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HAIDILAO INTERNATIONAL HOLDING LTD.

海底捞国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6862)

**TOP-UP PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR
NEW SHARES UNDER GENERAL MANDATE**

Placing Agent

Morgan Stanley

On November 12, 2021, the Company, the Vendor and the Placing Agent entered into the Agreement, pursuant to which, (i) the Vendor agreed to sell, and the Placing Agent agreed, as the sole agent of the Vendor to place, on a fully underwritten basis, 115,000,000 existing Shares at the Placing Price of HK\$20.43 per Share; (ii) the Vendor conditionally agreed to subscribe for, and the Company conditionally agreed to issue, 115,000,000 new Shares, being equivalent to the number of the Placing Shares at the Subscription Price, which is equivalent to the Placing Price of HK\$20.43 per Share.

The total Placing Shares held by the Vendor represents (i) approximately 2.11% of the existing issued share capital of the Company as of the date of this announcement and (ii) approximately 2.06% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

The net proceeds from the Subscription are estimated to be approximately HK\$2,337.01 million, net of professional fees and out-of-pocket expenses. The Company intends to use the net proceeds from the Subscription for the following purposes: (i) an amount of approximately HK\$701.10 million, representing approximately 30.0% of the net proceeds for enhancing supply chain management and product development; (ii) an amount of approximately HK\$701.10 million, representing approximately 30.0% of the net proceeds for the repayment of credit facilities; and (iii) an amount of approximately HK\$934.80 million, representing approximately 40.0% of the net proceeds for working capital and general corporate purpose of the Group.

THE AGREEMENT

Date

November 12, 2021

Parties

- (1) the Company;
- (2) SP NP Ltd. as the Vendor; and
- (3) Morgan Stanley & Co. International Plc as the Placing Agent.

Pursuant to the Agreement and subject to its terms and conditions, (i) the Vendor agreed to sell, and the Placing Agent agreed, as the sole agent of the Vendor to place, on a fully underwritten basis, 115,000,000 existing Shares at the Placing Price of HK\$20.43 per Share; (ii) the Vendor conditionally agreed to subscribe for, and the Company conditionally agreed to issue, 115,000,000 new Shares, being equivalent to the number of the Placing Shares, at the Subscription Price, which is equivalent to the Placing Price of HK\$20.43 per Share.

Details of the Placing and the Subscription are set out below.

PLACING UNDER THE AGREEMENT

Vendor

The Vendor is an investment holding company incorporated in the British Virgin Islands, whose entire share capital is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the 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 families. Mr. Zhang Yong is the founder, chairman, executive Director and chief executive officer of the Company. Ms. Shu Ping is the spouse of Mr. Zhang Yong. As of the date of this announcement, the Vendor is interested in 410,962,014 Shares, representing approximately 7.53% of the existing issued share capital of the Company.

Placing Agent

Morgan Stanley & Co. International Plc agreed, as the sole agent of the Vendor to place, on a fully underwritten basis, 115,000,000 existing Shares at the Placing Price of HK\$20.43 per Share.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are independent of, and not connected with, the Vendor, the Company and their respective associates and connected persons.

Total Number of Placing Shares

The total number of Placing Shares is 115,000,000 Shares, representing approximately 2.11% of the issued share capital of the Company as of the date of this announcement and approximately 2.06% of the issued share capital of the Company as enlarged by the Subscription (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

Placing Price

The Placing Price of HK\$20.43 represents:

- (1) a discount of approximately 7.97% to the closing price of HK\$22.20 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a discount of approximately 4.76% to the average closing price of approximately HK\$21.45 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the Last Trading Day; and
- (3) a discount of approximately 3.04% to the average closing price of approximately HK\$21.07 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days prior to and including the Last Trading Day.

The Placing Price of HK\$20.43 per Share was arrived at after arm's length negotiations between the Company, the Vendor and the Placing Agent by reference to the market condition and the recent closing prices per Share. The net Placing Price after deduction of professional fees and out-of-pocket expenses is estimated to be approximately HK\$20.32 per Placing Share.

Rights of the Placing Shares

The Placing Shares will be sold free and clear of all pledges, liens and encumbrances, equities, security interests or other claims binding upon the Vendor and have the same rights as, and rank *pari passu* with, all of the other Shares of the Company of the same class.

Placees

It is expected that the Placing Shares will be placed by the Placing Agent to not less than six independent professional, institutional and/or other individual investors who, together with their respective ultimate beneficial owners, are independent of and not acting in concert with the Vendor and are third parties independent of and not connected with the Company or its connected persons. It is not expected that any such investor will become a substantial shareholder of the Company as a result of the Placing.

Completion of the Placing

The closing of the Placing shall take place on the second business day after the Transaction Date or at such other date as the Vendor and the Placing Agent may agree in writing.

Conditions of the Placing

The Placing is conditional upon, among others, (i) the customary termination events as set out in the Agreement not having occurred before the Closing Date; (ii) the representations and warranties made by any of the Company and the Vendor pursuant to the Agreement being true and accurate in all material respects and not misleading as of the date of the Agreement and the Closing Date; and (iii) each of the Company and the Vendor having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Agreement on or before the Closing Date.

Lock-up Arrangements

The Vendor undertakes to the Placing Agent that, except for the sale of the Placing Shares pursuant to the Agreement, for a period of 90 days from the Closing Date, unless with the prior written consent of the Placing Agent, it will not and will procure that none of its nominees and companies controlled by it and trusts associated with it (whether individually or together and whether directly or indirectly) will, (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Subscription Shares) or any interests therein beneficially owned or held by the Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests; or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

SUBSCRIPTION UNDER THE AGREEMENT

Subscriber

The Vendor

Issuer

The Company

Number of Subscription Shares

The number of Subscription Shares is 115,000,000 Shares in aggregate, representing approximately 2.11% of the issued share capital of the Company as of the date of this announcement and approximately 2.06% of the issued share capital of the Company as enlarged by the Subscription (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares). The number of Subscription Shares is equivalent to the number of the Placing Shares. The aggregate nominal value of the Subscription Shares is US\$575.

Subscription Price

The Subscription Price is equivalent to the Placing Price. The Company shall bear all expenses incurred by the Vendor, including professional fees and other expenses in connection with the Subscription. The net share price for the Subscription after deduction of such expenses is estimated to be approximately HK\$20.32 per Subscription Share.

General Mandate

The issue of the Subscription Shares will not be subject to the Shareholders' approval and the Subscription Shares will be issued under the General Mandate granted by the Shareholders to the Directors pursuant to the ordinary resolution passed at the annual general meeting of the Company held on June 11, 2021. Pursuant to the General Mandate, the Directors were granted authority to allot, issue or deal with up to 1,060,000,000 Shares, representing 20% of the total number of Shares of the Company in issue as of the date of passing of the relevant resolution granting the General Mandate.

On July 13, 2021, the Company issued 143,100,000 Shares under share award scheme (the “**Share Award Scheme**”) pursuant to the General Mandate. As of the date of this announcement, the Company is authorized to issue 916,900,000 Shares pursuant to the General Mandate.

Ranking of the Subscription Shares

The Subscription Shares shall, when fully paid, rank *pari passu* in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription including the rights to all dividends and other distributions declared, made or paid on or after the date of allotment.

Conditions of the Subscription

Completion of the Subscription is conditional upon the fulfilment of the following conditions:

- (1) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares; and
- (2) completion of the Placing having occurred pursuant to the terms of the Agreement.

Completion of the Subscription

Completion of the Subscription shall take place on the second business day after the date upon which the last of the conditions to the completion of the Subscription to be satisfied shall have been so satisfied provided that it shall take place on a date no later than 14 days after the date of the Agreement, or at such other time and/or date as the Company, the Vendor and the Placing Agent may agree in writing. In the event that the conditions are not fulfilled within 14 days following the date of the Agreement (or such later date as may be agreed between the Company, the Vendor and the Placing Agent), the obligations and liabilities of the Vendor and the Company under the Subscription shall be null and void and neither the Company nor the Vendor shall have any claim against the other for costs, damages, compensation or otherwise.

Lock-up Arrangements

The Company undertakes to the Placing Agent, except for the subscription of the Subscription Shares and save pursuant to (i) the Agreement, (ii) the terms of the share option scheme or share award scheme of the Company, or (iii) bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with its articles of association, for a period of 90 days from the Closing Date, unless with the prior written consent of the Placing Agent, it will not (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share(s) or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Shares or interest in Shares; or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

REASON FOR THE PLACING AND THE SUBSCRIPTION

The Placing and the Subscription are being undertaken to supplement the Group's long-term funding of its operations. The Directors consider that the Placing and the Subscription will also provide an opportunity to raise further capital for the Company whilst broadening the shareholder base and the capital base of the Company.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund-raising activity involving issuing equity securities during the 12 months immediately before the date of this announcement.

The Directors confirm that, immediately after completion of the Placing and the Subscription, the public float of the Company will be no less than the minimum percentage prescribed in the waiver granted by the Stock Exchange from strict compliance with Rule 8.08(1) of the Listing Rules as of the date of this announcement (assuming there is no change in the issued share capital of the Company from the date of this announcement to the date of the Subscription save for the issue of the Subscription Shares).

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement are fair and reasonable and believe that the Placing and the Subscription are in the best interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The net proceeds from the Subscription are estimated to be approximately HK\$2,337.01 million, net of professional fees and out-of-pocket expenses. The Company intends to use the net proceeds from the Subscription for the following purposes: (i) an amount of approximately HK\$701.10 million, representing approximately 30.0% of the net proceeds for enhancing supply chain management and product development; (ii) an amount of approximately HK\$701.10 million, representing approximately 30.0% of the net proceeds for the repayment of credit facilities; and (iii) an amount of approximately HK\$934.80 million, representing approximately 40.0% of the net proceeds for working capital and general corporate purpose of the Group. To the extent that the net proceeds are not immediately required for the above purposes, we may hold such funds in short-term deposits or purchase short-term wealth management products so long as it is deemed to be in the best interests of the Company.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that there will be no other change to the total number of Shares in issue from the date of this announcement to the date of completion of the Subscription, the shareholdings in the Company (a) as of the date of this announcement; (b) immediately after the completion of the Placing but before the completion of the Subscription; and (c) immediately after the completion of the Placing and the Subscription are and will be as follows⁽¹⁾:

	As of the date of this announcement		Immediately after the completion of the Placing but before the completion of the Subscription		Immediately after the completion of the Placing and the Subscription	
	Number of Shares	Approximate Percentage (%)	Number of Shares	Approximate Percentage (%)	Number of Shares	Approximate Percentage (%)
ZY NP Ltd. ⁽²⁾	1,399,569,121	25.64	1,399,569,121	25.64	1,399,569,121	25.11
NP United Holding Ltd. ⁽³⁾	1,801,970,108	33.01	1,801,970,108	33.01	1,801,970,108	32.33
SYH NP Ltd. ⁽⁴⁾	434,462,014	7.96	434,462,014	7.96	434,462,014	7.79
The Vendor ⁽⁵⁾	410,962,014	7.53	295,962,014	5.42	410,962,014	7.37
LHY NP Ltd. ⁽⁶⁾	335,962,014	6.15	335,962,014	6.15	335,962,014	6.03
The Placees	–	–	115,000,000	2.11	115,000,000	2.06
Other Shareholders	1,064,033,729	19.49	1,064,033,729	19.49	1,064,033,729	19.09
Total	<u>5,459,000,000</u>	<u>100.00</u>	<u>5,459,000,000</u>	<u>100.00</u>	<u>5,574,000,000</u>	<u>100.00</u>

Notes:

- (1) This table does not take into account any Shares that may be issued pursuant to the vesting of the award Shares granted under the Share Award Scheme, during the relevant period or time above-mentioned.
- (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 the 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 families. Mr. Zhang Yong (as the founder of the Apple Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by ZY NP Ltd. for the under the SFO.
- (3) NP United Holding Ltd. is an investment holding company incorporated in the BVI and is owned as to approximately 51.778% by ZY NP Ltd. and 16.074% by each of SP NP Ltd., SYH NP Ltd. and LHY NP Ltd., respectively. 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.
- (4) 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 the Cheerful Trust. Cheerful Trust is a discretionary trust set up by Mr. Shi Yonghong and Ms. Li Haiyan as the settlors and protectors on August 22, 2018 for their own benefit and the benefit of their families. Mr. Shi Yonghong and Ms. Li Haiyan (as the founders of the Cheerful Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by SYH NP Ltd. for the under the SFO.
- (5) 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 the 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 families. Ms. Shu Ping (as the founder of the 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.
- (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 the Cheerful Trust. Cheerful Trust is a discretionary trust set up by Mr. Shi Yonghong and Ms. Li Haiyan as the settlors and protectors on August 22, 2018 for their own benefit and the benefit of their families. Mr. Shi Yonghong and Ms. Li Haiyan (as the founders of the Cheerful Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by LHY NP Ltd. for the under the SFO.

Completion of the transactions contemplated under the Agreement is subject to the Agreement not being terminated in accordance with the terms thereof, and is subject to the satisfaction of conditions precedent under the Agreement. As the Placing and/or the Subscription may or may not proceed to completion, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Agreement”	the placing and subscription agreement dated November 12, 2021 and entered into among the Company, the Vendor and the Placing Agent
“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Closing Date”	two Business Days after the Transaction Date or such other date as the Vendor and the Placing Agent may agree in writing;
“Company”	Haidilao International Holding Ltd. (海底捞国际控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders to issue a maximum of 1,060,000,000 Shares pursuant to an ordinary resolution passed at the annual general meeting of the Company held on June 11, 2021
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Last Trading Day”	November 11, 2021, being the last trading day prior to the signing of the Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time

“Placing”	the placing of the Placing Shares by the Placing Agent to independent professional, institutional and/or other individual investors pursuant to the Agreement
“Placing Agent”	Morgan Stanley & Co. International Plc
“Placing Price”	HK\$20.43 per Share
“Placing Shares”	an aggregate of 115,000,000 Shares currently owned by the Vendor and to be placed pursuant to the Agreement
“Share(s)”	ordinary share(s) in the capital of the Company with nominal value of US\$0.000005 each
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor pursuant to the Agreement
“Subscription Price”	HK\$20.43 per Share, which is equal to the Placing Price
“Subscription Shares”	an aggregate of 115,000,000 new Shares to be issued by the Company and subscribed by the Vendor under the Agreement
“Transaction Date”	the sale of the Placing Shares shall be reported as a cross-trade to the Stock Exchange which shall be (i) November 12, 2021 or, (ii) if dealings in the Shares on the Stock Exchange are suspended at all times on November 12, 2021, the first day on which dealings resume and the cross-trade can be reported to the Stock Exchange in accordance with its rules, or such other date as the Vendor and the Placing Agent may agree in writing
“US\$”	United States dollars, the lawful currency of the United States of America

“Vendor”

SP NP Ltd., an investment holding company incorporated in the British Virgin Islands, being a shareholder of the Company interested in 410,962,014 Shares, representing approximately 7.53% of the existing issued share capital of the Company as of the date of this announcement, is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the 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 (the founder, chairman, executive Director and chief executive officer of the Company) and their families. Ms. Shu Ping, one of the founder of the Company, is the spouse of Mr. Zhang Yong

“%”

per cent

By Order of the Board
Haidilao International Holding Ltd.
Zhang Yong
Chairman

Hong Kong, November 12, 2021

As of the date of this announcement, the Board of Directors of the Company comprises Mr. Zhang Yong as the Chairman and Executive Director and Mr. Zhou Zhaocheng, Ms. Gao Jie, Ms. Yang Lijuan, Mr. Li Peng, Ms. Yang Hua, Ms. Liu Linyi, Mr. Li Yu, Ms. Song Qing and Mr. Yang Li as Executive Directors, and Dr. Chua Sin Bin, Mr. Hee Theng Fong, Mr. Qi Daqing, Dr. Ma Weihua and Mr. Wu Xiaoguang as Independent Non-executive Directors.