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YIHAI INTERNATIONAL HOLDING LTD.

頤海國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1579)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (“**Extraordinary General Meeting**”) of Yihai International Holding Ltd. (“**the Company**”) will be held at Conference Room 206, 2nd Floor, Building 6, Songlei Office Building, Heng Song Yuan, Middle Road of South 3rd Ring Road, Fengtai District, Beijing, PRC on Wednesday, 8 August 2018 at 10:00 a.m. for the following purposes:

AS ORDINARY RESOLUTIONS

1. “THAT

- (i) the master sales agreement (the “**Haidilao Master Sales Agreement**”) dated 6 July 2018 entered into between Yihai (Shanghai) Food Co., Ltd. (“**Yihai Shanghai**”) and HAI DI LAO HOLDINGS PTE. LTD. (“**Singapore Haidilao**”) and together with its subsidiaries, the “**Haidilao Group**”) in relation to (a) the sale of hotpot soup flavouring and Chinese-style compound condiment products manufactured using formulas owned by the Haidilao Group for use in its hot pot restaurants (the “**Haidilao Customized Products**”); (b) the sale of retail hotpot soup flavouring, hotpot dipping sauce and Chinese-style compound condiment products manufactured using formulas owned by Yihai Shanghai for display and sale to consumers in hot pot restaurants of the Haidilao Group (the “**Haidilao Retail Products**”); (c) the sale of the self-serving small hotpot products (the “**Small Hotpot Products**”) to the Haidilao 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 Haidilao Master Sales Agreement as specified below be and are hereby approved, ratified and confirmed;

	For the year ending 31 December	
	2019	2020
	(RMB'000)	(RMB'000)
Haidilao Customized Products	2,269,600	3,462,700
Haidilao Retail Products	45,000	65,000
Small Hotpot Products	<u>23,300</u>	<u>39,600</u>
Aggregated amount	<u>2,337,900</u>	<u>3,567,300</u>

- (iii) 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 may in his discretion consider necessary or desirable or expedient for the purpose of or in connection with the Haidilao Master Sales Agreement and to make and agree such variations of a non-material nature in or to the terms of the Haidilao Master Sales Agreement as he may in his discretion consider to be desirable and in the interests of the Company.”

2. “THAT

- (i) the sales agreement (the “**Shuhai Sales Agreement**”) dated 6 July 2018 entered into between Yihai Shanghai and Shuhai (Beijing) Supply Chain Management Co., Ltd. (“**Shuhai Supply Chain**” and together with its subsidiaries, the “**Shuhai Supply Chain Group**”) in relation to the supply of products customized for Shuhai Supply Chain Group’s customers who are catering service providers (“**Shuhai Customized Products**”) and products targeting at the retail market (“**Shuhai Retail Products**”), 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 Shuhai Sales Agreement as specified below be and are hereby approved, ratified and confirmed;

	For the year ending 31 December	
	2019	2020
	<i>(RMB’000)</i>	<i>(RMB’000)</i>
Shuhai Customized Products	18,600	27,900
Shuhai Retail Products	<u>1,060</u>	<u>1,600</u>
Aggregated amount	<u>19,660</u>	<u>29,500</u>

- (iii) 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 may in his discretion consider necessary or desirable or expedient for the purpose of or in connection with the Shuhai Sales Agreement and to make and agree such variations of a non-material nature in or to the terms of the Shuhai Sales Agreement as he may in his discretion consider to be desirable and in the interests of the Company.”

3. “THAT

- (i) the hotpot soup flavouring products sales agreement (the “**Hotpot Soup Flavouring Products Sales Agreement**”) dated 6 July 2018 entered into between Yihai Shanghai and Fuhai (Shanghai) Food Technology Co., Ltd. (the “**Joint Venture**”) in relation to the sale of hotpot soup flavouring products by Yihai Shanghai and its subsidiaries to the Joint Venture, and the self-serving small hotpot products sales agreement (the “**Small Hotpot**

Products Sales Agreement”) dated 6 July 2018 entered into between the Joint Venture and Yihai Shanghai in relation to the sales of Small Hotpot Products by the Joint Venture to Yihai Shanghai and its subsidiaries (the Hotpot Soup Flavouring Products Sales Agreement and the Small Hotpot Products Sales Agreement are collectively referred to as the **“Framework Sales and Purchase Agreements”**), 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 Framework Sales and Purchase Agreements as specified below be and are hereby approved, ratified and confirmed;

	For the year ending 31 December 2020 (RMB'000)
Sale of hotpot soup flavouring products	25,600
Purchase of Small Hotpot Products	<u>331,066</u>
Aggregated amount	<u>356,666</u>

- (iii) 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 may in his discretion consider necessary or desirable or expedient for the purpose of or in connection with the Framework Sales and Purchase Agreements and to make and agree such variations of a non-material nature in or to the terms of the Framework Sales and Purchase Agreements as he may in his discretion consider to be desirable and in the interests of the Company.”

By order of the Board of Directors
Yihai International Holding Ltd.
Shi Yonghong
Chairman

Beijing, China
19 July 2018

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 Extraordinary General Meeting 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 Extraordinary General Meeting will be taken by poll.
- (6) The register of members of the Company will be closed from Friday, 3 August 2018 to Wednesday, 8 August 2018, both days inclusive, in order to determine the eligibility of the shareholders to attend and vote at the Extraordinary General Meeting. The shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 2 August 2018 will be entitled to attend and vote at the Extraordinary General Meeting. In order to be eligible to attend and vote at the Extraordinary General Meeting, 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 Thursday, 2 August 2018.

As at the date of this announcement, the executive directors are Ms. Dang Chunxiang, Mr. Sun Shengfeng and Ms. Shu Ping; the non-executive Directors are Mr. Shi Yonghong, Mr. Zhang Yong and Mr. Pan Di; and the independent non-executive Directors are Mr. Yau Ka Chi, Mr. Qian Mingxing and Ms. Ye Shujun.