in 2025, accounting for 57.5% of the revenue for the same period, among which, revenue from sales of hot pot condiments products to related parties decreased by 14.6% year-on-year, which was primarily due to the decrease in sales volume of hot pot condiments products to related parties by the Group. Revenue from sales of hot pot condiments products to third parties increased by 7.5% year-on-year, which was mainly attributable to the fact that the Company launched new beef tallow hot pot soup flavourings and hot pot dipping sauce products of new flavours based on the consumption scenarios and the demand of consumers.

	For the six months ended 30 June 2025		2024	
	Revenue (RMB'000)	% of revenue from compound condiments	Revenue (RMB'000)	% of revenue from compound condiments
Revenue from compound condiments				
Revenue from third parties	450,614	91.6%	430,179	94.7%
Revenue from related parties	41,127	8.4%	24,232	5.3%
Total revenue from compound condiments	491,741	100%	454,411	100%

Revenue from compound condiments increased by 8.2% from RMB454.4 million for the six months ended 30 June 2024 to RMB491.7 million for the corresponding period in 2025, accounting for 16.8% of the revenue for the same period, among which, revenue from sales of compound condiments to related parties increased by 69.8%, mainly due to increased demand from related parties for new Maocai and spicy hot pot condiment products; and revenue from sales of compound condiments to third parties increased by 4.7%, mainly attributable to the increase in demand from business-end customers for compound condiments.

	For the six months ended 30 June 2025		2024	
	Revenue (RMB'000)	% of revenue from convenient ready-to-eat food products	Revenue (RMB'000)	% of revenue from convenient ready-to-eat food products
Revenue from convenient ready-to-eat food products				
Revenue from third parties	644,623	90.9%	622,907	88.9%
Revenue from related parties	64,382	9.1%	77,567	11.1%
Total revenue from convenient ready-to-eat food products	709,005	100%	700,474	100%

Revenue from convenient ready-to-eat food products increased by 1.2% from RMB700.5 million for the six months ended 30 June 2024 to RMB709.0 million for the corresponding period in 2025, accounting for 24.2% of the revenue for the same period, among which, revenue from sales of convenient ready-to-eat food products to related parties decreased by 17.0%, which was primarily due to reduced demand from related parties for braised food products; and revenue from sales of convenient ready-to-eat food products to third parties increased by 3.5%, mainly attributable to the launch of new products under the home-cooked series.

Revenue by distribution network

	For the six months ended 30 June			
	2025		2024	
	Revenue (RMB'000)	% of total revenue	Revenue (RMB'000)	% of total revenue
Related party customers				
Haidilao Group, Super				
Hi Group and Shuhai Supply				
Chain Group	863,661	29.5%	989,072	33.8%
Third party customers				
Distributors	1,727,188	59.0%	1,691,362	57.8%
E-commerce	175,899	6.0%	175,284	6.0%
Others				
Catering and food product				
companies	155,475	5.3%	67,086	2.3%
Ad hoc sales event	5,168	0.2%	4,121	0.1%
Total revenue	2,927,391	100%	2,926,925	100%

In the first half of 2025, the pricing of products transacted with related parties was adaptively adjusted with the dynamic changes in market prices. The product mix was also updated and iterated in accordance with the changing tastes of consumers. Sales revenue from sales to related parties was RMB863.7 million for the six months ended 30 June 2025, representing a year-on-year decrease of 12.7%.

For the six months ended 30 June 2025, sales revenue from sales to distributors was RMB1,727.2 million, representing a year-on-year increase of 2.1%, mainly due to the Group's strengthened marketing management and support for KA (Key Account) end; sales revenue from e-commerce channels was RMB175.9 million, representing a year-on-year increase of 0.3%; and sales revenue from sales to catering and food product companies was RMB155.5 million, representing a year-on-year increase of 131.7%, mainly due to the acquisition of new customers and the provision of more customised products.

Revenue by geographic region

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

	For the six months ended 30 June			
	2025		2024	
	Revenue (RMB'000)	% of total revenue	Revenue (RMB'000)	% of total revenue
Northern China ⁽⁵⁾	1,198,530	40.9%	1,233,406	42.1%
Southern China ⁽⁶⁾	1,463,030	50.0%	1,495,767	51.1%
Other markets	265,831	9.1%	197,752	6.8%
Total revenue	2,927,391	100%	2,926,925	100%

Notes:

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

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

Cost of Sales

The Group's cost of sales, including raw materials, employee benefit expenses, depreciation and amortization and utilities etc., increased by 0.6% from RMB2,049.4 million for the six months ended 30 June 2024 to RMB2,062.4 million for the corresponding period of 2025. The increase in cost of sales was mainly attributable to the increase in sales volume.

Gross Profit and Gross Profit Margin

	For the six months ended 30 June			
	2025		2024	
	Gross profit (RMB'000)	Gross profit margin %	Gross profit (RMB'000)	Gross profit margin %
Hot pot condiments	525,441	31.2%	546,676	31.3%
Third parties	420,705	45.5%	416,171	48.4%
Related parties	104,736	13.8%	130,505	14.7%
Compound condiments	165,293	33.6%	157,545	34.7%
Third parties	159,892	35.5%	153,046	35.6%
Related parties	5,401	13.1%	4,499	18.6%
Convenient ready-to-eat food products	170,489	24.0%	172,947	24.7%
Third parties	161,523	25.1%	161,463	25.9%
Related parties	8,966	13.9%	11,484	14.8%
Others	3,740	8.5%	340	1.4%
Total	864,963	29.5%	877,508	30.0%

The Group's gross profit decreased by 1.4% from RMB877.5 million for the six months ended 30 June 2024 to RMB865.0 million for the corresponding period in 2025, and the gross profit margin decreased from 30.0% for the six months ended 30 June 2024 to 29.5% for the corresponding period in 2025. The decrease in gross profit margin was mainly due to the decrease in gross profit margin of related parties and the increase in proportion of revenue from products with low profit margin, such as business-end products.

Distribution Expenses

The Group's distribution expenses increased by 4.9% from RMB352.3 million for the six months ended 30 June 2024 to RMB369.5 million for the corresponding period in 2025. The Group's distribution expenses as a percentage of the Group's revenue increased from 12.0% for the six months ended 30 June 2024 to 12.6% for the corresponding period in 2025. The increase in distribution expenses was mainly attributable to increase in logistics expenses.

Administrative Expenses

The Group's administrative expenses increased by 11.6% from RMB140.2 million for the six months ended 30 June 2024 to RMB156.5 million for the corresponding period in 2025. The Group's administrative expenses as a percentage of the Group's revenue increased from 4.8% for the six months ended 30 June 2024 to 5.3% for the corresponding period in 2025. The increase in administrative expenses was mainly attributable to increase in reserve labour costs for the industrial chain extension, office lease expenses and renovation expenses.

Other Income and Gains – Net

The Group's net amount of other income and gains increased by 215.5% from RMB29.0 million for the six months ended 30 June 2024 to RMB91.5 million for the corresponding period in 2025, which was primarily due to the increase in government grants and exchange gain as a result of change in foreign currency exchange rate.

Finance Income – Net

The Group's net amount of finance income decreased by 56.8% from RMB45.6 million for the six months ended 30 June 2024 to RMB19.7 million for the corresponding period in 2025, which was mainly attributable to the decrease in interest income as a result of the decrease in the average deposit balance by the Group and the decrease in deposit interest rate.

Profit before Income Tax

As a result of the foregoing, the Group's profit before income tax decreased by 2.0% from RMB459.6 million for the six months ended 30 June 2024 to RMB450.2 million for the corresponding period in 2025.

Income Tax Expenses

The Group's income tax expenses decreased by 3.4% from RMB125.4 million for the six months ended 30 June 2024 to RMB121.1 million for the corresponding period in 2025. The effective tax rate decreased from 27.3% for the six months ended 30 June 2024 to 26.9% for the corresponding period in 2025.

Net Profit for the Period

As a result of the foregoing, the Group's net profit decreased by 1.5% from RMB334.1 million for the six months ended 30 June 2024 to RMB329.1 million for the corresponding period in 2025. Basic earnings per share increased from RMB31.78 cents for the six months ended 30 June 2024 to RMB31.90 cents for the corresponding period in 2025 and net profit margin decreased from 11.4% for the six months ended 30 June 2024 to 11.2% for the corresponding period of 2025.

Capital Liquidity and Financial Resources

For the six months ended 30 June 2025, the Group's operations were mainly funded by the cash generated from its operation. The Group intended to utilise internal resources to provide funds for its business operations and expansion through organic growth and sustainable development.

Cash and Cash Equivalents

As at 30 June 2025, the Group's cash and cash equivalents were mainly consisted of Renminbi and US dollars. Cash and cash equivalents amounted to approximately RMB1,520.2 million (31 December 2024: RMB1,881.9 million).

Asset-Liability Ratio

As at 30 June 2025, the Group's asset-liability ratio⁽⁷⁾ was 13.5% (31 December 2024: 18.4%). The Group did not have any bank borrowings.

Note:

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

Inventories

Inventories mainly include raw materials, work-in-progress and finished goods. As at 30 June 2025, inventories amounted to approximately RMB382.7 million (31 December 2024: RMB465.5 million), and the turnover days of inventories increased from 34.0 days for the year ended 31 December 2024 to 37.0 days for the six months ended 30 June 2025. The increase in turnover days of inventories was mainly due to the increase in inventory of semi-finished products as a result of the extension of the industrial chain.

Trade Receivables

Trade receivables represent the amounts due from customers in respect of sales of goods in the ordinary course of business. As at 30 June 2025, the trade receivables amounted to approximately RMB207.2 million (31 December 2024: RMB285.4 million). The change was mainly attributable to the seasonal variation in trade receivables from related parties. The turnover days of trade receivables decreased from 15.2 days for the year ended 31 December 2024 to 15.1 days for the six months ended 30 June 2025.

Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Due to the cyclical effects of low and peak seasons for production and sales and the seasonal procurement cycle, trade payables amounted to approximately RMB266.9 million as at 30 June 2025 (31 December 2024: RMB482.2 million). The turnover days of trade payables decreased from 35.9 days for the year ended 31 December 2024 to 32.7 days for the six months ended 30 June 2025.

Contingent Liabilities

As at 30 June 2025, the Company did not have any material contingent liabilities.

Charge of Assets

As at 30 June 2025, the Company did not charge any fixed assets as securities for borrowings.

Borrowings

As at 30 June 2025, the Company did not have any bank borrowings.

Debt-to-Equity Ratio

As at 30 June 2025, the debt-to-equity ratio⁽⁸⁾ of the Company was 2.1%.

Note:

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

Risk of Foreign Exchange Rate and Hedging

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

Employees and Remuneration Policy

As at 30 June 2025, the Group had a total of 3,597 employees, comprising 2,842 employees in production, 610 employees in marketing and 145 employees in administration and management related functions.

For the six months ended 30 June 2025, the Group's total staff costs amounted to RMB370.1 million, including salaries, wages, allowances and benefits. The Group continued optimising the incentive-based system in line with business development needs and implementing remuneration policies with competitiveness.

Material Acquisitions and Disposals

For the six months ended 30 June 2025, the Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures.

FUTURE PROSPECTS

Industry and Business Outlook

In the second half of 2025, with the continued influence of macro policies, it is expected that the residents' income levels will further increase, enhancing their consumption power. At the same time, the consumption environment will continue to be optimised, new consumption growth points will be cultivated, and the consumption market will be driven towards steady and positive development.

In the second half of 2025, the Group will maintain its corporate strategic focus on product research and development, overseas expansion and channel construction.

In terms of product research and development, the Group will adhere to a market-oriented decision-making mechanism for product selection. By implementing the model of “tendering by sales teams and bidding by the research and development team”, the sales teams will put forward product requirements based on market demand analysis, and the research and development team will carry out research and development work and provide alternative solutions accordingly, thereby further reinforcing the independent product selection decision-making power of the channel sales teams. This will enable us to closely track and accurately align with market demand trends, and to continuously launch new products that meet current consumer needs. In addition, we will strengthen our research and development capabilities in the business-end market. The Group will continue to explore demand in the business-end market, leveraging our advantages in product research and development and supply chain production. Through multi-dimensional analysis of consumption trends and insights into changes in popular tastes in the business-end market, the Group will enhance the compatibility of standard products and strengthen our comprehensive customised production capabilities, so as to better meet the diversified needs of the business-end market.

Regarding overseas business, the Group will continue its in-depth exploration of the culinary culture in overseas markets, maintaining a focus on local taste preferences and consumption trends, so as to further promote the existing classic domestic flavours to overseas markets while also seeking to replicate authentic local tastes, with a view to enhancing overall recognition among overseas consumers. In addition, the Group will develop direct sales to overseas end customers, thereby expanding the number of overseas retail points and continuously broadening regional coverage, enabling products to reach a wider range of end consumers. With the completion of the construction of the supply centre in Southeast Asia, the production capacity of the overseas factories will be gradually released and the supporting resources will be progressively optimised. On one hand, this will provide ongoing customised and multi-category product supply support for the Group's continued expansion into the overseas business-end market, thereby increasing its market share in that segment; on the other hand, it will further improve the Group's overseas supply chain system, achieve the integration and optimal allocation of overseas resources, and continuously enhance supply chain efficiency, helping the Group to enter untapped overseas markets and extend its coverage in the global market.

In terms of channel building, the Group will continue to deepen its reach into lower-tier channels and strengthen end-market presence. On one hand, we will carry out food tasting activities such as on-site stalls to increase engagement with end consumers; on the other hand, we will promote the roll-out of the “three-direct” model (direct management, direct distribution and direct operation) in the KA channel, thereby expanding the management and coverage of retail points. Meanwhile, in response to the needs of differentiated market segments, we will increase the number of part-time sales staff at retail points to enhance overall coordination in end-market development, and further strengthen personalised and customer-friendly services in the end-market, with a view to improving consumer goodwill towards the brand and stimulating purchase enthusiasm. We will also explore the application of AI technology in channel building, aiming to use data analysis to refine customer profiling, identify product sales trends and understand the competitive landscape, thereby providing robust support for optimising channel management strategies. In addition, we will continue to refine our staff incentive policies, improve the talent selection and training mechanism, and enhance employees’ professional skills and development capabilities, with the aim of continuously injecting endogenous momentum into our business growth.

Material Investments and Prospects

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

Future Plans for Material Investments

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

OTHER INFORMATION

Interim Dividend

The Board has resolved to declare an interim dividend of HK\$0.3107 (equivalent to RMB0.2836) per share to the shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company on Friday, 12 September 2025. The interim dividend will be distributed in Hong Kong dollars and will be calculated based on the average benchmark exchange rate of RMB against Hong Kong dollar announced by the People’s Bank of China in the five working days prior to but excluding the date of the Board meeting held on Monday, 25 August 2025. The interim dividend is expected to be paid on or before Wednesday, 24 September 2025.

Closure of Register of Members

The register of members of the Company will be closed from Tuesday, 9 September 2025 to Friday, 12 September 2025, both days inclusive, during which period no transfer of shares can be registered, in order to determine the entitlement of the Shareholders to the interim dividend. In order to qualify for the interim dividend, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, for registration by 4:30 p.m. on Monday, 8 September 2025.

Event after the end of the Reporting Period

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

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities (including sale of treasury shares, if any) during the six months ended 30 June 2025.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Specific enquiries have been made to all the directors of the Company (the “**Directors**”) and the Directors have confirmed that they have complied with the Model Code during the six months ended 30 June 2025.

The Company’s employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company’s employees was noted by the Company during the six months ended 30 June 2025.

Compliance with the Corporate Governance Code

The Company has applied the principles of good corporate governance and code provisions as set out in the part 2 of the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix C1 to the Listing Rules. During the six months ended 30 June 2025, the Company complied with the code provisions in the Corporate Governance Code.

Audit Committee

The Audit Committee has three members comprising all independent non-executive Directors, being Ms. Cui Jin (chairman), Mr. Wang Xin and Ms. Li Ping, with terms of reference in compliance with the Listing Rules. The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to internal controls and financial reporting with the management, including the review of the unaudited interim condensed consolidated financial results of the Group for the six months ended 30 June 2025. The Audit Committee considers that the interim financial results for the six months ended 30 June 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Review of Interim Condensed Consolidated Financial Information

The Company’s external auditor, PricewaterhouseCoopers, has performed a review of the Group’s interim condensed consolidated financial information for the six months ended 30 June 2025 in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. Based on their review, nothing has come to their attention that causes them to believe that the interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

Publication of Interim Results Announcement and Interim Report

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

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

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

Hong Kong, 25 August 2025

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