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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)

CONNECTED TRANSACTION SHARE TRANSFER AGREEMENT

The Board is pleased to announce that, on October 31, 2023, Haidilao Japan, a wholly-owned subsidiary of the Company, entered into the Share Transfer Agreement with Newpai, a wholly-owned subsidiary of Haidilao International, pursuant to which Haidilao Japan transferred all the equity interest in JAPAN HAI held by it to Newpai at a consideration of JPY2,600,000,000 (equivalent to approximately USD17,388,978). Upon completion of the Share Transfer, JAPAN HAI will cease to be a subsidiary of the Group and become a wholly-owned subsidiary of Haidilao International.

Newpai is a wholly-owned subsidiary of Haidilao International, which is an associate of the Controlling Shareholders, Mr. ZHANG Yong and Ms. SHU Ping. Therefore, Newpai is a connected person of the Company, and the transaction contemplated under the Share Transfer Agreement constitutes a connected transaction of the Company.

Since the highest of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Share Transfer Agreement is more than 0.1% but less than 5%, the transaction contemplated thereunder is subject to reporting, annual review and announcement requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

1 SHARE TRANSFER AGREEMENT

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The major terms of the Share Transfer Agreement are summarized as below.

Date

October 31, 2023

Parties

- (1) Haidilao Japan (as the seller), a wholly-owned subsidiary of the Company
- (2) Newpai (as the purchaser), a wholly-owned subsidiary of Haidilao International

Target

Pursuant to the Share Transfer Agreement, Haidilao Japan agreed to sell and Newpai agreed to acquire all the equity interest in JAPAN HAI held by Haidilao Japan, representing 100% of the issued shares of JAPAN HAI.

Consideration

The total consideration for the Share Transfer is JPY2,600,000,000 (equivalent to approximately USD17,388,978), which was determined between the parties through arm's-length negotiation with reference to the Valuation Report issued by an independent asset appraiser. Based on the valuation standard widely adopted in Japan, the valuation was concluded using modified net asset method. According to the Valuation Report, as at August 31, 2023, the book value of net assets of JAPAN HAI was JPY2,705,302,000 (equivalent to approximately USD18,093,245) and the appraised value of JAPAN HAI was JPY2,599,767,000 (equivalent to approximately USD17,387,420).

The consideration for the Share Transfer shall be paid in cash within 30 days from the date of the Share Transfer Agreement.

Financial Impact of the Share Transfer Agreement

Based on the existing information available to the Company, it is expected that the Company will record a book loss of approximately JPY85.19 million (equivalent to approximately USD0.57 million) from the disposal of all of the equity interest in JAPAN HAI (subject to the audit results), which was determined with reference to the consideration received from the Share Transfer and its corresponding book value of net assets as at October 31, 2023. The Company intends to use the net proceeds from the Share Transfer for its general working capital and restaurant expansion plan.

2 INFORMATION ABOUT JAPAN HAI

JAPAN HAI was incorporated by Haidilao Japan in Japan on September 15, 2023 with a registered capital of JPY50,000,000. It primarily engages in hotel management and operation in Japan and holds the license for developing hot springs in Japan. As of the date of this announcement, JAPAN HAI owns and manages a hotel located in Karuizawa, Nagano Prefecture, Japan. Prior to the incorporation of JAPAN HAI, such hotel business and license were directly held by Haidilao Japan. The financial information of such hotel business for the two financial years ended December 31, 2021 and 2022 is set out below:

	For the year ended	
	December 31,	
	2021	2022
	<i>(USD, million)</i>	
Revenue of Haidilao Japan contributed from hotel business	0.55	0.60
Loss before tax contributed from hotel business	(0.82)	(0.63)
Loss after tax contributed from hotel business	(0.82)	(0.63)

3 INFORMATION ABOUT THE PARTIES

The Group is a self-operated restaurant brand, primarily serving Haidilao hot pot in the international market outside Greater China. Haidilao Japan is a company incorporated in Japan on September 3, 2014 and a wholly-owned subsidiary of the Company. It principally conducts restaurant management business and manages 10 restaurants in Japan as of the date of this announcement.

Newpai is a limited liability company incorporated in the British Virgin Islands on July 15, 2015 as an investment holding platform and a wholly-owned subsidiary of Haidilao International. Haidilao International is principally engaged in the hot pot restaurant business and other catering business.

4 REASONS FOR THE TRANSACTION

JAPAN HAI currently operates the hotel business in Japan and holds the license for developing hot spring business in Japan. It plans to develop a hybrid hot spring resort to be completed in 2027. The Group's specialty has always been in the operation of Haidilao hot pot restaurants, where it has built a strong reputation and lead position in the international market. The initial diversification into the hotel business and hot spring resort was a strategic response for the Group to the market conditions at that time. However, the operation of hotel business and the hot spring resort requires sustained capital investment and a unique set of resources, which deviates from the restaurant operation and may divert the Company's focus from the core business. The Group would like to concentrate the resources and energy on the improvement of restaurants operations and continue to innovate and provide the high quality hot pot cuisine and service. After thorough consideration and strategic evaluation, the Group has decided to divest its hotel business and hot spring resort/license in Japan, which is guided by its commitment to focusing on what it does best and delivering the greatest value to the customers.

Taking into account of the above, the Directors, including the independent non-executive Directors, are of the view that the Share Transfer Agreement has been entered into on normal commercial terms and that the terms of the Share Transfer Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

5 LISTING RULES IMPLICATIONS

Newpai is a wholly-owned subsidiary of Haidilao International, which is an associate of the Controlling Shareholders, Mr. ZHANG Yong and Ms. SHU Ping. Therefore, Newpai is a connected person of the Company, and the transaction contemplated under the Share Transfer Agreement constitutes a connected transaction of the Company.

Since the highest of applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Share Transfer Agreement is more than 0.1% but less than 5%, the transaction contemplated thereunder is subject to reporting, annual review and announcement requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

6 APPROVAL OF THE BOARD

Mr. ZHOU Zhaocheng, as a non-executive director of Haidilao International, has abstained from voting on the Board resolutions approving the transactions contemplated under the Share Transfer Agreement. Save for the above, to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, no other Director has a material interest in the Share Transfer Agreement, and no other Director has abstained from voting on the relevant Board resolutions approving the Share Transfer Agreement and the transactions contemplated thereunder.

7 DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors of the Company
“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
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Controlling Shareholder(s)”	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)”	the director(s) of the Company

“Greater China”	the mainland China, Hong Kong, Macau and Taiwan
“Group”	the Company and its subsidiaries
“Haidilao International”	Haidilao International Holding Ltd. (海底捞国际控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability on July 14, 2015 whose shares are listed on the Main Board of the Stock Exchange with stock code 6862
“Haidilao Japan”	HAIDILAO JAPAN CO., LTD., a company incorporated in Japan on September 3, 2014 with a share capital of JPY50,000,000 and a wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JAPAN HAI”	JAPAN HAI Co., Ltd., a company incorporated in Japan on September 15, 2023 with a registered capital of JPY50,000,000 and a wholly-owned subsidiary of the Company, or, where the context so requires, in respect of the period before JAPAN HAI’s incorporation, the hotel businesses operated by Haidilao Japan (as the case may be)
“JPY”	Japanese Yen, the lawful currency of Japan
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Newpai”	Newpai Ltd., a limited liability company incorporated in the British Virgin Islands on July 15, 2015 and a wholly-owned subsidiary of Haidilao International
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, China; Macau, China; and Taiwan, China
“Share Transfer”	the transfer of all of the equity interest in JAPAN HAI held by Haidilao Japan to Newpai

“Share Transfer Agreement”	the share transfer agreement entered into between Haidilao Japan and Newpai on October 31, 2023
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	the U.S. dollar, the lawfully currency of the United States
“Valuation Report”	the valuation report dated October 2, 2023 prepared by Daiwa Real Estate Appraisal Co., Ltd., an independent asset appraiser, with respect to JAPAN HAI
“%”	per cent

For illustration purpose, amounts in JPY in this announcement have been translated into USD at the rate of USD1 = JPY149.52. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in USD or JPY have been, could have been or may be converted at such or any other rate or at all.

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

Singapore, October 31, 2023

As at the date of this announcement, 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.