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Nayuki Holdings Limited

奈雪的茶控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2150)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE DISCLOSEABLE TRANSACTION

Reference is made to the announcement of Nayuki Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated December 5, 2022 (the “**Previous Announcement**”) in relation to the Investment. Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Previous Announcement.

The Board wishes to provide the Shareholders with additional information in relation to the Investment.

REPURCHASE OBLIGATION OF THE COMPANY UNDER THE SHAREHOLDERS AGREEMENT

As disclosed under the section headed “Future listing plan of the Target Company” in the Previous Announcement, pursuant to the Shareholders Agreement, in the event that the listing plan of the Target Group is interrupted solely due to peer competition issues brought by the Company, the Company has agreed to take Pre-listing Adjustments to rectify these issues within 90 days upon the request of the Target Company's other shareholders (the “**Rectification Period**”). Pre-listing Adjustments permitted under the Shareholders Agreement including but not limited to reducing the Company's shareholding percentage in the Target Company, reducing the Company's board seats in the Target Company, and/or other reasonable efforts subject to the discretion of the Company to reduce/mitigate peer competition issues. During the Rectification Period, other shareholders of the Target Company shall cooperate with the Company for the implementation of the Pre-listing Adjustments. The obligation of the Company to repurchase equity interests of the Target Company under the Shareholders Agreement (the “**Repurchase Obligation**”) will only be triggered when the Company fails to implement the Pre-Listing Adjustments within

the Rectification Period. Accordingly, the triggering of the Repurchase Obligation was subject to the discretion of the Company as at the date of the Investment Agreement. On the other hand, in the event that the Company fails to implement the Pre-listing Adjustments and the Repurchase Obligation has been triggered, the Company will comply with all applicable requirements under the Listing Rules (including the requirements under Rule 14.74 of the Listing Rules).

BASIS OF DETERMINATION OF THE CONSIDERATION OF THE INVESTMENT

The factors taking into account by the Company in determining the consideration of the Investment are further elaborated as following:

(a) the leading position of “LELECHA” brand operated by the Target Company in the freshly-made tea industry in mainland China

“LELECHA” brand was founded in Shanghai in 2016, focusing on offering freshly-made tea drinks and bakery goods with signature products such as Dirty Milk Tea series (髒髒茶系列) and Dirty Bakery series (髒髒包系列), which gained widespread popularity among the customers. “LELECHA” is also the original creator of various popular tea drinks and bakery goods such as Cheese Fresh Fruit Tea (芝士鮮果茶), Brown Sugar Milk Tea (黑糖奶茶), Dirty Choco Bun (巧克力髒髒包), Durian Cheese Soft Bun (榴蓮芝士軟歐包) and Starry Custard Bun (星空軟歐包). After years of development, “LELECHA” brand became one of the leading freshly-made tea brand in the PRC with extensive teahouse network in mainland China. As of the date of the Investment Agreement, the Target Group had over 150 “LELECHA” teahouses across the mainland China with key operation areas in tier-1 cities and new tier-1 cities.

Accordingly, the Directors are of the view that, upon the completion of the Investment, by leveraging the leading position of “LELECHA” brand in the freshly-made tea industry, the brand diversity of the Group will be further enhanced, the costs of the Company in store expansion and operation will be reduced, and the competitive environment of the freshly-made tea industry in mainland China will be further optimized.

(b) The historical operation performance and future business prospects of the Target Company

Based on the due diligence of the Company on the Target Company, despite that the COVID-19 has brought negative impact to the consumption environment and freshly-made tea industry in the mainland China, the Target Company had recorded a stable growth from 2019 to 2021, which illustrated that the operation of Target Company had continued to improve during such period, and the COVID-19 situation in mainland China has not imposed material negative impact on the business operation of the Target Company. Accordingly, the Directors are of the view that the Target Company has a proven track record in carrying out its operation, and the business of the Target Company is sustainable. In addition, with the stabilization of the COVID-19 situation in mainland China and the continuous improvement of the corresponding public health control measures, the Directors are of the view that the operation of the Target Group in the forthcoming years will continue to be improved.

Moreover, as disclosed in the Previous Announcement, upon the completion of the Investment, the Company will share its strength and resources in store expansion, supply chain, digitization and automation, internal management and so on with the Target Group to empower its further growth. The Directors are of the view that, by leveraging the abovementioned strength and resources, various aspects of the Target Group's business operation, including but not limited to store expansion, supply chain management and operation cost control will continue to be improved.

In addition, when determining the consideration of the Investment, the Company also considered the valuation of the Target Group by taking into account of its price-to-book ratio (the "**PB ratio**") and the price-to-sales ratio (the "**PS ratio**"). The PB ratio of the Target Group in the Investment was amounted to approximately 6.6, calculated based on the net asset value of the Target Group as at 31 December 2021; and the PS ratio of the Target Group in the Investment was amounted to approximately 1.4, calculated based on the sales revenue of the Target Group for the year ended 31 December 2021. Having considered: (i) the PB ratios and PS ratios are common valuation methodologies adopted for investments in enterprises engaging in business operation similar to the Target Group; and (ii) the PB ratio and PS ratio of the Target Group are lower than the PB ratio (calculated based on the Group's net asset value after deducting the proceeds from the Company's global offering) and PS ratio of the Group, the Directors are of the view that the PB ratio and PS ratio of the Target Group were meaningful for determining the consideration of the Investment.

Based on the above, the Directors are of the view that the consideration of the Investment was determined on normal commercial terms, and was fair and reasonable and in the interest of the Company and the Shareholders as a whole.

FINANCIAL INFORMATION OF LELECHA CAYMAN AND LELECHA HK

Lelecha Cayman and Lelecha HK are investment holding companies and have no substantive business operation since their respective incorporations. Furthermore, as disclosed under the below section headed “Shareholding structure of the Target Company”, as at the date of the Investment Agreement, Lelecha HK held approximately 46.90% of the equity interest of the Target Company; and Lelecha Cayman held approximately 28.07% of the equity interest of Lelecha HK. Accordingly, the financial results of the Target Company were unable to be consolidated into the financial statements of Lelecha Cayman and Lelecha HK. The financial information of Lelecha Cayman and Lelecha HK for the two financial years immediately preceding to the Investment is set forth as following:

Lelecha Cayman

	As at December 31,	
	2020	2021
	<i>(US\$)</i>	<i>(US\$)</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Total assets	735	735
Net assets	326	376

	For the year ended	
	December 31,	
	2020	2021
	<i>(US\$)</i>	<i>(US\$)</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	—	—
Loss before taxation	—	—
Loss after taxation	—	—

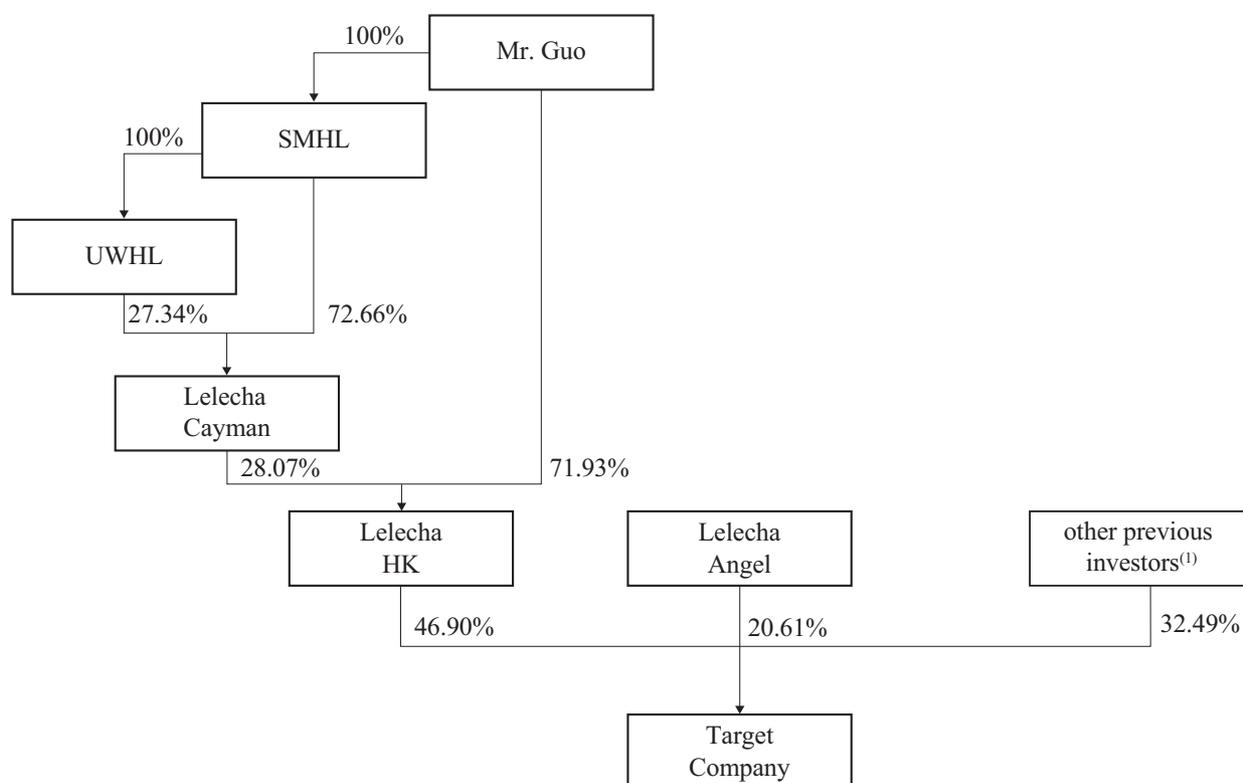
Lelecha HK

	As at December 31,	
	2020 (US\$) (audited)	2021 (US\$) (unaudited)
Total assets	903,221	903,221
Net assets	1,277	1,277

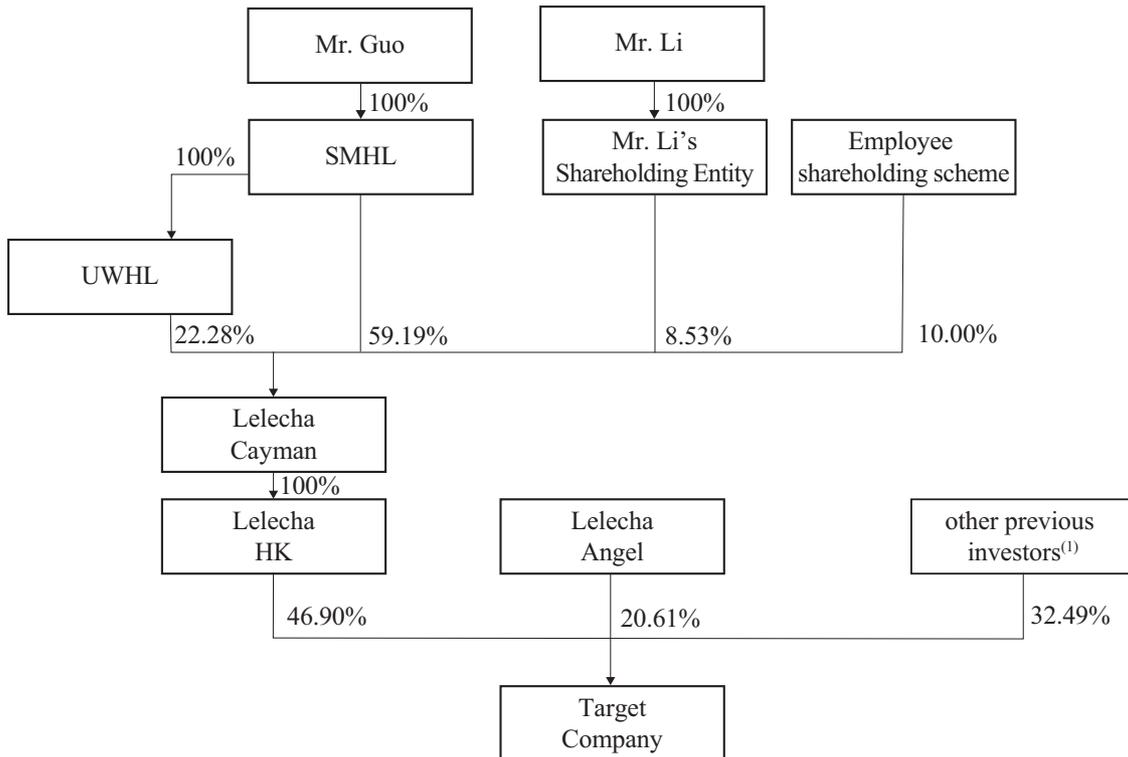
	For the year ended December 31,	
	2020 (US\$) (audited)	2021 (US\$) (unaudited)
Revenue	–	–
Loss before taxation	–	–
Loss after taxation	–	–

SHAREHOLDING STRUCTURE OF THE TARGET COMPANY

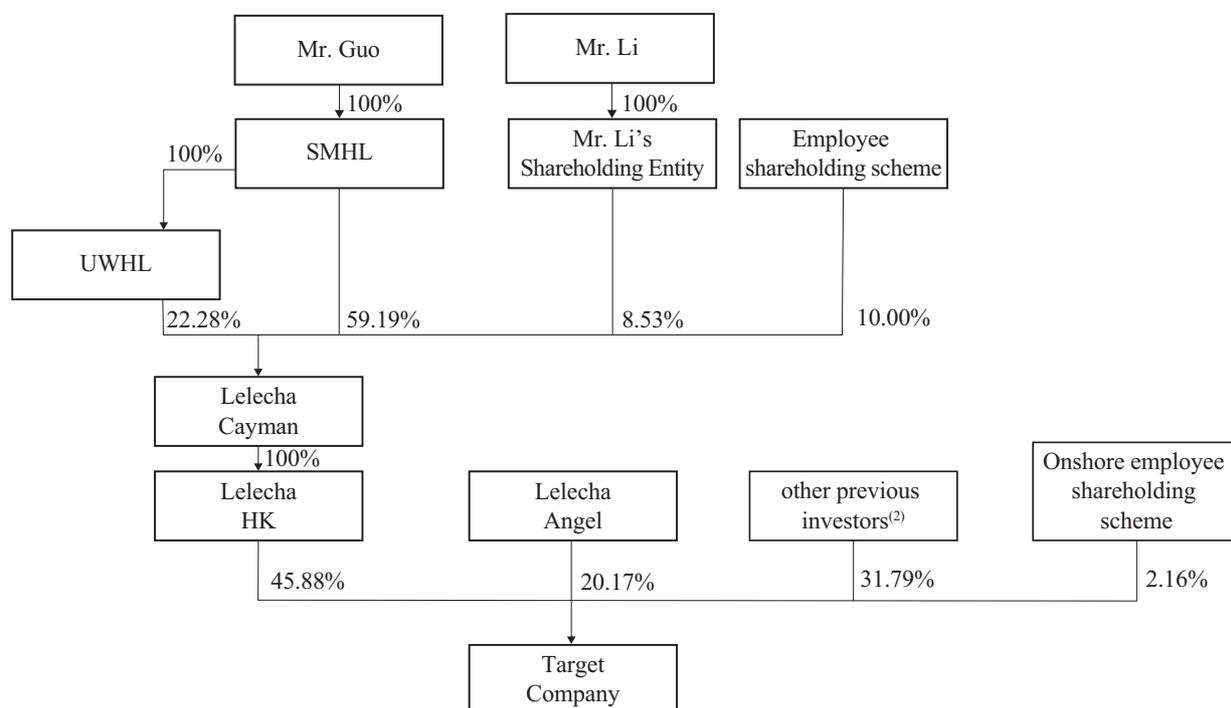
The shareholding structure of the Target Company as at the date of the Investment Agreement is set forth as following:



Following the completion of the Pre-completion Restructuring, the shareholding structure of the Target Company is set forth as following:



Following the completion of the Pre-completion Restructuring, the Target Company will also reserve approximately 2.16% of its equity interest for the Target Company’s onshore employee shareholding scheme (the “**Onshore ESOP Reserve**”). Upon the completion of the Onshore ESOP Reserve, the shareholding structure of the Target Company is set forth as following:



Notes:

- (1) Including Pusi, Yinghuochong, Ruchuan, Boyue Zhengshang, Hanxin, Zhonghai Jiasu, Zhonghai Jiadao, Red Star, Shangyuan Shengda, Vertex Ventures III, Vertex Ventures IV and FCP, which respectively holds approximately 3.05%, 3.05%, 1.53%, 2.48%, 2.48%, 1.41%, 2.83%, 2.92%, 1.76%, 1.86%, 5.02% and 4.10% equity interests in the Target Company.
- (2) Including Pusi, Yinghuochong, Ruchuan, Boyue Zhengshang, Hanxin, Zhonghai Jiasu, Zhonghai Jiadao, Red Star, Shangyuan Shengda, Vertex Ventures III, Vertex Ventures IV and FCP, which respectively holds approximately 2.99%, 2.99%, 1.49%, 2.43%, 2.43%, 1.38%, 2.77%, 2.86%, 1.72%, 1.82%, 4.90% and 4.01% equity interests in the Target Company.

INFORMATION ABOUT PREVIOUS SHAREHOLDERS

To the best of the knowledge and belief of each of the Directors after making all reasonable enquiries, the ultimate beneficial owners of the previous investors who are corporate entities are as following:

Pusi

Pusi is a limited liability partnership established under the laws of the PRC, and is controlled by its executive partner, Tianjin Pusi Asset Management Co., Ltd.* (天津普思資產管理有限公司), which in turn is ultimately controlled by Wang Sicong (王思聰), a third party independent of the Company and its connected persons.

Yinghuochong

Yinghuochong is a limited liability partnership established under the laws of the PRC, and is controlled by its executive partner, Jiaxing Drop Asset Management Co., Ltd.* (嘉興致君水滴資產管理有限公司), which in turn is ultimately controlled by Wang Tao (王韜), Wang Fen (王夔), Hu Zhou (胡周), Yu Wenzhou (郁文周), Yu Jinjie (于進杰) and Guo Feng (郭峰), all of whom are third parties independent of the Company and its connected persons.

Ruchuan

Ruchuan is a limited liability partnership established under the laws of the PRC, and is controlled by its executive partner, Xiamen Ruchuan Investment Management Co., Ltd.* (廈門如川投資管理有限公司), which in turn is ultimately controlled by Liu Zhi (劉志), a third party independent of the Company and its connected persons.

Boyue Zhengshang

Boyue Zhengshang is a limited liability partnership established under the laws of the PRC, and is controlled by its executive partner, Shanghai Beyond Investment Management Co., Ltd.* (上海博約投資管理有限公司), which in turn is ultimately controlled by Yang Weixing (楊衛青), Yu Wenzhou (郁文周) and Wang Tao (王韜), all of whom are third parties independent of the Company and its connected persons.

Hanxin

Hanxin is a limited liability partnership established under the laws of the PRC, and is controlled by its executive partner, Beijing Hanxin Xingsheng Investment Management Center (Limited Partnership)* (北京漢新行勝投資管理中心(有限合夥), “**Hanxin Management Center**”), a limited liability partnership established under the laws of the PRC. Hanxin Management Center is controlled by its executive partner, Beijing Hanergy Taihe Investment Management Co., Ltd.* (北京漢能泰和投資管理有限責任公司), which in turn is ultimately controlled by Wang Wei (王威) and Tong Jing (佟晶), both of whom are third parties independent of the Company and its connected persons.

Zhonghai Jiasu

Zhonghai Jiasu is a limited liability partnership established under the laws of the PRC, and is controlled by its executive partner, Beijing Z&H Investment Co., Ltd.* (北京眾海投資管理有限公司), which in turn is ultimately controlled by Lu Zhong (魯眾), Huang Haijun (黃海軍) and Deng Kangming (鄧康明), all of whom are third parties independent of the Company and its connected persons.

Zhonghai Jiadao

Zhonghai Jiadao is a limited liability partnership established under the laws of the PRC, and is controlled by its executive partner, Beijing Z&H Investment Co., Ltd.* (北京眾海投資管理有限公司), which in turn is ultimately controlled by Lu Zhong (魯眾), Huang Haijun (黃海軍) and Deng Kangming (鄧康明), all of whom are third parties independent of the Company and its connected persons.

Red Star

Red Star is a limited liability company established under the laws of the PRC, and is ultimately controlled by Red Star Macalline Group Corporation Ltd. (紅星美凱龍家居集團股份有限公司), a sino-foreign joint stock company incorporated in the PRC with limited liability and a third party independent of the Company and its connected persons, whose shares are listed on the Stock Exchange (stock code: 1528) and Shanghai Stock Exchange (stock code: 601828).

Shangyuan Shengda

Shangyuan Shengda is a limited liability partnership established under the laws of the PRC, and is controlled by its executive partner, Shenzhen Shangyuan Shengda Investment Co., Ltd.* (深圳市商源盛達投資有限公司), which in turn is ultimately controlled by Jiang Yuemin (蔣躍敏), a third party independent of the Company and its connected persons.

Lelecha Angel

Lelecha Angel is a company incorporated Hong Kong with limited liability, and is ultimately controlled by Mr. Liu Qi (劉琦) and Mr. Song Huanping (宋歡平), both of whom are third parties independent of the Company and its connected persons.

Vertex Ventures III

Vertex Ventures III is a limited partnership established under the laws of the Cayman Islands, and is controlled by its general partner, Ventures China GP, L.P., which in turn is ultimately controlled by Tay Choon Chong and Chua Kee Lock, both of whom are third parties independent of the Company and its connected persons.

Vertex Ventures IV

Vertex Ventures IV is a limited partnership established under the laws of the Cayman Islands, and is controlled by its general partner, Vertex Ventures China GP IV, L.P., which in turn is ultimately controlled by Tay Choon Chong, a third party independent of the Company and its connected persons.

FCP

FCP is a company incorporated in Hong Kong with limited liability, and is ultimately controlled by Gao Feng (高峰), a third party independent of the Company and its connected persons.

All other information and contents set out in the Previous Announcement remain unchanged.

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

Shenzhen, December 19, 2022

As at the date of this announcement, the Board of the Company comprises Mr. ZHAO Lin, Ms. PENG Xin and Mr. DENG Bin as executive Directors; Mr. PAN Pan and Mr. WONG Tak-wai as non-executive Directors; and Mr. CHEN Qunsheng, Mr. LIU Yiwei and Ms. ZHANG Rui as independent non-executive Directors.

* *For identification purpose only*