

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Nayuki Holdings Limited
奈雪的茶控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2150)

ANNOUNCEMENT

**CONTINUING CONNECTED TRANSACTIONS
PURSUANT TO RULE 14A.60 OF THE LISTING RULES
AND
CONTINUING CONNECTED TRANSACTIONS WITH BYX**

BACKGROUND

This announcement is made by the Company pursuant to Rule 14A.60 of the Listing Rules.

Recently, in reviewing the related party transactions and determining the Group's future operation plans, it has come to the attention to the Board that BYX has become a connected person of the Company under Chapter 14A of the Listing Rules. In November 2023, Mr. Zhao Yinglong (趙英龍) acquired 65% of the equity interest in BYX through his wholly-owned company, Shenzhen Suxing. Mr. Zhao Yinglong is the nephew of Mr. Zhao Lin, the Chairman, Chief Executive Officer, an executive Director and the Controlling Shareholder of the Company. Accordingly, BYX has become connected person of the Company under Chapter 14A of the Listing Rules since November 2023.

So far as the Company was aware, Shenzhen Pindao entered into the Existing Fresh Goods Storage and Transportation Services Agreement with BYX on May 1, 2023, at which time BYX had not yet become a connected person of the Company.

Since the terms of the Existing Fresh Goods Storage and Transportation Services Agreement will expire by April 30, 2024, the Company entered into the Fresh Goods Storage and Transportation Services Framework Agreement with BYX on April 26, 2024, pursuant to which BYX has agreed to provide storage and transportation services in relation to fresh goods to the Group for a term commencing from May 1, 2024 to December 31, 2026 (both days inclusive).

EXISTING FRESH GOODS STORAGE AND TRANSPORTATION SERVICES AGREEMENT

Shenzhen Pindao entered into the Existing Fresh Goods Storage and Transportation Services Agreement with BYX on May 1, 2023. Pursuant to the Existing Fresh Goods Storage and Transportation Services Agreement, BYX agreed to provide storage and transportation services in relation to fresh goods such as fruits and dairy products as instructed by Shenzhen Pindao and/or its subsidiaries from time to time.

Principal Terms

The principal terms of the Existing Fresh Goods Storage and Transportation Services Agreement are summarized as follows:

Date: May 1, 2023

Parties: (i) Shenzhen Pindao (for itself and on behalf of its subsidiaries); and

(ii) BYX

Terms: From May 1, 2023 to April 30, 2024 (both days inclusive).

Major terms and conditions:

BYX agreed to provide storage and transportation services in relation to fresh goods such as fruits and dairy products as instructed by Shenzhen Pindao and/or its subsidiaries from time to time, which mainly include, among others:

- (i) the provision of storage facilities and related services, including warehouse storage, stock-taking and other storage services, in connection with the storage of the fresh goods; and
- (ii) the provision of transportation services in relation to the delivery of fresh goods to the customers and/or stores designated by Shenzhen Pindao and/or its subsidiaries.

Pricing policy:

The service fees chargeable by BYX under the Existing Fresh Goods Storage and Transportation Services Agreement shall be calculated based on the unit service price (the “**Unit Price i**”) quoted by BYX and approved by Shenzhen Pindao, which shall be similar to the service price charged by BYX from independent clients in relation to the provision of similar services.

The Unit Price i was determined based arm’s length negotiations between Shenzhen Pindao and BYX and could be re-determined according to the actual needs of Shenzhen Pindao and its subsidiaries. The Unit Price i should be not less favourable to Shenzhen Pindao than the prices from independent suppliers for similar services.

The business department of Shenzhen Pindao will, on a quarterly basis and at the time of renegotiation of the unit service price, review the current Unit Price i and compare it with the prices (the “**Comparable Prices i**”) from at least two independent suppliers for similar services, which will be reported to the financial department of Shenzhen Pindao. The financial department of Shenzhen Pindao will further monitor the fairness of the price comparison process. Shenzhen Pindao will only continue to engage BYX in the event that the Unit Price i is not less favourable to Shenzhen Pindao than the Comparable Prices i.

Payment terms: The bill regarding service fees payable under the Existing Fresh Goods Storage and Transportation Services Agreement will be sent by the BYX to Shenzhen Pindao on a monthly basis, and an invoice will be issued by BYX upon confirmation. The relevant service fees will be settled by the middle of the following month upon the receipt of the invoice issued by BYX.

Historical Amounts

The total historical amounts of the services fees paid by the Group to BYX under the Existing Fresh Goods Storage and Transportation Services Agreement are set out as follows:

Period	Amount (tax excluded) (RMB'000)
From May 1, 2023 to October 31, 2023	7,335
From November 1, 2023 to December 31, 2023	5,088
From January 1, 2024 to February 29, 2024	4,649

It is expected that the total amount of services fees to be paid by the Group to BYX under the Existing Fresh Goods Storage and Transportation Services Agreement for the period from March 1, 2024 to April 30, 2024 is expected to be no more than RMB6,000,000.

The highest applicable percentage ratio (as defined in the Listing Rules) of the historical amounts of the service fees paid by the Group to BYX under the Existing Fresh Goods Storage and Transportation Services Agreement for each of the periods: (i) from November 1, 2023 to December 31, 2023; and (ii) from November 1, 2023 to February 29, 2024, respectively, exceeds 0.1% but is less than 5%.

FRESH GOODS STORAGE AND TRANSPORTATION SERVICES FRAMEWORK AGREEMENT

Since the terms of the Existing Fresh Goods Storage and Transportation Services Agreement will expire by April 30, 2024, the Company entered into the Fresh Goods Storage and Transportation Services Framework Agreement with BYX on April 26, 2024. Pursuant to the Fresh Goods Storage and Transportation Services Framework Agreement, BYX agreed to provide storage and transportation services in relation to fresh goods such as fruits and dairy products as instructed by the Group from time to time.

Principal Terms

The principal terms of the Fresh Goods Storage and Transportation Services Framework Agreement are similar with the Existing Fresh Goods Storage and Transportation Services Agreement, which are summarized as follows:

Date: April 26, 2024

Parties: (i) the Company (for itself and on behalf of its subsidiaries); and

(ii) BYX

Terms: From May 1, 2024 to December 31, 2026 (both days inclusive).

Major terms and conditions:

BYX agreed to provide storage and transportation services in relation to fresh goods such as fruits and dairy products as instructed by the Group from time to time, which mainly include, among others:

(i) the provision of storage facilities and related services, including warehouse storage, stock-taking and other storage services, in connection with the storage of the fresh goods; and

(ii) the provision of transportation services in relation to to the delivery of fresh goods to the customers and/or stores designated by the Group.

Pricing policy:

The service fees chargeable by BYX under the Fresh Goods Storage and Transportation Services Framework Agreement shall be calculated based on the unit service price (the “**Unit Price ii**”) quoted by BYX and approved by the Group, which shall be similar to the service price charged by BYX from independent clients in relation to the provision of similar services.

Such Unit Price ii has been determined based on arm's length negotiations between the Company and BYX and could be re-determined according to the actual needs of the Group. The Unit Price ii should be not less favourable to the Group than the prices from independent suppliers for similar services.

The business department of the Group will, on a quarterly basis and at the time of renegotiation of the unit service price, review the current Unit Price ii and compare the it with the prices (the “**Comparable Prices ii**”) from at least two independent suppliers for similar services, which will be reported to the financial department of the Group. The financial department of the Group will further monitor the fairness of the price comparison process. The Group will only continue to engage BYX in the event that the Unit Price ii is not less favourable to the Group than the Comparable Prices ii.

Payment terms:

The bill regarding service fees payable under the Fresh Goods Storage and Transportation Services Framework Agreement will be sent by the BYX to the Company on a monthly basis, and a invoice will be issued by BYX upon confirmation. The relevant service fees will be settled by the middle of the following month upon the receipt of the invoice issued by BYX.

Historical Amounts

BYX provided storage and transportation services in relation fresh goods to Shenzhen Pindao and its subsidiaries pursuant to the Existing Fresh Goods Storage and Transportation Services Agreement since May 1, 2023. See “Existing Fresh Goods Storage and Transportation Services Agreement – Historical Amounts” above for details.

Annual Caps

The respective amount of service fees payable by the Group to BYX for each of the three financial years ending December 31, 2024, 2025 and 2026 under the Fresh Goods Storage and Transportation Services Framework Agreement are expected not to exceed the following annual caps:

	Financial year ending		
	December 31,		
	2024	2025	2026
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Annual caps	36,000 ⁽¹⁾	44,000	55,000

Note:

- (1) Including service fee paid by Shenzhen Pindao and its subsidiaries to BYX pursuant to the Existing Fresh Goods Storage and Transportation Services Agreement.

The above annual caps are determined with reference to:

1. The historical transaction amount and the services fees paid by Shenzhen Pindao to BYX under the Existing Fresh Goods Storage and Transportation Services Agreement.
2. The estimated increase in our demand of fresh goods and the corresponding storage and transportation services, reflecting the expected increase in: (i) the customer flow and operating performance of our stores; and (ii) the number of stores as a result of the anticipated expansion of the Group's teahouse network.
3. The capacity in providing storage and transportation services of BXY in the past, including but not limited to, the storage capacity of the warehouse, the number of staff and vehicles and the dispatching capacity.
4. The inclusion of a buffer of approximately 10% for any unexpected fluctuations.

Internal Control Policies

In order to ensure that the terms under the transactions contemplated under the Fresh Goods Storage and Transportation Services Framework Agreement will be conducted in accordance with the pricing policies and terms stipulated in the Fresh Goods Storage and Transportation Services Framework Agreement, and are on normal commercial terms, the Company has adopted the following measures:

1. Before entering into any specific transactions under the Fresh Goods Storage and Transportation Services Framework Agreement, the relevant business department of the Group will review the terms of the specific transactions and ensure that the pricing policies under the Fresh Goods Storage and Transportation Services Framework Agreement have been properly reflected. If the terms and conditions are subject to revision due to actual changes in circumstances, the appropriate approval process shall be re-performed.
2. The relevant financial department of the Group will continuously monitor the price comparison process performed and the results made by the business department of the Group to ensure the fairness.
3. The management of the Company will regularly review the terms of the Fresh Goods Storage and Transportation Services Framework Agreement and conduct spot checks on the transactions under the Fresh Goods Storage and Transportation Services Framework Agreement, in particular, on (i) whether the the pricing policies under the Fresh Goods Storage and Transportation Services Framework Agreement have been properly reflected; and (ii) whether the Unit Price ii favourable to the Group in terms of the Comparable Prices ii.
4. The business department and the financial department of the Group will consolidate, on a monthly basis, the transaction accounts under the agreement incurred for the preceding month, and the accounts will be reported to the management of the Company and the Board. The secretary to the Board will inform the management of the Company and the Board on a timely basis in the event the annual cap for the agreement is likely to be exceeded.

5. The external auditors of the Company will report by issuing a letter to the Board every year on the continuing connected transactions of the Company (including the Fresh Goods Storage and Transportation Services Framework Agreement) conducted throughout the preceding financial year pursuant to the Listing Rules in relation to the pricing policies and annual caps therein.
6. The independent non-executive Directors of the Company will conduct an annual review with respect to the continuing connected transactions of the Company (including the Fresh Goods Storage and Transportation Services Framework Agreement) throughout the preceding financial year pursuant to the requirements under the Listing Rules, and confirm on the transaction amounts and terms of such continuing connected transactions in the annual report of the Company and make sure that these transactions are entered into on normal commercial terms, which are fair and reasonable, and are in compliance with the terms of the relevant agreements governing the continuing connected transactions.

Due to the fact that the relevant staff in the Group's business department failed to discover the shareholding change of BYX, and the fact that the transactions with BYX have been frequently conducted in the Group's ordinary and usual course of business since May 2023, the relevant staff in the Group's business department failed to identify the change of status of BYX as a connected person and report such situation to the compliance department and the management of the Company in accordance with the Group's internal control policy in a timely manner. In this regard, the Group is taking the following additional internal control policies to ensure timely identification of connected persons and related connected transactions:

1. The compliance department of the Company will conduct a comprehensive review on the Company's internal control policies for identifying and reporting connected persons as soon as practicable, and will provide advice to the Board on the enhancement of the relevant internal control policies based on the review result.
2. The Company will prepare and frequently update the list of its connected persons identified pursuant to Chapter 14A of the Listing Rules, and will further enhance its day-to-day exchange of information with the relevant connected persons, so as to avoid the recurrence of such similar incident.

3. The Company has also reinforced its know-your-counterparty system by requiring its subsidiaries and their management to check and confirm the identity and ultimate beneficial ownership of any transaction counterparty before entering into any transaction. Should such know-your-counterparty system checks identify that the transaction counterparty is a connected person of the Company, such transaction will be escalated to the Company for review to ensure the full compliance of the Listing Rules.
4. The Company will strengthen the coordination and reporting arrangements for connected transactions among the various departments of the Company, including the business department, finance department, the compliance department, as well as the management of the Company and the Board. Before entering into any agreement with connected persons, the relevant management from the Company's compliance department with professional knowledge on the Listing Rules will review the relevant agreement to ensure the fully compliance with the Listing Rules.
5. The Group will issue relevant guidance and training materials, in particular, on how to identify connected transactions under the Listing Rules, to the relevant departments and employees of the Group. The Group will also arrange training sessions on compliance requirements for connected transactions so as to improve the standard of corporate governance and operating management of the Company.
6. The Company will seek legal advice and/or other professional advice from time to time as and when it is necessary to ensure the proper compliance with the relevant requirements of the Listing Rules by the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRESH GOODS STORAGE AND TRANSPORTATION SERVICES FRAMEWORK AGREEMENT

The Group insists on further expanding its teahouse network and increasing market penetration, which leads to an increase in demand for storage and transportation services for the fresh food that are essential to its product production. Entering into the Fresh Goods Storage and Transportation Services Framework Agreement will enable the Group to effectively and flexibly respond to business development needs and rapidly enhance the overall supply chain, so as to improve the operation efficiency of the Group and the experience of customers.

The relevant expertise of BYX in providing storage and transportation services for fresh goods such as the standard of storage management, the quality of transportation, and the qualifications of its staff, allows the Group to ensure efficient management of its fresh goods and orderly delivery to its customers and/or stores. In addition, having evaluated the scale, experience, quotation and other factors of the suppliers applying for the provision of this storage and transportation services through the selection meeting, the Group considers that the terms and conditions offered by BXY are reasonable and favourable to the Group in comparison with the prevailing market prices.

Based on the above, the Directors (including the independent non-executive Directors) consider that the terms of the Fresh Goods Storage and Transportation Services Framework Agreement are fair and reasonable, are entered into on normal commercial terms and in the ordinary and usual course of business of the Company and are in the interests of the Company and the Shareholders as a whole.

BOARD'S APPROVAL

The Board has approved the entering into of the Fresh Goods Storage and Transportation Services Framework Agreement, the transactions contemplated thereunder and the annual caps as disclosed under the section headed "Fresh Goods Storage and Transportation Services Framework Agreement – Annual Caps" above. As Mr. Zhao Yinglong is the nephew of Mr. Zhao Lin, Mr. Zhao Lin and Ms. Peng Xin (the spouse of Mr. Zhao Lin) are considered to have a material interest in the transactions contemplated under the Fresh Goods Storage and Transportation Services Framework Agreement and had abstained from voting on the board resolution(s) approving the Fresh Goods Storage and Transportation Services Framework Agreement and the transactions contemplated thereunder (including the abovementioned annual caps).

Save as disclosed above, to the best knowledge of the Company, none of the other Directors has any material interest in the Fresh Goods Storage and Transportation Services Framework Agreement and the transactions contemplated thereunder, and therefore no other Director was required to abstain from voting on the Board resolutions approving the Fresh Goods Storage and Transportation Services Framework Agreement and the transactions contemplated thereunder (including the annual caps).

INFORMATION ABOUT THE PARTIES TO THE FRESH GOODS STORAGE AND TRANSPORTATION SERVICES FRAMEWORK AGREEMENT

The Company is an investment holding company of the Group. The Group operates Nayuki teahouses, a leading premium modern teahouse chain in the PRC serving freshly-made tea drinks.

BYX is a company incorporated under the laws of the PRC on January 22, 2016, which primarily engaged in the provision of integrated supply chain services such as storage and transportation. As at the date of this announcement, BYX was owned as to: (i) 65% by Mr. Zhao Yinglong (the nephew of Mr. Zhao Lin) through his wholly-owned company, Shenzhen Suxing; (ii) 30% by Mr. Wang Xing (王星); and (iii) 5% by Mr. Li Lu (李陸), through his wholly-owned company, Shenzhen Fruit Fresh Agricultural Technology Co., Ltd.* (深圳市果鮮鮮農業科技有限公司).

To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, save as Mr. Zhao Yinglong and Shenzhen Suxing, the other ultimate beneficial owners of BYX are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

In November 2023, Mr. Zhao Yinglong (趙英龍) acquired 65% of the equity interest in BYX through his wholly-owned company, Shenzhen Suxing. Mr. Zhao Yinglong is the nephew of Mr. Zhao Lin, the Chairman, Chief Executive Officer, an executive Director and the controlling Shareholder of the Company. Accordingly, BYX has become connected person of the Company under Chapter 14A of the Listing Rules since November 2023.

So far as the Company was aware, Shenzhen Pindao entered into the Existing Fresh Goods Storage and Transportation Services Agreement with BYX on May 1, 2023, at which time BYX had not yet become a connected person of the Company. The continuing transactions under the Existing Fresh Goods Storage and Transportation Services Agreement have subsequently become continuing connected transactions of the Company after BYX became a connected person of the Company under Chapter 14A of the Listing Rules. As such, the Company is required to comply with the disclosure and annual review requirements pursuant to Rule 14A.60 of the Listing Rules with respect to the Existing Fresh Goods Storage and Transportation Services Agreement.

Since the terms of the Existing Fresh Goods Storage and Transportation Services Agreement will expire by April 30, 2024, the Company entered into the Fresh Goods Storage and Transportation Services Framework Agreement with BYX on April 26, 2024, pursuant to which BYX has agreed to provide storage and transportation services in relation fresh goods to the Group for a term commencing from May 1, 2024 to December 31, 2026 (both days inclusive). As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the estimated annual caps for the continuing connected transactions under the Fresh Goods Storage and Transportation Services Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Fresh Goods Storage and Transportation Services Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors
“BYX”	Bangyixia (Shenzhen) Supply Chain Co., Ltd.* (邦壹夏(深圳)供應鏈有限公司), a company incorporated in the PRC on January 22, 2016
“Chairman”	the chairman of the Board
“Chief Executive Officer”	the chief executive officer of the Company
“Company”	Nayuki Holdings Limited (奈雪的茶控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on September 5, 2019, whose Shares are listed and traded on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	member(s) of the board of directors of the Company, including all executive, non-executive and independent non-executive directors
“Existing Fresh Goods Storage and Transportation Services Agreement”	the agreement for fresh goods storage and transportation services entered into between Shenzhen Pindao and BYX on May 1, 2023, pursuant to which BYX has agreed to provide storage and transportation services in relation fresh goods to Shenzhen Pindao and/or its subsidiaries for a term commencing from May 1, 2023 to April 30, 2024 (both days inclusive)
“Fresh Goods Storage and Transportation Services Framework Agreement”	the agreement for fresh goods storage and transportation services entered into between the Company and BYX on April 26, 2024, pursuant to which BYX has agreed to provide storage and transportation services in relation fresh goods to the Group for a term commencing from May 1, 2024 to December 31, 2026 (both days inclusive)
“Group”	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China and, except where the context otherwise requires, references in this announcement to the PRC do not apply to Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of the Company of nominal value of US\$0.00005 each

“Shareholder(s)”	holder(s) of the Shares
“Shenzhen Pindao”	Shenzhen Pindao Food & Beverage Management Co., Ltd.* (深圳市品道餐飲管理有限公司), a company incorporated in the PRC on May 12, 2014 and a wholly owned subsidiary of our Company
“Shenzhen Suxing”	Shenzhen Suxing Supply Chain Co., Ltd.* (深圳市蘇興供應鏈有限公司), a company incorporated in the PRC on April 3, 2023
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

* *for identification purpose only*

By the order of the Board
Nayuki Holdings Limited
ZHAO Lin
Chairman

Shenzhen, April 26, 2024

As at the date of this announcement, the Board comprises Mr. ZHAO Lin, Ms. PENG Xin and Mr. DENG Bin as executive Directors; Mr. WEI Guoxing and Mr. WONG Tak-wai as non-executive Directors; and Mr. LIU Yiwei, Ms. ZHANG Rui and Mr. XIE Yongming as independent non-executive Directors.