
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to 2012 when Haidilao International Group opened the first overseas restaurant in Singapore. Since then, we have been principally engaged in the operation of restaurant business outside Greater China and have become the third largest Chinese cuisine restaurant brand in the international market and the largest Chinese cuisine restaurant brand originating from China in the international market in terms of 2021 revenue, according to F&S Report.

Our Company was incorporated in May 2022 in the Cayman Islands and is the holding company of our Group. For further details of the incorporation and major shareholding changes of our Company, see “—Our Group—Our Company” below.

The Listing constitutes a spin-off of our Group from Haidilao International under Practice Note 15 to the Listing Rules. The proposal in relation to the Spin-off was submitted by Haidilao International to the Stock Exchange for approval pursuant to Practice Note 15 to the Listing Rules and the Stock Exchange has confirmed that Haidilao International may proceed with the Spin-off. Haidilao International and our Company will comply with the requirements of the Listing Rules and respective articles of associations regarding the Haidilao International Distribution and the Spin-off as and when necessary. For further details of the Spin-off, see “—Spin-off of Our Group from Haidilao International” below.

MILESTONES

The following table summarizes various key milestones in our corporate and business development.

Year	Milestone
2012	We opened our first restaurant in Singapore.
2013	We opened our first restaurant in the United States.
2014	We opened our first restaurant in South Korea.
2015	We opened our first restaurant in Japan.
2018	We opened our first restaurant in Canada.
2019	We opened our first restaurants in the United Kingdom, Thailand, Vietnam, Australia, Malaysia and Indonesia, respectively.
2022	Our Company was incorporated in the Cayman Islands for the purpose of the Reorganization and the Spin-off.

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OUR GROUP

Our Company

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on May 6, 2022. The authorized share capital of our Company was US\$50,000 divided into 10,000,000,000 Shares with a par value of US\$0.000005 each. Upon incorporation, one Share was allotted and issued to an initial Independent Third Party subscriber and such Share was then transferred to Newpai, a wholly-owned subsidiary of Haidilao International. On June 1, 2022, two Shares were further allotted and issued to Newpai.

Upon completion of the Reorganization, our Company became the holding company of our Group. For details, please see “—Reorganization” below.

In order to implement the Share Award Scheme, our Company, as the settlor, established the ESOP Trusts with Futu Trustee Limited acting as the trustee (the “Trustee”) to manage and administer the Share Award Scheme. On [REDACTED], [70] and [30] Shares were allotted and issued to the ESOP Platform I and the ESOP Platform II, respectively, to hold the underlying Shares under the Share Award Scheme and accordingly, [897] Shares were allotted and issued to Newpai, after completion of which, our Company was held as to 90%, 7% and 3% by Newpai, the ESOP Platform I and the ESOP Platform II, respectively.

On [REDACTED], our Company resolved to allot and issue a total of [REDACTED] new Shares for cash at par to Newpai and the ESOP Platforms in proportion to their existing shareholdings in our Company. Upon completion of the issue, the total issued share capital of our Company is [REDACTED] Shares.

As approved and authorized by the Haidilao International Shareholders on August 22, 2022, on [December 15], 2022, the Haidilao International Board declared the Haidilao International Distribution to the Qualifying Haidilao International Shareholders. The Haidilao International Distribution will be satisfied wholly by way of a distribution in specie to the Qualifying Haidilao International Shareholders of an aggregate of [REDACTED] Shares, representing 90% of the issued Shares of our Company, being the entire interest to which Haidilao International will be entitled immediately prior to the Spin-off and Listing, in proportion to their respective shareholdings in Haidilao International as at the [REDACTED]. Pursuant to the Haidilao International Distribution, the Qualifying Haidilao International Shareholders will be entitled to one Share for every [REDACTED] Haidilao International Shares held as at the [REDACTED].

Our Principal Subsidiaries

As of the Latest Practicable Date, we had 42 subsidiaries across Asia, North America, Europe and Oceania. Each of our restaurants is operated by a subsidiary incorporated in the local jurisdiction. We believe that this corporate structure can optimize the operation and management efficiency of our restaurants. The details of our principal subsidiaries during the Track Record Period are set out below.

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Singapore Super Hi

Singapore Super Hi was incorporated in Singapore by Haidilao Singapore, a wholly-owned subsidiary of Haidilao International, on December 9, 2020 with an issued share capital of SGD1. On March 25, 2021, 1,999,999 shares were further allotted and issued to Haidilao Singapore, increasing the share capital of Singapore Super Hi to SGD2,000,000. On February 7, 2022, all the shares of Singapore Super Hi were transferred from Haidilao Singapore to another wholly-owned subsidiary of Haidilao International, Newpai, at a consideration of approximately US\$1.5 million, being a sum equal to the net assets value of Singapore Super Hi according to its unaudited statement of accounts as of December 31, 2021. On March 21, 2022, a further 10,000,000 shares were allotted and issued to Newpai.

On June 20, 2022, as part of the Reorganization, all the shares of Singapore Super Hi were transferred from Newpai to our Company at a consideration of approximately SGD10.1 million, being a sum equal to the book value of Singapore Super Hi as of May 31, 2022.

Upon the completion of the Reorganization, Singapore Super Hi became a subsidiary of our Group and a holding company of our operating subsidiaries. For details, see “—Reorganization” in this section. As of the Latest Practicable Date, Singapore Super Hi also controls the central kitchen in Singapore which is responsible for manufacturing and processing food ingredients used in our restaurants nearby.

Singapore Dining

Singapore Dining was incorporated in Singapore by Haidilao Singapore on January 17, 2012 and currently has an issued share capital of SGD3 million. As of January 1, 2019, Singapore Dining was wholly owned by Haidilao Singapore. On March 8, 2022, as part of the Reorganization, all the shares of Singapore Dining were transferred from Haidilao Singapore to Singapore Super Hi at a nominal consideration of US\$1.0, which was determined after arm’s length negotiation considering it was an intra-group transaction as part of the Reorganization and Singapore Dining was loss-making and recorded net liabilities at the time of transfer. Singapore Dining principally conducts restaurant management business and managed 19 restaurants in Singapore as of the Latest Practicable Date.

HDL Management

HDL Management USA Corporation (“**HDL Management**”) was incorporated in the United States by Haidilao Singapore on December 3, 2018. As of January 1, 2019, HDL Management was wholly owned by Haidilao Singapore. On February 28, 2022, Haidilao Singapore transferred all of the shares it held in 17 subsidiaries in the United States operating restaurant business to HDL Management, after completion of which, HDL Management became the holding company of these 17 operating companies of our Group in the United States.

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In March 2022, as part of the Reorganization, all the shares of HDL Management were transferred from Haidilao Singapore to Newpai by way of an interim dividend in species declared by Haidilao Singapore to distribute the entire shares of HDL Management held by Haidilao Singapore to Newpai. The shares were subsequently transferred from Newpai to Singapore Super Hi with Singapore Super Hi issuing 10,000,000 additional ordinary shares to Newpai as consideration. The above transfers were determined based on arm’s length negotiations considering it was an intra-group transaction as part of the Reorganization. Upon completion of the above share transfer, HDL Management became a wholly-owned subsidiary of our Group.

Haidilao Malaysia

HAI DI LAO MALAYSIA SDN. BHD. (“**Haidilao Malaysia**”) was incorporated in Malaysia by Haidilao Singapore on May 14, 2018. As of January 1, 2019, Haidilao Malaysia was wholly owned by Haidilao Singapore. On February 25, 2022, as part of the Reorganization, all the shares of Haidilao Malaysia were transferred from Haidilao Singapore to Singapore Super Hi at a nominal consideration of US\$1.0, which was determined after arm’s length negotiation considering it was an intra-group transaction as part of the Reorganization and Haidilao Malaysia was loss-making and recorded net liabilities at the time of transfer. Haidilao Malaysia principally conducts restaurant management business and managed 15 restaurants in Malaysia as of the Latest Practicable Date.

Haidilao Japan

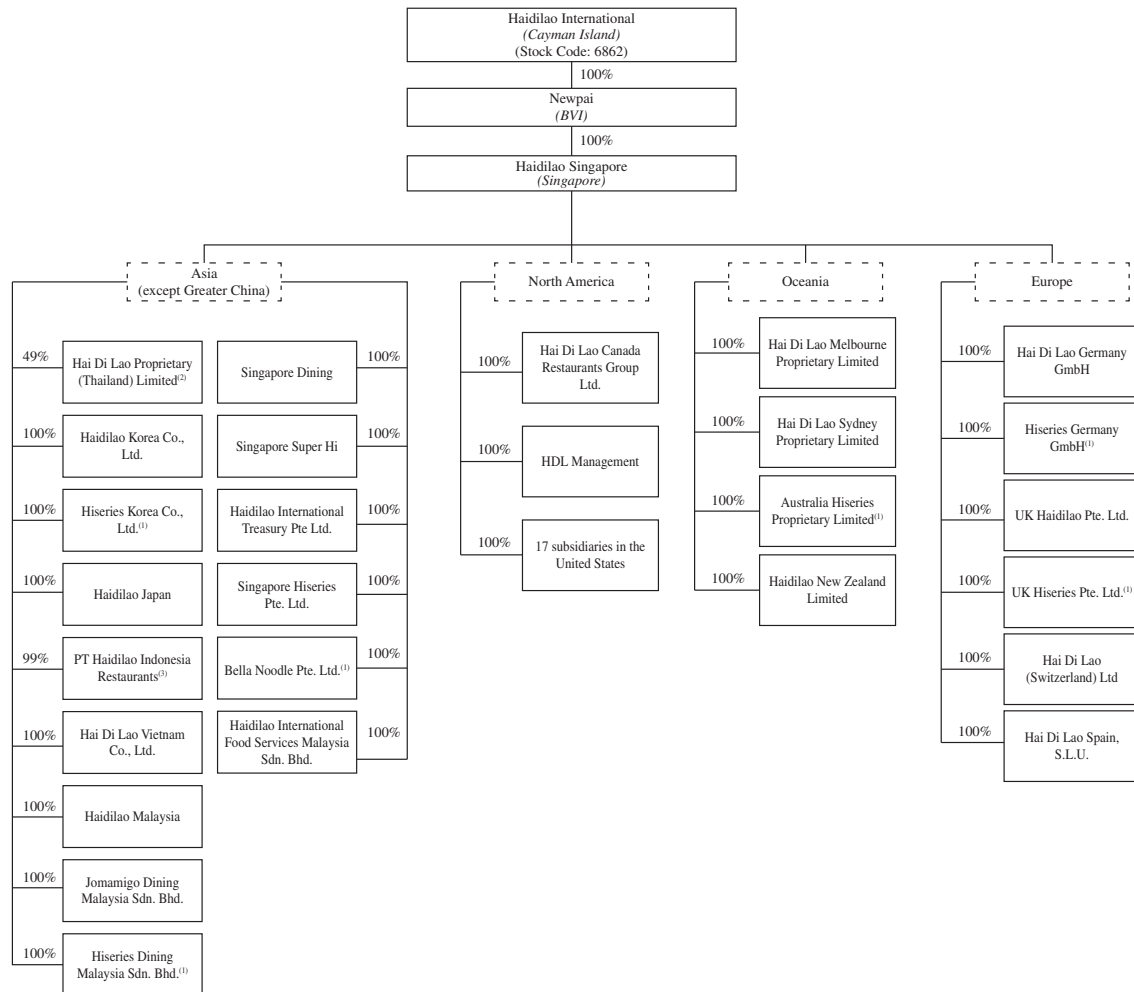
HAIDILAO JAPAN CO., LTD. (“**Haidilao Japan**”) was incorporated in Japan with a share capital of JPY50,000,000 by Haidilao Singapore on September 3, 2014. As of January 1, 2019, Haidilao Japan was wholly owned by Haidilao Singapore. On June 2, 2022, as part of the Reorganization, all the shares of Haidilao Japan were transferred from Haidilao Singapore to Singapore Super Hi at a consideration of US\$457,000. The consideration was determined after arm’s length negotiation and mainly based on the then registered capital of Haidilao Japan. Haidilao Japan principally conducts restaurant management business and managed 10 restaurants in Japan as of the Latest Practicable Date. In addition, Haidilao Japan also operates a hotel business and holds the license for developing hot spring in Japan and may develop relevant business in the future.

Our overseas legal advisors have confirmed that all the required consents, approvals, authorizations and filings have been made or obtained for the above transfers and such transfers comply with the laws under relevant jurisdictions.

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REORGANIZATION

Before the Reorganization, Haidilao Singapore, a wholly-owned subsidiary of Haidilao International, was the holding platform of the entire business of our Group. In preparation for the Spin-off and the Listing, our Group underwent the Reorganization by transferring the overseas business from Haidilao Singapore to Singapore Super Hi. The following chart sets forth the corporate structure of our Group immediately before the Reorganization.



Notes:

- (1) Refer to the entities that did not have any material business operations nor hold any material assets and would not be transferred to our Group for the purpose of the Reorganization. To the best knowledge of our Directors and after all reasonable inquiries, none of these entities is/was a subject of any material non-compliant incidents, claims, litigation or legal proceedings (whether actual or threatened) during the Track Record Period and up to the Latest Practicable Date.

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- (2) Haidilao Singapore held 5,880,000 ordinary shares, representing 49% equity interest, in Hai Di Lao Proprietary (Thailand) Limited (“**Haidilao Thailand**”) and other two shareholders (i.e. GoldenSea Investment LLC and SilverSea Investment LLC) incorporated in the United States (the “**U.S. Shareholders**”) collectively held 6,120,000 ordinary shares, representing 51% equity interest, in Haidilao Thailand. GoldenSea Investment LLC is wholly owned by GoldenSea Holdings LLC, a limited liability company registered in Delaware, the U.S., which is in turn owned by an Independent Third Party businessman, Mr. Zhong Xiaofeng. SilverSea Investment LLC is wholly owned by SilverSea Holdings LLC, a limited liability company registered in Delaware, the U.S., which is in turn owned by an Independent Third Party businessman, Mr. Hu Jingming. The principal business of GoldenSea Investment LLC, GoldenSea Holdings LLC, Silversea Investment LLC and SilverSea Holdings LLC is investment holding. Mr. Zhong Xiaofeng and Mr. Hu Jingming are friends of our Controlling Shareholders and became acquainted with our Group through the referral by the Controlling Shareholders. Since the incorporation of Haidilao Thailand and before the Reorganization, the Company enjoyed the voting rights with respect to the total issued ordinary shares of Haidilao Thailand pursuant to the shareholders’ agreements in respect of Haidilao Thailand entered into between our Group and the U.S. Shareholders on May 9, 2018. Our Group has also adopted effective corporate governance measures to safeguard the Group’s interests and control over the activities of Haidilao Thailand during the Track Record Period and thereafter. For example, in order to facilitate its daily operation and management, as unanimously approved by the board of Haidilao Thailand comprising three directors (namely Mr. Zhong Xiaofeng, Mr. Hu Jingming and the other one nominated and appointed by our Group, namely Ms. SHU Ping), Ms. SHU Ping is appointed and authorized as the true and lawful attorney-in-fact of Haidilao Thailand to perform any and all things and acts in respect of Haidilao Thailand (the “**Power of Attorney**”) to the extent permissible under the Thailand laws and regulations and the articles of associations of Haidilao Thailand, including but not limited to, business operation of Haidilao Thailand, recruitment and human resource management, opening and maintenance of the bank accounts, and preparation and implementation of the business plan and budget of Haidilao Thailand. In addition, the day-to-day management and operations of Haidilao Thailand have been controlled by our Group through a team of experienced senior management appointed by our Group. Given that (i) our Company enjoyed the voting rights with respect to the total issued ordinary shares of Haidilao Thailand; and (ii) our Company is able to control the activities of Haidilao Thailand via the Power of Attorney and the day-to-day management and operations of Haidilao Thailand, Haidilao Thailand was accounted for as a subsidiary of Haidilao Singapore.
- (3) The remaining interest of PT Haidilao Indonesia Restaurants is held by Singapore Dining.

Step 1: Incorporation of our Company

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on May 6, 2022. The authorized share capital of our Company was US\$50,000 divided into 10,000,000,000 Shares with a par value of US\$0.000005 each. Upon incorporation, one Share was allotted and issued to an Independent Third Party subscriber and such Share was then transferred to Newpai, a wholly-owned subsidiary of Haidilao International. On June 1, 2022, two Shares were further allotted and issued to Newpai.

Step 2: Share transfer of Singapore Super Hi from Newpai to our Company

On June 20, 2022, all the shares of Singapore Super Hi were transferred from Newpai to our Company at a consideration of approximately SGD10.1 million, being a sum equal to the book value of Singapore Super Hi as of May 31, 2022. Upon the completion of the transfer, Singapore Super Hi became a direct wholly-owned subsidiary of our Company.

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Step 3: Business and Corporate Restructuring

Prior to the Reorganization, the subsidiaries holding overseas business were directly or indirectly owned by Haidilao Singapore, a wholly-owned subsidiary of Haidilao International. Since January 2022, we conducted a series of equity and business transfers, as a result of which these overseas subsidiaries were transferred from Haidilao Singapore to Singapore Super Hi, a wholly-owned subsidiary of our Company. Please see “—Our Group—Our Principal Subsidiaries” above for details. Meanwhile, a number of subsidiaries which did not have any material business operations nor hold any material assets would not be transferred to our Group for the purpose of the Reorganization. Upon completion of the business and corporate restructuring, Singapore Super Hi became the immediate holding company of all of the operating subsidiaries of our Group. For the corporate structure of our Group after the Reorganization, please see “—Our Shareholding and Corporate Structure—After the Reorganization and Immediately Prior to the Spin-off and Listing” below.

PUBLIC FLOAT

Upon completion of the Spin-off and the Listing, (i) Mr. ZHANG Yong, Ms. SHU Ping, together with ZY NP LTD, SP NP LTD and NP United Holding Ltd (“**NP United**”) will be our Controlling Shareholders; (ii) Mr. Sean SHI (through SYH NP LTD), Ms. Hailey LEE (through LHY NP LTD) and their adult child together will hold [REDACTED]% of the total equity interest in our Company; (iii) the ESOP Platform II will hold [REDACTED]% equity interest in our Company for the benefit of the grantees who are the Directors and other connected persons of our Company pursuant to the Share Award Scheme; and (iv) a close associate of our executive Director, Mr. ZHOU Zhaocheng, will hold [REDACTED]% of the total equity interest in our Company. The Shares held by them will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules upon the Listing.

Save as disclosed above, to the best of our Directors’ knowledge, all the other Shareholders are not core connected persons of our Company and the Shares held by them will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules upon the Listing. As a result, over 25% (i.e. approximately [REDACTED]%) of our Company’s total issued Shares will be held by the public upon completion of the Spin-off and the Listing as required under Rule 8.08(1)(a) of the Listing Rules.

Mr. Sean SHI, Ms. Hailey LEE, their adult child, SYH NP LTD and LHY NP LTD should not be considered as a group of Controlling Shareholders for the following reasons:

- NP United was established by Mr. ZHANG Yong, Ms. SHU Ping, Mr. Sean SHI and Ms. Hailey LEE (the “**NP United Shareholders**”) in October 2016 during the reorganization of Haidilao International for the purpose of the listing. Despite holding equity interest in the same entity, Mr. Sean SHI and Ms. Hailey LEE did not and do not intend to form a group of “controlling shareholders” with Mr. ZHANG Yong and Ms. SHU Ping;

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- Mr. Sean SHI (through SYH NP LTD), together with Ms. Hailey LEE (through LHY NP LTD), by virtue of an aggregated shareholding of 32.15% in NP United, are not entitled to exercise or control the exercise of 50% or more of the voting rights at general meetings of NP United; according to the articles of association of NP United, Mr. ZHANG Yong and Ms. SHU Ping are entitled to control the relevant activities of NP United by holding more than 50% of the voting rights in NP United;
- To the best knowledge of our Company after due enquiry, in addition to their interest in NP United, immediately following the Spin-off and Listing, each of Mr. Sean SHI (through SYH NP LTD), Ms. Hailey LEE (through LHY NP LTD) and their adult child will directly hold approximately [REDACTED]%, [REDACTED]% and [REDACTED]% equity interests in the Company respectively, assuming there is no further change on their shareholding thereafter, which means they will not be entitled to exercise or control the exercise of 30% or more of the voting rights at general meetings of the Company;
- To the best knowledge of the Directors, there exists no agreement or arrangements in relation to voting arrangements (including but not limited to acting in concert agreements or arrangements) among any and all of the NP United Shareholders and each of them has acted independently with respect to corporate matters in relation to NP United and the Haidilao International, and the interests of Mr. ZHANG Yong and Ms. SHU Ping are not identical with those of Mr. Sean SHI, Ms. Hailey LEE and their adult child;
- None of Mr. Sean SHI, SYH NP LTD, Ms. Hailey LEE, LHY NP LTD or their adult child is accustomed to taking instructions from any of Mr. ZHANG Yong, ZY NP LTD, Ms. SHU Ping and SP NP LTD in relation to the acquisition, disposal, exercise of the voting rights or other disposition of shares in NP United, the Haidilao International and the Company; and
- None of Mr. Sean SHI, SYH NP LTD, Ms. Hailey LEE, LHY NP LTD or their adult child is a close associate of Mr. ZHANG Yong, ZY NP LTD, Ms. SHU Ping or SP NP LTD.

SHARE AWARD SCHEME

Our Company adopted the Share Award Scheme to grant share awards to provide incentives or rewards to eligible participants for their contribution to our Group. In order to implement the Share Award Scheme, our Company, as the settlor, established the ESOP Trusts. On [REDACTED], (i) [70] Shares were allotted and issued to the ESOP Platform I to hold the Shares underlying awards granted to the grantees other than Directors or other connected persons of our Company pursuant to the Share Award Scheme; and (ii) [30] Shares were allotted and issued to ESOP Platform II to hold the Shares underlying awards granted to Directors and other connected persons of our Company pursuant to the Share Award Scheme. Following such issue, our Company was held as to [7]% and [3]% by the ESOP Platform I and the ESOP Platform II, respectively.

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According to the Share Award Scheme, none of the ESOP Platform I, the ESOP Platform II, or the Trustee is entitled to exercise any voting rights in respect of any award Shares that have not yet vested. Once the awards are vested and the underlying Shares are transferred to the grantees in accordance with the Share Award Scheme, the grantees shall be the legal owner and thus are entitled to exercise the voting rights underlying these vested Shares.

ACQUISITIONS, MERGERS AND DISPOSALS

Throughout the Track Record Period and as of the Latest Practicable Date, we did not conduct any major acquisitions, mergers or disposals.

SPIN-OFF OF OUR GROUP FROM HAIDILAO INTERNATIONAL

Our Group incurred net losses during the Track Record Period, primarily due to the adverse effects of the COVID-19 pandemic as well as the rapid expansion of the restaurant network. Despite this, our Group expects to further improve the financial performance and achieve net profitability in the near future through continuous revenue growth and improved cost efficiency, primarily by (a) improving performance at the restaurant level, (b) ramping up new restaurants, namely targeting to achieve monthly breakeven and generate operating profit with respect to the new restaurants, while controlling the pace of new restaurant openings, and (c) controlling costs. Notwithstanding the loss-making status of our Group, our Directors are of the view that the Spin-off, if proceeds, is in the interests of our Company, Haidilao International, and shareholders as a whole and the Spin-off will position each of the Retained Group and our Group better for growth in their/our respective businesses and deliver clear benefits to both due to the following reasons:

- (a) by way of a distribution in specie, Haidilao International Shareholders will be entitled to the entire interest of the Company to which Haidilao International will be entitled immediately before the Haidilao International Distribution and the Spin-off on a pro-rata basis, and therefore the interest of Haidilao International Shareholders will not be diluted as a result of the Spin-off. Haidilao International Shareholders will continue to enjoy the benefits from our future development and growth through their shareholdings in both the Retained Group and our Group;
- (b) the Spin-off will provide the Shareholders and potential investors of the Company with more disclosure on the business development, financial performance and operation management of our Group in a detailed and periodical manner to the extent as required under the Listing Rules as a public company, and therefore the Shareholders and potential investors of the Company shall have access to sufficient information for them to make an informed investment decision on the Company;
- (c) Haidilao International Group has always been strengthening its presence in non-Greater China regions as one of the key strategies to drive future growth for the benefits of its shareholder as a whole considering the proven multi-regional operations and increasing popularity of Chinese cuisine in the international market

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as well as the commitment to deliver constantly high-quality foods and services to global customers. The Spin-off will provide our Group with an independent listing status which would strengthen the brand image and enhance the Company’s reputation in the international market. On the back of these as well as subsequent independent marketing activities, improved corporate governance, highly regulated operation and transparent public communications, the Company will be credited, as an independent listing company, to win and attract new customers more easily, generate higher customer retention and enhance customer loyalty, thus cultivating its customer bases and better grasping the significant market potentials of Chinese cuisine restaurants in the international markets, and thereby providing the Haidilao International Shareholders with potential investment returns in both the short and long terms;

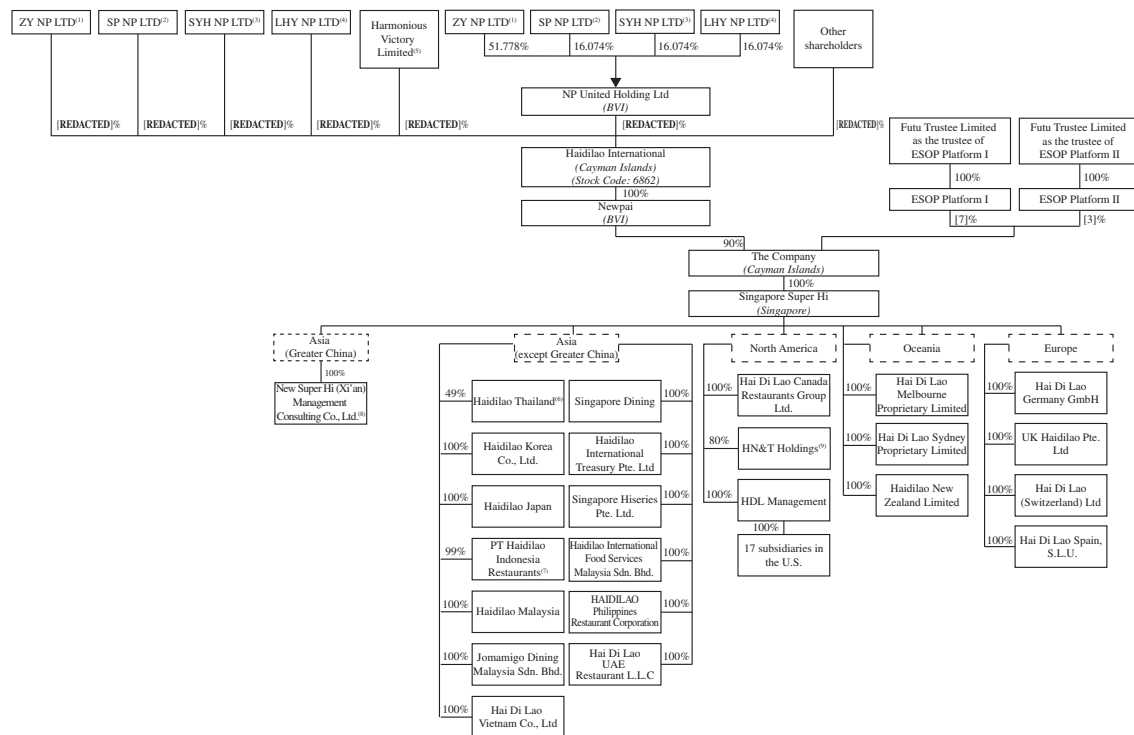
- (d) the Spin-off will enable more focused development and strategic planning, better allocation of resources for the respective businesses given their distinctive geographic nature, and therefore, unlock the value of the developing business of our Group and provide Haidilao International and the Haidilao International Shareholders an opportunity to realize the value of their investment in our Group under a separate standalone listing platform;
- (e) the Spin-off will enable our Group to obtain a separate listing status and an independent fund-raising platform. The Spin-off will enhance the corporate governance, management incentive mechanism and operational efficiency of our Group. As a separately listed group, our Company will be in a better position to independently negotiate and solicit more businesses. After the Spin-off, both the Retained Group and our Group will have separate fundraising platforms that have direct access to both equity and debt capital markets, which will be of the benefit to both groups’ existing operations and future expansion. Potential investors will have the choice to invest in either one or both of the businesses and shareholders will have the opportunity to realize the value of their investment in the Retained Group and our Group. Our Group will be able to attract new investors who are seeking focused investments, specifically in the international restaurants business; and
- (f) the Spin-off will strengthen the operational management ability of both the Retained Group and our Group where their/our respective management teams can focus more efficiently and effectively on each business and improve their/our abilities to recruit, motivate and retain key management personnel for each line of business as well as to expediently and effectively capitalize on any business opportunities that may arise, thereby enforcing their/our respective expansion and improving operating and financial performance, which in turn aiming to provide better returns to the shareholders of both the Retained Group and our Company.

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The Spin-off will be implemented by way of a distribution alone, which will not constitute a transaction of Haidilao International under Chapter 14 of the Listing Rules and accordingly, Haidilao International is not required to comply with the requirements under Chapter 14 of the Listing Rules. The Haidilao International Distribution was approved by the Haidilao International Shareholders on August 22, 2022 as required under Article 134 of the articles of association of Haidilao International. For further details of the Spin-off and the Haidilao International Distribution, see the section headed “The Distribution and Spin-off” in this listing document.

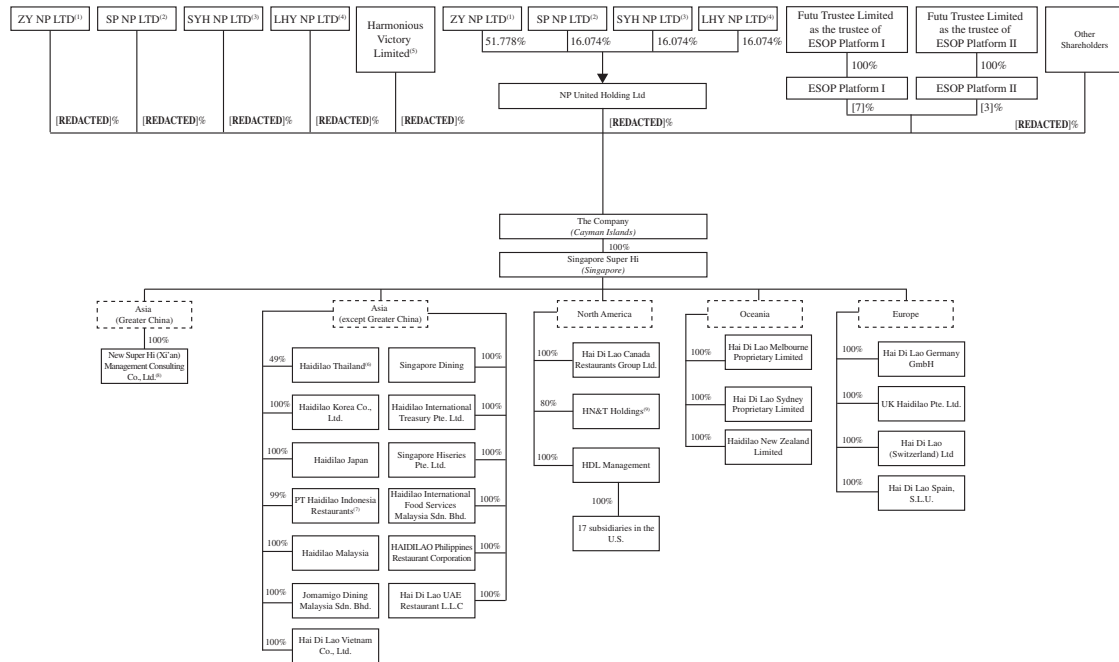
OUR SHAREHOLDING AND CORPORATE STRUCTURE

After the Reorganization and Immediately Prior to the Spin-off and Listing



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Immediately Following the Spin-off and Listing



Notes:

- (1) ZY NP LTD is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the Apple Trust via UBS Nominees Limited in its capacity as nominee for 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 family.
- (2) SP NP LTD is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the Rose Trust via UBS Nominees Limited in its capacity as nominee for 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 family.
- (3) SYH NP LTD is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the Cheerful Trust via UBS Nominees Limited in its capacity as nominee for the trustee of the 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. UBS Trustees (B.V.I.) Limited takes instructions from Mr. Sean SHI regarding the exercise of the voting rights attached to the Shares held by SYH NP LTD.
- (4) LHY NP LTD is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the Cheerful Trust via UBS Nominees Limited in its capacity as nominee for the trustee of the Cheerful Trust. UBS Trustees (B.V.I.) Limited takes instructions from Ms. Hailey LEE regarding the exercise of the voting rights attached to the Shares held by LHY NP LTD.

In addition to Mr. ZHANG Yong and Ms. SHU Ping, Mr. Sean SHI and Ms. Hailey LEE are also founders of Haidilao International Group. To the best knowledge of our Directors, except for being shareholders of our Company after the completion of the Spin-off and Listing, neither Mr. Sean SHI nor Ms. Hailey LEE will have any material relationship with our Group.

- (5) Harmonious Victory Limited is wholly owned by Harmonious Triumph Limited, which is in turn wholly owned by Intertrust Trustee (BVI) Limited acting as the trustee of the Harmony Trust, a discretionary trust set up by Mr. Sean SHI and Ms. Hailey LEE’s adult child as the sole settlor on July 13, 2022 for the benefit of herself and her siblings. Ms. Hailey LEE as the protector of Harmony Trust has information right only whilst their adult child exercises the voting rights attached to the Shares held by Harmonious Victory Limited independently from Mr. Sean SHI and Ms. Hailey LEE.

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- (6) As part of the Reorganization, all ordinary shares held by the then shareholders of Haidilao Thailand were transferred to Singapore Super Hi and new preference shares were issued to the U.S. Shareholders to reflect their shareholding before the Reorganization. The details of the relevant Reorganization steps are as follow: (i) on January 21, 2022, 5,880,000 ordinary shares of Haidilao Thailand held by Haidilao Singapore were transferred to Singapore Super Hi at a nominal consideration of US\$1 considering it was an intra-group transaction; (ii) on July 1, 2022, 6,120,000 ordinary shares of Haidilao Thailand held by the U.S. Shareholders were transferred to Singapore Super Hi at a par value of Thailand Baht 5 per share, which has been fully settled; and (iii) on the same date, 12,489,796 preference shares were issued to the U.S. Shareholders at a par value of Thailand Baht 5 per share. As of the Latest Practicable Date, 25% of the total subscription amount has been settled by the U.S. Shareholders, which is permitted and justifiable under the applicable Thailand laws and regulations and would not affect the validity and legality of the structure. The remaining 75% of the subscription amount is expected to be paid by end of December 2022. Upon completion, we hold ordinary shares representing a 49% shareholding in Haidilao Thailand and the U.S. Shareholders hold preference shares representing a 51% shareholding. Notwithstanding the shareholding structure with a majority shareholding by the U.S. Shareholders, according to the articles of association of Haidilao Thailand, every one (1) ordinary share of Haidilao Thailand held by Singapore Super Hi and every one hundred (100) preference shares of Haidilao Thailand held by the U.S. Shareholders bears one (1) voting right, respectively. Therefore, our Company has a majority of voting rights (i.e., more than 98%) in Haidilao Thailand. Based on the above and considering our Company is able to control the activities of Haidilao Thailand via the Power of Attorney and the day-to-day management and operations of Haidilao Thailand as described in note 2 to the corporate structure chart of our Group immediately before the Reorganization, Haidilao Thailand is accounted for as a subsidiary of our Group.
- (7) The remaining interest of PT Haidilao Indonesia Restaurants is held by Singapore Dining.
- (8) New Super Hi (Xi'an) Management Consulting Co., Ltd. (新超海(西安)管理諮詢有限公司) is a company established in the PRC in August 2022 by Singapore Super Hi for the purpose of management of employees of the Group in the PRC who provide administrative and supporting functions.
- (9) The remaining 20% interest of HN&T Holdings is held by Ms. ZHU Rong, an Independent Third Party. Hao Noodle and Tea, LLC and Hao Noodle LLC are wholly owned by HN&T Holdings.