THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any of the contents of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Haidilao International Holding Ltd., you should at once hand this circular together with the form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

HAIDILAO INTERNATIONAL HOLDING LTD.

海底捞国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6862)

(1) PROPOSED RENEWAL OF EXISTING NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT SHAREHOLDERS

Gram Capital Limited
嘉林資本有限公司

A notice convening the Extraordinary General Meeting of Haidilao International Holding Ltd. to be held at 10:00 a.m. on Thursday, December 10, 2026 by way of virtual meeting via online platform is set out on pages 80 to 83 of this circular. A form of proxy for use at the Extraordinary General Meeting is also enclosed. Such form of proxy is also published on the Company's website at www.haidilao.com and the website of the Stock Exchange at www.hkexnews.hk.

Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time fixed for the holding of the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the Extraordinary General Meeting if they so wish.

November 20, 2026

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In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors of the Company
"BVI"	the British Virgin Islands
"China", "Chinese Mainland" or "PRC"	People's Republic of China, but for the purpose of this circular and for geographical reference only and except where the context requires otherwise, references in this circular to "China", "Chinese Mainland" and the "PRC" do not apply to Hong Kong, China; Macau, China; and Taiwan, China
"Commodity Ingredients"	food ingredients which do not require processing, primarily consist of meat, seafood, unwashed vegetables and condiments
"Company" or "our Company" or "Haidilao"	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 and, except where the context otherwise requires, all of its subsidiaries
"Director(s)"	director(s) of the Company
"Existing Non-exempt Continuing Connected Transactions"	Yihai Master Purchase Agreement, Shuhai Agreements and Master Decoration Project General Contract Service Agreement
"Extraordinary General Meeting"	the extraordinary general meeting of the Company to be held at 10:00 a.m. on December 10, 2026 by way of virtual meeting via online platform
"Fuhai"	Fuhai (Shanghai) Food Technology Co., Ltd.* (馥海(上海)食品科技有限公司), a company owned as to 60% by Yihai Shanghai and 40% by Shanghai Xinpai as of the Latest Practicable Date
"General Project Contract Services"	decoration services in connection with the interior decoration and renovation, including but not limited to selecting and engaging subcontractors to carry out the decoration work and purchasing materials and equipment for the projects
"Group" or "our Group"	the Company and its subsidiaries

"Haidilao Customized Products"	the hot pot soup flavorings, hot pot dipping sauce, compound condiment products and other customized products (e.g. seasoned hot pot bases with ingredients and semi-finished ingredients, etc.) manufactured by Yihai Group using formulae owned by our Group, and ancillary products provided to consumers together with meals, in each case for use in our catering business
"Haidilao General Condiments"	the hot pot soup flavorings, compound condiment products and other condiment products manufactured by Yihai Group using formulae owned by Yihai Group
"Haidilao General Products"	collectively, the Haidilao General Condiments and the instant self-serving products sold by Yihai Group to our Group for display and sale to consumers during our catering business such as the hot pot restaurants and on our various online platforms (e.g. the Haidilao App), which are the same products as those sold by Yihai Group to Independent Third Party customers
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board comprising all independent non-executive Directors, namely Dr. Chua Sin Bin, Mr. Hee Theng Fong, Mr. Qi Daqing, Dr. Ma Weihua, Mr. Wu Xiaoguang and Mr. Zhang Junjie, established to advise the Independent Shareholders on the Renewed Agreements and the transactions contemplated thereunder and the Proposed Annual Caps
"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, and the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in relation to the Renewed Agreements and the transactions contemplated thereunder and the Proposed Annual Caps

"Independent Shareholders"	has the meaning ascribed to it under the Listing Rules; and in relation to approving the Renewed Connected Transactions and the Proposed Annual Caps at the Extraordinary General Meeting, means the Shareholders other than (i) Mr. Zhang Yong, Ms. Shu Ping, Mr. Sean Shi, Ms. Hailey Lee, ZY NP, SP NP, SYH NP and LHY NP with respect to the Renewed Yihai Master Purchase Agreement and Renewed Shuhai Agreements; or (ii) Mr. Zhang Yong, Ms. Shu Ping, ZY NP and SP NP with respect to the Renewed Master Decoration Project General Contract Service Agreement
"Independent Third Party(ies)"	an individual or a company which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
"Jinghai Investment"	Jianyang Jinghai Investment Co., Ltd.* (簡陽市靜海投資有限公司), a limited liability company incorporated in the PRC on May 11, 2011, which was a wholly-owned subsidiary of Jingyuan Investment and a connected person of our Company as of the Latest Practicable Date
"Jingyuan Investment"	Jianyang Jingyuan Investment Co., Ltd.* (簡陽市靜遠投資有限公司), a limited liability company incorporated in the PRC on March 13, 2009, which was owned as to 52% by Mr. Zhang Yong, 16% by Ms. Shu Ping, 16% by Mr. Sean Shi and 16% by Ms. Hailey Lee as of the Latest Practicable Date and is a connected person of our Company
"Latest Practicable Date"	November 16, 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Leda Haisheng"	Shanghai Leda Haisheng Enterprise Management Consulting Co., Ltd.* (上海樂達海生企業管理諮詢有限公司), a limited liability company incorporated in the PRC on May 23, 2017, which was held as to (i) approximately 62.70% by Beijing Yihan Management Consulting Co., Ltd.* (北京宜涵管理諮詢有限公司), a company controlled by Mr. Zhang Yong and Ms. Shu Ping, (ii) approximately 14.85% by Mr. Sean Shi, (iii) approximately 14.85% by Ms. Hailey Lee, and (iv) an aggregate of approximately 7.6% by five individuals, each of whom is an independent third party and holds less than 5% of the equity interest therein, as of the Latest Practicable Date

"LHY NP"	LHY NP Ltd., an investment holding company incorporated in the BVI. The entire share capital of LHY NP Ltd. is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the Cheerful Trust 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 their own benefit and the benefit of their families. Mr. Sean Shi and Ms. Hailey Lee (as the founders of the Cheerful Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by LHY NP Ltd. under the SFO
"Listing Date"	September 26, 2018, on which dealings in our Shares first commence on the Main Board
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"Master Decoration Project General Contract Service Agreement"	the master decoration project general contract service agreement dated October 17, 2023 entered into between the Company and Shuyun Dongfang, each for itself and on behalf of its subsidiaries, pursuant to which Shuyun Dongfang agreed to provide decoration project general contract services, including but not limited to, selecting and engaging subcontractors to carry out the decoration work and purchasing materials and equipment for the projects, to our Group in connection with the interior decoration and renovation of our restaurants located in Chinese mainland
"Previous Circular and Announcement"	the previous circular of the Company dated November 24, 2023 and announcement of the Company dated October 17, 2023, in relation to the renewal of continuing connected transactions
"Processed Ingredients"	food ingredients which require processing, which primarily consist of meats that require processing and flavoring, vegetables that require washing and cutting, seafood paste (such as shrimp paste and fish balls)
"Proposed Annual Caps"	the proposed annual caps under each of the Renewed Agreements for the three years ending December 31, 2027, 2028 and 2029
"Prospectus"	the Company's prospectus dated September 12, 2018

"Renewed Agreements"	the agreements in relation to the existing continuing connected transactions to be renewed for a term of three years from January 1, 2027 to December 31, 2029, namely, Renewed Yihai Master Purchase Agreement, Renewed Shuhai Agreements and Renewed Master Decoration Project General Contract Service Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemental or otherwise modified from time to time
"Shanghai Xinpai"	Xinpai (Shanghai) Catering Management Co., Ltd.* (新派(上海)餐飲管理有限公司), a limited liability company incorporated in the PRC on May 12, 2013 and a wholly-owned subsidiary of our Company
"Share(s)"	ordinary share(s) in the share capital of the Company with nominal value of USD0.000005 each
"Shareholder(s)"	the holder(s) of the Shares of the Company
"Shuhai"	Shuhai (Beijing) Supply Chain Management Co., Ltd.* (蜀海(北京)供應鏈管理有限責任公司), a limited liability company incorporated in the PRC on June 3, 2014 and a connected person of our Company, which was held as to (i) 42.72% by Leda Haisheng and 0.92% by its wholly-owned subsidiary, Shanghai Haiyue Investment Management Co., Ltd.* (上海海悦投資管理有限公司), (ii) approximately 26.17% by Jinghai Investment, a company wholly owned by Jingyuan Investment, (iii) approximately 8.55% in aggregate by Ningbo Hongshan Zesheng Equity Investment Partnership (Limited Partnership)* (寧波紅杉澤盛股權投資合夥企業(有限合夥)) and Shenzhen Hongshan Yuechen Investment Partnership (Limited Partnership)* (深圳紅杉悦辰投資合夥企業(有限合夥)), which hold approximately 4.75% and 3.80%, respectively, and which, together with their ultimate beneficial owners, are independent third parties; (iv) approximately 4.27% by Mr. Gou Yiqun, a connected person of our Company, and (v) approximately 17.37% in aggregate by 19 independent third parties (comprising companies, limited partnerships and individuals), none of which holds more than 5.00% equity interest in Shuhai, as of the Latest Practicable Date
"Shuhai Agreements"	the Warehouse Storage and Logistics Service Agreement and the Shuhai Master Purchase Agreement
"Shuhai Group"	the group of companies comprising Shuhai and its subsidiaries

"Shuhai Master Purchase Agreement"	the Shuhai master purchase agreement dated October 17, 2023 entered into between the Company and Shuhai, each for itself and on behalf of its subsidiaries, pursuant to which Shuhai Group agreed to supply to our Group the Processed Ingredients
"Shuyun Dongfang"	Beijing Shuyun Dongfang Decoration Project Co., Ltd.* (北京蜀韻東方裝飾工程有限公司), a limited liability company incorporated in the PRC on May 10, 2006, which was held as to 80.00% by Mr. Zhang Shuoyi (張碩軼) and 20.00% by his spouse, Ms. Wang Dongyu (王東煜), a connected person of our Company, as of the Latest Practicable Date
"SP NP"	SP NP Ltd., an investment holding company incorporated in the BVI. The entire share capital of SP NP Ltd. is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the Rose Trust 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 families. Ms. Shu Ping (as the founder of the Rose Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by SP NP Ltd. under the SFO
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meanings ascribed thereto in the Listing Rules
"substantial shareholder(s)"	has the meanings ascribed thereto in the Listing Rules
"SYH NP"	SYH NP Ltd. is an investment holding company incorporated in the BVI. The entire share capital of SYH NP Ltd. is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the Cheerful Trust 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 their own benefit and the benefit of their families. Mr. Sean Shi and Ms. Hailey Lee (as the founders of the Cheerful Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by SYH NP Ltd. under the SFO

"USD"	United States dollars, the lawful currency of the United States
"Warehouse Storage and Logistics Service Agreement"	the warehouse storage and logistics service agreement dated October 17, 2023 entered into between the Company and Shuhai, each for itself and on behalf of its subsidiaries, pursuant to which Shuhai Group agreed to provide warehousing facilities and storage services and logistics services to our Group in connection with the Commodity Ingredients
"we", "us" or "our"	the Company or the Group, as the context requires
"Yihai"	Yihai International Holding Ltd. (頤海國際控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on October 18, 2013, and listed on the main board of the Stock Exchange (stock code: 1579) (which was controlled by Mr. Zhang Yong and Ms. Shu Ping as of the Latest Practicable Date) and thus Yihai is our connected person
"Yihai Group"	the group of companies comprising Yihai and its subsidiaries
"Yihai Master Purchase Agreement"	the master purchase agreement dated October 17, 2023 entered into between the Company and Yihai, each for itself and on behalf of its subsidiaries, pursuant to which the Group agreed to purchase Haidilao Customized Products other than ancillary products and the Haidilao General Products from Yihai Group
"Yihai Shanghai"	Yihai (Shanghai) Food Co., Ltd.* (頤海(上海)食品有限公司), a wholly-owned subsidiary of Yihai
"ZY NP"	ZY NP Ltd., an investment holding company incorporated in the BVI. The entire share capital of ZY NP Ltd. is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the Apple Trust 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 families. Mr. Zhang Yong (as the founder of the Apple Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by ZY NP Ltd. under the SFO
"%"	percentage

* *English translations of company names are for identification purposes only.*

The EGM will be a virtual meeting. All registered Shareholders will be entitled to join the EGM via the online platform. The online platform can be accessed from any location with access to the internet via smartphone, tablet device or computer. Through the online platform, our registered Shareholders will be able to view the live video broadcast and participate in voting and submit questions online. Login details and information will be included in our letters to be sent to registered Shareholders regarding the online platform.

HOW TO ATTEND AND VOTE

Registered Shareholders' attendance at the EGM and exercise of their voting rights can be achieved in either one of the following ways:

(1) attend the EGM via the online platform which enables live streaming and interactive platform for submitting questions and voting online; or

(2) appoint the chairman of the EGM or other persons as your proxy by providing their email addresses for receiving the designated log-in details to attend and vote on your behalf via the online platform.

Completion and return of the form of proxy will not preclude a registered Shareholder from attending and voting via the online platform at the EGM or any adjournment thereof (as the case may be) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

If you are a non-registered Shareholder, you may consult directly with your banks, brokers, custodians or Hong Kong Securities Clearing Company Limited (as the case may be) for necessary arrangement to attend and vote via the online platform at the EGM if you wish.

If you have any questions relating to the EGM, please contact the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, with the following details:

Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Website: www.computershare.com/hk/contact

Telephone: (852) 2862 8555

Fax: (852) 2865 0990

HAIDILAO INTERNATIONAL HOLDING LTD.
海底捞国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6862)

Executive Directors:
Mr. Zhang Yong *(Chairman)*
Mr. Zhou Zhaocheng *(Vice Chairman)*
Mr. Li Peng
Ms. Li Nana
Ms. Zhu Yinhua
Ms. Jiao Defeng
Ms. Zhu Xuanyi

Independent Non-executive Directors:
Dr. Chua Sin Bin
Mr. Hee Theng Fong
Mr. Qi Daqing
Dr. Ma Weihua
Mr. Wu Xiaoguang
Mr. Zhang Junjie

Registered Office:
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Corporate Headquarters in Hong Kong:
Office Nos. 3-4, 25/F, Righteous Centre
585 Nathan Road
Kowloon, Hong Kong

Principal place of business in Hong Kong:
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

November 20, 2026

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED RENEWAL OF EXISTING NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated October 26, 2026 in relation to, among other things, the renewal of Existing Non-exempt Continuing Connected Transactions and the respective annual caps to be proposed under the contemplated transactions herein.

The purposes of this circular are, among other things: (i) to give you further details of the renewal of Existing Non-exempt Continuing Connected Transactions and the respective annual caps to be proposed under the contemplated transactions for the three years ending December 31, 2027, 2028 and 2029; (ii) to set out the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in relation to the matters set out in (i); (iii) to set out the recommendation and opinion of the Independent Board Committee to the Independent Shareholders after taking into consideration the advice of Gram Capital in relation to the matters set out in (i); and (iv) to give you the notice of the Extraordinary General Meeting.

RENEWAL OF EXISTING NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Renewal of Yihai Master Purchase Agreement

Background

Reference is made to the Previous Circular and Announcement in relation to, inter alia, Yihai Master Purchase Agreement pursuant to which our Group agreed to purchase Haidilao Customized Products other than ancillary products and the Haidilao General Products from Yihai Group for a term ending December 31, 2026.

The Group has been conducting certain continuing connected transactions under the Yihai Master Purchase Agreement in ordinary and usual course of its business on normal commercial terms. The Company has monitored the transactions contemplated thereunder closely and the actual transaction amounts did not exceed the annual caps for the years ended December 31, 2024 and 2025. As of the Latest Practicable Date, the actual transaction amounts for the transactions under the Yihai Master Purchase Agreement did not exceed the annual cap for the year ending December 31, 2026.

Renewed Yihai Master Purchase Agreement

As the Yihai Master Purchase Agreement will expire on December 31, 2026, and the Group intends to continue the transactions under the Yihai Master Purchase Agreement subsequent to December 31, 2026, the Company and Yihai, each for itself and on behalf of its subsidiaries, entered into a new master purchase agreement (the "**Renewed Yihai Master Purchase Agreement**") on October 26, 2026 for a term of three years commencing from January 1, 2027 to December 31, 2029 (both days inclusive), subject to the independent shareholders' approval of both Yihai and the Company. The Yihai Master Purchase Agreement will be terminated once the Renewed Yihai Master Purchase Agreement takes effect. No term has been modified or changed since the parties entered into the Renewed Yihai Master Purchase Agreement.

The principal terms of the Renewed Yihai Master Purchase Agreement are summarized below:

Date:	October 26, 2026
Parties:	(1) The Company (2) Yihai (each for itself and on behalf of its subsidiaries)
Terms:	The Renewed Yihai Master Purchase Agreement has an initial term of three years commencing from January 1, 2027 to December 31, 2029 (both days inclusive), subject to the independent shareholders' approval of both Yihai and the Company.

Nature of transactions: During the term of the Renewed Yihai Master Purchase Agreement, the Group will purchase Haidilao Customized Products and the Haidilao General Products from Yihai Group.

i. Purchase of Haidilao Customized Products

During the term of the Renewed Yihai Master Purchase Agreement, and subject to the Group's requirements concerning mass production and standardization, Yihai Group will supply Haidilao Customized Products for use in our catering business in Chinese mainland, Hong Kong, Macau, and Taiwan regions. If Yihai Group fails to meet the Group's requirements and the issue remains unresolved within a reasonable period (in any event no longer than 30 days) after negotiation between the parties, we may engage third party suppliers.

Purchase of Haidilao Customized Products will be made on the basis of individual orders specifying the type of product, purchase volume, sales price, delivery date and etc. The price of Haidilao Customized Products shall be determined based on the pricing basis as set out below.

We own the proprietary rights in the formulae of Haidilao Customized Products (the "**Condiments Formulae**") and grant Yihai Group and its contract manufacturers a royalty-free license to use the Condiments Formulae for production. Yihai Group is required to, and shall use reasonable efforts to procure its contract manufacturers to: (i) keep the Condiments Formulae confidential, and (ii) unless we have given written consent, refrain from selling products that were made using these formulae to any of our competitors that is primarily engaged in hot pot business in the Chinese mainland, Hong Kong, Macau, and Taiwan regions.

For any upgrades and developments in the Condiments Formulae made through the joint efforts of Yihai Group and us, we will own the proprietary rights, while Yihai Group and its contract manufacturers will be entitled to use such upgraded formulae for production of Haidilao Customized Products. In relation to the purchase of products which will be produced with such upgraded formulae, and in accordance with the Renewed Yihai Master Purchase Agreement, a supplemental agreement will be entered into by the parties to confirm that the upgraded formulae are a result of the joint efforts of Yihai Group and us.

For any upgrades and developments in the Condiments Formulae made through Yihai Group's own efforts, Yihai Group will own the proprietary rights of such upgraded formulae unless otherwise agreed between the parties. If Yihai Group and its entrusted manufacturers supply any product which will be produced with such upgraded formulae to us, in accordance with the Renewed Yihai Master Purchase Agreement, a supplemental agreement will be entered into by the parties in respect of such upgraded formulae. Such upgraded formulae and the products produced using such upgraded formulae shall be subject to all the terms and conditions in respect of the condiments products under the agreement.

ii. Purchase of the Haidilao General Products

Pursuant to the terms of the Renewed Yihai Master Purchase Agreement, Yihai Group is the supplier of the Haidilao General Products to our Group for display and sales to consumers in the course of our Group's catering business and on the online platforms of our Group.

Haidilao General Products are manufactured with Yihai Group's own formulae. Our Group is not permitted to consign or resell Yihai Group's products to any third party distributor. Purchase of Haidilao General Products will be made on the basis of individual orders specifying the type of product, purchase volume and delivery date, etc. The purchase price of Haidilao General Products shall be determined based on the pricing policy as set out below.

Pricing basis: The purchase price of the Haidilao Customized Products and the Haidilao General Products are determined by the parties with reference to a number of factors as stated below.

The Group's purchase prices from Yihai Group are assessed by one of two methods, depending on whether comparable products are available in the market: (i) for general products and customized products for which comparable products of the same type are available in the market, the purchase price is determined on a market basis with reference to market pricing materials, namely the prevailing market price and the historical purchase price of the same or similar products supplied to the Group by independent third-party suppliers, for which the Group will obtain and compare quotations from at least two independent third-party suppliers; and (ii) for customized products produced exclusively for the Group for which no comparable market price is publicly available, the purchase price is determined with reference to a cost breakdown and an itemized market price comparison of each cost component and estimated net profit margin. Yihai Group will provide the Group with a detailed breakdown of the costs of such products for the Group's verification and confirmation. The Group's business department will then verify and compare each sub-category of costs set out in the cost breakdown, item by item, against the prices offered in the market by at least two independent third-party suppliers, following which the final purchase price will be negotiated and agreed between the Group and Yihai Group, so as to ensure that the price offered by Yihai Group is fair and reasonable and no less favourable to the Group than the terms available from independent third parties.

Accordingly, the purchase prices of Haidilao Customized Products and the Haidilao General Products shall be determined by the parties after arm's length with reference to (i) historical purchase price, (ii) Yihai Group's costs and expenses, including the cost of raw materials, selling and administrative expenses incurred in connection with the production of Haidilao Customized Products, (iii) Yihai Group's estimated overall net profit margin through sales to Independent Third Party customers, and (iv) the prevailing market price of comparable similar products purchased from independent and comparable suppliers, ascertained by obtaining and comparing quotations from at least two independent counterparties, and with reference to the respective internal policies of the Company and Yihai Group on the management of connected transactions.

In addition, the Company has adopted comprehensive internal control measures to monitor the enforcement of the purchase agreements under the Renewed Agreements and the transactions contemplated thereunder. Please refer to "- Internal Control Measures" for further details.

Payment terms: After our Group places a purchase order, Yihai Group will deliver the products in the quantities set out in each individual order and issue a delivery note to our Group. The payment will be made in the following month, or within such other period as both parties may agree. In practice, the Group generally settles payments with Yihai Group on a monthly basis in the following month, and any other payment period would only be agreed by the parties in limited circumstances.

To ensure that the payment terms are fair and reasonable and on normal commercial terms or better, the Group adopts the following measures: (i) the finance management department of the Group will review the transaction balances with Yihai Group on a monthly basis to identify and investigate any abnormal transactions and changes in balances, so as to ensure the accuracy of the transaction records and the compliance of the settlement; and (ii) where any payment is proposed to be made beyond the regular monthly settlement arrangement (including any advance payment or deferred payment), the finance management department of the Group will review the reasons for and the commercial reasonableness of such arrangement prior to making the payment, and the payment will only be made after such review is approved.

The terms of the Renewed Yihai Master Purchase Agreement are substantially the same as those of the Yihai Master Purchase Agreement.

Reasons for and Benefits of the Transaction

Yihai Group is a leading compound condiment manufacturer in the PRC and has been the supplier of flavoring products for our Group for a long time. The Group's enduring and mutually beneficial commercial relationship with Yihai Group, together with Yihai Group's mass production capabilities, have contributed significantly to our successful growth and expansion. The Directors are of the view that the maintenance of the mutually beneficial relationship will be beneficial to our Group and is in the best interest of our Shareholders as a whole.

Yihai Group principally conducts manufacturing, distribution and sale, as well as research and development, of hot pot soup flavoring, hot pot dipping sauce and Chinese-style compound condiment products under the 海底撈 brand in Chinese mainland, Hong Kong, Macau, and Taiwan regions and certain overseas regions, and has been our supplier for over a decade. It was initially founded as and had been an internal supplier of hot pot soup flavoring products to the Group since its establishment. With gradual growth alongside the expansion of the Group, Yihai Group expanded and started to offer products to third-party distributors and customers. To optimize its corporate structure for future development and for the purpose of listing on the Stock Exchange, Yihai Group underwent a corporate reorganization from 2013 to 2015 and is no longer a member of the Group.

Pursuant to the Renewed Yihai Master Purchase Agreement, Yihai Group is the supplier of the Haidilao Customized Products and the Haidilao General Products. The Directors are of the view that the Renewed Yihai Master Purchase Agreement does not constitute undue reliance on Yihai Group or our Controlling Shareholders on the following grounds:

(1) Long-standing and mutually beneficial relationship

There has been a continued long-term, stable and mutually beneficial business relationship between our Group and Yihai Group. Our Group has been the largest customer of Yihai Group since its establishment, and Yihai Group has been the supplier of flavoring products to our Group for over a decade. The mass production capabilities of Yihai Group have ensured a stable supply of competitively priced, high-quality products meeting stringent food safety standards, and the long-term and stable business relationship enables Yihai Group to grow alongside our Group's expansion. Given the importance of the Group's business to Yihai Group, Yihai Group has a strong incentive to protect the proprietary know-how and trade secrets. In addition, the in-house research teams of each of Yihai Group and our Group have been working closely on the continuing enhancement and development of hot pot soup flavoring formulae. To maintain the mutually beneficial relationship is in the best interest of the shareholders of both Yihai Group and our Group.

(2) Importance of our Group to Yihai Group

The purchase amount from Yihai Group was approximately RMB1,841 million, RMB1,684 million and RMB926 million for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, respectively, which accounted for approximately 28.1%, 25.5% and 27.7% of the total revenue of Yihai Group for the relevant period, and our Group's demand of the products under the Renewed Yihai Master Purchase Agreement may further increase as a result of our anticipated expansion. Given the top market player status of our Group in the catering sector in China, and the significant contribution to Yihai Group's revenue from its sales to our Group, which reflects the pivotal role our Group has been playing in the business development of Yihai Group, the Company considers that Yihai Group has every interest to deliver high quality products with reasonable prices under the Renewed Yihai Master Purchase Agreement, and it is highly unlikely that Yihai Group will intentionally cease or reduce its supply to our Group.

(3) Sourcing from alternative suppliers

The formulae for the Haidilao Customized Products are owned by our Group. Since the listing of Yihai on the Stock Exchange, our Group has been identifying alternative suppliers for the Haidilao Customized Products in case Yihai Group is unable to satisfy the Group's requirements or demand. We have entered into agreements with certain Independent Third Party suppliers of comparable products, who have been added into the "Qualified Supplier List" maintained by our Group, to procure a specific type of soup base product which Yihai Group is currently unable to manufacture. Such alternative suppliers are capable of providing

comparable products of similar quality on similar pricing terms as Yihai Group. As our Group owns the Condiments Formulae and the raw materials for the Haidilao Customized Products can readily be available, the Company believes that in the unlikely event that Yihai Group ceases or is unable to supply to our Group, our Group would be able to source from alternative suppliers the Haidilao Customized Products that meet its requirements and demand within 30 days, and the business of our Group would not be adversely affected.

Under the Renewed Yihai Master Purchase Agreement, Yihai Group is the supplier of the Haidilao General Products to us for display and sales to consumers in our restaurants and on our various online platforms (e.g. the Haidilao App). Given the revenue generated from sales of the Haidilao General Products is relatively insignificant to our Group, in the unlikely event that Yihai Group ceases or reduces the supply of the Haidilao General Products to our Group, the potential effect on our business, financial condition and results of operations would be immaterial. Therefore, we believe that it is unnecessary to secure alternative suppliers of such products.

(4) Fair and reasonable pricing terms

Under the Renewed Yihai Master Purchase Agreement, the pricing of the Haidilao Customized Products is determined by taking into account various factors such as historical sale price to our Group by Yihai Group, net profit margin for Yihai's sales to Independent Third Party customers, production cost, and the market price of similar products sold by Yihai to Independent Third Parties. The pricing terms of the Haidilao Customized Products are considered to be fair and reasonable and on normal commercial terms at arm's length negotiation by both parties. The pricing of the Haidilao General Products follows the pricing of sales to third parties by Yihai.

(5) High level of transparency and corporate governance measures

Yihai is listed on the Stock Exchange and its connected transactions with our Group are subject to the relevant requirements under the Listing Rules, including but not limited to, independent shareholders' approval and annual review by its independent non-executive directors and auditors. As such, the Shareholders will be well protected as the fairness and reasonableness of the connected transactions between Yihai Group and our Group will be closely and regularly monitored by their respective independent shareholders, independent non-executive directors and auditors.

Historical Amounts and Proposed Annual Caps

The following table sets forth the historical amounts of the transaction amounts of our purchase from Yihai Group for the two years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 [Note 1]:

For the Year ended December 31,		For the Six Months ended June 30,
2024	**2025**	**2026**
RMB'000	*RMB'000*	*RMB'000*
		(Unaudited)
1,840,879	1,684,373 [Note 2]	925,602

Note:

(1) The historical transaction amounts set out above may differ marginally from the corresponding amounts disclosed by Yihai due to rounding.

(2) The slight decrease in the historical transaction amounts for the year ended December 31, 2025 compared with the year ended December 31, 2024 was primarily due to (i) a decline in the system-wide sales of Haidilao restaurants, which resulted in lower overall demand for products purchased from Yihai Group; and (ii) a continued decrease in raw material prices.

The Company estimates that the proposed annual caps for the continuing transactions contemplated under the Renewed Yihai Master Purchase Agreement for the three years ending December 31, 2027, 2028 and 2029 are as below:

Proposed annual cap for the year ending December 31,		
2027	**2028**	**2029**
RMB'000	*RMB'000*	*RMB'000*
2,340,000	2,820,000	3,450,000

Reasons for the Proposed Annual Caps and Basis of Determination

The proposed annual caps under the Renewed Yihai Master Purchase Agreement have been estimated based on the following factors:

(i) the historical transaction amounts with Yihai Group;

(ii) the estimated increase in demand for Haidilao Customized Products and sales volume of the Haidilao General Products, which is expected to grow in line with the Group's business operations, reflecting (a) the expected steady growth of the Group's hot pot restaurant business for each of the three years ending December 31, 2029, with reference to the planned opening of a number of new hot pot restaurants, and the resulting increase in the total number of guests served; and (b) the expected rapid growth in the number of restaurants operated by the Group under the "Pomegranate Plan" (being the Group's multi-brand development initiative, under which the Group encourages the incubation and development of new catering brands through internal entrepreneurship and supports such brands by sharing supply chain, property, talent, membership and middle office resources; as of June 30, 2026, in addition to Haidilao hot pot, the Group operated 21 other catering brands with a total of 183 restaurants, and during the six months ended June 30, 2026 the Group shifted the focus of the plan from broad exploration to concentrating resources on projects with proven potential; the food stall hot pot and sushi formats, which were incubated under the plan, have since developed relatively mature single-restaurant models and graduated from the incubation stage to the stage of large-scale replication) for each of the three years ending December 31, 2029, with reference to the revenue from other restaurant operation (including restaurants under the "Pomegranate Plan") having increased by approximately 113.1% from RMB596.5 million for the six months ended June 30, 2025 to RMB1,271.4 million for the six months ended June 30, 2026, which is expected to generate incremental demand for the Haidilao Customized Products and the Haidilao General Products in addition to the demand from the hot pot restaurant business. The Group expects the restaurants under the "Pomegranate Plan" to maintain a high growth rate for each of the three years ending December 31, 2029, driven by both (1) the continued incubation and development of new brands and extended brands under the "Pomegranate Plan", and (2) the large-scale replication of the food stall hot pot, sushi and other brands incubated under the "Pomegranate Plan" that have entered the stage of large-scale replication;

(iii) the strong growth and significant market potential of the Group's delivery business, which is in line with the expansion of the food delivery market in the Chinese mainland, and is expected to continue to grow steadily in each of the three years ending December 31, 2029. In particular, revenue from the Group's delivery business increased by approximately 121.2% from RMB927.6 million for the six months ended June 30, 2025 to RMB2,051.4 million for the six months ended June 30, 2026, mainly driven by the rapid growth of its single-serving high-quality fast food business. Such historical growth primarily reflected the initial ramp-up of the high-quality single-serving fast food business from a low base. Following this initial development stage, the Group expects the delivery business to grow steadily in each of the three years ending December 31, 2029. The continued growth of the Group's delivery business is expected to generate incremental demand for the Haidilao Customized Products and the Haidilao General Products in addition to the demand from the Group's restaurant operations; and

(iv) the enhanced supply capacity of Yihai Group.

Accordingly, the proposed annual caps reflect the expected demand from three business lines of the Group, namely (a) the hot pot restaurant business, (b) the restaurants under the "Pomegranate Plan" and (c) the delivery business. Demand from the Group's existing hot pot restaurants is expected to continue to account for the majority of the Group's purchases under the Renewed Yihai Master Purchase Agreement, and the hot pot restaurant business is expected to grow steadily. Although the revenue from other restaurant operation and the delivery business each grew by more than 100% for the six months ended June 30, 2026 as compared with the same period in 2025, such growth was achieved from a relatively low base and these businesses currently represent a relatively smaller proportion of the Group's overall demand.

Information on the Parties

The Group is principally engaged in the hot pot restaurant business and other catering business.

Yihai Group principally conducts manufacturing, distribution and sale, as well as research and development, of hot pot soup flavoring, hot pot dipping sauce and Chinese-style compound condiment products under the 海底捞 brand in Chinese mainland, Hong Kong, Macau, and Taiwan regions and certain overseas regions.

Listing Rules Implications

As of the Latest Practicable Date, Yihai was held as to approximately 31.44% in aggregate, directly and indirectly, by Mr. Zhang Yong and Ms. Shu Ping. Therefore, Yihai is an associate of Mr. Zhang Yong and Ms. Shu Ping and thus a connected person of the Company. The transactions under the Renewed Yihai Master Purchase Agreement constitute continuing connected transactions of the Company under the Listing Rules. Since the highest of all applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the proposed annual caps of the Renewed Yihai Master Purchase Agreement is more than 5%, the transactions under the Renewed Yihai Master Purchase Agreement are subject to the announcement, circular, independent shareholders' approval, annual review and reporting requirements under Chapter 14A of the Listing Rules.

Directors' Confirmation

The Directors (including the independent non-executive Directors) are of the view that (i) the transactions under the Renewed Yihai Master Purchase Agreement have been and will be entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) the Renewed Yihai Master Purchase Agreement and the proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

To the best knowledge, belief and information of the Company, having made all reasonable enquiries, as of the Latest Practicable Date, Yihai was controlled by Mr. Zhang Yong through ZYSP YIHAI Ltd. and SP YH Ltd. Therefore, Mr. Zhang Yong is deemed to have material interests in the transactions contemplated under the Renewed Yihai Master Purchase Agreement and accordingly abstained from voting on the Board resolutions in connection with the continuing connected transactions under the Renewed Yihai Master Purchase Agreement, the transactions contemplated thereunder and the proposed annual caps related thereto. Except for Mr. Zhang Yong, none of the Directors has any material interest or is required to abstain from voting on the relevant Board resolutions approving the same.

Approval by Independent Shareholders

To the best knowledge, belief and information of the Company, having made all reasonable enquiries, as of the Latest Practicable Date, (i) ZY NP, SP NP, SYH NP and LHY NP directly held 2,081,763,204 Shares, 441,610,689 Shares, 459,280,689 Shares and 582,503,689 Shares, respectively, representing approximately 37.35%, 7.92%, 8.24% and 10.45% of the total issued share capital of the Company. Mr. Zhang Yong directly held 12,010,477 Shares, representing approximately 0.22% of the total issued share capital of the Company. Mr. Zhang Yong (by himself and through ZY NP), Ms. Shu Ping (through SP NP), are collectively entitled to exercise approximately 45.49% of the voting rights of our Company. Ms. Hailey Lee directly held 25,300,000 Shares, representing approximately 0.45% of the total issued share capital of the Company. Mr. Sean Shi (through SYH NP) and Ms. Hailey Lee (by herself and through LHY NP), are collectively entitled to exercise approximately 19.14% of the voting rights of our Company; and (ii) Ms. Shu Ping and Mr. Zhang Yong are interested in approximately 31.44% of the issued share capital of Yihai. Ms. Hailey Lee and Mr. Sean Shi are interested in approximately 12.60% of the issued share capital of Yihai. Therefore, Mr. Zhang Yong, Ms. Shu Ping, Mr. Sean Shi and Ms. Hailey Lee and their respective associates, namely, ZY NP, SP NP, SYH NP and LHY NP, are deemed to have material interests in the transactions contemplated under the Renewed Yihai Master Purchase Agreement. In accordance with the Listing Rules, each of Mr. Zhang Yong, Ms. Shu Ping, Mr. Sean Shi and Ms. Hailey Lee and their respective associates will abstain from voting on the ordinary resolutions to approve the Renewed Yihai Master Purchase Agreement, the transactions contemplated thereunder and the proposed annual caps related thereto at the Extraordinary General Meeting.

Apart from the above, none of the Shareholders have a material interest in the transactions under the Renewed Yihai Master Purchase Agreement, and save as disclosed in this circular, no other Shareholder is required to abstain from voting on the proposed resolutions approving the same.

The Company will seek the Independent Shareholders' approval at the Extraordinary General Meeting for, among others, the Renewed Yihai Master Purchase Agreement on the condition that:

1. the annual transaction amount of the Renewed Yihai Master Purchase Agreement shall not exceed the respective annual caps;

2. the Renewed Yihai Master Purchase Agreement will be entered into in the ordinary and usual course of business of the Group and either (a) on normal commercial terms or better; or (b) if there is no available comparison, on terms no less favorable than terms available to the Group from Independent Third Parties; and

3. the transactions will be entered into in accordance with the Renewed Yihai Master Purchase Agreement and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company will comply with relevant provisions of the Listing Rules in relation to the transactions under the Renewed Yihai Master Purchase Agreement.

Renewal of Shuhai Agreements

Background

As disclosed in the Previous Circular and Announcement, the Company and Shuhai, each for itself and on behalf of its subsidiaries, entered into (i) the Warehouse Storage and Logistics Service Agreement, pursuant to which Shuhai Group agreed to provide warehousing facilities and storage services and logistics services to our Group in connection with the Commodity Ingredients; and (ii) the Shuhai Master Purchase Agreement, pursuant to which Shuhai Group agreed to supply to our Group the Processed Ingredients. The Shuhai Agreements have an initial term of three years commencing from January 1, 2024.

The Group has been conducting certain continuing connected transactions under the Shuhai Agreements in ordinary and usual course of its business on normal commercial terms. The Company has closely monitored the transactions contemplated under the Shuhai Agreements and the actual transaction amounts did not exceed the annual cap for the years ended December 31, 2024 and 2025. As of the Latest Practicable Date, the actual transaction amounts for the transactions under the Shuhai Agreements did not exceed the annual cap for the year ending December 31, 2026.

Renewed Shuhai Agreements

As the Shuhai Agreements will expire on December 31, 2026, and the Company will continue the transactions under the Shuhai Agreements subsequent to December 31, 2026, the Company and Shuhai, each for itself and on behalf of its subsidiaries, entered into a new warehouse storage and logistics service agreement (the "**Renewed Warehouse Storage and Logistics Service Agreement**") and a new master purchase agreement (the "**Renewed Shuhai Master Purchase Agreement**") (collectively, the "**Renewed Shuhai Agreements**") on October 26, 2026 for a term of three years commencing from January 1, 2027 to December 31, 2029 (both days inclusive), subject to the Independent Shareholders' approval of the Company. The Shuhai Agreements will be terminated once the Renewed Shuhai Agreements take effect. No term has been modified or changed since the parties entered into the Renewed Shuhai Agreements.

The principal terms of the Renewed Shuhai Agreements are summarized below:

Date: October 26, 2026

Parties: (1) Our Company

(2) Shuhai

(each for itself and on behalf of its subsidiaries)

Terms: The Renewed Shuhai Agreements have an initial term of three years commencing from January 1, 2027 to December 31, 2029 (both days inclusive), subject to the independent shareholders' approval of the Company.

Nature of transactions: Pursuant to the Renewed Shuhai Agreements,

(i) under the Renewed Warehouse Storage and Logistics Service Agreement, Shuhai Group will provide storage and logistics services to our Group; and

(ii) under the Renewed Shuhai Master Purchase Agreement, Shuhai Group will enter into purchase agreements with third-party suppliers of the raw materials selected by our Group and process the raw materials into Processed Ingredients, which our Group will then purchase from Shuhai Group.

Pricing basis: The service fee under the Renewed Warehouse Storage and Logistics Service Agreement will be determined by both parties at arm's length negotiation with reference to (i) the actual costs and expenses incurred by Shuhai Group for the provision of services in relation to the warehouse storage and logistics services, which (covered in the expenses actually borne by the Group) will be verified on a monthly basis, whereby Shuhai Group will send the statement of the costs and expenses incurred during the relevant month by email to each of the restaurants served by the relevant warehouse for confirmation, and following the reply of the relevant restaurants by email confirming that such statement is accurate, the finance department of the Group will make payment based on the statements so confirmed by the restaurants; (ii) the geographical location and the actual transaction amount for storage; (iii) the quality of services in relation to the warehouse storage and logistics services; and (iv) fees charged by Independent Third Parties for similar and comparable services, for which the Group will obtain at least two quotations from Independent Third Parties for service in similar qualities for comparison with the price and terms offered by the Shuhai Group.

The purchase price under the Renewed Shuhai Master Purchase Agreement will be determined through fair negotiation, with reference to: (i) historical purchase price, (ii) procurement cost and related expenses, and (iii) the prevailing market price charged by Independent Third Parties for comparable products (including raw material costs and selling and administrative expenses), for which the Group will obtain at least two quotations from Independent Third Parties for products in similar quantities for comparison with the price and terms offered by the Shuhai Group.

Accordingly, based on the quotations obtained by the Company, as of the Latest Practicable Date, the fee/margins charged by Shuhai Group for storage and logistics services, and Processed Ingredients, will not be more than the fee/margins charged by other third party suppliers for providing the same/similar products/services.

Payment terms: Under the Renewed Warehouse Storage and Logistics Service Agreement, Shuhai Group will provide our Group with a monthly statement of the service fees for the preceding month for confirmation, and will issue the corresponding invoice upon such confirmation. Our Group will make payment after receiving a valid invoice, and may deduct any compensation and liquidated damages payable by Shuhai Group as determined under the agreement.

Under the Renewed Shuhai Master Purchase Agreement, Shuhai Group will issue invoices to our Group for the products it actually supplies during each month at the beginning of the following month. The payment will be made in the following month after our Group receives a valid invoice, or within such other period as both parties may agree.

To ensure that the payment terms are fair and reasonable and on normal commercial terms or better, the Group adopts the following measures: (i) the finance management department of the Group will review the transaction balances with Shuhai Group on a monthly basis to identify and investigate any abnormal transactions and changes in balances, so as to ensure the accuracy of the transaction records and the compliance of the settlement; and (ii) where any payment is proposed to be made beyond the monthly settlement arrangement (including any advance payment or deferred payment), the finance management department of the Group will review the reasons for and the commercial reasonableness of such arrangement prior to making the payment, and the payment will only be made after such review is approved.

The terms of the Renewed Shuhai Agreements are substantially the same as the Shuhai Agreements.

Reasons for and Benefits of the Transactions

Shuhai was established in June 2014 and primarily engages in the provision of "one-stop-shop" supply chain services (including purchase, process, warehouse storage, logistics, and sales of food products) to catering service providers. Since the establishment of Shuhai Group, we have purchased from Shuhai Group Processed Ingredients, and Shuhai Group has provided warehouse storage and logistics services to our Group. The relevant expertise of Shuhai Group in providing warehouse storage and logistics services for catering service providers allows us to ensure efficient management of our materials and products purchased from our suppliers and orderly delivery to our restaurants. In addition, the purchase fees charged by Shuhai Group under the Renewed Shuhai Agreements are determined with reference to actual costs and expenses incurred. Therefore, our Directors believe that the continuous cooperation with Shuhai Group will be beneficial to our Group and is in the best interest of our Shareholders as a whole.

Taking into account that (1) our Group has control over the selection of suppliers of the Commodity Ingredients and raw materials for the Processed Ingredients; (2) the processing, storage and logistics services provided by Shuhai Group do not require any complicated techniques and comparable services are readily available from Independent Third Party service providers on comparable terms. Such alternative suppliers are able to supply storage and logistics services of similar quality with similar pricing terms as Shuhai; and (3) we are not subject to any minimum purchase or minimum service commitment under the Renewed Shuhai Agreements, and orders are placed on a monthly planning and daily ordering basis, such that the Group retains discretion at the transaction level. We believe that our connected transactions with Shuhai Group do not constitute undue reliance on Shuhai Group.

Taking into account that (1) the significant contribution to Shuhai Group's revenue from its sales to our Group, which reflects the pivotal role our Group has been playing in the business development of Shuhai Group; and (2) the extensive experience and good reputation of Shuhai Group in providing warehouse storage and logistics service for catering service providers, the Company believes that it is unlikely that Shuhai Group will cease or reduce the supplies to our Group.

Historical Amounts and Proposed Annual Caps

The following table sets forth the historical amounts of services we obtained and purchases from Shuhai Group for the two years ended December 31, 2024 and 2025 and the six months ended June 30, 2026:

	For the year ended December 31,		**For the Six Months ended June 30,**
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
			(Unaudited)
Warehouse Storage and Logistics Service Agreement	590,391	653,732	352,255
Shuhai Master Purchase Agreement	1,402,585	1,495,078	945,945
Total	**1,992,976**	**2,148,810**	**1,298,200**

The Company estimates that the proposed annual caps for the continuing transactions contemplated under the Renewed Shuhai Agreements for the three years ending December 31, 2027, 2028 and 2029 are as below:

	Proposed annual cap for the year ending December 31,		
	2027	**2028**	**2029**
	RMB'000	*RMB'000*	*RMB'000*
Renewed Warehouse Storage and Logistics Service Agreement	900,000	1,060,000	1,300,000
Renewed Shuhai Master Purchase Agreement	2,040,000	2,650,000	3,250,000
Total	**2,940,000**	**3,710,000**	**4,550,000**

Reasons for the Proposed Annual Caps and Basis of Determination

The proposed annual caps under the Renewed Shuhai Agreements have been estimated based on the following factors:

(i) the historical transaction amounts for the warehouse storage and logistics services and the historical purchase volume;

(ii) the estimated increase in our demand of Processed Ingredients, and the storage and logistics services, which is expected to grow in line with the Group's business operations, reflecting (a) the expected steady growth of the Group's hot pot restaurant business for each of the three years ending December 31, 2029, with reference to the planned opening of a number of new hot pot restaurants, and the resulting increase in the total number of guests served; and (b) the expected rapid growth in the number of restaurants operated by the Group under the "Pomegranate Plan" for each of the three years ending December 31, 2029, with reference to the revenue from other restaurant operation (including restaurants under the "Pomegranate Plan") having increased by approximately 113.1% from RMB596.5 million for the six months ended June 30, 2025 to RMB1,271.4 million for the six months ended June 30, 2026, which is expected to generate incremental demand for the Processed Ingredients and the storage and logistics services in addition to the demand from the hot pot restaurant business. The Group expects the restaurants under the "Pomegranate Plan" to maintain a high growth rate for each of the three years ending December 31, 2029, driven by both (1) the continued incubation and development of new brands and extended brands under the "Pomegranate Plan", and (2) the large-scale replication of the food stall hot pot, sushi and other brands incubated under the "Pomegranate Plan" that have entered the stage of large-scale replication;

(iii) the strong growth and significant market potential of the Group's delivery business, which is in line with the expansion of the food delivery market in the Chinese mainland, and is expected to continue to grow steadily in each of the three years ending December 31, 2029. In particular, revenue from the Group's delivery business increased by approximately 121.2% from RMB927.6 million for the six months ended June 30, 2025 to RMB2,051.4 million for the six months ended June 30, 2026, mainly driven by the rapid growth of its single-serving high-quality fast food business. Such historical growth primarily reflected the initial ramp-up of the high-quality single-serving fast food business from a low base. Following this initial development stage, the Group expects the delivery business to grow steadily in each of the three years ending December 31, 2029. The continued growth of the Group's delivery business is expected to generate incremental demand for the Processed Ingredients and the storage and logistics services, in addition to the demand arising from the Group's restaurant operations; and

(iv) the potential fluctuation of (a) the price of the raw materials of the Processed Ingredients; (b) the production cost and indirect expenses in relation to the Processed Ingredients.

Accordingly, the proposed annual caps reflect the expected demand from three business lines of the Group, namely (a) the hot pot restaurant business, (b) the restaurants under the "Pomegranate Plan" and (c) the delivery business. Demand from the Group's existing hot pot restaurants is expected to continue to account for the majority of the Group's demand under the Renewed Shuhai Agreements, and the hot pot restaurant business is expected to grow steadily. Although the revenue from other restaurant operation and the delivery business each grew by more than 100% for the six months ended June 30, 2026 as compared with the same period in 2025, such growth was achieved from a relatively low base and these businesses currently represent a relatively smaller proportion of the Group's overall demand.

Information on the Parties

The Group is principally engaged in the hot pot restaurant business and other catering business.

Shuhai is principally engaged in the provision of "one-stop-shop" supply chain services (including purchase, process, warehouse storage, logistics services, and sales of food products) to catering service providers.

Listing Rules Implications

As of the Latest Practicable Date, Shuhai was held as to 42.72% by Leda Haisheng and approximately 26.17% by Jinghai Investment. Therefore, Shuhai is an associate of Mr. Zhang Yong and Ms. Shu Ping, and thus a connected person of the Company. Accordingly, the transactions under the Renewed Shuhai Agreements constitute continuing connected transactions of the Company under the Listing Rules. Since the highest of all applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the proposed annual caps of the Renewed Shuhai Agreements is more than 5%, the transactions under the Renewed Shuhai Agreements are subject to the announcement, circular, independent shareholders' approval, annual review and reporting requirements under Chapter 14A of the Listing Rules.

Directors' Confirmation

The Directors (including the independent non-executive Directors) are of the view that (i) the transactions under the Renewed Shuhai Agreements have been and will be entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) the Renewed Shuhai Agreements and the proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

To the best knowledge, belief and information of the Company, having made all reasonable enquiries, as of the Latest Practicable Date, Shuhai was controlled by Leda Haisheng, which was held as to approximately 62.70% by Beijing Yihan Consulting Management Co., Ltd.* (北京宜涵管理諮詢有限公司), a company controlled by Mr. Zhang Yong and Ms. Shu Ping, both the Controlling Shareholders, and approximately 29.70% by Mr. Sean Shi and Ms. Hailey Lee. Therefore, Mr. Zhang Yong, is deemed to have material interests in the transactions contemplated under the Renewed Shuhai Agreements and accordingly abstained from voting on the Board resolutions in connection with the continuing connected transactions under the Renewed Shuhai Agreements, the transactions contemplated thereunder and the proposed annual caps related thereto. Except for Mr. Zhang Yong, none of the Directors has any material interest or is required to abstain from voting on the relevant Board resolutions approving the same.

Approval by Independent Shareholders

To the best knowledge, belief and information of the Company, having made all reasonable enquiries, as of the Latest Practicable Date, (i) ZY NP, SP NP, SYH NP and LHY NP directly held 2,081,763,204 Shares, 441,610,689 Shares, 459,280,689 Shares and 582,503,689 Shares, respectively, representing approximately 37.35%, 7.92%, 8.24% and 10.45% of the total issued share capital of the Company. Mr. Zhang Yong directly held 12,010,477 Shares, representing approximately 0.22% of the total issued share capital of the Company. Mr. Zhang Yong (by himself and through ZY NP), Ms. Shu Ping (through SP NP), are collectively entitled to exercise approximately 45.49% of the voting rights of our Company. Ms. Hailey Lee directly held 25,300,000 Shares, representing approximately 0.45% of the total issued share capital of the Company. Mr. Sean Shi (through SYH NP) and Ms. Hailey Lee (by herself and through LHY NP), are collectively entitled to exercise approximately 19.14% of the voting rights of our Company; (ii) Mr. Zhang Yong, Ms. Shu Ping, Mr. Sean Shi and Ms. Hailey Lee are interested in 35.6%, 11.7%, 10.7% and 10.9% of Shuhai. Therefore, Mr. Zhang Yong, Ms. Shu Ping and Mr. Sean Shi and Ms. Hailey Lee and their respective associates, namely, ZY NP, SP NP, SYH NP and LHY NP, are deemed to have material interests in the transactions contemplated under the Renewed Shuhai Agreements. In accordance with the Listing Rules, each of Mr. Zhang Yong, Ms. Shu Ping, Mr. Sean Shi and Ms. Hailey Lee and their respective associates will abstain from voting on the ordinary resolutions to approve the Renewed Shuhai Agreements, the transactions contemplated thereunder and the proposed annual caps related thereto at the Extraordinary General Meeting.

Apart from the above, none of the Shareholders have a material interest in the transactions under the Renewed Shuhai Agreements, and save as disclosed in this circular, no other Shareholder is required to abstain from voting on the proposed resolutions approving the same.

The Company will seek the Independent Shareholders' approval at the Extraordinary General Meeting for, among others, the Renewed Shuhai Agreements on the condition that:

1. the annual transaction amount of the Renewed Shuhai Agreements shall not exceed the respective annual caps;

2. the Renewed Shuhai Agreements will be entered into in the ordinary and usual course of business of the Group and either (a) on normal commercial terms or better; or (b) if there is no available comparison, on terms no less favorable than terms available to the Group from Independent Third Parties; and

3. the transactions will be entered into in accordance with the Renewed Shuhai Agreements and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company will comply with relevant provisions of the Listing Rules in relation to the transactions under the Renewed Shuhai Agreements.

Renewal of Master Decoration Project General Contract Service Agreement

Background

Reference is made to the Previous Circular and Announcement in relation to, inter alia, the engagement of Shuyun Dongfang for the provision of decoration related services to the Group. As disclosed in the Previous Circular and Announcement, on October 17, 2023, our Company and Shuyun Dongfang, each for itself and on behalf of its respective subsidiaries, entered into the Master Decoration Project General Contract Service Agreement, pursuant to which Shuyun Dongfang agreed to provide decoration project general contract services to our Group in connection with the interior decoration and renovation of our restaurants located in Chinese mainland.

The Group has been conducting certain continuing connected transactions under the Master Decoration Project General Contract Service Agreement in ordinary and usual course of its business on normal commercial terms. The Company has closely monitored the transactions contemplated under the Master Decoration Project General Contract Service Agreement and the actual transaction amounts did not exceed the annual cap for the years ended December 31, 2024 and 2025. As of the Latest Practicable Date, the actual transaction amounts for the abovementioned transactions did not exceed the annual cap for the year ending December 31, 2026.

Renewed Master Decoration Project General Contract Service Agreement

As the Master Decoration Project General Contract Service Agreement will expire on December 31, 2026, and the Company will continue the transactions under the Master Decoration Project General Contract Service Agreement subsequent to December 31, 2026, the Company and Shuyun Dongfang, each for itself and on behalf of its subsidiaries, entered into a new master decoration project general contract service agreement ("**Renewed Master Decoration Project General Contract Service Agreement**") on October 26, 2026 for a term of three years commencing from January 1, 2027 to December 31, 2029 (both days inclusive), subject to the Independent Shareholders' approval of the Company. The Master Decoration Project General Contract Service Agreement will be terminated once the Renewed Master Decoration Project General Contract Service Agreement takes effect. No term has been modified or changed since the parties entered into the Renewed Master Decoration Project General Contract Service Agreement.

The principal terms of the Renewed Master Decoration Project General Contract Service Agreement are summarized below:

Date: October 26, 2026

Parties: (1) Our Company

(2) Shuyun Dongfang

(each for itself and on behalf of its subsidiaries)

Terms: The Renewed Master Decoration Project General Contract Service Agreement has an initial term of three years commencing from January 1, 2027 to December 31, 2029 (both days inclusive), subject to the independent shareholders' approval of the Company.

Nature of transactions: During the term of the Renewed Master Decoration Project General Contract Service Agreement, Shuyun Dongfang will provide General Project Contract Services, including but not limited to, selecting and engaging subcontractors to carry out the decoration work and purchasing materials and equipment for the projects, to our Group in connection with the interior decoration and renovation of our restaurants located in Chinese mainland.

Pricing basis: The general contract service fee under the Renewed Master Decoration Project General Contract Service Agreement will be determined based on the total cost and the quality of the decoration services with reference to the prevailing market rate and the reasonable profit margin of such decoration project general contract service.

The prevailing market rate is ascertained through the annual tendering and bidding process of the Group, in which no fewer than two Independent Third Party service providers participate together with Shuyun Dongfang. Please refer to "– Internal Control Measures" for further details.

Payment terms: Our Group will pay the decoration fees in accordance with the payment milestones set out in the relevant project contract. Upon the achievement of each payment milestone, Shuyun Dongfang will submit a payment application for our Group's confirmation and issue a valid invoice accordingly, and our Group will make the payment within 30 days upon receipt of such valid invoice. The payment milestones generally comprise (i) an advance payment after execution of the project contract and completion of on-site preparation; (ii) a completion payment after the works pass our Group's acceptance inspection and the settlement is reviewed; and (iii) a quality warranty deposit, which is retained and paid without interest upon expiry of the warranty period if no quality issues arise. The payment percentage for each milestone is determined on a project-by-project basis having regard to the scale, duration and complexity of the project. Such milestone-based arrangement links payments to the actual progress and acceptance of the works, is consistent with the market practice for decoration projects in Chinese mainland, and is no more favourable to Shuyun Dongfang than those offered by the Group to Independent Third Party decoration service providers. Our Group may deduct any losses and liquidated damages payable by Shuyun Dongfang as determined under the agreement.

The terms of the Renewed Master Decoration Project General Contract Service Agreement are substantially the same as the Master Decoration Project General Contract Service Agreement.

Reasons for and Benefits of the Transactions

Shuyun Dongfang primarily conducts the provision of decoration service business. We have been engaging Shuyun Dongfang to provide decoration services for the interior decoration and renovation of our restaurants located in Chinese mainland since its establishment in 2006. Due to our long-term and stable business relationship, Shuyun Dongfang has been very familiar with our requirements for decoration projects and has been providing satisfying project management services and general contract services in a timely and cost-efficient manner.

We decided to adopt the general contract arrangement for our restaurants located in Chinese mainland for the following reasons:

- Shuyun Dongfang has obtained all necessary licenses to provide decoration project general contract services in Chinese mainland;

- The general contract arrangement enables Shuyun Dongfang to monitor and manage the projects more actively and closely and ensure that the designs of our restaurants be implemented and executed effectively and cost-efficiently; and

- Under the general contract arrangement, Shuyun Dongfang is responsible for the overall project management and supervision of the fitting-out works which could avoid potential disputes between the Group and the subcontractors.

The Company believes that the continuous cooperation with Shuyun Dongfang could improve efficiency by running multiple projects at the same time and also enhance the quality control. Based on the long-term cooperation with the Company, Shuyun Dongfang is more familiar with the Company's decoration needs under the general contract arrangement for our restaurants located in Chinese mainland and can tailor to the Group's decoration demands.

In light of the above, our Directors believe that the continuous procurement of such services from Shuyun Dongfang will be beneficial to our Group and is in the best interest of our Shareholders as a whole.

Given the services provided by Shuyun Dongfang can be readily sourced in the open market, and the service fee under the Renewed Master Decoration Project General Contract Service Agreement is determined with reference to the prevailing market rate of such service, we can easily source such service from alternative service providers at comparable terms. As of the Latest Practicable Date, Shuyun Dongfang, together with certain Independent Third Party decoration service providers have passed the supplier review process of our Group and have been added into the "Qualified Supplier List" maintained by our Group. The Company will select decoration service providers from the "Qualified Supplier List" on a project-by-project basis and run the selection process for every single project. The selection criteria include, amongst others, the performance in recently completed projects, the quotation for the project and the current service capacity of the suppliers. While the number of decoration projects may increase with the expansion of our restaurant network, we will adhere to our supplier selection criteria to ensure fair competition between Shuyun Dongfang and other Independent Third Party suppliers. Thus, we believe that our procurement of decoration services from Shuyun Dongfang does not constitute undue reliance on Shuyun Dongfang.

Historical Amounts and Proposed Annual Caps

The following table sets forth the historical amounts of the General Project Contract Services that we obtained from Shuyun Dongfang, for the two years ended December 31, 2024 and 2025 and the six months ended June 30, 2026:

	For the year ended December 31,		For the Six Months ended
	2024	**2025**	**June 30, 2026**
	RMB'000	*RMB'000*	*RMB'000*
			(Unaudited)
	264,063	209,705 *Note 1*	113,775

Note:

(1) The slight decrease in the historical transaction amounts for the year ended December 31, 2025 compared with the year ended December 31, 2024 was primarily due to the Group's introduction of additional suppliers to foster market-based competition, further enhancing the quality of renovation services and optimizing procurement pricing.

The Company estimates that the proposed annual caps for the continuing transactions contemplated under the Renewed Master Decoration Project General Contract Service Agreement for the three years ending December 31, 2027, 2028 and 2029 are as below:

Proposed annual cap for the year ending December 31,		
2027	**2028**	**2029**
RMB'000	*RMB'000*	*RMB'000*
1,570,000	2,410,000	3,580,000

Reasons for the Proposed Annual Caps and Basis of Determination

The proposed annual caps under the Renewed Master Decoration Project General Contract Service Agreement have been estimated based on the following factors:

(i) the decoration project general contract service fee rate agreed by Shuyun Dongfang and us and the expected fluctuation in the rates;

(ii) the average amount of general contract service fee per restaurant, determined separately for each brand based on the actual decoration costs of the Group's restaurants under each brand over the past three years, taking into account factors such as the area of each restaurant, the tier of the city in which it is located and its decoration style;

(iii) the total amount of general contract service fees for new restaurants for each year, estimated with reference to the Group's plans for (a) the opening of new hot pot restaurants, with the pace of new hot pot restaurant openings expected to increase steadily over the three years ending December 31, 2029; and (b) the opening of new restaurants under the "Pomegranate Plan", reflecting the increasing diversification of the Group's restaurant formats, as restaurants under the "Pomegranate Plan" may adopt different store sizes, layouts, kitchen configurations and service models from traditional Haidilao hot pot restaurants, which is expected to increase the number of design versions and decoration projects, including for prototype stores, standardized store models and the subsequent rollout of such models as the relevant brands move from the incubation stage to the market expansion stage, as well as the proportion of such decoration projects to be undertaken by Shuyun Dongfang;

(iv) the total amount of general contract service fees for existing restaurants for each year, estimated with reference to the Group's plans for (a) the renovation and upgrading of existing hot pot restaurants, including aging restaurants, determined having regard to, among other things, the age and hardware condition of the restaurants, restaurant format upgrades, customer experience and brand image, with a view to improving customer experience and developing differentiated consumption scenarios, taking into account that the Group's hot pot restaurants generally undergo comprehensive renovation approximately every ten years after opening, and that a large number of restaurants opened during the Group's peak expansion period from 2017 to 2021 will reach such renovation cycle during the three years ending December 31, 2029; (b) the relocation of existing hot pot restaurants, determined having regard to, among other things, lease terms, adjustments to the commercial planning of landlords and other property cooperation arrangements, as well as the compatibility of the restaurant format with its business district, customer traffic and other operating conditions; and (c) the expanded components of the decoration works, including adjustments to kitchen equipment and layout, upgrades to fire safety, gas and food safety facilities, installation of energy-saving and digitalized equipment and periodic renovation of aging restaurants, in line with national policies encouraging catering enterprises to innovate consumption scenarios, enrich catering supply and develop diversified and personalized service consumption, as well as the proportion of such decoration projects to be undertaken by Shuyun Dongfang;

(v) the past experience of the Group in restaurant decoration projects and the major terms and payment schedule for the general contract services agreed by Shuyun Dongfang and us; and

(vi) the historical transaction amounts with Shuyun Dongfang and the service capacity of Shuyun Dongfang in providing general contract services.

Accordingly, the increase in the proposed annual caps as compared with the historical transaction amounts is primarily attributable to the following three sources of demand: (a) Renovation of existing hot pot restaurants: the Group's hot pot restaurants generally undergo comprehensive renovation approximately every ten years after opening. As the Group's peak period of new hot pot restaurant openings was from 2017 to 2021, a significantly larger number of restaurants will reach their renovation cycle during the three years ending December 31, 2029; (b) Incremental demand from the "Pomegranate Plan": as brands incubated under the "Pomegranate Plan", such as the food stall hot pot and sushi formats, graduate from the incubation stage to the stage of large-scale replication and market expansion, and new brands and extended brands continue to be incubated, the Group expects a substantial increase in the number of new restaurants under the "Pomegranate Plan", each requiring decoration works, and such demand was relatively limited during the historical period when such brands were mainly at the incubation stage; and (c) Steady growth of new hot pot restaurants: the Group expects the opening of new hot pot restaurants to grow steadily over the three years ending December 31, 2029, generating stable demand for decoration services for new restaurants. Therefore, the proposed annual caps represent a significant increase as compared with the historical transaction amounts.

Information on the Parties

The Group is principally engaged in the hot pot restaurant business and other catering business.

Shuyun Dongfang is principally engaged in providing decoration related services.

Listing Rules Implications

As of the Latest Practicable Date, Mr. Zhang Shuoyi (張碩軼) was the sole director of Shuyun Dongfang and owns 80.00% of the equity interests in Shuyun Dongfang. Mr. Zhang Shuoyi is the brother of Mr. Zhang Yong, our executive Director, chief executive officer and controlling shareholder. Therefore, Shuyun Dongfang is an associate of Mr. Zhang Yong and a connected person of the Company, and the transactions under the Renewed Master Decoration Project General Contract Service Agreement constitute continuing connected transactions of the Company under the Listing Rules. Since the highest of all applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the proposed annual caps of the Renewed Master Decoration Project General Contract Service Agreement is more than 5%, the transactions under the Renewed Master Decoration Project General Contract Service Agreement are subject to the announcement, circular, independent shareholders' approval, annual review and reporting requirements under Chapter 14A of the Listing Rules.

Directors' Confirmation

The Directors (including the independent non-executive Directors) are of the view that (i) the transactions under the Renewed Master Decoration Project General Contract Service Agreement have been and will be entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) the Renewed Master Decoration Project General Contract Service Agreement and the proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

To the best knowledge, belief and information of the Company, having made all reasonable enquiries, as of the Latest Practicable Date, Shuyun Dongfang was controlled by Mr. Zhang Shuoyi, who is the brother of Mr. Zhang Yong. Therefore, Mr. Zhang Yong is deemed to have material interests in the transactions contemplated under the Renewed Master Decoration Project General Contract Service Agreement and accordingly abstained from voting on the Board resolutions in connection with the continuing connected transactions under the Renewed Master Decoration Project General Contract Service Agreement, the transactions contemplated thereunder and the proposed annual caps related thereto. Except for Mr. Zhang Yong, none of the Directors has any material interest or is required to abstain from voting on the relevant Board resolutions approving the same.

Approval by Independent Shareholders

To the best knowledge, belief and information of the Company, having made all reasonable enquiries, as of the Latest Practicable Date, ZY NP and SP NP directly held 2,081,763,204 Shares and 441,610,689 Shares, respectively, representing approximately 37.35% and 7.92% of the issued share capital of the Company. Mr. Zhang Yong directly held 12,010,477 Shares, representing approximately 0.22% of the total issued share capital of the Company. Mr. Zhang Yong (by himself and through ZY NP), Ms. Shu Ping (through SP NP), are collectively entitled to exercise approximately 45.49% of the voting rights of our Company. Therefore, Mr. Zhang Yong and Ms. Shu Ping and their respective associates, namely, ZY NP and SP NP, are deemed to have material interests in the transactions contemplated under the Renewed Master Decoration Project General Contract Service Agreement. In accordance with the Listing Rules, each of Mr. Zhang Yong and Ms. Shu Ping and their respective associates will abstain from voting on the ordinary resolutions to approve the Renewed Master Decoration Project General Contract Service Agreement, the transactions contemplated thereunder and the proposed annual caps related thereto at the Extraordinary General Meeting.

Apart from the above, none of the Shareholders has a material interest in the transactions under the Renewed Master Decoration Project General Contract Service Agreement, and save as disclosed in this circular, no other Shareholder is required to abstain from voting on the proposed resolutions approving the same.

The Company will seek the Independent Shareholders' approval at the Extraordinary General Meeting for, among others, the Renewed Master Decoration Project General Contract Service Agreement on the condition that:

1. the annual transaction amount of the Renewed Master Decoration Project General Contract Service Agreement shall not exceed the respective annual caps;

2. the Renewed Master Decoration Project General Contract Service Agreement will be entered into in the ordinary and usual course of business of the Group and either (a) on normal commercial terms or better; or (b) if there is no available comparison, on terms no less favorable than terms available to the Group from Independent Third Parties; and

3. the transactions will be entered into in accordance with the Renewed Master Decoration Project General Contract Service Agreement and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company will comply with relevant provisions of the Listing Rules in relation to the transactions under the Renewed Master Decoration Project General Contract Service Agreement.

INTERNAL CONTROL MEASURES

The Group has a comprehensive internal control system to ensure that the Renewed Agreements and the transactions contemplated thereunder and the Proposed Annual Caps are fair and reasonable, and the transactions contemplated thereunder are conducted on normal commercial terms or better and in the ordinary course of business of the Group, and in the interests of the Company and the Shareholders as a whole. Relevant internal control measures include:

(i) The Company has designated a team of senior management from business operation, legal, risk control and finance departments and Board office to monitor the continuing connected transactions and ensure that the continuing connected transactions with the abovementioned connected persons are on arm's length basis and that the annual caps are not exceeded. Such team of senior management continuously traces and regularly monitors the progress of the continuing connected transactions and reports to management of the Company;

(ii) The team of senior management and the internal control department of the Group organizes and runs internal control tests regularly to evaluate the completeness and effectiveness of the internal control measures in relation to continuing connected transactions;

(iii) The Company has set up a specialized team of experienced employees specializing in restaurant management and operation to assess, amongst others, the professional qualifications, team size, capabilities and historical experience of the product and/or service providers. In addition, to avoid potential conflict of interest and ensure fairness of the assessment, members in the aforesaid specialized team cannot be the key contact persons reaching out to the relevant product and/or service providers. As of the Latest Practicable Date, Yihai, Shuhai and Shuyun Dongfang, have passed the supplier review process of our Group and have been added into the "Qualified Supplier List" maintained by our Group;

(iv) The compliance department of the Group is responsible for identifying connected persons of the Group from new customers or suppliers on a regular basis and updating the connected persons list. The finance department of the Group would monitor on an on-going basis the actual transaction amounts with the connected persons to ensure that such amounts do not exceed the relevant annual caps;

(v) Before conducting any transactions contemplated under, or entering into any subcontract pursuant to, an agreement for continuing connected transactions, the legal department and finance department of the Group would review the terms of the proposed transactions and the draft sub-contracts to ensure that the transactions would be conducted in accordance with the terms of the agreement and in accordance with the Company's pricing policy;

(vi) The product management department and construction department of the Company will conduct regular checks on the market price for the purpose of considering if the price charged for a specific transaction is fair and reasonable and in accordance with the pricing basis for the relevant continuing connected transactions. The product management department will from time to time (on a regular basis and/or prior to price negotiation) gather market intelligence by way of research and investigation to ascertain the quality of the products compared to similar products/services in the market and the reference price of each type of the products/services in the market;

(vii) The team of senior management of the Group collects and reviews continuing connected transactions each month in order to guarantee that (a) the connected parties have fulfilled the terms of the agreements in relation to continuing connected transactions during the relevant month; and (b) the actual transaction amounts incurred and estimated to be incurred between the Company and the connected parties are within the annual caps;

(viii) The Board conducts annual review on the implementation of continuing connected transactions and conducts review of financial statements which include the disclosure of continuing connected transactions semi-annually. The review mainly includes a review on whether the Group and the connected parties have fulfilled the terms of the agreements in relation to continuing connected transactions during the relevant year or semi-annually and whether the actual transaction amounts incurred between the Group and the connected persons are within the annual caps;

(ix) The independent non-executive Directors conduct annual review of continuing connected transactions and provide annual confirmations in the Company's annual report on whether the continuing connected transactions are conducted (a) in the Group's ordinary course of business; (b) in accordance with normal commercial terms or better and on terms that are fair and reasonable; (c) in accordance with the terms of the relevant agreements; and (d) in the interests of the Company and the Shareholders as a whole;

(x) In respect of the General Project Contract Services, the Group has selected service providers by way of an annual tendering and bidding process, in which no fewer than two Independent Third Party service providers participate together with Shuyun Dongfang. The tendering and bidding results are assessed with reference to various factors, including, among others, the price, the background of the service providers and their technical proposals. The number of the Group's decoration projects to be allocated to each service provider (including Shuyun Dongfang) is determined based on (a) the assessment results of the annual tendering and bidding process; and/or (b) the background and experience of the relevant service provider, so as to ensure that the fees charged by Shuyun Dongfang are comparable to those offered by Independent Third Party service providers;

(xi) The audit committee of the Company conducts review of the annual financial statements, annual report, interim financial statements and interim report which include the disclosure and analysis of the implementation of continuing connected transactions and opine on continuing connected transactions as disclosed in such financial statements and reports, including whether the terms of the continuing connected transactions are fair and reasonable and whether the transaction amounts are within the relevant annual caps; and

(xii) To assist the Company in complying with the applicable rules listed in chapter 14A of the Listing Rules, the external auditor of the Company performs work in accordance with the regulations in the "Hong Kong Standard on Assurance Engagements 3000 - "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information"" and with reference to the "Practice Note 740 – Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants, on the Company's continuing connected transactions and issue a letter in respect of the continuing connected transactions disclosed in the Company's annual report in accordance with the applicable accounting standards and the Listing Rules.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Set out on pages 80 to 83 of this circular is the notice of Extraordinary General Meeting at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider and approve the proposed renewal of Existing Non-exempt Continuing Connected Transactions.

FORM OF PROXY

A form of proxy is enclosed for use at the Extraordinary General Meeting. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for the holding of the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude Shareholders from attending and voting in person at the Extraordinary General Meeting or any adjourned meeting thereof should they so wish.

VOTING AT THE EXTRAORDINARY GENERAL MEETING

In accordance with the Listing Rules, any Shareholder with a material interest in the transactions under the Renewed Agreements, the transactions contemplated thereunder and their respective Proposed Annual Caps and his/her/its associates shall abstain from voting on the resolutions approving the same. To the best knowledge, belief and information of the Directors, having made all reasonable enquiries, as of the Latest Practicable Date:

i. ZY NP (a company controlled by Mr. Zhang Yong) and SP NP (a company controlled by Ms. Shu Ping), directly held 2,081,763,204 Shares and 441,610,689 Shares, representing approximately 37.35% and 7.92% of the issued share capital of the Company. Mr. Zhang Yong directly held 12,010,477 Shares, representing approximately 0.22% of the

total issued share capital of the Company. Mr. Zhang Yong (by himself and through ZY NP), Ms. Shu Ping (through SP NP), are collectively entitled to exercise approximately 45.49% of the voting rights of our Company. Each of Mr. Zhang Yong and Ms. Shu Ping and their respective associates, namely, ZY NP and SP NP, will abstain from voting on the ordinary resolutions to approve the Renewed Yihai Master Purchase Agreement, the Renewed Shuhai Agreements, the Renewed Master Decoration Project General Contract Service Agreement and their respective proposed annual caps at the Extraordinary General Meeting; and

ii. SYH NP (a company controlled by Mr. Sean Shi) and LHY NP (a company controlled by Ms. Hailey Lee) held 459,280,689 Shares and 582,503,689 Shares, representing approximately 8.24% and 10.45% of the issued share capital of the Company. Ms. Hailey Lee directly held 25,300,000 Shares, representing approximately 0.45% of the total issued share capital of the Company. Mr. Sean Shi (through SYH NP) and Ms. Hailey Lee (by herself and through LHY NP), are collectively entitled to exercise approximately 19.14% of the voting rights of our Company. Each of Mr. Sean Shi and Ms. Hailey Lee and their respective associates, namely, SYH NP and LHY NP, will abstain from voting on the ordinary resolution to approve the Renewed Yihai Master Purchase Agreement and the Renewed Shuhai Agreements and their respective proposed annual caps at the Extraordinary General Meeting.

Apart from the above, there is no other Shareholder who has any material interest in the proposed resolutions. As of the Latest Practicable Date, Futu Trustee Limited, the trustee of the share award scheme adopted by the Company on October 8, 2019 (the "**Share Award Scheme**") and the trustee of the 2025 Share Scheme, held 154,706,899 and 3,814,761 Shares (representing 2.78% and 0.07% of the issued share capital of the Company) for the purpose of unvested awards under the Share Award Scheme and the 2025 Share Scheme. It will abstain from voting on the Extraordinary General Meeting according to Chapter 17 of the Listing Rules. Save as disclosed above, none of the Shareholders is required to abstain from voting on such resolutions.

Pursuant to Rule 13.39(4) of the Listing Rules and Article 66 of the articles of association of the Company, a resolution put to vote at any general meeting is to be decided by way of a poll, except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorized representative shall have one vote for each share registered in his/her/its name in the register of members. A Shareholder entitled to more than one vote need not use up all his/her/its votes nor cast all the votes in the same way.

RECOMMENDATION OF THE BOARD

The Board considers that the proposed ordinary resolutions for the Renewed Agreements and the transactions contemplated thereunder, and the Proposed Annual Caps are in the best interests of the Company and the Shareholders as a whole, and accordingly, recommends all the Shareholders to vote in favor of the resolutions to be proposed at the Extraordinary General Meeting.

RECOMMENDATION OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee has been formed to advise the Independent Shareholders in connection with the terms of the Renewed Agreements and the transactions contemplated thereunder and the Proposed Annual Caps, and Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders.

Gram Capital considers the Renewed Agreements and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group. Gram Capital also considers that the Renewed Agreements and the transactions contemplated thereunder, and the Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The full text of the letter from Gram Capital containing its recommendation in respect of the Renewed Agreements and the transactions contemplated thereunder and the Proposed Annual Caps is set out on pages 46 to 72 of this circular.

The Independent Board Committee, having taken into account the advice of Gram Capital, considers the terms of the Renewed Agreements and the transactions contemplated thereunder and the Proposed Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favor of the relevant ordinary resolutions to be proposed at the Extraordinary General Meeting to approve the Renewed Agreements and the transactions contemplated thereunder and the Proposed Annual Caps. The full text of the letter from the Independent Board Committee is set out on page 45 of this circular.

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

HAIDILAO INTERNATIONAL HOLDING LTD.
海底捞国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6862)

November 20, 2026

To the Independent Shareholders

Dear Sir or Madam,

We have been appointed by the Board as the Independent Board Committee to advise you in connection with the Renewed Agreements and the transactions contemplated thereunder and the Proposed Annual Caps, details of which are set out in the letter from the Board contained in the circular issued by the Company to the Shareholders dated November 20, 2026, of which this letter forms part.

We wish to draw your attention to the letter from Gram Capital as set out on pages 46 to 72 of the circular. Terms defined in the circular shall have the same meanings when used herein, unless the context otherwise requires.

Having considered the information set out in the letter from the Board, the terms of the Renewed Agreements and the transactions contemplated thereunder and the Proposed Annual Caps and the advice of Gram Capital in relation thereto as set out on pages 46 to 72 of the circular, we are of the view that the Renewed Agreements and the transactions contemplated thereunder are on normal commercial terms and conducted in the ordinary and usual course of the business of the Group. We are also of the view that the Renewed Agreements and the transactions contemplated thereunder, and the Proposed Annual Caps are in the interests of the Company and the Shareholders as a whole, and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favor of the relevant ordinary resolutions to be proposed at the Extraordinary General Meeting to approve the Renewed Agreements and the transactions contemplated thereunder and the Proposed Annual Caps.

Yours faithfully,

The Independent Board Committee

Dr.	**Mr.**	**Mr.**	**Dr.**	**Mr.**	**Mr.**
Chua Sin Bin	**Hee Theng Fong**	**Qi Daqing**	**Ma Weihua**	**Wu Xiaoguang**	**Zhang Junjie**

Independent Non-executive Directors

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions for the purpose of inclusion in this circular.

Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

20 November 2026

To: The independent board committee and the independent shareholders of Haidilao International Holding Ltd.

Dear Sirs,

PROPOSED RENEWAL OF EXISTING NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Renewed Agreements and the transactions contemplated thereunder (including the Proposed Annual Caps) (the "**Transactions**"), details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 20 November 2026 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 26 October 2026, the Company entered into, among other things, the following agreements:

(i) the Renewed Yihai Master Purchase Agreement for a term of three years commencing from 1 January 2027 to 31 December 2029 (both days inclusive), subject to the independent shareholders' approval of both Yihai and the Company. Pursuant to the Renewed Yihai Master Purchase Agreement, the Group agreed to purchase Haidilao Customized Products and the Haidilao General Products from Yihai Group (the "**Yihai Purchases Transactions**").

(ii) the Renewed Warehouse Storage and Logistics Service Agreement and the Renewed Shuhai Master Purchase Agreement for a term of three years commencing from 1 January 2027 to 31 December 2029 (both days inclusive), subject to the independent shareholders' approval of the Company. Pursuant to the Renewed Shuhai Agreements, Shuhai Group (a) will provide warehouse storage and logistics services to the Group (the "**Shuhai Services Transactions**"); and (b) will sell the Processed Ingredients, to the Group (the "**Shuhai Purchases Transactions**").

(iii) the Renewed Master Decoration Project General Contract Service Agreement for a term of three years commencing from 1 January 2027 to 31 December 2029 (both days inclusive), subject to the independent shareholders' approval of the Company. Pursuant to the Renewed Master Decoration Project General Contract Service Agreement, Shuyun Dongfang agreed to provide General Project Contract Services to the Group in connection with the interior decoration and renovation of the Group's restaurants located in mainland China.

With reference to the Board Letter, the Transactions constitute non-exempted continuing connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Dr. Chua Sin Bin, Mr. Hee Theng Fong, Mr. Qi Daqing, Dr. Ma Weihua, Mr. Wu Xiaoguang and Mr. Zhang Junjie (all being the independent non-executive Director) has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of (i) any relationships or interests between Gram Capital and (a) the Company; and (b) parties to the Renewed Agreements; or (ii) any services (including independent financial advisory services) provided by Gram Capital to (a) the Company; and (b) parties to the Renewed Agreements, during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Having considered the above and that none of the circumstances as set out under Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Renewed Agreements. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Yihai, Shuhai, Shuyun Dongfang or their respective subsidiaries or associates (where applicable), nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

Information on the Group

With reference to the Board Letter, the Group is principally engaged in the hot pot restaurant business and other catering business.

Reasons for and benefits of the Transactions

Renewed Yihai Master Purchase Agreement

With reference to the Board Letter:

1. Yihai Group is a leading compound condiment manufacturer in the PRC and has been the supplier of flavoring products for the Group for a long time. The Group's enduring and mutually beneficial commercial relationship with Yihai Group, together with Yihai Group's mass production capabilities, have contributed significantly to the Group's successful growth and expansion. The Directors are of the view that the maintenance of the mutually beneficial relationship will be beneficial to the Group and is in the best interest of the Shareholders as a whole.

2. Yihai Group principally conducts manufacturing, distribution and sale, as well as research and development, of hot pot soup flavoring, hot pot dipping sauce and Chinese-style compound condiment products under the 海底撈 brand in mainland China, Hong Kong, Macau, and Taiwan regions and certain overseas regions, and has been the Group's supplier for over a decade. Yihai Group was initially founded as and had been an internal supplier of hot pot soup flavoring products to the Group since Yihai Group's establishment. With gradual growth alongside the expansion of the Group, Yihai Group expanded and started to offer products to third-party distributors and customers. To optimize its corporate structure for future development and for the purpose of listing on the Stock Exchange, Yihai Group underwent a corporate reorganization from 2013 to 2015 and is no longer a member of the Group.

3. There has been a continued long-term, stable and mutually beneficial business relationship between the Group and Yihai Group. The Group has been the largest customer of Yihai Group since Yihai Group's establishment, and Yihai Group has been the supplier of flavoring products to the Group for over a decade. The mass production capabilities of Yihai Group have ensured a stable supply of products of competitively priced, high-quality products meeting stringent food safety standards, and the long-term and stable business relationship enables Yihai Group to grow alongside the Group's expansion.

In addition, the in-house research teams of each of Yihai Group and the Group has been working closely on the continuing enhancement and development of hot pot soup flavoring formulae. To maintain the mutually beneficial relationship is in the best interest of the shareholders of both Yihai Group and the Group. As advised by the Directors, the Group's proprietary know-how, recipes, trade secrets and other intellectual property, including the Group's names and logos are important to its business. The Group owns the recipes for all of hot pot soup bases. The Group enters into confidentiality and non-compete agreements with key management and operating personnel and other parties that may have access to the Group's proprietary know-how, recipes and trade secrets, including Yihai Group and Shuhai Group. Having considered (i) that Yihai Group had been an internal supplier of hot pot soup flavoring products to the Group since Yihai Group's establishment; and (ii) the long-term, stable and mutually beneficial business relationship between the Group and Yihai Group, we are of the view that the transactions contemplated under the Renewed Yihai Master Purchase Agreement are beneficial to the Group.

Renewed Shuhai Agreements

With reference to the Board Letter:

1. Shuhai was established in June 2014 and primarily engages in the provision of "one-stop-shop" supply chain services (including purchase, process, warehouse storage, logistics, and sales of food products) to catering service providers. Since the establishment of Shuhai Group, the Group have purchased from Shuhai Group Processed Ingredients and Shuhai Group has provided warehouse storage and logistics services to the Group. The relevant expertise of Shuhai Group in providing warehouse storage and logistics services for catering service providers allows the Group to ensure efficient management of its materials and products purchased from its suppliers and orderly delivery to its restaurants.

2. The purchase fees charged by Shuhai Group under the Renewed Shuhai Agreements are determined with reference to actual costs and expenses incurred.

3. Based on the quotations obtained by the Company, as at the Latest Practicable Date, the fee/margins charged by Shuhai Group for storage and logistics services, and Processed Ingredients will not be more than the fees/margins charged by other third party suppliers for providing the same/similar products/services.

Based on the above, we are of the view that the transactions contemplated under the Renewed Shuhai Agreements are beneficial to the Group.

Renewed Master Decoration Project General Contract Service Agreement

With reference to the Board Letter, Shuyun Dongfang primarily conducts the provision of decoration service business. The Group has been engaging Shuyun Dongfang to provide decoration services for the interior decoration and renovation of its restaurants since Shuyun Dongfang's establishment. Due to the long-term and stable business relationship, Shuyun Dongfang has been very familiar with the Group's requirements of decoration projects and has been providing satisfying general contract services in a timely and cost-efficient manner.

Having considered the above, we are of the view that the Transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

A. RENEWED YIHAI MASTER PURCHASE AGREEMENT

Information on Yihai

With reference to the Board Letter, Yihai Group principally conducts manufacturing, distribution and sale, as well as research and development, of hot pot soup flavoring, hot pot dipping sauce and Chinese-style compound condiment products under the 海底撈 brand in mainland China, Hong Kong, Macau, and Taiwan regions and certain overseas regions.

As at the Latest Practicable Date, Yihai was held as to approximately 31.44% in aggregate, directly and indirectly, by Mr. Zhang Yong and Ms. Shu Ping (being Controlling Shareholders). Therefore, Yihai is an associate of Mr. Zhang Yong and Ms. Shu Ping and thus a connected person of the Company.

Principal terms of the Renewed Yihai Master Purchase Agreement

Principal terms of the transactions contemplated under the Renewed Yihai Master Purchase Agreement are set out below (details of which are set out under the section headed "Renewal of Yihai Master Purchase Agreement" of the Board Letter):

Date

26 October 2026

Parties

(i) The Company; and (ii) Yihai

(each for itself and on behalf of its subsidiaries)

Term

The Renewed Yihai Master Purchase Agreement has an initial term of three years commencing from 1 January 2027 to 31 December 2029 (both days inclusive), subject to the independent shareholders' approval of both Yihai and the Company.

Nature of transactions:

During the term of the Renewed Yihai Master Purchase Agreement, the Group will purchase Haidilao Customized Products and the Haidilao General Products from Yihai Group.

As advised by the Directors, the Haidilao Customized Products and the Haidilao General Products are applied for the Group's restaurant operation, delivery business, sales of condiment products and food ingredients.

Please also refer to sub-section headed "Nature of transactions" under section headed "Renewed Yihai Master Purchase Agreement" of the Board Letter for more details.

Pricing basis:

The purchase price of the Haidilao Customized Products and Haidilao General Products are determined by the parties with reference to a number of factors as stated below. The Group's purchase prices from Yihai Group are assessed by one of two methods, depending on whether comparable products are available in the market: (i) for general products and customized products for which comparable products of the same type are available in the market, the purchase price is determined on a market basis with reference to market pricing materials, namely the prevailing market price and the historical purchase price of the same or similar products supplied to the Group by independent third-party suppliers (the "**Pricing Policy I**"); and (ii) for customized products produced exclusively for the Group for which no comparable market price is publicly available, the purchase price is determined with reference to a cost breakdown and an itemized market price comparison of each cost component and estimated net profit margin.

Accordingly, the purchase prices of Haidilao Customized Products and the Haidilao General Products shall be determined by the parties after arm's length with reference to (i) historical purchase price, (ii) Yihai Group's costs and expenses, including the cost of raw materials, selling and administrative expenses incurred in connection with the production of Haidilao Customized Products, (iii) Yihai Group's estimated overall net profit margin through sales to Independent Third Party customers, and (iv) the prevailing market price of comparable similar products purchased from independent and comparable suppliers, ascertained by obtaining and comparing quotations from at least two independent counterparties, and with reference to the respective internal policies of the Company and Yihai Group on the management of connected transactions.

Our analyses

Based on our independent research on continuing connected transactions conducted by other companies listed on the Stock Exchange involving purchase of materials/products from connected persons (e.g. continuing connected transactions as announced by Xiabuxiabu Catering Management (China) Holdings Co., Ltd. (stock code: 520) on 22 December 2023; Dragon King Group Holdings Limited (stock code: 8493) on 19 April 2021; Ajisen (China) Holdings Limited (stock code: 538) on 14 May 2024; and Best Food Holding Company Limited (stock code: 1488) on 30 December 2024), we noted that (i) comparison of prices offered by connected persons with prices offered by independent third parties for the same/similar material/product was adopted in the aforesaid continuing connected transactions as announced by the aforesaid four listed issuers; and (ii) cost-plus method were adopted in other continuing connected transactions if there was no market price.

Furthermore, we obtained from the Company a list of products under the transactions contemplated under the Yihai Master Purchase Agreement. From the aforesaid list, we (i) randomly selected one Haidilao Customized Product on an annual basis in each of 2024 to 2026 (three Haidilao Customized Products in total); and (ii) in respect of each selected product, obtained from the Company an invoice for purchasing the product from Yihai Group in the aforesaid periods and the corresponding quotation records for the same products from independent third parties and their respective agreements. As the random sampling basis could facilitate an objective assessment and the above sampling scope covered 2024 to 2026, we consider the above sampling to be sufficient from the Independent Financial Adviser's perspective. Based on the documents obtained, we noted that the terms (including unit prices and general payment arrangement) of products offered by Yihai Group were no less favourable than those offered by independent third parties.

In respect of the purchase of Haidilao General Products, the Company also provided us (i) an invoice for purchasing a Haidilao General Product by the Group from Yihai Group for each of FY2024, FY2025 and six months ended 30 June 2026 ("**1H2026**"); and (ii) invoices for purchasing the same Haidilao General Product from Yihai Group by independent third parties for comparison (three sets of documents obtained in total). Based on the documents obtained, we noted that the unit prices of the selected Haidilao General Product offered by Yihai Group to the Group were the same as those offered by Yihai Group to the Independent Third Parties.

As further advised by the Directors, the Company could identify comparable products of the same type of the general products and customized products purchased by the Group pursuant to the Yihai Master Purchase Agreement for the two years ended 31 December 2025 and 1H2026. Therefore, the Company adopted Pricing Policy I for historical transactions for the corresponding period pursuant to the Yihai Master Purchase Agreement.

Based on the above, we are of the view that the pricing policies of the Renewed Yihai Master Purchase Agreement are fair and reasonable.

Internal control policies

We understood that the Group has a comprehensive internal control system to ensure that the Renewed Agreements and the transactions contemplated thereunder are fair and reasonable. Details of the internal control measures are set out in the section headed "INTERNAL CONTROL MEASURES" of the Board Letter.

Upon our request, we obtained the internal control document of the Yihai Purchases Transactions. After reviewing the document, we acknowledged that the contents of internal control document contained all relevant procedures for both fair pricing measures and annual cap monitoring measure for the Yihai Purchases Transactions as disclosed in the Board Letter. Furthermore, we noted that (i) the Group's product management department will conduct regular checks on the market price for the purpose of considering if the price charged for a specific transaction is fair and reasonable and in accordance with the pricing basis for the relevant continuing connected transactions; (ii) the Group's product management department will from time to time (on a regular basis and/or prior to price negotiation) gather market intelligence by way of research and investigation to ascertain the quality of the products compared to similar products/services in the market and the reference price of each type of the products/services in the market; and (iii) before conducting any transactions contemplated under, or entering into any sub-contract pursuant to, an agreement for continuing connected transactions, the Group's legal department and finance department would review the terms of the proposed transactions and the draft sub-contracts to ensure that the transactions would be conducted in accordance with the terms of the agreement and in accordance with the Company's pricing policy. Therefore, we are of the view that the internal control policies are fair and reasonable as the effective implementation of the internal control policies would help to ensure fair pricing of the transactions contemplated under the Renewed Yihai Master Purchase Agreement.

Based on our findings from the sampling assessment as set out under the sub-section headed "Pricing basis" above, we do not doubt the effectiveness of the internal control measures.

In addition, we also noted that the team of senior management of the Group collects and reviews continuing connected transactions each month in order to guarantee that the actual transaction amounts incurred and estimated to be incurred between the Group and the connected parties are within the annual caps. We consider this arrangement will ensure the proposed annual caps of the transactions contemplated under the Renewed Yihai Master Purchase Agreement not being exceeded.

Payment terms:

After the Group places a purchase order, Yihai Group will deliver the products in the quantities set out in each individual order and issue a delivery note to the Group. The payment will be made in the following month, or within such other period as both parties may agree. In practice, the Group generally settles payments with Yihai Group on a monthly basis in the following month, and any other payment period would only be agreed by the parties in limited circumstances.

According to the Company's interim report for 1H2026 (the "**2026 Interim Report**"), the turnover days of trade payables were 38.6 days for the year ended 31 December 2025 and 34.9 days for 1H2026. The payment terms are in line with the Group's turnover days of trade payables.

Furthermore, we noted from the internal control document that to ensure that the payment terms are fair and reasonable and on normal commercial terms or better, the Group adopts the following measures: (i) the finance management department of the Group will review the transaction balances with Yihai Group on a monthly basis to identify and investigate any abnormal transactions and changes in balances, so as to ensure the accuracy of the transaction records and the compliance of the settlement; and (ii) where any payment is proposed to be made beyond the regular monthly settlement arrangement (including any advance payment or deferred payment), the finance management department of the Group will review the reasons for and the commercial reasonableness of such arrangement prior to making the payment, and the payment will only be made after such review is approved.

Given that the irregular monthly settlement arrangement will be pre-approved and the regular monthly settlement arrangement is in line with the Group's turnover days of trade payables, we are of the view that the payment terms are on normal commercial terms.

Proposed annual caps

Set out below are (i) the historical amounts of the transactions amounts the Group purchased from Yihai Group for the two years ended 31 December 2025 and 1H2026; and (ii) the proposed annual caps for the three years ending 31 December 2029.

	For the year ended 31 December 2024	**For the year ended 31 December 2025**	**For the year ending 31 December 2026**
	RMB'000	*RMB'000*	*RMB'000*
Historical amounts	1,840,879	1,684,373	925,602*(Note)*
Existing annual caps	2,880,000	3,420,000	3,990,000
Utilization rate	64%	49%	23%

	For the year ending 31 December 2027 ("FY2027") *RMB'000*	For the year ending 31 December 2028 ("FY2028") *RMB'000*	For the year ending 31 December 2029 ("FY2029") *RMB'000*
Proposed annual caps	2,340,000	2,820,000	3,450,000

Note: the figure was for the 1H2026.

The above proposed annual caps were determined based on the factors as set out under the sub-section headed "Reasons for the Proposed Annual Caps and Basis of Determination" under the section headed "Renewed Yihai Master Purchase Agreement" of the Board Letter.

With reference to the Board Letter, the decrease in the historical transaction amounts (i) for the year ended 31 December 2024 as compared to that for the year ended 31 December 2023 was primarily due to a decline in raw material prices, which led to lower unit purchase costs for products from Yihai Group; and (ii) for the year ended 31 December 2025 as compared to that for the year ended 31 December 2024 was primarily due to (a) a decline in the system-wide sales of Haidilao restaurants, which resulted in lower overall demand for products purchased from Yihai Group; and (b) a continued decrease in raw material prices.

Upon our request, the Company provided us with a calculation of the above proposed annual caps. We noted that, in arriving at the estimated amounts of the Yihai Purchases Transactions for the three years ending 31 December 2029, the Company first estimated the amount of the Yihai Purchases Transactions for the year ending 31 December 2026 ("**FY2026**"), being approximately RMB2,000 million. As the annualized amounts for FY2026, based on the historical transaction amounts for 1H2026 of approximately RMB926 million and proportion of historical amounts for first half year to the full year, was approximately RMB1,962 million, being close to the estimated amounts of the Yihai Purchases Transactions for FY2026, we consider the estimated amount of Yihai Purchases Transactions for FY2026 to be justifiable.

The Company estimated the amount of Yihai Purchases Transactions for each of the three years ending 31 December 2029 with year-on-year increases of approximately 15% to 22%. Having considered the following factors, we are of the view that the aforesaid year-on-year increases are justifiable:

- According to the 2026 Interim Report, as at 30 June 2026, the Group operated multiple restaurant brands. For hot pot, Haidilao brand operated a total of 1,389 restaurants, among which, 1,267 self-operated restaurants were located in mainland China and 23 in the Hong Kong, Macau and Taiwan regions, and in total of 99 were franchised restaurants. In addition, the Group also operated 21 other catering brands, with a total of 183 restaurants.

As stated in the Company's interim report for the six months ended 30 June 2024, the Company initiated the "Pomegranate plan". The "Pomegranate plan" aims to encourage the incubation and development of more new catering brands and promote innovation in catering services. The Group has developed dining consumption patterns that are closer to daily life and more frequent eating habits around the core scenario of hot pot restaurants, to satisfy the more diversified and personalized consumption needs of our customers, further enriching their dining experience. Since 2023, the Company has opened several camping hot pot restaurants, campus hot pot restaurants and corporate hot pot restaurants in China. In terms of delivery business, the Group's single-serving business has continued to make great efforts. Through the above attempts and explorations, the Company has attracted many consumers and also generated additional revenue and profit for the Company.

The Company provided us its estimation on the number of Haidilao hot pot restaurants and other catering brands restaurants up to 31 December 2029. According to the Company's annual reports for 2024 and 2025, the Group recorded 59 self-operated restaurants and 3 franchised restaurants newly opened in 2024; and 79 self-operated restaurants and 21 franchised restaurants newly opened in 2025. Having considered the aforesaid increases in Haidilao hot pot restaurants and the implementation of "Pomegranate plan", we consider the estimated number of Haidilao hot pot restaurants and other catering brands restaurants as at 31 December 2026 is reasonable. Upon our further request, we obtained the Company's restaurant opening plan and noted the estimated number of Haidilao hot pot restaurants and other catering brands restaurants for each of the three years ending 31 December 2029, the number of which also represented a year-on-year growth.

Furthermore, with reference to the Board Letter, reference to the revenue from other restaurant operation (including restaurants under the "Pomegranate Plan") have increased by approximately 113.1% from RMB596.5 million for the six months ended 30 June 2025 to RMB1,271.4 million for 1H2026, which is expected to generate incremental demand for the Haidilao Customized Products and the Haidilao General Products in addition to the demand from the hot pot restaurant business. As demand attributable to the non-hot pot restaurant business represented around 10% of the total demand under the Yihai Purchases Transactions for 1H2026, such strong revenue growth highlights the upside potential of the non-hot pot restaurant business as an additional driver of demand for the Yihai Purchases Transactions for the three years ending 31 December 2029.

- The historical amounts of Yihai Purchases Transactions for 1H2026 represented an increase of approximately 16% as compared to the historical amounts for the corresponding period in 2025; whereas the estimated amounts of Yihai Purchases Transactions for FY2026 represented an increase of approximately 20% as compared to the historical amounts for FY2025.

Based on the above, in particular the implied growth rates of 15% to 22% is not deviated to the historical year-on-year growth rate of 16% for 1H2026 and the implied year-on-year growth rate of 20% for FY2026, we are of the view that the proposed annual caps of the Yihai Purchases Transactions, which are close to the estimated amount of Yihai Purchases Transactions, for the three years ending 31 December 2029 are fair and reasonable.

Shareholders should note that as the proposed annual caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2029, and they do not represent forecasts of cost to be incurred from the transactions contemplated under the Renewed Yihai Master Purchase Agreement. Consequently, we express no opinion as to how closely the actual cost to be incurred from the transactions contemplated under the Renewed Yihai Master Purchase Agreement will correspond with the proposed annual caps.

Having considered the above, including the principal terms of the transactions contemplated under the Renewed Yihai Master Purchase Agreement and the proposed annual caps, we are of the view that the terms of the transactions contemplated under the Renewed Yihai Master Purchase Agreement are fair and reasonable.

B. RENEWED SHUHAI AGREEMENTS

Information on Shuhai

With reference to the Board Letter, Shuhai is principally engaged in the provision of "one-stop-shop" supply chain services (including purchase, process, warehouse storage, logistics services, and sales of food products) to catering service providers.

As at the Latest Practicable Date, Shuhai was held as to 42.72% by Leda Haisheng and approximately 26.17% by Jinghai Investment. Therefore, Shuhai is an associate of Mr. Zhang Yong and Ms. Shu Ping, and thus a connected person of the Company.

Principal terms of Renewed Shuhai Agreements

Major terms of the transactions contemplated under the Renewed Shuhai Agreements are set out below (details of which are set out under the section headed "Renewal of Shuhai Agreements" of the Board Letter):

Date

26 October 2026

Parties

(i) The Company; and (ii) Shuhai

(each for itself and on behalf of its subsidiaries)

Term

The Renewed Shuhai Agreements have an initial term of three years commencing from 1 January 2027 to 31 December 2029 (both days inclusive), subject to the independent shareholders' approval of the Company.

Nature of transactions:

Pursuant to the Renewed Shuhai Agreements,

(i) *Renewed Warehouse Storage and Logistics Service Agreement:* Shuhai Group will provide warehouse storage and logistics services to the Group.

(ii) *Renewed Shuhai Master Purchase Agreement:* Shuhai Group will enter into purchase agreements with third-party suppliers of the raw materials selected by the Group and process the raw materials into Processed Ingredients, which the Group will then purchase from Shuhai Group.

Pricing basis:

The service fee under the Renewed Warehouse Storage and Logistics Service Agreement will be determined by both parties at arm's length negotiation with reference to (i) the actual costs and expenses incurred by Shuhai Group for the provision of services in relation to the warehouse storage and logistics services; (ii) the geographical location and the actual transaction amount for storage; (iii) the quality of services in relation to the warehouse storage and logistics services; and (iv) fees charged by Independent Third Parties for similar and comparable services.

The purchase price under the Renewed Shuhai Master Purchase Agreement will be determined through fair negotiation, with reference to: (i) historical purchase price, (ii) procurement cost and related expenses, and (iii) the prevailing market price charged by Independent Third Parties for comparable products (including raw material costs and selling and administrative expenses), for which the Group will obtain at least two quotations from Independent Third Parties for products in similar quantities for comparison with the price and terms offered by the Shuhai Group.

Our analyses

Based on our independent research on continuing connected transactions conducted by other companies listed on the Stock Exchange involving purchase of materials/products from connected persons, we noted that comparing prices offered by independent third parties for the same/similar material/product is one of the commonly adopted pricing policies.

With reference to the Board Letter, based on the quotations obtained by the Company, as of the Latest Practicable Date, the fee/margins charged by Shuhai Group for storage and logistics services, and Processed Ingredients will not be more than the fee/margins charged by other third party suppliers for providing the same/similar products/services.

Furthermore, we obtained from the Company (i) a list of products purchased by the Group pursuant to the Shuhai Master Purchase Agreement; and (ii) a list of cities in which Haidilao hot pot restaurants operate and receive services pursuant to the Warehouse Storage and Logistics Service Agreement. From the aforesaid lists, we (i) randomly selected one product and one city on an annual basis in each of 2024 to 2026; (ii) for each selected product, obtained from the Company relevant invoice for purchasing such products (three products in total) from Shuhai Group and corresponding records on quotations from or prices charged by independent third parties; and (iii) for each selected city, obtained from the Company relevant invoice for receiving warehouse storage/ logistic services in such city (three cities in total) and corresponding records on quotations from independent third parties for the similar services in the same city. As the random sampling basis could facilitate an objective assessment and the above sampling scope covered 2024 to 2026, we consider the above sampling to be sufficient from the Independent Financial Adviser's perspective. Based on the documents obtained, we noted that (i) the unit price of products offered by Shuhai Group pursuant to the Shuhai Master Purchase Agreement were no less favourable than those offered by independent third parties for similar products; and (ii) the unit price of services offered by Shuhai Group pursuant to the Warehouse Storage and Logistics Service Agreement were no less favourable than those offered by independent third parties for similar services in the same location.

Based on the above, we are of the view that the pricing policies of the Renewed Shuhai Agreements are fair and reasonable.

Internal control policies

We understood that the Group has a comprehensive internal control system to ensure that the Renewed Agreements and the transactions contemplated thereunder are fair and reasonable. Details of the internal control measures are set out in the section headed "Internal Control Measures" of the Board Letter.

Upon our request, we obtained the internal control document of the Shuhai Services Transactions and Shuhai Purchases Transactions. After reviewing the document, we acknowledged that the contents of internal control document contained all relevant procedures for both fair pricing measures and annual cap monitoring measure for the Shuhai Services Transactions and Shuhai Purchases Transactions as disclosed in the Board Letter. Furthermore, we noted that (i) the Group's product management department will conduct regular checks on the market price for the purpose of considering if the price charged for a specific transaction is fair and reasonable and in accordance with the pricing basis for the relevant continuing connected transactions; (ii) the Group's product management department will from time to time (on a regular basis and/or prior to price negotiation)

gather market intelligence by way of research and investigation to ascertain the quality of the products compared to similar products/services in the market and the reference price of each type of the products/services in the market; and (iii) before conducting any transactions contemplated under, or entering into any sub-contract pursuant to, an agreement for continuing connected transactions, the Group's legal department and finance department would review the terms of the proposed transactions and the draft sub-contracts to ensure that the transactions would be conducted in accordance with the terms of the agreement and in accordance with the Company's pricing policy. Therefore, we are of the view that the internal control policies are fair and reasonable as the effective implementation of the internal control policies would help to ensure fair pricing of the transactions contemplated under the Renewed Shuhai Agreements.

Based on our findings from the sampling assessment as set out under the sub-section headed "Pricing basis" above, we do not doubt the effectiveness of the internal control measures.

In addition, we also noted that the team of senior management of the Group collects and reviews continuing connected transactions each month in order to guarantee that the actual transaction amounts incurred and estimated to be incurred between the Group and the connected parties are within the annual caps. We consider this arrangement will ensure the proposed annual caps of the transactions contemplated under the Renewed Shuhai Agreements not being exceeded.

Payment terms

Under the Renewed Warehouse Storage and Logistics Service Agreement, Shuhai Group will provide the Group with a monthly statement of the service fees for the preceding month for confirmation, and will issue the corresponding invoice upon such confirmation. The Group will make payment after receiving a valid invoice and may deduct any compensation and liquidated damages payable by Shuhai Group as determined under the agreement.

Under the Renewed Shuhai Master Purchase Agreement, Shuhai Group will issue invoices to the Group for the products it actually supplies during each month at the beginning of the following month. The payment will be made in the following month after the Group receives a valid invoice, or within such other period as both parties may agree.

The turnover days of trade payables were 38.6 days for the year ended 31 December 2025 and 34.9 days for 1H2026. The payment terms are in line with the Group's turnover days of trade payables.

Furthermore, we noted from the internal control document that to ensure that the payment terms are fair and reasonable and on normal commercial terms or better, the Group adopts the following measures: (i) the finance management department of the Group will review the transaction balances with Shuhai Group on a monthly basis to identify and investigate any abnormal transactions and changes in balances, so as to ensure the accuracy of the transaction records and the compliance of the settlement; and (ii) where any payment is proposed to be made beyond the monthly settlement arrangement (including any advance payment or deferred payment), the finance management department of the Group will review the reasons for and the commercial reasonableness of such arrangement prior to making the payment, and the payment will only be made after such review is approved.

Given that the irregular monthly settlement arrangement will be pre-approved and the regular monthly settlement arrangement is in line with the Group's turnover days of trade payables, we are of the view that the payment terms are on normal commercial terms.

Proposed annual caps

Set out below are (i) the historical amounts of services the Group obtained and products the Group purchased from Shuhai Group for the two years ended 31 December 2025 and the 1H2026; and (ii) the proposed annual caps for the three years ending 31 December 2029.

	For the year ended 31 December 2024 *RMB'000*	**For the year ended 31 December 2025** *RMB'000*	**For the year ending 31 December 2026** *RMB'000*
Shuhai Services Transactions			
Historical amounts of Shuhai Services Transactions	590,391	653,732	352,255*(Note)*
Existing annual caps of Shuhai Services Transactions	696,000	835,200	1,002,240
Utilization rate	85%	78%	35%
Shuhai Purchases Transactions			
Historical amounts of Shuhai Purchases Transactions	1,402,585	1,495,078	945,945*(Note)*
Existing annual caps of Shuhai Purchases Transactions	3,251,656	4,534,172	6,167,629
Utilization rate	43%	33%	15%

	For the year ending 31 December 2027 *RMB'000*	For the year ending 31 December 2028 *RMB'000*	For the year ending 31 December 2029 *RMB'000*
Proposed annual caps			
Shuhai Services Transactions	900,000	1,060,000	1,300,000
Shuhai Purchases Transactions	2,040,000	2,650,000	3,250,000

Note: the figures were for the 1H2026.

The above proposed annual caps were determined based on the factors as set out under the sub-section headed "Reasons for the Proposed Annual Caps and Basis of Determination" under the section headed "Renewed Shuhai Agreements" of the Board Letter.

As advised by the Directors, the low utilizations of the existing annual caps of Shuhai Purchases Transactions for the two years ended 31 December 2025 and 1H2026 was mainly due to the fact that the number of newly opened restaurants was below the original expectation, leading to a slowdown in the overall procurement scale.

Shuhai Services Transactions

Upon our request, the Company provided us with a calculation of the above proposed annual caps of the Shuhai Services Transactions for the three years ending 31 December 2029. We noted from the calculation that the estimated amounts of Shuhai Services Transactions for FY2027 representing an increase of approximately 17% on the estimated amounts of the Shuhai Services Transactions for FY2026. Having considered the following factors:

- The estimated amount of Shuhai Services Transactions for FY2026 was around RMB770 million. As the annualized amounts for FY2026, based on the historical transaction amounts for 1H2026 of approximately RMB352 million and proportion of historical amounts for first half year to the full year, was approximately RMB740 million, being close to the estimated amounts of the Shuhai Services Transaction for FY2026, we consider the estimated amount of Shuhai Services Transaction for FY2026 to be fair and reasonable;

- The estimated amount of Shuhai Services Transactions for FY2026 represented an increase of approximately 17% as compared to that for FY2025; and

- As mentioned above, we were advised the estimated number of Haidilao hot pot restaurants and other catering brands restaurants for each of the three years ending 31 December 2029, the number of which represented a year-on-year growth. The aforesaid increase in number of restaurants indicates the potential demand of Shuhai Services Transactions,

we are of the view that the estimated amount of Shuhai Services Transactions for FY2027 is fair and reasonable.

In addition, we noted from the calculation that there is year-on-year growth of 18% and 23% on the estimated amount of Shuhai Services Transactions for FY2028 and FY2029, respectively. Having considered (i) the estimated amount of Shuhai Services Transactions for FY2026 represented an increase of approximately 17% as compared to that for FY2025; and (ii) our above analyses in respect of estimated increase in number of Haidilao hot pot and the other catering brands restaurants during FY2028 and FY2029, we are of the view that the aforesaid year-on-year growth of 18% and 23% on the estimated amount of Shuhai Services Transactions for FY2028 and FY2029 is justifiable.

Accordingly, we are of the view that the proposed annual caps of Shuhai Services Transactions, which are close to estimated amounts of Shuhai Services Transactions, for the three years ending 31 December 2029 are fair and reasonable.

Shuhai Purchases Transactions

Upon our request, we were advised the historical amounts of the Shuhai Purchases Transactions for six months ended 30 June 2025 and for the year ended 31 December 2025 and calculated proportion of historical amounts for first half year to the full year of 2025. The annualized transaction amounts of Shuhai Purchases Transactions for FY2026 would be around RMB1,900 million, which was arrived at the historical amounts of Shuhai Purchases Transactions for 1H2026 of approximately RMB945.9 million and the aforesaid proportion of 2025. As (i) the estimated transaction amounts of Shuhai Purchases Transactions for FY2027 of around RMB2,000 million is close to the annualized amounts for FY2026; and (ii) the historical amounts of the Shuhai Purchases Transactions for FY2024 and FY2025 remained at similar level (RMB1,403 million and RMB1,495 million, respectively), we consider the estimated amount of Shuhai Purchases Transactions for FY2027 is fair and reasonable.

Based on the above analyses, we are of the view that the proposed annual cap for FY2027, which is close to the estimated amounts of Shuhai Purchases Transactions, is fair and reasonable.

According to the above table, the proposed annual caps for FY2028 and FY2029 represented a year-on-year growth of 30% and 23% as compared to that for FY2027 and FY2028. Having considered that the highest year-on-year growth rate of the Group's raw materials and consumables used over the period from 2022 to 2025 was approximately 31%, and that adopting a relatively higher growth rate may provide sufficient room for the Group to enter into the Shuhai Purchases Transactions (which are fair and reasonable as analysed above), we consider the aforesaid year-on-year growth rates of 30% and 23% to be reasonable.

Based on the above analyses, we are of the view that the proposed annual caps for FY2028 and FY2029 are fair and reasonable.

Shareholders should note that as the proposed annual caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2029, and they do not represent forecasts of cost to be incurred from the transactions contemplated under the Renewed Shuhai Agreements. Consequently, we express no opinion as to how closely the actual cost arising from the transactions contemplated under the Renewed Shuhai Agreements will correspond with the proposed annual caps.

Having considered the above, including the principal terms of the transactions contemplated under the Renewed Shuhai Agreements and the proposed annual caps, we are of the view that the terms of the transactions contemplated under the Renewed Shuhai Agreements are fair and reasonable.

C. RENEWED MASTER DECORATION PROJECT GENERAL CONTRACT SERVICE AGREEMENT

Information on Shuyun Dongfang

With reference to the Board Letter, Shuyun Dongfang is principally engaged in providing decoration related services.

As at the Latest Practicable Date, Mr. Zhang Shuoyi (張碩軼) was the sole director of Shuyun Dongfang and owns 80.00% of the equity interests in Shuyun Dongfang. Mr. Zhang Shuoyi is the brother of Mr. Zhang Yong, the executive Director, chief executive officer and controlling shareholder. Therefore, Shuyun Dongfang is an associate of Mr. Zhang Yong and a connected person of the Company.

Principal terms of the Renewed Master Decoration Project General Contract Service Agreement

Major terms of the transactions contemplated under the Renewed Master Decoration Project General Contract Service Agreement are set out below (details of which are set out under the section headed "Renewal of Master Decoration Project General Contract Service Agreement" of the Board Letter):

Date

26 October 2026

Parties

(i) The Company; and (ii) Shuyun Dongfang

(each for itself and on behalf of its subsidiaries)

Term

The Renewed Master Decoration Project General Contract Service Agreement have an initial term of three years commencing from 1 January 2027 to 31 December 2029 (both days inclusive), subject to the independent shareholders' approval of the Company.

Nature of transactions:

Shuyun Dongfang will provide General Project Contract Services, including but not limited to, selecting and engaging subcontractors to carry out the decoration work and purchasing materials and equipment for the projects, to the Group in connection with the interior decoration and renovation of the Group's restaurants located in mainland China.

The prevailing market rate is ascertained through the annual tendering and bidding process of the Group, in which no fewer than two Independent Third Party service providers participate together with Shuyun Dongfang.

Pricing basis:

The general contract service fee will be determined based on the total cost and the quality of the decoration services with reference to the prevailing market rate and the reasonable profit margin of such decoration project general contract service.

Our analyses

Based on our independent research on continuing connected transactions conducted by other companies listed on the Stock Exchange involving purchase of materials/products from connected persons, we noted that comparing prices offered by independent third parties for the same/similar material/product is one of the commonly adopted pricing policies.

As advised by the Directors, the Company conducted two annual tendering and bidding process in second half of 2024 and first half of 2025, respectively, for the purpose of the selection of service providers for the General Project Contract Services. We obtained from the Company the assessment results of the two annual tendering and bidding for 2024 and 2025. From the aforesaid documents, we noted that (i) there were at least two suppliers (who are independent third parties) in addition to Shuyun Dongfang participating in the annual tendering and bidding process; (ii) the results was assessed by various factors, including price, background of service providers, technical proposals, etc.; (iii) number of the Group's project which will be allocated to the service providers for General Project Contract Services was determined based on (a) the assessment results of the annual tendering and bidding; and/or (b) the background experience of the service providers; and (iv) the fees offered by Shuyun Dongfang were comparable to the fees offered by other service providers (who are independent third parties). Although the fees quoted by Shuyun Dongfang were not the lowest among all suppliers who participated in the annual tendering and bidding process (the same as quotation offered by another participant or no more than 5% higher than the next lower quotation), we understood that supplier selection takes into account not only quotations, but also the service providers' background (among which Shuyun Dongfang had the largest number of working teams and the greatest capacity to undertake projects) and their technical proposals (of which Shuyun Dongfang obtained highest score in the assessment in 2025). The assessment factors adopted are in line with market practice.

Based on the above, in particular (i) that there is no material difference between the price offered by Shuyun Dongfang and the next lower quotation; (ii) Shuyun Dongfang's capacity to undertake projects; and (iii) Shuyun Dongfang's technical proposal is robust, supported by the highest score obtained by Shuyun Dongfang in the technical assessment among all participants in 2025, we are of the view that the pricing policies of the Renewed Master Decoration Project General Contract Service Agreement are fair and reasonable.

Internal control policies

We understood that the Group has a comprehensive internal control system to ensure that the Renewed Agreements and the transactions contemplated thereunder are fair and reasonable. Details of the internal control measures are set out in the section headed "Internal Control Measures" of the Board Letter.

Upon our request, we obtained the internal control document of the transactions contemplated under the Renewed Master Decoration Project General Contract Service Agreement. After reviewing the document, we acknowledged that the contents of internal control document contained all relevant procedures for both fair pricing measures and annual cap monitoring measure for the aforesaid transactions as disclosed in the Board Letter. Furthermore, we noted that (i) the service providers will be selected by way of annual tendering and bidding process, in which no fewer than two Independent Third Party service provider will participate in addition to Shuyun Dongfang; (ii) there will be a comprehensive assessment with reference to various factors of the potential service providers and their quotations. Therefore, we are of the view that the internal control policies are fair and reasonable as the effective implementation of the internal control policies would help to ensure fair pricing of the transactions contemplated under the Renewed Master Decoration Project General Contract Service Agreement.

Based on our findings from the sampling assessment as set out under the sub-section headed "Pricing basis" above, we do not doubt the effectiveness of the internal control measures.

In addition, we also noted that the team of senior management of the Group collects and reviews continuing connected transactions each month in order to guarantee that the actual transaction amounts incurred and estimated to be incurred between the Group and the connected parties are within the annual caps. We consider this arrangement will ensure the proposed annual caps of the transactions contemplated under the Renewed Master Decoration Project General Contract Service Agreement not being exceeded.

Payment terms

The Group will pay the decoration fees in accordance with the payment milestones set out in the relevant project contract. Upon the achievement of each payment milestone, Shuyun Dongfang will submit a payment application for the Group's confirmation and issue a valid invoice accordingly, and the Group will make the payment within 30 days upon receipt of such valid invoice. The payment percentage for each milestone is determined on a project-by-project basis having regard to the scale, duration and complexity of the project. The Group may deduct any losses and liquidated damages payable by Shuyun Dongfang, as determined under the agreement.

We also reviewed three individual agreements for the General Project Contract Services provided by independent service providers to the Group. Pursuant to the agreements, the payment will be made by instalments with reference to specific milestones and upon confirmation of such service providers' payment applications.

Proposed annual caps

Set out below are (i) the historical amounts of the General Project Contract Services provided by Shuyun Dongfang for the two years ended 31 December 2025 and 1H2026; and (ii) the proposed annual caps for the three years ending 31 December 2029.

	For the year ended 31 December 2024 *RMB'000*	**For the year ended 31 December 2025** *RMB'000*	**For the year ending 31 December 2026** *RMB'000*
Historical amounts decoration general project contract services	264,063	209,705	113,775*(Note)*
Existing annual caps of decoration general project contract services	2,699,640	2,809,120	2,945,340
Utilization rate	10%	7%	4%

	For the year ending 31 December 2027 *RMB'000*	For the year ending 31 December 2028 *RMB'000*	For the year ending 31 December 2029 *RMB'000*
Proposed annual caps	1,570,000	2,410,000	3,580,000

Note: the figures were for 1H2026.

The above proposed annual caps were determined based on the factors as set out under the sub-section headed "Reasons for the Proposed Annual Caps and Basis of Determination" under the section headed "Renewal of Master Decoration Project General Contract Service Agreement" of the Board Letter. The low utilizations of the existing annual caps were mainly due to the fact that (i) the growth rate of the number of newly opened restaurants and the demands of renovation services were below original expectation; (ii) Shuyun Dongfang undertook a limited number of projects as general project contract services for newly opened restaurants and existing restaurants (for renovation services) were provided by both Shuyun Dongfang and independent third parties.

Upon our request, the Company provided us with a calculation of the above proposed annual caps for the three years ending 31 December 2029. We noted that the estimated demand of Shuyun Dongfang's decoration general project contract services for (i) the decoration of new Haidilao hot pot restaurant; (ii) the renovation of existing Haidilao hot pot restaurant; and (iii) the renovation and decoration of new other catering brands restaurants, in aggregate of which accounted for approximately 98% of the proposed annual caps for the three years ending 31 December 2029.

In respect of the estimated demand of Shuyun Dongfang's decoration general project contract services for the decoration of new Haidilao hot pot restaurant, the Company estimated the number of newly-opened Haidilao hot pot restaurants and the estimated average amounts to be paid to contractors for opening a new Haidilao hot pot restaurant, for the three years ending 31 December 2029.

Having taken into account the following factors, we consider such estimated demand to be justifiable:

- As disclosed above, we acknowledged the estimated number of Haidilao hot pot restaurants and other catering brands restaurants for each of the three years ending 31 December 2029, which represented a year-on-year growth.

- The Group estimated that the average amounts to be paid to contractors for opening a new Haidilao hot pot restaurant shall be RMB6 million to RMB7.5 million.

  Based on the information provided by the Directors, the estimated average amounts of RMB6 million to RMB7.5 million fall within the range of construction cost for opening a new Haidilao hot pot restaurant for the two years ended 31 December 2025 and 1H2026, indicating that the estimated average amounts of RMB6 million to RMB7.5 million was not over estimated.

- The Group estimated the amounts to be paid to contractors for opening a new other catering brands restaurant shall range from RMB2 million to RMB15 million, subject to brand, type, floor area.

  Based on the information provided by the Directors, the estimated average amounts of RMB2 million to RMB15 million fall within the range of construction costs for opening all new other catering brands restaurants for the two years ended 31 December 2025 and 1H2026, indicating that the estimated amounts to be paid to contractors for opening a new other catering brands restaurant were not over estimated.

In respect of the estimated demand of Shuyun Dongfang's decoration general project contract services for the renovation of existing Haidilao hot pot restaurant, the Company considered the estimated number of Haidilao hot pot restaurants to be completely renovated and estimated cost for renovation of each existing Haidilao hot pot restaurant, for the three years ending 31 December 2029. Having taken into account the following factors, we consider such estimated demand to be justifiable:

- Upon our enquiry, the Directors advised us the estimated number of Haidilao hot pot restaurants to be completely renovated for the three years ending 31 December 2029. As advised by the Directors, the Group (i) typically carries out complete renovation for each of its restaurants every ten years; or (ii) carries out complete renovations for a period of less than 10 years after considering different factors such as requirement for improving of customers' dining experience, restaurant atmosphere, overall table turnover rate, etc. For our due diligence purpose, we obtained the Group's renovation plan for certain of its Haidilao hot pot restaurants with business operation.

- The Directors further advised that the restaurants which may require renovation services are generally located in first-tier and second-tier cities and the cost of a complete renovation to be similar to the estimated cost of decoration general project contract services for the decoration of a new Haidilao hot pot restaurant. Therefore, the renovation cost for each existing Haidilao hot pot restaurant was estimated to be RMB7.5 million.

Based on the information provided by the Directors, the estimated average amounts of RMB7.5 million falls within the range of construction cost for renovation of existing Haidilao hot pot restaurant in first-tier and second tier cities for the two years ended 31 December 2025 and 1H2026, indicating that the estimated average amounts of RMB7.5 million was not over estimated.

Having considered the above, we are of the view that the proposed annual caps contemplated under the Renewed Master Decoration Project General Contract Service Agreement for the three years ending 31 December 2029 are fair and reasonable.

Shareholders should note that as the proposed annual caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2029, and they do not represent forecasts of cost incurred from the transactions contemplated under the Renewed Master Decoration Project General Contract Service Agreement. Consequently, we express no opinion as to how closely the actual cost incurred from the transactions contemplated under the Renewed Master Decoration Project General Contract Service Agreement will correspond with the proposed annual caps.

Having considered the above, including the principal terms of the transactions contemplated under the Renewed Master Decoration Project General Contract Service Agreement and the proposed annual caps, we are of the view that the terms of the transactions contemplated under the Renewed Master Decoration Project General Contract Service Agreement are fair and reasonable.

Listing Rules implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the Transactions must be restricted by the proposed annual caps; (ii) the terms of the Transactions (together with the proposed annual caps) must be reviewed by the independent non-executive directors annually; and (iii) details of the independent non-executive directors' annual review on the terms of the Transactions (together with the corresponding the proposed annual caps) must be included in the Company's subsequent published annual reports.

Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transactions (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the proposed annual caps.

In the event that the total amounts of the Transactions are anticipated to exceed the proposed annual caps, or that there is any proposed material amendment to the terms of the Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions (including the proposed annual caps) are on normal commercial terms and are fair and reasonable; and (ii) the Transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Transactions (including the proposed annual caps) and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DISCLOSURE OF INTERESTS

As of the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of our associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Interest in the Company

Name of Director/ Chief Executive	Capacity/Nature of interest	Number of Ordinary Shares	Approximate percentage of Shareholding in the Total Issued Share Capital (%) *(Note 3)*
Mr. Zhang Yong *(Note 1)*	Founder of a discretionary trust Beneficiary of a trust Beneficial owner	2,536,711,393 (L)	45.51 (L)
Mr. Li Peng	Beneficial owner	397,500 (L)	0.01 (L)
Mr. Zhou Zhaocheng *(Note 2)*	Interest of spouse Beneficial owner	2,117,500 (L)	0.04 (L)
Ms. Li Nana	Beneficial owner	391,000 (L)	0.01 (L)

(L) denotes a long position

Notes:

(1) ZY NP Ltd. is an investment holding company incorporated in the BVI. The entire share capital of ZY NP Ltd. is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the Apple Trust 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 families. Mr. Zhang Yong (as the founder of the Apple Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by ZY NP Ltd. under the SFO.

SP NP Ltd. is an investment holding company incorporated in the BVI. The entire share capital of SP NP Ltd. is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the Rose Trust 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 families. Ms. Shu Ping (as the founder of the Rose Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by SP NP Ltd. under the SFO.

(2) Mr. Zhou Zhaocheng is the spouse of Ms. Chen Ying. Therefore, Mr. Zhou Zhaocheng is deemed to be interested in the Shares in which Ms. Chen Ying is interested in under the SFO.

(3) The calculation is based on the total number of 5,574,000,000 Shares in issue as of the Latest Practicable Date.

(ii) Interest in the associated corporations

Name of Director/ Chief Executive	Name of Associated Corporation	Capacity/Nature of interest	Percentage of Shareholding in the Associated Corporation
Mr. Zhang Yong *(Note 2)*	Fuhai *(Note 1)*	Founder of a discretionary trust Interest in a controlled corporation Beneficiary of a trust Interest of spouse	60%

Notes:

(1) Fuhai is held as to 40% by the Shanghai Xinpai and 60% by Yihai Shanghai, a wholly-owned subsidiary of Yihai, and therefore is an associated corporation of the Company under the SFO.

(2) Yihai is held as to approximately 31.39% by ZYSP YIHAI Ltd. and SP YH Ltd. The entire share capital of ZYSP YIHAI Ltd. and SP YH Ltd. is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the ZYSP Trust, a discretionary trust set up by Mr. Zhang Yong and Ms. Shu Ping as the settlors and protectors on June 1, 2016 for the benefit of themselves and their family, and the SP Trust, a discretionary trust set up by Ms. Shu Ping as the settlor and protector on December 31, 2020 for the benefit of herself, Mr. Zhang Yong and their family, respectively. Mr. Zhang Yong (as the founder of the ZYSP Trust and a beneficiary of the SP Trust) is deemed to be interested in the shares of Fuhai held by Yihai Shanghai under the SFO.

Save as disclosed above, as of the Latest Practicable Date, none of the Directors or chief executives of the Company and their respective associates has or is deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or which will be required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO, or which will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

As of the Latest Practicable Date, the followings were the persons, other than the Directors or chief executives of the Company, who had interests or short positions in the Shares and underlying Shares which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

Name of Shareholder	**Capacity/Nature of interest**	**Number of Ordinary Shares**	**Approximate percentage of Shareholding in the Total Issued Share Capital (%)** *(Note 6)*
UBS Trustees (B.V.I.) Limited *(Notes 1,2,4 and 5)*	Trustee	3,565,158,271 (L)	63.96 (L)
Ms. Shu Ping *(Notes 1 and 2)*	Founder of a discretionary trust Interest of spouse Beneficiary of a trust	2,536,711,393 (L)	45.51 (L)
ZY NP Ltd *(Note 1)*	Beneficial owner	2,081,763,204 (L)	37.35 (L)
Ms. Hailey Lee *(Notes 3,4 and 5)*	Founder of a discretionary trust Beneficial owner Interest of spouse	1,069,071,878 (L)	19.18 (L)

Name of Shareholder	Capacity/Nature of interest	Number of Ordinary Shares	Approximate percentage of Shareholding in the Total Issued Share Capital (%) *(Note 6)*
Mr. Sean Shi *(Notes 3,4 and 5)*	Founder of a discretionary trust Beneficial owner Interest of spouse	1,069,071,878 (L)	19.18 (L)
SP NP Ltd. *(Note 2)*	Beneficial owner	441,610,689 (L)	7.92 (L)
LHY NP Ltd. *(Note 5)*	Beneficial owner	582,503,689 (L)	10.45 (L)
SYH NP Ltd. *(Note 4)*	Beneficial owner	459,280,689 (L)	8.24 (L)

(L) denotes a long position

Notes:

(1) ZY NP Ltd. is an investment holding company incorporated in the BVI. The entire share capital of ZY NP Ltd. is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the Apple Trust 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 families. Mr. Zhang Yong (as the founder of the Apple Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by ZY NP Ltd. under the SFO.

(2) SP NP Ltd. is an investment holding company incorporated in the BVI. The entire share capital of SP NP Ltd. is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the Rose Trust 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 families. Ms. Shu Ping (as the founder of the Rose Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by SP NP Ltd. under the SFO.

(3) Ms. Hailey Lee is the spouse of Mr. Sean Shi. Therefore, Ms. Hailey Lee is deemed to be interested in the Shares in which Mr. Sean Shi is interested and Mr. Sean Shi is deemed to be interested in the Shares in which Ms. Hailey Lee is interested under the SFO.

(4) SYH NP Ltd. is an investment holding company incorporated in the BVI. The entire share capital of SYH NP Ltd. is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the Cheerful Trust 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 their own benefit and the benefit of their families. Mr. Sean Shi and Ms. Hailey Lee (as the founders of the Cheerful Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by SYH NP Ltd. under the SFO.

(5) LHY NP Ltd. is an investment holding company incorporated in the BVI. The entire share capital of LHY NP Ltd. is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the Cheerful Trust 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 their own benefit and the benefit of their families. Mr. Sean Shi and Ms. Hailey Lee (as the founders of the Cheerful Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by LHY NP Ltd. under the SFO.

(6) The calculation is based on the total number of 5,574,000,000 Shares in issue as of the Latest Practicable Date.

Save as disclosed above, as of the Latest Practicable Date, the Directors and the chief executives of the Company are not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

Name	Qualifications
Gram Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As of the Latest Practicable Date, Gram Capital had not had any beneficial interest in the share capital of any member of the Group, did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and did not have any interest, either directly or indirectly, in any assets which had been, since December 31, 2025, being the date of the latest published audited accounts of the Company, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with inclusion of its opinion and letter, as the case may be, and the references to its name included herein in the form and context in which they respectively appear.

LITIGATION

As of the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration proceedings of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading positions of the Company since December 31, 2025, being the date to which the latest published audited financial statements of the Company have been made up.

SERVICE CONTRACT OF THE DIRECTORS

As of the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any member of the Group referred to in Rule 13.68 of the Listing Rules (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

INTERESTS OF DIRECTORS

(a) The Directors are not aware of any Director or his respective associates having, as of the Latest Practicable Date, any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which would be required to be disclosed under the Listing Rules.

(b) Save as disclosed in the section headed "Connected Transactions" of the Prospectus, the Previous Circular and Announcement and this circular, no Director was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant to the business of the Group taken as a whole.

(c) Save as disclosed in the section headed "Connected Transactions" of the Prospectus and the Previous Circular and Announcement, since December 31, 2025, being the date of the latest published audited consolidated accounts of the Company, none of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired or disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to, any member of the Group.

GENERAL

(a) The Company's share registrar is Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(b) The English text of this circular and the accompanying form of proxy shall prevail over the Chinese text in the case of any inconsistency.

DOCUMENTS ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.haidilao.com during a period of 14 days from the date of this circular (both days inclusive):

(a) the Renewed Yihai Master Purchase Agreement entered into between the Company and Yihai;

(b) the Renewed Warehouse Storage and Logistics Service Agreement entered into between the Company and Shuhai;

(c) the Renewed Shuhai Master Purchase Agreement entered into between the Company and Shuhai;

(d) the Renewed Master Decoration Project General Contract Service Agreement entered into between the Company and Shuyun Dongfang;

(e) the letter of recommendation from the Independent Board Committee, the text of which is set out on page 45 of this circular;

(f) the letter of advice issued by Gram Capital, being the Independent Financial Adviser, the text of which is set out on pages 46 to 72 of this circular; and

(g) the written consent referred to in the subsection headed "Qualification and Consent" of this appendix.

HAIDILAO INTERNATIONAL HOLDING LTD.

海底捞国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6862)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (the "**EGM**") of Haidilao International Holding Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") will be held at 10:00 a.m. on December 10, 2026 by way of virtual meeting via online platform for the following purposes. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Company's circular dated November 20, 2026.

ORDINARY RESOLUTIONS

To consider and, if thought fit, to pass the following resolutions with or without amendments as ordinary resolutions:

1. "**THAT**:

   (i) the renewed Yihai master purchase agreement (the "**Renewed Yihai Master Purchase Agreement**") dated October 26, 2026 entered into between the Company and Yihai, each for itself and on behalf of its subsidiaries, in relation to the purchase of Haidilao Customized Products and the Haidilao General Products from Yihai Group, and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;

   (ii) the proposed annual caps in relation to the transactions contemplated under the Renewed Yihai Master Purchase Agreement as specified below be and are hereby approved, ratified and confirmed;

	Proposed annual cap for the year ending December 31,		
	2027	**2028**	**2029**
	RMB'000	*RMB'000*	*RMB'000*
	2,340,000	2,820,000	3,450,000

2. "**THAT**

(i) the renewed warehouse storage and logistics service agreement (the "**Renewed Warehouse Storage and Logistics Service Agreement**") dated October 26, 2026 entered into between the Company and Shuhai, each for itself and on behalf of its subsidiaries, in relation to the provision of storage and logistic services in relation to the Commodity Ingredients for our Group, and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;

(ii) the renewed Shuhai master purchase agreement ("**Renewed Shuhai Master Purchase Agreement**", together with the Renewed Warehouse Storage and Logistics Service Agreement, the "**Renewed Shuhai Agreements**") dated October 26, 2026 entered into between the Company and Shuhai, each for itself and on behalf of its subsidiaries, in relation to the provision of Processed Ingredients to the Group, and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;

(iii) the proposed annual caps in relation to the transactions contemplated under the Renewed Shuhai Agreements as specified below be and are hereby approved, ratified and confirmed;

	Proposed annual cap for the year ending December 31,		
	2027	**2028**	**2029**
	RMB'000	*RMB'000*	*RMB'000*
Renewed Warehouse Storage and Logistics Service Agreement	900,000	1,060,000	1,300,000
Renewed Shuhai Master Purchase Agreement	2,040,000	2,650,000	3,250,000
Total	**2,940,000**	**3,710,000**	**4,550,000**

3. "**THAT**

(i) the renewed master decoration project general contract service agreement (the "**Renewed Master Decoration Project General Contract Service Agreement**") dated October 26, 2026 entered into between the Company and Shuyun Dongfang, each for itself and on behalf of its subsidiaries, in relation to the provision of decoration project general contract services to the Group, and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;

(ii) the proposed annual caps in relation to the transactions contemplated under the Renewed Master Decoration Project General Contract Service Agreement as specified below be and are hereby approved, ratified and confirmed;

	Proposed annual cap for the year ending December 31,		
	2027	**2028**	**2029**
	RMB'000	*RMB'000*	*RMB'000*
	1,570,000	2,410,000	3,580,000

4. "**THAT**

any director of the Company be and is hereby authorized for and on behalf of the Company to sign, seal, execute, perfect, deliver and do all such documents, deeds, acts, matters and things as he/she may in his/her discretion consider necessary or desirable or expedient for the purpose of or in connection with the (i) Renewed Yihai Master Purchase Agreement, (ii) Renewed Shuhai Agreements and (iii) Renewed Master Decoration Project General Contract Service Agreement and to make and agree such variations of a non-material nature in or to the terms of the (i) Renewed Yihai Master Purchase Agreement, (ii) Renewed Shuhai Agreements and (iii) Renewed Master Decoration Project General Contract Service Agreement as he/she may in his/her discretion consider to be desirable and in the interests of the Company."

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

Hong Kong, November 20, 2026

Notes:

(1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies (if such member is the holder of two or more shares) to attend and to vote instead of them. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude a member of the Company from attending the EGM and vote in person. In such event, his form of proxy will be deemed to have been revoked.

(2) Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.

(3) A form of proxy for use at the meeting is enclosed.

(4) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

(5) The voting at the EGM will be taken by poll.

(6) The register of members of the Company will be closed from Monday, December 7, 2026 to Thursday, December 10, 2026, both days inclusive, in order to determine the eligibility of the shareholders to attend and vote at the EGM. The record date for determining the Shareholders entitled to attend and vote at the EGM will be Thursday, December 10, 2026. In order to be eligible to attend and vote at the EGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, December 4, 2026.

As of the date of this notice, the Board of Directors of the Company comprises Mr. Zhang Yong as the chairman and executive Director; Mr. Zhou Zhaocheng as the vice chairman and executive Director; Mr. Li Peng, Ms. Li Nana, Ms. Zhu Yinhua, Ms. Jiao Defeng and Ms. Zhu Xuanyi as executive Directors; and Dr. Chua Sin Bin, Mr. Hee Theng Fong, Mr. Qi Daqing, Dr. Ma Weihua, Mr. Wu Xiaoguang and Mr. Zhang Junjie as independent non-executive Directors.