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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt about** any of the contents 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 advisers.

**If you have sold or transferred** all your shares in SUPER HI INTERNATIONAL HOLDING LTD., you should at once hand this circular together with the form of proxy and reply slip to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**SUPER HI INTERNATIONAL HOLDING LTD.**

**特海国际控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 9658)**

**(1) PROPOSED RENEWAL OF EXISTING NON-EXEMPT  
CONTINUING CONNECTED TRANSACTION;  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**



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A notice convening the Extraordinary General Meeting of SUPER HI INTERNATIONAL HOLDING LTD. to be held at Gui Gang Meeting Room of Holiday Inn Beijing Deshengmen, No. 71 Deshengmenwai Street, Xicheng District, Beijing, PRC on Wednesday, December 13, 2023 at 3:00 p.m. is set out on pages 40 to 41 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 Company's website at [www.superhiinternational.com](http://www.superhiinternational.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

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 Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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.

November 24, 2023

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following terms shall have the following meanings:*

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	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 May 6, 2022, whose Shares are listed on the main board of the Stock Exchange with stock code 9658
“Controlling Shareholder”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. ZHANG Yong (張勇), Ms. SHU Ping (舒萍), together with ZY NP LTD, SP NP LTD and NP UNITED HOLDING LTD. Mr. ZHANG and Ms. SHU, spouse of each other
“Director(s)”	director(s) of the Company
“Existing Non-exempt Continuing Connected Transaction”	Yihai Master Purchase Agreement
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at Gui Gang Meeting Room of Holiday Inn Beijing Deshengmen, No. 71 Deshengmenwai Street, Xicheng District, Beijing, PRC on Wednesday, December 13, 2023 at 3:00 p.m.
“Greater China”	the mainland China, Hong Kong, Macau and Taiwan
“Group”	the Company and its subsidiaries
“Haidilao Customized Products”	the hot pot soup flavoring, the hot pot dipping sauce and Chinese-style compound condiment products and other customized products supplied by Yihai Group manufactured using formulae owned by the Group for use at the hot pot restaurants

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely Mr. TAN Kang Uei, Anthony, Mr. TEO Ser Luck and Mr. LIEN Jown Jing Vincent, established to advise the Independent Shareholders on the Renewed Yihai Master Purchase Agreement and the transactions contemplated thereunder and the Proposed Annual Caps
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and Independent Shareholders in relation to the Renewed Yihai Master Purchase Agreement, the transactions contemplated thereunder and the Proposed Annual Caps related thereto
“Independent Shareholders”	has the meaning ascribed thereto under the Listing Rules; and means the Shareholders other than NP UNITED HOLDING LTD, ZY NP LTD, SP NP LTD, SYH NP LTD and LHY NP LTD with respect to the Renewed Yihai Master Purchase Agreement
“Independent Third Party(ies)”	an individual or a company which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
“instant self-serving products”	instant self-serving food products including the self-serving instant small hot pot products, self-serving instant rice products, instant powder and snacks, and other related products
“Latest Practicable Date”	November 20, 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Date”	December 30, 2022, on which dealings in the Shares first commence on the main board of the Stock Exchange
“Listing Document”	the Company’s listing document dated December 19, 2022

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“PRC” or “China”	People’s Republic of China, but for the purpose of this circular and for geographical reference only and except where the context requires otherwise, references in this circular to “China” and the “PRC” do not apply to Hong Kong, Macau and Taiwan
“Proposed Annual Caps”	the proposed annual caps under the Renewed Yihai Master Purchase Agreement for the three years ending December 31, 2024, 2025 and 2026
“Renewed Yihai Master Purchase Agreement”	the renewed master purchase agreement entered into between the Company and Yihai (each for itself and on behalf of its subsidiaries) on October 17, 2023
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemental or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of US\$0.000005 each
“Shareholder(s)”	the holder(s) of the Shares of the Company
“Share Award Scheme”	the share award scheme adopted by the Company on June 24, 2022, as amended from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meanings ascribed thereto in the Listing Rules
“substantial shareholder(s)”	has the meanings ascribed thereto in the Listing Rules
“US\$”	the U.S. dollar, the lawfully currency of the United States
“Yihai Group”	the group of companies comprising Yihai and its subsidiaries
“Yihai Master Purchase Agreement”	the master purchase agreement entered into between the Company and Yihai (each for itself and on behalf of its subsidiaries) on December 12, 2022

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## DEFINITIONS

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“Yihai Retail Products”	the hot pot flavoring and Chinese-style compound condiment products supplied by Yihai Group manufactured using formulae owned by Yihai Group for display and sales to consumers in the hot pot restaurants
“Yihai”	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 October 18, 2013 and listed on the main board of the Stock Exchange with stock code 1579 (which was controlled by Mr. ZHANG Yong and Ms. SHU Ping as of the Latest Practicable Date) and the connected person
“%”	percentage



**SUPER HI INTERNATIONAL HOLDING LTD.**

**特海国际控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 9658)**

***Executive Directors:***

Mr. ZHOU Zhaocheng (*Chairman*)

Mr. LI Yu

Mr. WANG Jinping

Ms. LIU Li

***Independent Non-executive Directors:***

Mr. TAN Kang Uei, Anthony

Mr. TEO Ser Luck

Mr. LIEN Jown Jing Vincent

***Registered Office:***

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

***Head Office and Principal Place  
of Business in Singapore:***

1 Paya Lebar Link

#09-04

PLQ 1 Paya Lebar Quarter

Singapore 408533

***Principal place of business in  
Hong Kong:***

40th Floor

Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai

Hong Kong

November 24, 2023

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED RENEWAL OF EXISTING NON-EXEMPT  
CONTINUING CONNECTED TRANSACTION;  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

The purposes of this circular are, among other things, (i) to give you further details of the Renewed Yihai Master Purchase Agreement, the transactions contemplated thereunder and the Proposed Annual Caps related thereto; (ii) to set out the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in relation to the matters set out in (i) above; (iii) to set out the recommendation and opinion of the Independent Board Committee to the Independent Shareholders after taking into consideration the advice of Gram Capital in relation to the matters set out in (i) above; and (iv) to give you the notice of the Extraordinary General Meeting.

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## LETTER FROM THE BOARD

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### RENEWAL OF YIHAI MASTER PURCHASE AGREEMENT

#### Background

Reference is made to the Listing Document in relation to, *inter alia*, the Yihai Master Purchase Agreement. On December 12, 2022, Yihai and the Company, each for itself and on behalf of its subsidiaries, entered into the Yihai Master Purchase Agreement, pursuant to which the Group agreed to purchase Haidilao Customized Products, Yihai Retail Products and instant self-serving products from Yihai Group.

As disclosed in the Listing Document, the term of the Yihai Master Purchase Agreement commenced from the Listing Date and continue until December 31, 2023 (both days inclusive). Subject to compliance with applicable laws and regulations (including but not limited to Chapter 14A of the Listing Rules at the time of renewal) and requirements of securities regulatory authorities, the Yihai Master Purchase Agreement may be renewed for a further term of three years from time to time, unless (i) the parties agree in writing to terminate the Yihai Master Purchase Agreement during its term; or (ii) the Yihai Master Purchase Agreement is terminated as required by applicable laws, regulations, requirements of the securities regulatory authorities, or judgment or decision of any competent court. Upon renewal of the Yihai Master Purchase Agreement, the parties may amend the terms of the Yihai Master Purchase Agreement based on the then prevailing circumstances subject to the compliance with the requirements under Chapter 14A of the Listing Rules.

At the time of the Listing in December 2022, the Stock Exchange granted a waiver to the Company in respect of, *inter alia*, the non-exempt continuing connected transaction under the Yihai Master Purchase Agreement from strict compliance with the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules (the "**Waiver**"). Pursuant to the Waiver, the transactions under the Yihai Master Purchase Agreement are subject to the respective annual caps for the two years ending December 31, 2023.

Since the Listing Date, the Group has been conducting certain continuing connected transactions under the Yihai Master Purchase Agreement in ordinary and usual course of its business on normal commercial terms. The Company has closely monitored the transactions contemplated under the Yihai Master Purchase Agreement and the actual transaction amounts did not exceed the annual cap for the year ended December 31, 2022. As of the Latest Practicable Date, the actual transaction amounts for the transactions under the Yihai Master Purchase Agreement did not exceed the annual cap for the year ending December 31, 2023.



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## LETTER FROM THE BOARD

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### Principal Terms of Renewed Yihai Master Purchase Agreement

As the Yihai Master Purchase Agreement will expire on December 31, 2023, and the Company will continue the transactions under the Yihai Master Purchase Agreement subsequent to December 31, 2023, the Company and Yihai, each for itself and on behalf of its subsidiaries, entered into the Renewed Yihai Master Purchase Agreement on October 17, 2023 for a term of three years commencing from January 1, 2024 to December 31, 2026 (both days inclusive), subject to the independent shareholders' approval of both Yihai and the Company. The Yihai Master Purchase Agreement will be terminated once the Renewed Yihai Master Purchase Agreement takes effect.

The principal terms of the Renewed Yihai Master Purchase Agreement are summarized below:

- Date:** October 17, 2023
- Parties:** (1) The Company (for itself and on behalf of its subsidiaries)  
(2) Yihai (for itself and on behalf of its subsidiaries)
- Terms:** The Renewed Yihai Master Purchase Agreement has an initial term of three years commencing from January 1, 2024 to December 31, 2026 (both days inclusive), subject to the independent shareholders' approval of both Yihai and the Company.

Subject to compliance with applicable laws and regulations (including but not limited to Chapter 14A of the Listing Rules at the time of renewal) and requirements of securities regulatory authorities, the Renewed Yihai Master Purchase Agreement may be renewed for a further term of three years from time to time, unless (i) the parties agree in writing to terminate the Renewed Yihai Master Purchase Agreement during its term; or (ii) the Renewed Yihai Master Purchase Agreement is terminated as required by applicable laws, regulations, requirements of the securities regulatory authorities, or judgment or decision of any competent court. Upon renewal of the Renewed Yihai Master Purchase Agreement, the parties may amend the terms of the Renewed Yihai Master Purchase Agreement based on the then prevailing circumstances subject to the compliance with the requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM THE BOARD

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**Nature of  
transactions:**

*(1) Purchase of Haidilao Customized Products*

During the term of the Renewed Yihai Master Purchase Agreement, Yihai Group is the supplier of Haidilao Customized Products for use in the hot pot restaurants outside Greater China. The Company is generally restricted from engaging third party suppliers to provide the Haidilao Customized Products unless (i) in the event that Yihai Group is unable to satisfy the quantity or quality of products demanded by the Group, and such problem is not resolved within a reasonable period of time after negotiation between both parties, the Group may engage third party suppliers; or (ii) the parties agree as otherwise. For example, the Company may enter into good faith negotiation and agree with Yihai if the Company decides to engage local third party suppliers taking into account various factors, including delivery cost and delivery time.

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

The Group owns the proprietary rights to the formulas of Haidilao Customized Products (the “**Condiments Formulae**”) and license the Condiments Formulae to Yihai Group and its contract manufacturers to use for production on a royalty-free basis. Yihai Group are subject to contractual obligations where it shall fulfill, and shall use reasonable efforts to procure its contract manufacturers to (i) keep confidential the Condiments Formulae, and (ii) unless the Group has given written consent, refrain from selling products that use these formulae to any of its major competitors.

For any upgrades and developments in the Condiments Formulae made through the joint efforts of Yihai Group and the Group, the Group will own the proprietary rights and Yihai Group and its contract manufacturers will be entitled to use such upgraded formulae for production of Haidilao Customized Products. In relation to the purchase of products which will be produced with such upgraded formulae, and in accordance with the Renewed Yihai Master Purchase Agreement, a supplemental agreement will be entered into by the parties to confirm that the upgraded formulae are a result of joint efforts of Yihai Group and the Group.

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## LETTER FROM THE BOARD

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

**(2) *Purchase of Yihai Retail Products and instant self-serving products***

During the term of the Renewed Yihai Master Purchase Agreement, Yihai Group is the supplier of the Yihai Retail Products and instant self-serving products to the Group for display and sales to consumers in the hot pot restaurants. Yihai Retail Products are manufactured with Yihai Group's formulas.

Purchase of Yihai Retail Products and instant self-serving products will be made on the basis of individual orders specifying the type of product, purchase volume, delivery date and etc. The price of the Yihai Retail Products and instant self-serving products shall be determined based on the pricing policy as set out below. Payment shall be made based on the actual quantity of products in each shipment timely and appropriately, adhering to the mutually agreed upon settlement method.

**Pricing basis:** The prices of Haidilao Customized Products, Yihai Retail Products and instant self-serving products shall be determined by the parties with reference to a number of factors:

**(1) *Purchase of Haidilao Customized Products***

The purchase price of Haidilao Customized Products shall be determined by the parties at arm's length negotiations with reference to (i) historical purchase price, (ii) Yihai Group's production cost, including the cost of raw materials, selling and administrative expenses, incurred in connection with the production of Haidilao Customized Products, (iii) Yihai Group's estimated overall net profit margin through sales to its Independent Third Party distributors, and (iv) the market price of similar products purchased from independent and comparable suppliers.

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## LETTER FROM THE BOARD

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(2) *Purchase of Yihai Retail Products and instant self-serving products*

The purchase price of Yihai Retail Products and instant self-serving products shall be consistent with the pricing policy for similar products Yihai Group offers to its Independent Third Party distributors and shall be determined by the parties at arm's length negotiations with reference to (i) the production cost, including the cost of raw materials, selling and administrative expenses, incurred in connection with the production of Yihai Retail Products and instant self-serving products, and (ii) the prevailing market price of similar products.

To ensure that the purchase prices of Yihai Retail Products and instant self-serving products are consistent with the pricing policy for similar products offered by Yihai Group to its Independent Third Party distributors, the Group and Yihai Group will explicitly agree on such pricing policy in the relevant purchase agreements. In addition, the Group has adopted comprehensive internal control measures to monitor the enforcement of the purchase agreements. Please refer to “– Internal Control Measures” below for further details.

The terms of the Renewed Yihai Master Purchase Agreement are substantially the same as the Yihai Master Purchase Agreement.

### **Reasons for the Transaction**

Yihai Group is a leading compound condiment manufacturer, and has been the supplier of flavoring products for the Group for a long time. The long-term, stable and mutually beneficial business relationship between the Group and Yihai Group and the mass production capabilities of Yihai Group have contributed significantly to the successful growth and expansion. The Company believes that the maintenance of the mutually beneficial relationship is in the best interest of the Shareholders as a whole.

Yihai Group, principally conducts manufacturing, distribution and sale, as well as research and development, of hot pot condiment products, Chinese-style compound condiment products and convenient ready-to-eat food products. Yihai has been a supplier for the business of the Company for many years.

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## LETTER FROM THE BOARD

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Pursuant to the Renewed Yihai Master Purchase Agreement, Yihai Group provides Haidilao Customized Products, Yihai Retail Products (together with the Haidilao Customized Products, the “**Flavoring Products**”) and instant self-serving products to the Group. The Company believes that the Renewed Yihai Master Purchase Agreement does not constitute undue reliance on Yihai Group or the Controlling Shareholders on the following grounds:

*(1) Long-standing and mutually beneficial relationship*

There has been a continued long-term, stable and mutually beneficial business relationship between the Group and Yihai Group. Yihai Group has been the internal supplier of the Flavoring Products of the Group since 2012. The mass production capabilities of Yihai Group have ensured the stable supply of products that are price competitive, of high-quality and compliant with stringent food safety standards to the Group, while the long-term and stable business relationship enables Yihai Group to grow alongside the Group’s expansion. In addition, Yihai Group has every incentive to protect the proprietary know-how and trade secrets due to the importance of the Group to its business, and the in-house research teams of both Yihai Group and the Group have been working closely to continuously upgrade and explore hot pot soup flavoring formulae. To maintain a mutually beneficial relationship is in the best interest of the shareholders of both Yihai Group and the Group.

*(2) Importance of the Group to Yihai Group*

The purchase amount by the Group from Yihai Group was approximately US\$5.8 million, US\$8.6 million, US\$12.1 million and US\$6.6 million for the three years ended December 31, 2020, 2021 and 2022 and the six months ended June 30, 2023, respectively, representing far over majority of the Company’s total soup base costs. In 2020, 2021 and 2022 and the six months ended June 30, 2023, the procurement from Yihai, which are Haidilao Customized Products, represented approximately 73%, 73%, 68% and 65% of the total soup base costs, which does not take into account the food ingredients used primarily in menu dishes and, to a lesser extent, in soup bases, which generally only represents a small portion of its total soup base costs. The purchase amount by the Group from Yihai Group for the three years ended December 31, 2020, 2021 and 2022 and the six months ended June 30, 2023 accounted for at least 15% of the total revenue of Yihai Group’s overseas business for each of the relevant years. Given the leading market place of the Group in the Chinese-cuisine sector in the overseas market and the contribution of the Group to the overseas business of Yihai Group, which reflects an important role the Group has been playing in the overseas business development of Yihai Group, the Company considers that Yihai Group has every incentive to deliver high-quality products with reasonable prices and it is unlikely that Yihai Group will intentionally cease or reduce its supply to the Group.

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## LETTER FROM THE BOARD

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### *(3) Sourcing from alternative suppliers*

The formulae for the Haidilao Customized Products are owned by the Group. Since the listing of Yihai on the Stock Exchange, the Group has been identifying alternative suppliers for the Haidilao Customized Products in case the supply from Yihai Group cannot meet the requirements and demand of the Group. The Company may consider to engage these alternative local third party suppliers to provide the Haidilao Customized Products if the local regulatory authorities do not allow the import of certain materials used in these products from Yihai. The Company may also take into account other factors, including delivery cost and delivery time, in determining whether to engage these alternative local third-party suppliers. When the Company wishes to engage third party suppliers, the Company will enter into good-faith negotiations with Yihai Group in advance. In 2020, 2021 and 2022 and up to the Latest Practicable Date, there was no incident where the Group was not agreed to engage local third party suppliers, nor was there any dispute, claim or other legal proceeding between the Company and Yihai Group over this issue.

The Group has entered into agreements with certain Independent Third Party suppliers of comparable Flavoring Products, who have been added into the “Qualified Supplier List” maintained for the purpose of its business, to procure specific types of soup base products which Yihai Group is currently unable to manufacture. Such alternative suppliers are able to supply similar Flavoring Products of comparable quality and pricing terms as those offered by Yihai Group. As the Group owns the formulae, which are tailored to the local taste and different from those of Haidilao International Holding Ltd., and the raw materials for the Haidilao Customized Products can be readily sourced, the Company believes that in the unlikely event that Yihai Group ceases or is unable to supply to the Group, the Group would be able to source from alternative suppliers the Haidilao Customized Products that meet its requirements and demand within a reasonable period of time, and the business of the Group would not be adversely affected. The Company has also identified one or two alternative suppliers for each of the jurisdictions where the Group had operations, who could manufacture the Haidilao Customized Products that meet the requirements of the Group and with comparable pricing terms.

When selecting the alternative suppliers, the Group may consider those high-profile and reliable companies with proven business records, high brand recognition and good reputation. The Group will also request such suppliers to undertake to the Company under the relevant legally-binding agreements that they will use best commercial efforts to (i) keep confidential the Condiments Formulae, and (ii) unless with the Company’s written consent, refrain from selling products that use these formulae to any of its major competitors in the overseas catering market. They will also be requested to provide indemnity to the Company if any loss is incurred as a result of their leakage of the Condiments Formulae. Considering the influence of its brand, the scale of its business and the legally-binding agreements, it is reasonably expected that those third party suppliers have every incentive to protect the proprietary know-how and trade secrets and will not recklessly breach the contractual obligations under the agreements so as to maintain a mutually beneficial relationship with the Group. The Company will take various factors, including the qualifications, the operation history as well as the brand and reputation of the suppliers, the manufacturing capabilities, the pricing terms, the turnaround time, the historical cooperation records, etc., into consideration to decide whether the Company will engage Yihai or other alternative suppliers.

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## LETTER FROM THE BOARD

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Under the Renewed Yihai Master Purchase Agreement, Yihai Group is the supplier of the Yihai Retail Products and the instant self-serving products to the Group for display and sales to consumers in its restaurants. Given the revenue generated from sales of the Yihai Retail Products and the instant self-serving products is relatively insignificant to the Group, in the unlikely event that Yihai Group ceases or reduces the supply of the Yihai Retail Products and the instant self-serving products to the Group, the potential effect on the business, financial condition and results of operations would be immaterial. Therefore, the Company believes that it is unnecessary to secure alternative suppliers of such products.

**(4) Fair and reasonable pricing terms**

Under the Renewed Yihai Master Purchase Agreement, the pricing of the Haidilao Customized Products is determined by taking into account various factors such as historical sale price to the Group by Yihai Group, the estimated overall net profit margin of Yihai's sales to Independent Third Party distributors, production cost, and the market price of similar products purchased from independent and comparable suppliers. The pricing terms are considered fair and reasonable and on normal commercial terms at arm's length negotiation by both parties. The pricing of the Yihai Retail Products and instant self-serving products follows the pricing of sales to Independent Third Party distributors by Yihai.

**(5) High level of transparency and corporate governance measures**

Yihai is listed on the Stock Exchange and its connected transactions with the Group may subject to the relevant requirements under the Listing Rules. The same compliance requirements are also expected to apply to the Group. As such, the Shareholders will be well protected as the fairness and reasonableness of the connected transactions between Yihai Group and the Group will be closely and regularly monitored by respective independent shareholders, independent non-executive directors and auditors of Yihai Group and the Group with sufficient disclosures.

### Historical Amounts

The following table sets forth the historical amounts of the transaction amounts the purchase from Yihai Group for the three years ended December 31, 2020, 2021 and 2022 and the six months ended June 30, 2023:

<b>For the Year ended December 31,</b>			<b>For the</b>
<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Six Months Ended</b>
	<i>US\$'000</i>		<b>June 30,</b>
			<b>2023</b>
			<i>(Unaudited)</i>
5,794	8,582	12,057	6,626

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## LETTER FROM THE BOARD

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### Proposed Annual Caps

The Company estimates the proposed annual caps for the continuing transactions contemplated under the Renewed Yihai Master Purchase Agreement for the three years ending December 31, 2024, 2025 and 2026 are as below:

Proposed Annual Cap for the Year Ending December 31,			
2024	2025		2026
<i>US\$'000</i>			
32,557	43,370		54,321

### Reasons for the Proposed Annual Caps and Basis of Determination

The proposed annual caps for the Renewed Yihai Master Purchase Agreement have been estimated based on the following factors:

- (i) the historical transaction amounts with the Yihai Group;
- (ii) the expected increase in the price of the Haidilao Customized Products, Yihai Retail Products and instant self-serving products due to the fluctuation in raw material costs and delivery costs;
- (iii) the estimated increase in demand for Haidilao Customized Products and sales volume of Yihai Retail Products and instant self-serving products, reflecting the expected increase in (i) the customer flow, turnover rates and operating performance of the restaurants and (ii) the number of restaurants under the network expansion plan. The restaurant network of the Group expanded from 74 as of January 1, 2021 to 115 as of June 30, 2023 and is expected to continue to grow, including in the countries where the Group has business operations, as well as entering new markets whenever opportunities arise, such as the Philippines, Cambodia and various European countries;
- (iv) the expected increase in the type of Haidilao Customized Products;
- (v) the supply capacity of the Yihai Group; and
- (vi) the strong growth and extensive market potential of the catering industry and the market of the instant self-serving products after the COVID-related restrictions were lifted globally.

### Information on the Parties

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

Yihai Group, principally conducts manufacturing, distribution and sale, as well as research and development, of hot pot condiment products, Chinese-style compound condiment products and convenient ready-to-eat food products. Yihai has been a supplier for the business of the Group for many years.



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## LETTER FROM THE BOARD

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### **Listing Rules Implications**

As of the Latest Practicable Date, Yihai was held as to approximately 31.44% in aggregate, directly and indirectly, by Mr. ZHANG Yong and Ms. SHU Ping. Therefore, Yihai is an associate of Mr. ZHANG Yong and Ms. SHU Ping and thus a connected person of the Company. The transactions under the Renewed Yihai Master Purchase Agreement constitute continuing connected transactions of the Company under the Listing Rules. Since the highest of all applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the proposed annual caps of the Renewed Yihai Master Purchase Agreement will exceed 5%, the transactions under the Renewed Yihai Master Purchase Agreement shall be subject to annual review, reporting, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **Directors' Confirmation**

The Directors (including the independent non-executive Directors) are of the view that (i) the continuing connected transactions as set out above have been and will be entered into during the ordinary and usual course of business on normal commercial terms or terms better to the Group, and are fair and reasonable and in the interest of the Group and the Shareholders as a whole; and (ii) the proposed annual caps, where applicable, for these transactions are fair and reasonable and in the interest of the Group and the Shareholders as a whole.

To the best knowledge, belief and information of the Company, having made all reasonable enquiries, none of the Directors has any material interest or is required to abstain from voting on the relative Board resolutions approving the same.

### **Approval by Independent Shareholders**

To the best knowledge, belief and information of the Company, having made all reasonable enquiries, as of the Latest Practicable Date, (i) NP UNITED HOLDING LTD, ZY NP LTD, SP NP LTD, SYH NP LTD and LHY NP LTD directly held 180,197,010 Shares, 114,873,912 Shares, 41,096,201 Shares, 33,115,501 Shares and 16,963,201 Shares, respectively, representing approximately 29.10%, 18.55%, 6.64%, 5.35% and 2.74% of the issued share capital of the Company. Mr. ZHANG Yong (through ZY NP LTD), Ms. SHU Ping (through SP NP LTD), together through NP UNITED HOLDING LTD, are collectively interested in approximately 54.28% of the total issued share capital of the Company. Mr. Sean SHI (through SYH NP LTD) and Ms. Hailey LEE (through LHY NP LTD), are collectively interested in approximately 8.09% of the total issued share capital of the Company; and (ii) Ms. SHU Ping, Mr. ZHANG Yong, Ms. Hailey LEE, and Mr. Sean SHI are interested in 325,896,021 shares, 325,896,021 Shares, 130,592,992 shares, and 130,592,992 shares of Yihai respectively, representing approximately 31.44%, 31.44%, 12.60%, and 12.60% of the issued share capital of Yihai. Therefore, Mr. ZHANG Yong, Ms. SHU Ping, Mr. Sean SHI and Ms. Hailey LEE and their respective associates, namely, NP UNITED HOLDING LTD, ZY NP LTD, SP NP LTD, SYH NP LTD and LHY NP LTD, are deemed to have material interests in the transactions contemplated under the Renewed Yihai Master Purchase Agreement. In

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## LETTER FROM THE BOARD

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accordance with the Listing Rules, each of Mr. ZHANG Yong, Ms. SHU Ping, Mr. Sean SHI and Ms. Hailey LEE and their respective associates will abstain from voting on the ordinary resolution to approve the Renewed Yihai Master Purchase Agreement and the Proposed Annual Caps related thereto at the Extraordinary General Meeting.

As of the Latest Practicable Date, Futu Trustee Limited, the trustee of the Share Award Scheme, through ESOP Platform I and ESOP Platform II held 61,933,000 Shares (representing 10% of the issued shares capital of the Company) for the purpose of unvested awards under the Share Award Scheme. It will abstain from voting on the Extraordinary General Meeting according to Rule 17.12(2) of the Listing Rules.

Apart from the above, none of the Shareholders have a material interest in the transactions under the Renewed Yihai Master Purchase Agreement, and therefore 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 Renewed Yihai Master Purchase Agreement on the condition that:

- (i) the annual transaction amount of the Renewed Yihai Master Purchase Agreement shall not exceed the respective annual caps;
- (ii) the Renewed Yihai Master Purchase 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 favorable than terms available to the Group from Independent Third Parties; and
- (iii) the transactions will be entered into in accordance with the Renewed Yihai Master Purchase 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 Renewed Yihai Master Purchase Agreement.

### INTERNAL CONTROL MEASURES

The Group has a comprehensive internal control system to ensure that the above continuing connected transactions and the transactions contemplated thereunder and the proposed annual caps are fair and reasonable, and the transactions contemplated thereunder 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:

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## LETTER FROM THE BOARD

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- (i) The Company has designated a team of senior management from business operation, legal, risk control and finance departments and Board office to monitor the continuing connected transactions and ensure that the continuing connected transactions with the abovementioned connected persons are on arm's length basis and that the annual caps are not exceeded. Such team of senior management continuously traces and regularly monitors the progress of the continuing connected transactions and reports to the management of the Company;
- (ii) The team of senior management and the internal control department 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;
- (iii) The Company has set up a specialized team of experienced employees specializing in restaurant management and operation to assess, among others, the professional qualifications, team size, capabilities and historical experience of the product and/or service providers based on its business needs. In addition, to avoid potential conflict of interest and ensure fairness of the assessment, members in the aforesaid specialized team cannot be the key contact persons reaching out to the relevant product and/or service providers. As of the Latest Practicable Date, Yihai has passed the supplier review process of the Group and has been added into the "Qualified Supplier List" maintained by the Group;
- (iv) The legal department of the Group is responsible for identifying connected persons of the Group from new customers or suppliers on a regular basis and updating the connected persons list. The finance department of the Group would monitor on an on-going basis the actual transaction amounts with the connected persons to ensure that such amounts do not exceed the relevant annual caps;
- (v) Before conducting any transactions contemplated under, or entering into any subcontract pursuant to, an agreement for continuing connected transactions, the legal department and finance department of the Group would review the terms of the proposed transactions and the draft sub-contracts to ensure that the transactions would be conducted in accordance with the terms of the agreement and in accordance with the Company's pricing policy;
- (vi) The procurement department of the Group will conduct regular checks on the 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. The procurement team will from time to time (on a regular basis and/or prior to price negotiation) gather market intelligence by way of research and investigation to ascertain the quality of the products compared to similar products/services in the market and the reference price of each type of the products/services in the market;

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## LETTER FROM THE BOARD

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- (vii) The team of senior management of the Group will collect and review continuing connected transactions each month in order to guarantee that (a) the connected parties have fulfilled the terms of the agreements in relation to continuing connected transactions during the relevant month; and (b) the actual transaction amounts incurred and estimated to be incurred between the Group and the connected parties are within the annual caps;
- (viii) The Board conducts 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;
- (ix) The independent non-executive Directors conduct annual review of continuing connected transactions and provide annual confirmations in the Company's annual report on whether the continuing connected transactions are conducted (a) in the Group's ordinary course of business; (b) in accordance with normal commercial terms or better and on terms that are fair and reasonable; (c) in accordance with the terms of the relevant agreements; and (d) in the interests of the Company and the Shareholders as a whole;
- (x) The audit committee of the Company conducts review of the annual financial statements, annual report, interim financial statements and interim report which include the disclosure and analysis of the implementation of continuing connected transactions and opine on continuing connected transactions as disclosed in such financial statements and reports, including whether the terms of the continuing connected transactions are fair and reasonable and whether the transaction amounts are within the relevant annual caps; and
- (xi) 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 issue 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.

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## LETTER FROM THE BOARD

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### NOTICE OF EXTRAORDINARY GENERAL MEETING

Set out on pages 40 to 41 of this circular is the notice of Extraordinary General Meeting at which, *inter alia*, an ordinary resolution will be proposed to Shareholders to consider and approve the proposed renewal of continuing connected transactions under the Renewed Yihai Master Purchase Agreement.

### FORM OF PROXY

A form of proxy is enclosed for use at the Extraordinary General Meeting. Such form of proxy is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). 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 Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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.

### VOTING AT THE EXTRAORDINARY GENERAL MEETING

In accordance with the Listing Rules, any Shareholder with a material interest in the transactions under the Renewed Yihai Master Purchase Agreement and the transactions contemplated thereunder and the Proposed Annual Caps and his/her/its associates shall abstain from voting on the resolutions approving the same.

To the best knowledge, belief and information of the Directors, having made all reasonable enquiries, Mr. ZHANG Yong, Ms. SHU Ping, Mr. Sean SHI and Ms. Hailey LEE and their respective associates, namely, NP UNITED HOLDING LTD, ZY NP LTD, SP NP LTD, SYH NP LTD and LHY NP LTD, are deemed to have material interests in the transactions contemplated under the Renewed Yihai Master Purchase Agreement. Please see "Renewal of Yihai Master Purchase Agreement – Approval by Independent Shareholders" above for details.

Apart from the above, there is no other Shareholder who has any material interest in the proposed resolutions, and save as disclosed in this circular, none of the Shareholders is required to abstain from voting on such resolutions.

Pursuant to Rule 13.39(4) of the Listing Rules and Article 66 of the articles of association of the Company, a resolution put to vote at any general meeting is to be decided by way of a poll, except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter 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.

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## LETTER FROM THE BOARD

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### RECOMMENDATION OF THE BOARD

The Board considers that the proposed ordinary resolutions for the Renewed Yihai Master Purchase Agreement, the transactions contemplated thereunder and the Proposed Annual Caps related thereto are in the best interests of the Company and the Shareholders as a whole, and accordingly, recommends the Independent Shareholders to vote in favor of the resolutions to be proposed at the Extraordinary General Meeting.

### RECOMMENDATION OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee has been formed to advise the Independent Shareholders in connection with the terms of the Renewed Yihai Master Purchase Agreement, the transactions contemplated thereunder and the Proposed Annual Caps related thereto, and Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders.

Gram Capital considers the Renewed Yihai Master Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group. Gram Capital also considers that the Renewed Yihai Master Purchase Agreement, the transactions contemplated thereunder, and the Proposed Annual Caps related thereto are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The full text of the letter from Gram Capital containing its recommendation in respect of the Renewed Yihai Master Purchase Agreement, the transactions contemplated thereunder and the Proposed Annual Caps related thereto is set out on pages 22 to 33 of this circular.

The Independent Board Committee, having taken into account the advice of Gram Capital, considers the terms of the Renewed Yihai Master Purchase Agreement, the transactions contemplated thereunder and the Proposed Annual Caps related thereto 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 favor of the relevant ordinary resolution to be proposed at the Extraordinary General Meeting to approve the Renewed Yihai Master Purchase Agreement, the transactions contemplated thereunder and the Proposed Annual Caps related thereto. The full text of the letter from the Independent Board Committee is set out on page 21 of this circular.

Yours faithfully,  
By order of the Board  
**SUPER HI INTERNATIONAL HOLDING LTD.**  
**Mr. ZHOU Zhaocheng**  
*Chairman*



**SUPER HI INTERNATIONAL HOLDING LTD.**

**特海国际控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 9658)**

November 24, 2023

*To the Independent Shareholders*

Dear Sir or Madam,

We have been appointed by the Board as the Independent Board Committee to advise you in connection with the Renewed Yihai Master Purchase Agreement, the transactions contemplated thereunder and the Proposed Annual Caps related thereto, details of which are set out in the letter from the Board contained in the circular issued by the Company to the Shareholders dated November 24, 2023, of which this letter forms part.

We wish to draw your attention to the letter from Gram Capital as set out on pages 22 to 33 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 Renewed Yihai Master Purchase Agreement, the transactions contemplated thereunder and the Proposed Annual Caps related thereto and the advice of Gram Capital in relation thereto as set out on pages 22 to 33 of the circular, we are of the view that the Renewed Yihai Master Purchase Agreement and the transactions contemplated thereunder 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 Renewed Yihai Master Purchase Agreement, the transactions contemplated thereunder and the Proposed Annual Caps related thereto 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 favor of the relevant ordinary resolution to be proposed at the Extraordinary General Meeting to approve the Renewed Yihai Master Purchase Agreement, the transactions contemplated thereunder and the Proposed Annual Caps related thereto.

Yours faithfully,

**The Independent Board Committee**

**Mr. TAN Kang Uei,  
Anthony**

**Mr. TEO Ser Luck**

**Mr. LIEN Jown Jing  
Vincent**

*Independent Non-executive Directors*

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## LETTER FROM GRAM CAPITAL

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*Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transaction for the purpose of inclusion in this circular.*



Room 1209, 12/F.  
Nan Fung Tower  
88 Connaught Road Central/  
173 Des Voeux Road Central  
Hong Kong

24 November 2023

*To: The independent board committee and the independent shareholders  
of SUPER HI INTERNATIONAL HOLDING LTD.*

Dear Sirs,

### RENEWAL OF CONTINUING CONNECTED TRANSACTION

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Renewed Yihai Master Purchase Agreement and the transactions contemplated thereunder (the “**Transaction**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 24 November 2023 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

With reference to the Board Letter, on 12 December 2022, Yihai and the Company, each for itself and on behalf of its subsidiaries, entered into the Yihai Master Purchase Agreement, pursuant to which the Group agreed to purchase Haidilao Customized Products, Yihai Retail Products and instant self-serving products from Yihai Group. The term of the Yihai Master Purchase Agreement commenced from the Listing Date (i.e. 30 December 2022) and continue until 31 December 2023 (both days inclusive). The Company and Yihai, each for itself and on behalf of its subsidiaries, entered into the Renewed Yihai Master Purchase Agreement on 17 October 2023 for a term of three years commencing from 1 January 2024 to 31 December 2026 (both days inclusive), subject to the independent shareholders’ approval of both Yihai and the Company.

With reference to the Board Letter, the transactions contemplated under the Renewed Yihai Master Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.



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## LETTER FROM GRAM CAPITAL

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The Independent Board Committee comprising Mr. TAN Kang Uei, Anthony, Mr. TEO Ser Luck and Mr. LIEN Jown Jing Vincent (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the Renewed Yihai Master Purchase Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms; (ii) whether the terms of the Transaction (including the Proposed Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Renewed Yihai Master Purchase Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### **INDEPENDENCE**

We were not aware of (i) any relationships or interests between Gram Capital and the Company; or (ii) any services provided by Gram Capital to the Company, during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

### **BASIS OF OUR OPINION**

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transaction. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors of the Company 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 the 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 therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

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## LETTER FROM GRAM CAPITAL

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We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Yihai or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of entering into of the Transaction. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transaction, we have taken into consideration the following principal factors and reasons:

#### 1. Background of and reasons for the Transaction

##### *Information on the Group*

With reference to the Board Letter, the Group is a self-operated restaurant brand, primarily serving Haidilao hot pot in the international market outside Greater China.

Set out below is a summary of the audited consolidated financial information of the Group for the two years ended 31 December 2022 as extracted from the Company's annual report for the year ended 31 December 2022 (the "2022 Annual Report"):

	<b>For the year ended 31 December 2022</b>	<b>For the year ended 31 December 2021</b>	<b>Change from 2021 to 2022</b>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>%</i>
Revenue	558,225	312,373	78.70
– Restaurant operation	545,612	296,059	84.29
– Delivery business	6,572	11,783	(44.22)
– Others	6,041	4,531	33.33
Loss for the year	(41,263)	(150,752)	(72.63)

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## LETTER FROM GRAM CAPITAL

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As depicted from the table above, the Group’s revenue was approximately US\$558 million for the year ended 31 December 2022 (“**FY2022**”), represented an increase of approximately 78.70% as compared to that for the year ended 31 December 2021 (“**FY2021**”), mainly attributable to the increase in revenue from restaurant operation. With reference to the 2022 Annual Report, the aforesaid increase in the Group’s revenue from restaurant operation was mainly resulted from (i) that many countries successively lifted the dine-in restrictions previously imposed in response to the COVID-19 pandemic, which enabled the Group’s restaurants to resume normal operations gradually and brought a significant increase in guest visits and table turnover rate in FY2022; and (ii) further expansion of the Group’s restaurant network. For FY2022, the Group’s (i) overall table turnover rate was approximately 3.3 times/day (FY2021: approximately 2.1 times/day); and (ii) total guest visits were approximately 21.7 million (FY2021: approximately 9.8 million). Number of the Group’s restaurants increased from 94 as at 31 December 2021 to 111 as at 31 December 2022.

The Group recorded loss of approximately US\$41 million for FY2022, represented a significant decrease of approximately 72.63% as compared to that for FY2021. With reference to the 2022 Annual Report, the aforesaid decrease in the Group’s loss was mainly attributable to (i) increase in revenue; and (ii) decrease in net other losses, as partially offset by (i) decrease in other income; and (ii) increase in raw materials and consumables used, staff costs and other expenses.

Set out below are the Group’s unaudited consolidated financial information for the six months ended 30 June 2023 (with comparative figures) as extracted from the Company’s interim report for the six months ended 30 June 2023 (the “**2023 Interim Report**”):

	<b>For the six months ended 30 June 2023 US\$’000</b>	<b>For the six months ended 30 June 2022 US\$’000</b>	<b>Year-on-year change %</b>
Revenue	323,931	245,839	31.77
– Restaurant operation	312,718	239,757	30.43
– Delivery business	4,328	4,203	2.97
– Others	6,885	1,879	266.42
Profit/(loss) for the period	3,394	(55,723)	N/A

As depicted from the table above, the Group’s revenue was approximately US\$324 million for the six months ended 30 June 2023 (“**1H2023**”), represented an increase of approximately 31.77% as compared to that for the six months ended 30 June 2022 (“**1H2022**”), mainly attributable to the increase in revenue from restaurant operation. With reference to 2023 Interim Report, the aforesaid increase in the Group’s revenue from restaurant operation was mainly resulted from (i) improved restaurants operating performance, coupled with increase in customer flow led by the lifting of COVID-19 pandemic prevention control measures; and (ii) continuous expansion of the Group’s business and growth of its brand influence. For 1H2023,

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## LETTER FROM GRAM CAPITAL

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the Group's (i) overall table turnover rate was approximately 3.3 times/day (1H2022: approximately 3.0 times/day); and (ii) total guest visits were approximately 12.3 million (1H2022: approximately 9.3 million). Number of the Group's restaurants increased from 111 as at 31 December 2022 to 115 as at 30 June 2023.

The Group recorded profit of approximately US\$3.4 million for 1H2023 as compared to loss of approximately US\$55.7 million for 1H2022. With reference to 2023 Interim Report, such turnaround was mainly attributable to (i) increase in revenue; and (ii) decrease in net other losses, as partially offset by increase in raw materials and consumables used, staff costs and other expenses.

With reference to the 2023 Interim Report, looking forward to the future, the Company will continue to adhere to a localized development strategy, and further enhance restaurant operating efficiency with "customer satisfaction" and "employee effort" as the core missions. In particular, the Company will continue to enhance the Haidilao dining experience by further improving the service capabilities, products and environments, and offering more value-added services to its customers.

### ***Information on Yihai Group***

With reference to the Board Letter, Yihai Group principally conducts manufacturing, distribution and sale, as well as research and development, of hot pot condiment products, Chinese-style compound condiment products and convenient ready-to-eat food products. Yihai has been a supplier for the business of the Company for many years. As of the Latest Practicable Date, Yihai was held as to approximately 31.44% in aggregate, directly and indirectly, by Mr. ZHANG Yong and Ms. SHU Ping (being Controlling Shareholders). Therefore, Yihai is an associate of Mr. ZHANG Yong and Ms. SHU Ping and thus a connected person of the Company.

### ***Reasons for and benefits for the Transaction***

With reference to the Board Letter, Yihai Group is a leading compound condiment manufacturer, and has been the supplier of flavoring products for the Group for a long time. The long-term, stable and mutually beneficial business relationship between the Group and Yihai Group and the mass production capabilities of Yihai Group have contributed significantly to the successful growth and expansion. The Company believes that the maintenance of the mutually beneficial relationship is in the best interest of the Shareholders as a whole.

Yihai Group, principally conducts manufacturing, distribution and sale, as well as research and development, of hot pot condiment products, Chinese-style compound condiment products and convenient ready-to-eat food products. Yihai has been a supplier for the business of the Company for many years.

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## LETTER FROM GRAM CAPITAL

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As advised by the Directors, the mass production capabilities of Yihai Group have ensured the stable supply of products that are price competitive, of high quality and compliant with stringent food safety standards to the Group, while the long-term and stable business relationship between the Group and Yihai Group enables Yihai Group to grow alongside the Group's expansion. In addition, Yihai Group has every incentive to protect the proprietary know-how and trade secrets due to the importance of the Group to its business, and the in-house research team of each of Yihai Group and the Group has been working closely to continuously upgrade and explore hot pot soup flavoring formulae. To maintain the mutually beneficial relationship is in the best interest of the shareholders of both Yihai Group and the Group. The Group's proprietary know-how, recipes, trade secrets and other intellectual property, including the Group's names and logos are important to its business. Having considered that (i) Yihai Group had been an internal supplier of hot pot soup flavoring products to the Group; and (ii) the long-term, stable and mutually beneficial business relationship between the Group and Yihai Group, the transactions contemplated under the Renewed Yihai Master Purchase Agreement are beneficial to the Group.

In light of the above, we are of the view that the Transaction is conducted in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

### **2. Principal terms of the Transaction**

Major terms of the Transaction are set out below (details of which are set out under the section headed "Principal Terms of Renewed Yihai Master Purchase Agreement" of the Board Letter):

#### ***Date***

17 October 2023

#### ***Parties***

(i) The Company; and (ii) Yihai (each for itself and on behalf of its subsidiaries)

#### ***Term***

The Renewed Yihai Master Purchase Agreement has an initial term of three years commencing from 1 January 2024 to 31 December 2026, subject to the independent shareholders' approval of both Yihai and the Company.

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## LETTER FROM GRAM CAPITAL

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### *Nature of transactions:*

During the term of the Renewed Yihai Master Purchase Agreement, Yihai Group is the supplier of (i) Haidilao Customized Products for use in the hot pot restaurants outside Greater China; and (ii) Yihai Retail Products and instant self-serving products to the Group for display and sales to consumers in the hot pot restaurants outside Greater China.

As advised by the Directors, the Haidilao Customized Products, Yihai Retail Products and instant self-serving products are applied for both of the Group's restaurant operation and delivery business.

Please also refer to sub-section headed "Nature of transactions" under section headed "Principal Terms of Renewed Yihai Master Purchase Agreement" for more details.

### *Pricing basis:*

The prices of Haidilao Customized Products, Yihai Retail Products and instant self-serving products shall be determined by the parties with reference to a number of factors:

*i. Purchase of Haidilao Customized Products*

The purchase price of Haidilao Customized Products shall be determined by the parties at arm's length negotiations with reference to (i) historical purchase price; (ii) Yihai Group's production cost, including the cost of raw materials, selling and administrative expenses, incurred in connection with the production of Haidilao Customized Products; (iii) Yihai Group's estimated overall net profit margin through sales to its Independent Third Party distributors; and (iv) the market price of similar products purchased from independent and comparable suppliers.

*ii. Purchase of Yihai Retail Products and instant self-serving products*

The purchase price of Yihai Retail Products and instant self-serving products shall be consistent with the pricing policy for similar products Yihai Group offers to its Independent Third Party distributors and shall be determined by the parties at arm's length negotiations with reference to (i) the production cost, including the cost of raw materials, selling and administrative expenses incurred in connection with the production of Yihai Retail Products and instant self-serving products; and (ii) the prevailing market price of similar products.

To ensure that the purchase prices of Yihai Retail Products and instant self-serving products are consistent with the pricing policy for similar products offered by Yihai Group to its Independent Third Party distributors, the Group and Yihai Group will explicitly agree on such pricing policy in the relevant purchase agreements. In addition, the Group has adopted comprehensive internal control measures to monitor the enforcement of the purchase agreements.

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## LETTER FROM GRAM CAPITAL

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### *Our analyses*

Based on our independent research on continuing connected transactions conducted by other companies listed on the Stock Exchange involving purchase of materials/products from connected persons (e.g. continuing connected transactions as announced by Xiabuxiabu Catering Management (China) Holdings Co., Ltd. (stock code: 520) on 31 May 2019 and 14 December 2020; Dragon King Group Holdings Limited (stock code: 8493) on 19 April 2021; Ajisen (China) Holdings Limited (stock code: 538) on 14 May 2021; and Best Food Holding Company Limited (stock code: 1488) on 17 May 2022 and 12 January 2023), we noted that comparing prices with those offered by/to independent third parties for the same/similar material/product is one of the commonly adopted pricing policies.

As the aforementioned pricing policies involve market price comparison, we are of the view that the pricing policies of the Renewed Yihai Master Purchase Agreement are fair and reasonable.

For our due diligence purpose, we obtained from the Company a list of products under the Transaction. From the aforesaid list, we (i) randomly selected three products; and (ii) in respect of each product, obtained from the Company an invoice for purchasing the product from Yihai Group in 2023 and corresponding records on quotations from independent third parties. Based on the documents obtained, we noted that the unit prices of products offered by Yihai Group were lower than those offered by independent third parties.

### *Internal control measures*

With reference to the Board Letter, the Group has a comprehensive internal control system to ensure that the above continuing connected transactions and the transactions contemplated thereunder and the proposed annual caps are fair and reasonable, and the transactions contemplated thereunder 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. Details of the aforesaid internal control measures are set out in the section headed “INTERNAL CONTROL MEASURES” of the Board Letter.

Having considered that (i) the procurement department of the Group will conduct regular checks on the 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; (ii) the procurement team will from time to time (on a regular basis and/or prior to price negotiation) gather market intelligence by way of research and investigation to ascertain the quality of the products compared to similar products/services in the market and the reference price of each type of the products/services in the market; and (iii) before conducting any transactions contemplated under, or enter into any sub-contract pursuant to, an agreement for continuing connected transactions, the legal department and finance department of the Group would review the terms of the proposed transactions and the

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## LETTER FROM GRAM CAPITAL

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draft sub-contracts to ensure that the transactions would be conducted in accordance with the terms of the agreement and in accordance with the Company's pricing policy, we are of the view that the effective implementation of the internal control policies would help to ensure fair pricing of the Transaction.

In addition, we also noted that the team of senior management of the Group will collect and review continuing connected transactions each month in order to guarantee that the actual transaction amounts incurred and estimated to be incurred between the Group and the connected parties are within the annual caps. We consider this arrangement will ensure the Proposed Annual Caps not being exceeded.

### *Proposed Annual Caps*

Set out below are (i) the historical amount of the Transaction for the three years ended 31 December 2022 and the six months ended 30 June 2023; and (ii) the Proposed Annual Caps for the three years ending 31 December 2026:

	<b>For the year ended 31 December 2020 US\$'000</b>	<b>For the year ended 31 December 2021 US\$'000</b>	<b>For the year ended 31 December 2022 US\$'000</b>	<b>For the six months ended 30 June 2023 US\$'000</b>
Historical amount	5,794	8,582	12,057	6,626
	<b>For the year ending 31 December 2024 ("FY2024") US\$'000</b>	<b>For the year ending 31 December 2025 ("FY2025") US\$'000</b>	<b>For the year ending 31 December 2026 ("FY2026") US\$'000</b>	
Proposed Annual Caps	32,557	43,370	54,321	

With reference to the Board Letter, the Proposed Annual Caps for the three years ending 31 December 2026 were estimated based on the following factors:

- (i) the historical transaction amounts with the Yihai Group;
- (ii) the expected increase in the price of the Haidilao Customized Products, Yihai Retail Products and instant self-serving products due to the fluctuation in raw material costs and delivery costs;



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## LETTER FROM GRAM CAPITAL

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- (iii) the estimated increase in demand for Haidilao Customized Products and sales volume of Yihai Retail Products and instant self-serving products, reflecting the expected increase in (a) the customer flow, turnover rates and operating performance of the restaurants; and (b) the number of restaurants under the network expansion plan;
- (iv) the expected increase in the type of Haidilao Customized Products;
- (v) the supply capacity of the Yihai Group; and
- (vi) the strong growth and extensive market potential of the catering industry and the market of the instant self-serving products after the COVID-related restrictions were lifted globally.

To assess the fairness and reasonableness of the Proposed Annual Caps, we obtained the calculation of the Proposed Annual Caps (the “**Calculation**”) from the Company, which was prepared based on the Group’s internal operational data. According to the Calculation, the Proposed Annual Caps were derived from the followings:

- (i) Estimated the possible revenue to be generated from the Group’s restaurant operation for each of the four years ending 31 December 2026 by applying growth rates comparable to the historical growth rate from 1H2022 to 1H2023.

As illustrated in the section headed “Information on the Group” above, the revenue generated from the Group’s restaurant operation grew by approximately 84.29% from FY2021 to FY2022 and approximately 30.43% from 1H2022 to 1H2023 (the “**1H2023 Growth Rate**”). We noticed that the aforesaid growth rates (average annual growth for the four years ending 31 December 2026: approximately 29.26%) applied in the Calculation did not deviate much from the 1H2023 Growth Rate.

- (ii) Estimated the possible revenue to be generated from the Group’s delivery business relevant to the Transaction for each of the four years ending 31 December 2026 as a very limited percentage (approximately 0.19%) to the possible revenue to be generated from the Group’s restaurant operation. Based on the historical percentage of the revenue generated from the Group’s delivery business to the revenue generated from the Group’s restaurant operation for FY2021 (approximately 3.98%), FY2022 (approximately 1.20%) and 1H2023 (approximately 1.38%), the applied percentage of approximately 0.19% is conservative.
- (iii) Estimated the possible amount of raw materials and consumables to be used for generating the possible revenue as mentioned in (i) and (ii) above for each of the three years ending 31 December 2026 as a percentage (i.e. 32%) to the revenue as mentioned in (i) and (ii) above. The Company prudently applied a percentage which is modestly higher than the historical percentages for FY2021, FY2022 and 1H2023 (average percentage: approximately 29%).

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## LETTER FROM GRAM CAPITAL

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- (iv) Estimated the possible purchase amount of Haidilao Customized Products under the Transaction for each of the three years ending 31 December 2026 as a percentage (i.e. approximately 10%) to the possible amount of raw materials and consumables to be used as mentioned in (iii) above. The applied percentage is close to the high-end of the range of historical percentages for FY2021, FY2022 and 1H2023 (i.e. approximately 9.8%).
- (v) Given that the uses of Yihai Retail Products and instant self-serving products are minimal as compared to the Group's overall business, the possible purchase amount of Yihai Retail Products and instant self-serving products under the Transaction for each of the three years ending 31 December 2026 were estimated as a minimal percentage (i.e. 1%) to the possible amount of raw materials and consumables to be used as mentioned in (iii) above.
- (vi) The possible Transaction amount for each of the three years ending 31 December 2026 is the sum of (iv) & (v) above and it forms the Proposed Annual Cap for each of the three years ending 31 December 2026.

Having considered the Calculation as explained and elaborated above, we consider the Proposed Annual Caps for the three years ending 31 December 2026 to be fair and reasonable.

Shareholders should note that as the Proposed Annual Caps for the three years ending 31 December 2026 are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2026, and they do not represent forecasts of purchase costs to be incurred from the Transaction. Consequently, we express no opinion as to how closely the actual purchase costs to be incurred from the Transaction will correspond with the Proposed Annual Caps.

Having considered the principal terms of the Transaction as mentioned above, we are of the view that the terms of the Transaction (including the Proposed Annual Caps) are on normal commercial terms and are fair and reasonable.

### **3. Listing Rules implication**

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the value of the Transaction must be restricted by the Proposed Annual Caps for the period concerned under the Renewed Yihai Master Purchase Agreement; (ii) the terms of the Transaction must be reviewed by the independent non-executive Directors annually; and (iii) details of independent non-executive Directors' annual review on the terms of the Transaction must be included in the Company's subsequent published annual reports and financial accounts. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transaction (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group; (iii) were not entered

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## LETTER FROM GRAM CAPITAL

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into, in all material respects, in accordance with the relevant agreement governing the Transaction; and (iv) have exceeded the Proposed Annual Caps. In the event that the total amount of the Transaction is expected to exceed the Proposed Annual Caps, or that there is any material amendment to the terms of the Renewed Yihai Master Purchase Agreement, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transaction and thus the interest of the Independent Shareholders would be safeguarded.

### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transaction are on normal commercial terms and are fair and reasonable; and (ii) the Transaction is conducted in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Transaction as contemplated under the Renewed Yihai Master Purchase Agreement and the Proposed Annual Caps and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,  
For and on behalf of  
**Gram Capital Limited**  
**Graham Lam**  
*Managing Director*

*Note:*

Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company 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

### (1) Directors' and Chief Executive's Interest

As of the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of the associated corporations (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 or chief executive	Nature of Interest	Number of Shares	Approximate percentage of the total issued share capital (%)
Mr. ZHOU Zhaocheng <sup>(1)(2)</sup>	Interest of spouse	10,000(L)	0.002
	Beneficial owner	3,096,650(L)	0.50
Mr. LI Yu <sup>(2)</sup>	Beneficial owner	39,750(L)	0.006
Mr. WANG Jinping <sup>(2)</sup>	Beneficial owner	3,096,650(L)	0.50
Ms. LIU Li <sup>(2)</sup>	Beneficial owner	3,096,650(L)	0.50

*Remark:* (L) representing long position.

*Notes:*

- (1) Mr. ZHOU Zhaocheng is the spouse of Ms. CHEN Ying. Therefore, Mr. ZHOU Zhaocheng is deemed to be interested in 10,000 Shares, which Ms. CHEN Ying is interested in under the SFO.
- (2) Each of Mr. ZHOU Zhaocheng, Mr. WANG Jinping and Ms. LIU Li is interested in 3,096,650 Shares by virtue of the award Shares granted to them under the Share Award Scheme. Mr. LI Yu is interested in 39,750 Shares by virtue of the award Shares granted to him under the Share Award Scheme.

Save as disclosed above, as of 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.

**(ii) Substantial Shareholders' Interest**

As of the Latest Practicable Date, the followings 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:

<b>Name of Shareholder</b>	<b>Nature of interest</b>	<b>Number of Shares</b>	<b>Approximate percentage of the total issued share capital (%)</b>
UBS Trustees (B.V.I.) Limited <sup>(2)(3)(5)(6)(7)</sup>	Trustee	386,645,825(L)	62.43
Mr. ZHANG Yong <sup>(1)(2)(3)(7)</sup>	Founder of a discretionary trust Interest in a controlled corporation Beneficiary of a trust	336,167,123(L)	54.28
Ms. SHU Ping <sup>(1)(2)(3)(7)</sup>	Interest of spouse Founder of a discretionary trust Interest in a controlled corporation Beneficiary of a trust Interest of spouse	336,167,123(L)	54.28

Name of Shareholder	Nature of interest	Number of Shares	Approximate percentage of the total issued share capital (%)
ZY NP LTD <sup>(2)(7)</sup>	Beneficial owner Interest in a controlled corporation	295,070,922(L)	47.64
NP UNITED HOLDING LTD <sup>(7)</sup>	Beneficial owner	180,197,010(L)	29.10
Ms. Hailey LEE <sup>(4)(5)(6)</sup>	Founder of a discretionary trust Interest in a controlled corporation Beneficiary of a trust	50,078,702(L)	8.09
Mr. Sean SHI <sup>(4)(5)(6)</sup>	Interest of spouse Founder of a discretionary trust Interest in a controlled corporation Beneficiary of a trust	50,078,702(L)	8.09
SP NP LTD <sup>(3)</sup>	Beneficial owner	41,096,201(L)	6.64
LHY NP LTD <sup>(6)</sup>	Beneficial owner	33,115,501(L)	5.35
Futu Trustee Limited <sup>(8)</sup>	Trustee	61,933,000(L)	10.00
ESOP Platform I <sup>(8)</sup>	Beneficial owner	43,353,100(L)	7.00

*Remark:* (L) representing long position.

*Notes:*

- (1) Ms. SHU Ping is the spouse of Mr. ZHANG Yong. Therefore, Ms. SHU Ping is deemed to be interested in the Shares in which Mr. ZHANG Yong is interested and Mr. ZHANG Yong is deemed to be interested in the Shares in which Ms. SHU Ping is interested under the SFO.
- (2) ZY NP LTD is an investment holding company incorporated in the BVI. The entire share capital of ZY NP LTD is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of Apple Trust via UBS Nominees Limited in its capacity as nominee for the trustee of Apple Trust. Apple Trust is a discretionary trust set up by Mr. ZHANG Yong as the settlor and protector on August 22, 2018 for the benefit of himself, Ms. SHU Ping and their family. Therefore, Mr. ZHANG Yong (as the founder of Apple Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by ZY NP LTD under the SFO.

- (3) SP NP LTD is an investment holding company incorporated in the BVI. The entire share capital of SP NP LTD is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of Rose Trust via UBS Nominees Limited in its capacity as nominee for the trustee of Rose Trust. Rose Trust is a discretionary trust set up by Ms. SHU Ping as the settlor and protector on August 22, 2018 for the benefit of herself, Mr. ZHANG Yong and their family. Ms. SHU Ping (as the founder of Rose Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by SP NP LTD under the SFO.
- (4) Ms. Hailey LEE is the spouse of Mr. Sean SHI. Therefore, Ms. Hailey LEE is deemed to be interested in the Shares in which Mr. Sean SHI is interested and Mr. Sean SHI is deemed to be interested in the Shares in which Ms. Hailey LEE is interested under the SFO.
- (5) SYH NP LTD is an investment holding company incorporated in the BVI. The entire share capital of SYH NP LTD is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of Cheerful Trust via UBS Nominees Limited in its capacity as nominee for the trustee of Cheerful Trust. Cheerful Trust is a discretionary trust set up by Mr. Sean SHI and Ms. Hailey LEE as the settlors and protectors on August 22, 2018 for the benefit of themselves and their family. Mr. Sean SHI and Ms. Hailey LEE (as the founders of Cheerful Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by SYH NP LTD under the SFO.
- (6) LHY NP LTD is an investment holding company incorporated in the BVI. The entire share capital of LHY NP LTD is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of Cheerful Trust via UBS Nominees Limited in its capacity as nominee for the trustee of Cheerful Trust. Cheerful Trust is a discretionary trust set up by Mr. Sean SHI and Ms. Hailey LEE as the settlors and protectors on August 22, 2018 for the benefit of themselves and their family. Mr. Sean SHI and Ms. Hailey LEE (as the founders of Cheerful Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by LHY NP LTD under the SFO.
- (7) NP UNITED HOLDING LTD is an investment holding company incorporated in the BVI and is owned as to approximately 51.78% by ZY NP LTD and 16.07% by SP NP LTD, among others. Therefore, Mr. ZHANG Yong, ZY NP LTD and UBS Trustees (B.V.I.) Limited are deemed to be interested in the Shares in which NP UNITED HOLDING LTD is interested under the SFO.
- (8) Futu Trustee Limited was appointed by the Company as the trustee to manage and administer the Share Award Scheme and to hold Shares to be granted to eligible persons under the Share Award Scheme through its wholly-owned subsidiaries, the ESOP Platform I and the ESOP Platform II.

Save as disclosed above, as of the Latest Practicable Date, the Company is 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.

### **3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any member of the Group referred to in Rule 13.68 of the Listing Rules (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

**4. DIRECTORS' INTERESTS IN COMPETING BUSINESS**

As at the Latest Practicable Date, in so far as the Directors were aware, none of the Directors nor any of his/her respective associates had any direct or indirect interests in any business that constitutes or may constitute a competing business of the Group under Rule 8.10 of the Listing Rules.

**5. DIRECTORS' INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS**

Save as disclosed above, as at the Latest Practicable Date,

- (i) none of the Directors had any direct or indirect interest in any assets which have been, since December 31, 2022, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries; and
- (ii) none of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting as at the Latest Practicable Date and which is significant in relation to the business of the Group.

**6. QUALIFICATION AND CONSENT**

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

<b>Name</b>	<b>Qualifications</b>
Gram Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As of the Latest Practicable Date, Gram Capital 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 December 31, 2022, 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.

Gram Capital 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.



**7. LITIGATION**

As of 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.

**8. MATERIAL ADVERSE CHANGE**

As of the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading positions of the Company since December 31, 2022, being the date to which the latest published audited financial statement of the Company have been made up.

**9. MISCELLANEOUS**

- (i) The Company's share registrar is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (ii) 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 available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.superhiinternational.com](http://www.superhiinternational.com)) for a period of 14 days from the date of this circular (both days inclusive):

- (i) the Renewed Yihai Master Purchase Agreement entered into between the Company and Yihai;
- (ii) the letter of recommendation from the Independent Board Committee, the text of which is set out in this circular;
- (iii) the letter of advice issued by Gram Capital, being the Independent Financial Adviser, the text of which is set out in this circular; and
- (iv) the written consent referred to in the subsection headed "6. Qualification and Consent" of this appendix.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### SUPER HI INTERNATIONAL HOLDING LTD.

### 特海国际控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 9658)**

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Extraordinary General Meeting (the “**EGM**”) of SUPER HI INTERNATIONAL HOLDING LTD. (the “**Company**”, together with its subsidiaries, the “**Group**”) will be held at Gui Gang Meeting Room of Holiday Inn Beijing Deshengmen, No. 71 Deshengmenwai Street, Xicheng District, Beijing, PRC on Wednesday, December 13, 2023 at 3:00 p.m. for the following purposes. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Company’s circular dated November 24, 2023.

#### AS ORDINARY RESOLUTIONS

To consider and, if thought fit, to pass the following resolutions with or without amendments as ordinary resolutions:

**“THAT:**

- (a) the renewed Yihai master purchase agreement (the “**Renewed Yihai Master Purchase Agreement**”) dated October 17, 2023 entered into between the Company and Yihai, each for itself and on behalf of its subsidiaries, in relation to the purchase Haidilao Customized Products, Yihai Retail Products and instant self-serving products from Yihai Group, and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (b) the proposed annual caps in relation to the transactions contemplated under the Renewed Yihai Master Purchase Agreement as specified below be and are hereby approved, ratified and confirmed;

**Proposed Annual Cap for the Year Ending December 31,**

<b>2024</b>	<b>2025</b>	<b>2026</b>
<i>US\$’000</i>		
32,557	43,370	54,321

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (c) 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 Renewed Yihai Master Purchase Agreement, as he/she may in his discretion consider to be desirable and in the interests of the Company.”

By order of the Board  
**SUPER HI INTERNATIONAL HOLDING LTD.**  
**Mr. ZHOU Zhaocheng**  
*Chairman*

Singapore, November 24, 2023

*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 EGM and vote in person. In such event, his 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 were 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 and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
- (5) The voting at the EGM will be taken by poll.
- (6) The register of members of the Company will be closed from Friday, December 8, 2023 to Wednesday, December 13, 2023, both days inclusive, in order to determine the eligibility of the shareholders to attend and vote at the EGM. The shareholders whose names appear on the register of members of the Company at the close of business on Thursday, December 7, 2023 will be entitled to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, 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, Wanchai, Hong Kong before 4:30 p.m. on Thursday, December 7, 2023.

*As at the date of this notice, the Board comprises Mr. ZHOU Zhaocheng, Mr. LI Yu, Mr. WANG Jinping and Ms. LIU Li as executive Directors; and Mr. TAN Kang Uei, Anthony, Mr. TEO Ser Luck and Mr. LIEN Jown Jing Vincent as independent non-executive Directors.*