

## **WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES**

In preparation for the Spin-off and the Listing, our Company has sought and [has been granted] the following waivers from strict compliance with the relevant provisions of the Listing Rules.

### **MANAGEMENT PRESENCE**

Rule 8.12 of the Listing Rules provides that an issuer must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. Since our head office is located in Singapore and substantially all of our business operations are not located, managed and conducted in Hong Kong, currently all of our executive Directors reside in Singapore and our Company does not, and for the foreseeable future, will not, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, our Company has applied for, and the Stock Exchange [has granted] us a waiver from strict compliance with Rule 8.12 of the Listing Rules subject to the following conditions:

- (a) pursuant to Rule 3.05 of the Listing Rules, our Company has appointed and will continue to maintain two authorized representatives, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives are Mr. ZHOU Zhaocheng (周兆呈), our executive Director, and Ms. QU Cong (瞿聰) (“**Ms. QU**”), our joint company secretary. Our authorized representatives will be available to meet with the Stock Exchange within a reasonable period of time upon request and will be readily contactable by the Stock Exchange by telephone, facsimile and email, as the case may be. We will provide contact details of the two authorized representatives to the Stock Exchange and will inform the Stock Exchange as soon as practicable in respect of any changes in our authorized representatives. Both of them have confirmed that they possess valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required;
- (b) both our authorized representatives have means of contacting all Directors promptly at all times as and when the Stock Exchange wishes to contact the Directors on any matters. To enhance communication between the Stock Exchange, our authorized representatives and Directors, we will implement a policy to provide the up-to-date contact details of each Director (such as office phone numbers, mobile phone numbers, facsimile and email, where applicable) to the authorized representatives and to the Stock Exchange;
- (c) we will ensure that each Director who is not ordinarily resident in Hong Kong has valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange in Hong Kong within a reasonable period;

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- (d) pursuant to Rules 3A.19 of the Listing Rules, our Company has appointed Maxa Capital Limited as the compliance advisor, who will act as an additional channel of communication with the Stock Exchange in addition to our authorized representatives. The compliance advisor will advise on ongoing compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong for a period commencing on the [REDACTED] at least until the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year after the [REDACTED]; and
- (e) meeting(s) between the Stock Exchange and our Directors could be arranged through our authorized representatives or our Company’s compliance advisor, or directly with our Directors within a reasonable period. Our Company will inform the Stock Exchange as soon as practicable in respect of any change in the authorized representatives, the Directors and/or the compliance advisor of our Company in accordance with the Listing Rules.

### **JOINT COMPANY SECRETARIES**

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, an issuer must appoint a company secretary who possesses the necessary academic or professional qualifications or relevant experience, and is therefore capable to discharge the functions of the company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Institute of Governance Institute;
- (b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and
- (c) a certified public accountant (as defined in the Professional Accountants Ordinance).

Note 2 to Rule 3.28 of the Listing Rules further sets out the factors that the Stock Exchange will consider in assessing an individual’s “relevant experience”:

- (a) length of employment with the issuer and other issuers and the roles he or she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provision) Ordinance, and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

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We have appointed Ms. QU as one of the joint company secretaries of our Company. She has extensive experience with international capital markets, corporate governance, communication with regulatory authorities and investor relationship. However, Ms. QU does not possess the qualifications under Rule 3.28 of the Listing Rules, and may not be able to fulfill the requirements of the Listing Rules on her own. Therefore, our Company has appointed Ms. SO Shuk Yi Betty (蘇淑儀) (“Ms. SO”), an associate of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and an associate of The Chartered Governance Institution in the United Kingdom, who is qualified under Rule 3.28 of the Listing Rules to act as a joint company secretary and to work closely with and provide assistance to Ms. QU. The term of the appointment of Ms. QU and Ms. SO as the joint company secretaries is three years commencing from the [REDACTED]. The following arrangements have been, or will be, put in place to assist Ms. QU in acquiring the qualifications and experience as our company secretary required under Rule 3.28 of the Listing Rules:

- (a) in the course of the preparation of the application for the Spin-off and Listing, Ms. QU has been provided with a memorandum and has attended a training seminar on the respective obligations of our Directors and senior management and our Company under the relevant Hong Kong laws and the Listing Rules provided by Kirkland & Ellis, our Hong Kong legal advisors;
- (b) in addition to the minimum training requirements under Rule 3.29 of the Listing Rules, we will ensure that Ms. QU continues to have access to relevant training and support to familiarize herself with the Listing Rules and the duties of a company secretary of a company listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Furthermore, our Company will ensure that both Ms. QU and Ms. SO will seek and have access to the advice from our Company’s Hong Kong legal advisors and other professional advisors as and when required;
- (c) Ms. SO will assist Ms. QU to acquire the “relevant experience” as required under Note 2 to Rule 3.28 of the Listing Rules and to discharge her functions as a joint company secretary. Ms. QU will be assisted by Ms. SO for an initial period of three years commencing from the [REDACTED]. As part of the arrangement, Ms. SO will act as one of the joint company secretaries of our Company and communicate regularly with Ms. QU on matters relating to corporate governance, the Listing Rules as well as other laws and regulations which are relevant to our Company. Ms. SO will also assist Ms. QU in organizing Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary;

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- (d) upon expiry of Ms. QU’s initial term of appointment as our joint company secretary, we will evaluate her experience in order to determine if she has acquired the qualifications required under Rules 3.28 of the Listing Rules, and whether on-going assistance should be arranged so that Ms. QU’s appointment as our company secretary continues to satisfy the requirements under Rules 3.28 and 8.17 of the Listing Rules; and
  
- (e) we have appointed Maxa Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules which will act as the additional communication channel with the Stock Exchange for a period commencing on the [REDACTED] and at least until the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of the financial results for the first full financial year after the [REDACTED]. The compliance advisor will act as our Company’s additional channel of communication with the Stock Exchange, and provide professional guidance and advice to our Company and our joint company secretaries as to the compliance with the Listing Rules and all other applicable laws and regulations.

We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules on the conditions that (i) Ms. SO is appointed as a joint company secretary to assist Ms. QU in discharging her functions as a company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules; and (ii) the waiver will be revoked immediately if Ms. SO, during the three-year period, ceases to provide assistance to Ms. QU as the joint company secretary or if there are material breaches of the Listing Rules by our Company. We expect that Ms. QU will acquire the qualifications or relevant experience required under Rule 3.28 of the Listing Rules prior to the end of the three-year period after the Listing. We will liaise with the Stock Exchange before the end of the three-year period to enable it to assess whether Ms. QU, having had the benefit of Ms. SO assistance for three years and has acquired relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

### **CONTINUING CONNECTED TRANSACTIONS**

We have entered into, and are expected to continue, certain transactions which will constitute continuing connected transactions of our Company under the Listing Rules upon the Listing.

Accordingly, our Company has applied for, and the Stock Exchange [has granted], a waiver in relation to certain continuing connected transactions between us and our connected persons under Chapter 14A of the Listing Rules. For details, see “Continuing Connected Transactions.”

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### SHARE ISSUE RESTRICTION

Rule 10.08 of the Listing Rules provides that no further shares or securities convertible into equity securities of a listed issuer may be issued or form the subject of any agreement to such an issue within six months from the date on which securities of the listed issuer first commence dealing on the Exchange (the “**First Six-Month Period**”) (whether or not such issue of shares or securities will be completed within six months from the commencement of dealing), except for certain exceptions as stated under Rule 10.08 of the Listing Rules.

Our Company has applied to the Stock Exchange for a waiver from strict compliance with the restrictions on the further issue of Shares (or convertible securities) within the First Six-Month Period under Rule 10.08 of the Listing Rules based on the reasons, *inter alia*, as follows:

- (a) our Company does not have any current plans to raise funds in the short term, but it is essential for us to have the flexibility to raise funds by issuing new Shares (or convertible securities) to the capital markets (including on the Stock Exchange or through a dual listing on another recognized stock exchange), enter into further acquisitions or establish joint venture(s) using Share (or convertible securities) consideration should an appropriate opportunity arise. Any issue of new Shares (or convertible securities) by our Company will enhance the Shareholder base and increase the trading liquidity of the Shares, and the interests of the existing Shareholders, the Qualifying Haidilao International Shareholders and prospective investors would be prejudiced if our Company could not raise funds for its business development or expansion due to the restrictions under Rule 10.08 of the Listing Rules;
- (b) the Spin-off and Listing are planned to be implemented by way of a distribution in specie to the Qualifying Haidilao International Shareholders only. As no offering will be made by our Company, the Listing would not result in any dilution of the interests of the Qualifying Haidilao International Shareholders; and
- (c) the interests of the Shareholders are well protected since any further issue of the Shares (or convertible securities) by us would be subject to Rule 13.36 of the Listing Rules, where prior consent of shareholders in a general meeting should be obtained for allotting, issuing and granting of any shares or convertible securities, unless a general mandate has by ordinary resolution in a general meeting been given to the directors to, among other things, allot any shares or convertible securities not exceeding 20% of the number of issued shares as at the date of the resolution granting the general mandate.

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Accordingly, the Stock Exchange [has granted] us a waiver from strict compliance with Rule 10.08 of the Listing Rules, on the following conditions:

- (a) any further issue of new Shares or convertible securities will be (i) made under a general mandate or (ii) subject to the Shareholders' approval as required under Rule 13.36 of the Listing Rules with the total number of Shares or convertible securities that are issued or may be issued not exceeding 20% of the total number of Shares in issue as at the [REDACTED]. Upon the completion of any issuance(s) within the First Six-Months Period, the aggregate voting power of the Controlling Shareholders in our Company would be no less than 45.23%;
- (b) the dilution of the Controlling Shareholders' interests resulting from any issue of new Shares will not result in the Controlling Shareholders ceasing to be controlling shareholders of the Company within 12 months after the [REDACTED] in compliance with Rule 10.07(1) of the Listing Rules; and
- (c) any issue of new Shares or convertible securities by our Company within the First Six-Month Period must be either (i) for cash to fund the acquisition of assets, establishment of joint venture or expansion of business that will contribute to the growth of the Group's operation or for full or partial settlement of the consideration for such acquisition; or (ii) pursuant to a general mandate approved by the Shareholders for the issue of further Shares or convertible securities as disclosed in this listing document.

### **WAIVER IN RESPECT OF ACQUISITION AFTER THE TRACK RECORD PERIOD**

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, the accountants' report to be included in a listing document must include the income statements and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which an issuer's latest audited accounts have been made up in respect of each of the three financial years immediately preceding the issue of the listing document.

Pursuant to Rule 4.02A of the Listing Rules, acquisitions of business include acquisitions of associates and any equity interest in another company. Pursuant to Note 4 to Rule 4.04 of the Listing Rules, the Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) on a case-by-case basis, and having regard to all relevant facts and circumstances and subject to certain conditions set out thereunder.

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On September 4, 2020, Haidilao Singapore, a wholly-owned subsidiary of Haidilao International, entered into a share purchase agreement (the “**Hao Noodle Agreement**”) with Mr. CHEN Long (陳龍) and Ms. ZHU Rong (朱蓉) (together, the “**Sellers**”), pursuant to which, the Sellers agreed to sell 80% of the issued and outstanding common stock of Hao Noodle and Tea Holdings Inc. (“**HN&T Holdings**”) to Haidilao Singapore at a total consideration of approximately US\$3.0 million, which was arrived at after arm’s length negotiations between the parties with reference to, among other things, the initial capital contribution of the Sellers, the operating history, brand and reputation, market positions and target customers of HN&T Holdings and our expansion plan in the United States market. On April 21, 2022, a side letter to the Hao Noodle Agreement (the “**Side Letter**”) was entered into among the Sellers, Haidilao Singapore and Singapore Super Hi, pursuant to which Haidilao Singapore agreed to transfer all of its rights, titles, claims, interests, duties and obligations in, to and under the Hao Noodle Agreement as the purchaser to Singapore Super Hi (the “**Hao Noodle Acquisition**”).

The closing of Hao Noodle Acquisition was conditional upon the satisfaction or waiver (as appropriate) of, among others, the registration of the change of liquor license information with the New York State Liquor Authority (the “**Liquor License Information Change**”), which requested the change of the shareholding structure and directors and officers of the license holders. The Liquor License Information Change was prolonged by the adverse impact of the widespread COVID-19 pandemic as well as the closure of government offices from time to time. We and the Sellers have already submitted the relevant applications documents to the competent government authority, while there has been a backlog of cases under review. Given the reasons as stated above, the review of the application took more time than anticipated. Whilst all the other closing conditions have already been satisfied, our Company, after discussion with the Sellers, decided to waive the condition of the Liquor License Information Change and to proceed with the closing first. Pursuant to the Side Letter, approximately US\$1.6 million of the consideration has been paid in May 2022 and the remaining purchase price of approximately US\$1.4 million has been paid in October 2022. The consideration of the Hao Noodle Acquisition was financed by internal resources of our Group. The closing was completed in October 2022 and the Liquor License Information Change is currently agreed among the transaction parties as a condition subsequent. As the pandemic eased, the transaction parties plan to submit the application to the authority to request to resume the Liquor License Information Change, which is anticipated to be completed in the first half of 2023 subject to the review process of the New York State Liquor Authority.

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HN&T Holdings is a corporation duly incorporated on February 14, 2017 and validly existing under the laws of the State of Delaware of the United States and operates two restaurants under the brands of “Hao Noodle” and “Hao Noodle and Tea by Madam Zhu’s Kitchen” located in New York in the provision of light food, beverages and alcohol. Other than this, HN&T Holdings currently has no other business. The Sellers are individuals and, to the best of the Directors’ knowledge, information and belief and having made all reasonable inquiries, Independent Third Parties and not related to our Company, substantial shareholders, Directors or their respective associates. According to the unaudited management accounts of HN&T Holdings, (i) its revenue for the years ended December 31, 2020 and 2021 amounted to approximately US\$1.8 million and US\$2.4 million, respectively; (ii) its loss before tax for the years ended December 31, 2020 and 2021 amounted to approximately US\$1.1 million and US\$0.9 million, respectively; and (iii) its total assets as of December 31, 2020 and 2021 were approximately US\$1.1 million and US\$1.8 million, respectively. Upon completion of the Hao Noodle Acquisition, HN&T Holdings is held by Singapore Super Hi and Ms. ZHU Rong as to 80% and 20%, respectively, with board members, namely Ms. ZHU Rong, Ms. SHU Ping and Mr. WANG Haifeng (王海峰). Each of Ms. SHU Ping and Mr. WANG Haifeng was nominated by us. Ms. ZHU Rong was introduced to our Group by third-party agent’s referral. She had been a veteran in the hospitality business for more than twenty years and HN&T Holdings was her first restaurant business in New York. Our Directors believe that the business of HN&T Holdings is able to provide synergy to the Group’s business and would be in line with the strategic direction and development plan for our Group. HN&T Holdings features a serene and intimate environment complemented by house-made noodles and authentic traditional Chinese recipes. Ms. ZHU Rong, as the founder of HN&T Holdings, has rich experience in running restaurant business in Mainland China. She has founded and managed renowned restaurant chain, “Yuxiang Family” and she also established the chain of “Madam Zhu’s Kitchen”, which has several restaurants in Beijing, Shanghai, Hangzhou and the two restaurants in New York under HN&T Holdings. The “Madam Zhu’s Kitchen” has once lauded the Michelin Plate and received one-Black-Pear-star for several times. On the back of the brand of reputation of these, we believe the Hao Noodle Acquisition marks part of our overall expansion plan of pursuing horizontal integration opportunities in acquisitions of high-quality assets so as to strengthen our market position and enhance competitiveness by extending our restaurant operations to business other than hot pot. Considering the enriched management experiences of Ms. ZHU Rong, and the operating history, brand and reputation of HN&T Holdings, our Company is optimistic about the prospects and development of HN&T Holdings and believes the transaction will lay the foundation for our further development in traditional Chinese cuisine restaurant industry, which are beneficial to the strategic development of our Group’s new business.



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Our Company has applied to the Stock Exchange for, and the Stock Exchange [has granted,] a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in respect of the Hao Noodle Acquisition on the following grounds:

1. **The percentage ratio of the Hao Noodle Acquisition is less than 5% by reference to the most recent financial year of our Track Record Period**

Based on the financial information of HN&T Holdings available to us, the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in relation to the Hao Noodle Acquisition are below 5%. Accordingly, our Company considers that the Hao Noodle Acquisition is immaterial and does not expect it to have any material effect on the business, financial condition or operations of our Group. As such, a waiver from compliance with the requirements under Rules 4.04(2) and 4.04(4) of the Listing Rules would not prejudice the interests of the investing public.

2. **Undue burden to obtain and prepare historical financial information of HN&T Holdings**

The Hao Noodle Acquisition was only completed by 2022, and our Company was not previously involved in the day-to-day management of HN&T Holdings. Therefore, it will require considerable time and resources for us and our reporting accountants to communicate with the management of the HN&T Holdings, which is a private company, to gain access and to be fully familiarized with the accounting policies of HN&T Holdings and to gather and compile the necessary financial information and supporting documents for disclosure in this listing document. As such, it would be impracticable within the tight timeframe for our Company to disclose the financial information of HN&T Holdings for the Track Record Period.

Therefore, having considered the immateriality of HN&T Holdings as well as the time and resources required to obtain, compile and audit such historical information in conformity with the Company’s accounting policies, it would be unduly burdensome for us to prepare and include the financial information of HN&T Holdings in this listing document.

3. **Disclosure of necessary information in this listing document**

With a view of allowing the Shareholders and potential investors to understand the Hao Noodle Acquisition in greater details, we include in this listing document the following information in relation to HN&T Holdings, which is comparable to the information that is required to be included in the announcement of a discloseable transaction under Chapter 14 of the Listing Rules, including (a) a general description of the scope of principal business activities of HN&T Holdings; (b) the consideration of the Hao Noodle Acquisition and its basis; (c) how the consideration was satisfied and the payment terms; (d) reasons for and benefits of the Hao Noodle Acquisition; (e) the total assets and the net loss of HN&T Holdings; and (f) any other material terms in relation to the Hao Noodle Acquisition. For details, see the information as disclosed in this section.