

## HISTORY AND REORGANIZATION

### GENERAL

Our Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on July 6, 2018. As part of the Reorganization, our Company became the holding company of our Group for the purpose of the [REDACTED] with our businesses conducted through our subsidiaries. See section headed “Reorganization” in this section for further details.

### HISTORY

Our business dates back to the time when our founders Mr. LIU Weiping and Mr. LIU Fuping came to explore business opportunities in Luohe City, where they later established their business and created their first *Latiao* (辣條) snack in 2001. Over the years, we follow the mission “to let the world fall in love with Chinese flavors”, and are committed to making authentic Chinese gourmet more entertaining, casual, convenient and affordable, and to introducing more spicy snack food products that offer consumers a cheerful consumption experience. Our products have developed from our seasoned flour products, also commonly known as *Latiao* (辣條), to other flour products, and since then gradually expanded to vegetable products, bean-based products and more products while preserving authentic flavors. Currently, the Group has become a modernized spicy snack food enterprise integrating R&D, production, processing and sales, headquartered in Luohe City, Henan Province, and we have established a competitive distribution network across the country.

The following is a summary of our Group’s key business development milestones:

Year	Event
2001	The founders Mr. LIU Weiping and Mr. LIU Fuping started the business in Luohe City.  Created our first <i>Latiao</i> (辣條) snack.
2003	Applied for the trademark of Wei Long.
2004	Ping Ping Foods was established and we moved to Luohe Industrial Park.
2006 – 2010	The second plant of Ping Ping Foods began construction.  Weilong <i>Big Latiao</i> (大麵筋) and <i>Mini Latiao</i> (小麵筋) snacks were introduced to the market.
2010 – 2015	Introduced celebrity endorsement for our products to enhance brand awareness.  Carried out expansion of production capacity for seasoned flour products and bean-based products.  Introduced stretch film wrapping machine and other automation equipments to streamline the production process.  Established self-operated online stores on Tmall, one of the major e-commerce platforms in China, to achieve online brand promotion.
2015 – 2016	Implemented a series of brand and marketing strategies to improve brand image.

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Year	Event
2017	Carried out rapid expansion of production capacity. Implemented the world leading SAP information management system.  Set up self-operated online stores on JD.com to further enhance online sales.
2019	Set up 22 marketing areas, and established an omni-channel sales and distribution network by integrating our online and offline resources.  The manufacturing facility of Weidao Foods was completed and put into production, achieving greatly improved automation level and production capacity.
2020	Shanghai Weilong Biotechnology started operation. The construction of <u>Luohe Xinglin Plant</u> commenced.
2021	Entered into the pre-[REDACTED] round of financing. Introduced strategic institutional investors.
2022	The <u>Luohe Xinglin Plant</u> was partially put into production.

### OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, our Company had 27 directly and indirectly owned subsidiaries, and six of them principally affected the results, assets, liabilities or businesses of the Group, details of which are set out below:

#### 1. Weilong Commerce

Weilong Commerce was incorporated by Mr. LIU Weiping and Mr. LIU Fuping as a limited liability company in the PRC on July 11, 2014. Weilong Commerce is the major domestic holding company of our Group and is primarily engaged in the trading and marketing of our products through online and offline channels. As a part of the Reorganization and as of the Latest Practicable Date, it had become an indirectly wholly owned subsidiary of the Company, which is also ultimately controlled by Mr. LIU Weiping and Mr. LIU Fuping.

#### 2. Ping Ping Foods

Ping Ping Foods was incorporated by Mr. LIU Weiping and Mr. LIU Fuping as a limited liability company in the PRC on September 9, 2004. Ping Ping Foods is primarily engaged in the production of flour products and vegetable snack products of our Group. In September 2017, to streamline the internal corporate structure, Mr. LIU Weiping and Mr. LIU Fuping transferred their equity interest in Ping Ping Foods to Weilong Commerce, which is also ultimately controlled by Mr. LIU Weiping and Mr. LIU Fuping. As of the Latest Practicable Date, it is an indirect wholly-owned subsidiary of the Company.

#### 3. Weilai Foods

Weilai Foods was incorporated by Mr. LIU Weiping and Mr. LIU Fuping as a limited liability company in the PRC on November 11, 2013. Weilai Foods is primarily engaged in the production of flour products and bean-based products of our Group. In September 2017, to streamline the internal corporate structure, Mr. LIU Weiping and Mr. LIU Fuping transferred their equity interest in Weilai Foods to Weilong Commerce, which is also ultimately controlled by Mr. LIU Weiping and Mr. LIU Fuping. As of the Latest Practicable Date, it is an indirect wholly-owned subsidiary of the Company.

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### 4. Weidao Foods

Weidao Foods was incorporated by Weilong Commerce as a limited liability company in the PRC on July 11, 2018. Weidao Foods is primarily engaged in the production of flour products, vegetable snack products and bean-based products of our Group. As of the Latest Practicable Date, it is an indirect wholly-owned subsidiary of the Company.

### 5. Zhumadian Weilai Foods

Zhumadian Weilai Foods was incorporated by Weilong Commerce as a limited liability company in the PRC on July 20, 2017. Zhumadian Weilai Foods is primarily engaged in the production of flour products of our Group. As of the Latest Practicable Date, it is an indirect wholly-owned subsidiary of the Company.

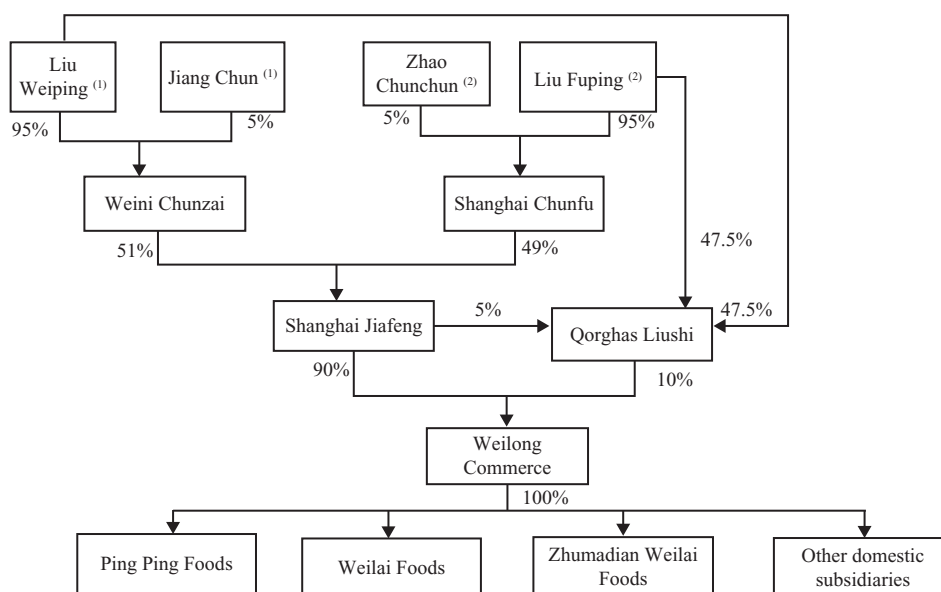
### 6. Weilong Biotechnology

Weilong Biotechnology was incorporated by Weilong Commerce as a limited liability company in the PRC on June 12, 2020. Weilong Biotechnology is primarily engaged in the research and development of the products of our Group, focusing on upgrading and iteration of products, introducing innovative flavors and improving our raw materials. As of the Latest Practicable Date, it is an indirect wholly-owned subsidiary of the Company.

## REORGANIZATION

In anticipation of our [REDACTED], we underwent the Reorganization as a result of which our Company became the holding company and [REDACTED] vehicle of our Group.

The following chart sets out our shareholding and simplified corporate structure immediately before the Reorganization:



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- (1) Mr. LIU Weiping and Ms. JIANG Chun are in a spousal relationship.
- (2) Mr. LIU Fuping and Ms. Zhao Chunchun are in a spousal relationship.

The Reorganization involved the following major steps:

On June 28, 2018, Mr. LIU Weiping incorporated a wholly-owned special purpose vehicle in the BVI, HH Green Philosophy for the purposes of the Reorganization. Upon incorporation, HH Green Philosophy issued one ordinary share with par value of US\$1.00. On the same day, Mr. LIU Fuping incorporated a wholly-owned special purpose vehicle in the BVI, HH Innovation Group for the purposes of the Reorganization. Upon incorporation, HH Innovation Group issued one ordinary share with par value of US\$1.00.

On July 4, 2018, HH Global Capital was incorporated by HH Green Philosophy and HH Innovation Group as a special purpose vehicle in the BVI. Upon incorporation, HH Green Philosophy and HH Innovation Group holds 95% and 5% of equity interest in HH Global Capital, respectively.

On July 6, 2018, our Company was incorporated in the Cayman Islands as an exempted company. Upon incorporation, our Company issued one ordinary share with a par value of US\$0.01 to Vistra (Cayman) Limited which was nil-paid, and Vistra (Cayman) Limited subsequently transferred such share to HH Global Capital on the same date. On the same day, the Company allotted additional 9,999 shares to HH Global Capital for a total consideration of US\$100. Upon completion of the transfer and allotment, HH Global Capital holds 10,000 issued ordinary shares in the Company.

On July 9, 2018, HH Global Holdings was incorporated by our Company as a special purpose vehicle in the BVI. Upon incorporation, HH Global Holdings issued one ordinary share with par value of US\$1.00.

On July 19, 2018, HH International Enterprise was incorporated by HH Global Holdings in Hong Kong. Upon incorporation, HH Global Holdings holds 100 issued ordinary shares in HH International Enterprise of HK\$1.00 each.

On August 6, 2018, Qorghas Liushi transferred 1% of the equity interest in Weilong Commerce to EFeng Investment Development (a wholly-owned subsidiary of EFeng Capital, which in turn is wholly owned by Mr. TSAO Chun Tai. Mr. TSAO Chun-Tai primarily focuses on investments in consumer products industry. He also served as an external advisor of the Company from March 2017 to May 2020.), for a cash consideration of RMB 313,450.45. Upon completion of the equity transfer on August 15, 2018, Weilong Commerce was held by Shanghai Jiafeng, Qorghas Liushi and EFeng Investment Development as to 90%, 9% and 1%, respectively.

On August 31, 2018, HH International Enterprise incorporated a wholly foreign-owned enterprise, Hehe Foods, as a limited liability company in the PRC, with an initial registered capital of US\$500,000, which has been fully paid.

On September 5, 2018, Hehe Foods entered into a share transfer agreement with Shanghai Jiafeng, pursuant to which Shanghai Jiafeng agreed to transfer 90% of the equity interest in Weilong Commerce to Hehe Foods for a cash consideration of RMB28,210,540.90. On the same day, Hehe Foods also entered into a share

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transfer agreement with Qorghas Liushi, pursuant to which Qorghas Liushi agreed to transfer the remaining 9% of the equity interest in Weilong Commerce to Hehe Foods for a cash consideration of RMB2,821,054.09.

Upon completion of the equity transfers on September 5, 2018, the offshore structure and the Company indirectly held 99% of the equity interest in Weilong Commerce and its PRC subsidiaries through Hehe Foods.

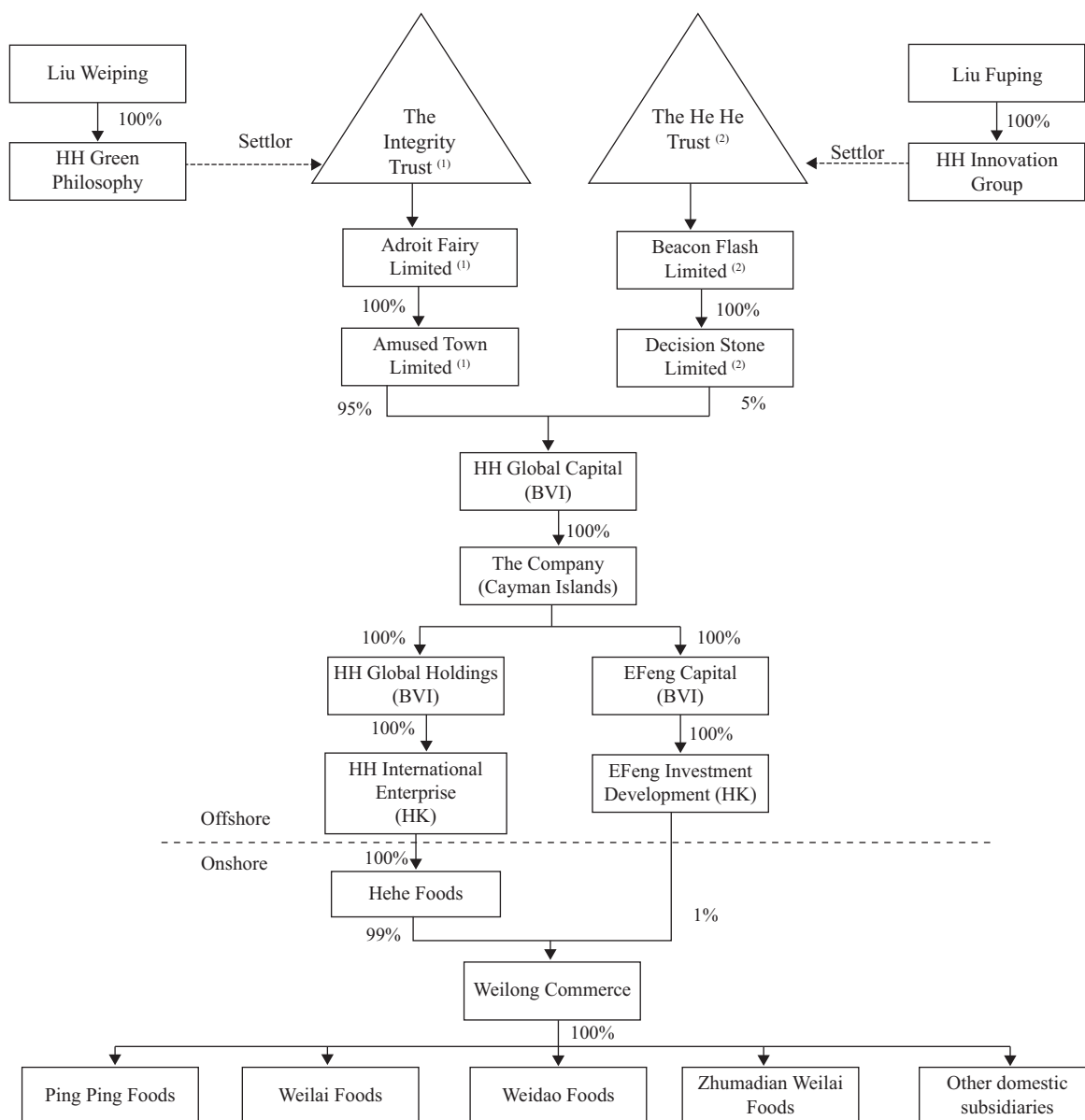
On November 26, 2018, Amused Town Limited was incorporated as a special purpose vehicle in the BVI. On December 27, 2018, HH Green Philosophy declared a discretionary trust known as “the Integrity Trust” with HH Green Philosophy as settlor, Vistra Trust (Hong Kong) Limited as trustee and Mr. LIU Weiping, Mr. LIU Fuping and HH Green Philosophy as beneficiaries. On establishment of the trust, the 95% equity interest in HH Global Capital held by HH Green Philosophy was transferred to Amused Town Limited and held on trust for the benefit of Mr. LIU Weiping, Mr. LIU Fuping and HH Green Philosophy. In November 2021, HH Green Philosophy, the settlor of the Integrity Trust, engaged The Core Trust Company Limited (匯聚信託有限公司) to replace Vistra Trust (Hong Kong) Limited and act as the trustee of the Integrity Trust.

On October 30, 2018, Decision Stone Limited was incorporated as a special purpose vehicle in the BVI. On December 27, 2018, HH Innovation Group declared a discretionary trust known as “the He He Trust” with HH Innovation Group as settlor, Vistra Trust (Hong Kong) Limited as trustee and Mr. LIU Weiping, Mr. LIU Fuping and HH Innovation Group as beneficiaries. On establishment of the trust, the 5% equity interest in HH Global Capital held by HH Green Philosophy was transferred to Decision Stone Limited and held on trust for the benefit of Mr. LIU Weiping, Mr. LIU Fuping and HH Innovation Group. In November 2021, HH Innovation Group, the settlor of the He He Trust, engaged The Core Trust Company Limited (匯聚信託有限公司) to replace Vistra Trust (Hong Kong) Limited and act as the trustee of the He He Trust.

On July 4, 2019, Mr. TSAO Chun-Tai transferred 100% of issued shares of EFeng Capital to the Company for a cash consideration of US\$103,566.37 (or RMB713,499.82). Upon completion of the equity transfer on the same day, the Company indirectly held 99% and 1% of the equity interest of Weilong Commerce through Hehe Foods and EFeng Capital, respectively.

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The following chart sets out the shareholding and simplified corporate structure of our Company immediately after completion of the above steps:



- (1) The Integrity Trust is a trust established by HH Green Philosophy, with Mr. LIU Weiping and Mr. LIU Fuping acting as the protectors and The Core Trust Company Limited acting as the trustee. As of the Latest Practicable Date, the trustee, through its wholly-owned subsidiaries, held 95% interest in HH Global Capital on trust for the benefit of HH Green Philosophy and HH Innovation Group.
- (2) The He He Trust is a trust established by HH Innovation Group, with Mr. LIU Weiping and Mr. LIU Fuping acting as the protectors and The Core Trust Company Limited acting as the trustee. As of the Latest Practicable Date, the trustee, through its wholly-owned subsidiaries, held 5% interest in HH Global Capital on trust for the benefit of HH Green Philosophy and HH Innovation Group.

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### ESTABLISHMENT OF THE EMPLOYEE INCENTIVE SCHEME

In order to incentivize and reward our Directors, members of senior management and other employees who have contributed to the development of our Group, an RSU Scheme was approved and adopted by our Board on January 1, 2021. For further details about the RSU Scheme, see “Statutory and General Information – D. Employee Incentive Scheme” in Appendix IV.

### PRE-[REDACTED] INVESTMENTS

#### Overview

Since its incorporation, our Group had continued to be wholly-owned by our Controlling Shareholders and their family members. We introduced some well-known strategic and financial investors who recognize our business strategy and corporate culture, and are willing to contribute their valuable experience and insights in the capital market to our future development, and stay with the Company to help achieve our long-term growth.

On March 31, 2021, our Shareholders resolved, among other things, that the authorized share capital of the Company would sub-divided from US\$50,000 consisting of 5,000,000 ordinary shares of a par value of US\$0.01 each to US\$50,000 consisting of 5,000,000,000 ordinary shares of a par value of US\$0.00001 each. On the same day, CPE (CPE Investment XVIII Limited and CWL Food Co-invest Limited, collectively, “CPE”), CWL Management XVIII Limited, Hillhouse (through its investment entity AUT-IV Holdings Limited, “Hillhouse”), Tencent (through its investment entity Image Flag Investment (HK) Limited, “Tencent”), Yunfeng Capital (through its investment entity YF Demeter Limited, “Yunfeng Capital”), Sequoia Capital China (through its investment entity SCC Growth VI Holdco F, Ltd., “Sequoia Capital China”), Duckling Fund, L.P., Hosen Capital (through its investment entity Harmony Capital Limited, “Hosen Capital”) and Oceanpine Capital (through its investment entities Oceanpine Investment Fund II LP and Oceanpine Focus Fund LP, collectively “Oceanpine Capital”) (together the “March Pre-[REDACTED] Investors”) entered into a share purchase agreement with, among others, HH Global Capital and the Company (the “Pre-[REDACTED] Share Purchase Agreement”), pursuant to which the March Pre-[REDACTED] Investors purchased 122,446,014 newly issued ordinary shares of the Company, and the Company repurchased 61,223,007 ordinary shares of the Company from HH Global Capital. As a result, in essence the March Pre-[REDACTED] Investors subscribed for 61,223,007 newly issued ordinary shares of the Company at a consideration of US\$274,500,000, and purchased 61,223,007 ordinary shares of the Company from HH Global Capital at a consideration of US\$274,500,000. The consideration paid by the March Pre-[REDACTED] Investors was settled on April 1, 2021. On June 18, 2021, Shanghai Hongluo Enterprise Management Consulting Partnership (Limited Partnership) (上海泓潔企業管理諮詢合夥企業 (有限合夥)) (“Shanghai Hongluo”) (together with the March Pre-[REDACTED] Investors, the “Pre-[REDACTED] Investors”) entered into a share transfer agreement with HH Global Capital, pursuant to which Shanghai Hongluo further purchased 24,533,810 ordinary shares of the Company at a consideration of US\$110,000,000. The consideration paid by Shanghai Hongluo was settled on June 25, 2021. On April 27, 2022, the Pre-[REDACTED] Investors entered into a supplemental agreement of share purchase agreement with among others, HH Global Capital and the Company, pursuant to which the Pre-[REDACTED] Investors further purchased a total of 157,626,890 ordinary shares allotted by the Company at a total consideration of US\$1,576.2689. Such consideration was settled in full by May 10, 2022. In respect of such 157,626,890 Shares, the Company is entitled to compulsorily redeem all such Shares held by the Pre-[REDACTED] Investors at its par value, if a qualified [REDACTED] (namely, a firm commitment [REDACTED] of the Shares on any of the Stock Exchange and/or certain other recognized international securities exchanges) has not occurred.



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The cost per Share paid by each Pre-[REDACTED] Investor was US\$[REDACTED], and the [REDACTED] to the [REDACTED] is approximately [REDACTED]%<sup>3</sup>. As a result, the Pre-[REDACTED] Investors are in aggregate interested in approximately [REDACTED]% of the total issued Shares of the Company immediately following the completion of the [REDACTED].

Details of the Pre-[REDACTED] Investments made by the Pre-[REDACTED] Investors are set out as follows:

Name of the Pre-[REDACTED] Investors	Number of shares subscribed for or purchased	Amount of consideration paid by the investor (in USD)	Approximate percentage of shareholding immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)
CPE .....	96,142,938	208,000,497.51733	[REDACTED]%
CWL Management XVIII Limited .....	4,622,257	10,000,023.91911	[REDACTED]%
Hillhouse .....	50,844,823	110,000,263.11013	[REDACTED]%
Tencent .....	27,733,540	60,000,143.51462	[REDACTED]%
Yunfeng Capital .....	27,733,540	60,000,143.51462	[REDACTED]%
Sequoia Capital China .....	12,480,093	27,000,064.58158	[REDACTED]%
Duckling Fund, L.P. ....	12,480,093	27,000,064.58158	[REDACTED]%
Hosen Capital .....	12,480,093	27,000,064.58158	[REDACTED]%
Oceanpine Capital <sup>(1)</sup> .....	9,244,514	20,000,047.83822	[REDACTED]%
Shanghai Hongluo .....	50,844,823	110,000,263.11013	[REDACTED]%
<b>Total</b> .....	<b>304,606,714</b>	<b>659,001,576.2689<sup>(2)</sup></b>	<b>[REDACTED]%</b>

- (1) On January 24, 2022, the investment entities of Oceanpine Capital, namely Oceanpine Investment Fund II LP and Oceanpine Focus Fund LP, entered into a share purchase agreement, pursuant to which Oceanpine Investment Fund II LP transferred all the 2,230,346 Shares held by it to Oceanpine Focus Fund LP. In this connection, on the same day, Oceanpine Focus Fund LP entered into a joinder agreement with the Company in accordance with the Pre-[REDACTED] Shareholders’ Agreement. Oceanpine Investment Fund II LP is an exempted limited partnership incorporated in Cayman. The general partner of both Oceanpine Investment Fund II LP and Oceanpine Focus Fund LP is Oceanpine Growth (Cayman) Limited, which is wholly owned by Dave Liguang Chenn, an Independent Third Party.
- (2) Out of which US\$274,501,576.2689 was paid to the Company while US\$384,500,000 was paid to HH Global Capital.

<sup>3</sup> Calculated based on the assumption that the [REDACTED] is HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED]).



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### Lock-up period

On March 31, 2021, the March Pre-[REDACTED] Investors entered into a shareholders’ agreement with, among others, the Company and HH Global Capital, which was further joined by Shanghai Hongluo on June 18, 2021 and was amended and restated on April 27, 2022 (“Pre-[REDACTED] Shareholders’ Agreement”), pursuant to which:

- (1) during the period commencing on the date of the consummation of the Pre-[REDACTED] Investments (the “Pre-[REDACTED] Investment Closing”) and ending upon the earlier occurrence of the following two events (a) the second anniversary of the date of the Pre-[REDACTED] Investment Closing, and (b) the expiration of six (6) months period after the completion of an [REDACTED], the Pre-[REDACTED] Investors shall not transfer any of the ordinary shares acquired by them through the Pre-[REDACTED] Investments; and
- (2) during the period between the occurrence of the above mentioned two events, the Pre-[REDACTED] Investors shall only be entitled to transfer no more than fifty percent of the ordinary shares acquired by it as of the Pre-[REDACTED] Investment Closing, except that the Pre-[REDACTED] Investors will be free from such restriction if the [REDACTED] has not been consummated within two years after the Pre-[REDACTED] Investment Closing.

(the “Lock-up Restriction”)

The Lock-up Restriction does not restrict certain exceptions provided in the Pre-[REDACTED] Shareholders’ Agreement, such as (a) transfer by the Pre-[REDACTED] Investors to any of its affiliates or any other investment fund controlled or managed by the same general partner or investment manager of such Pre-[REDACTED] Investors (or its controlling shareholder) or any affiliate thereof, and (b) any transfer by the Pre-[REDACTED] Investors for the purposes of and/or in connection with the bona fide creation of any security to secure any loan or other financial assistance provided to such Pre-[REDACTED] Investor(s) and/or the enforcement of such security. Further, the Lock-up Restriction may be waived through prior written consents of Mr. LIU Weiping, Mr. LIU Fuping and the Company.

### Use of proceeds from the Pre-[REDACTED] Investments

The proceeds from the Pre-[REDACTED] Investments received by the Company were used for the research and development, business expansion, marketing expenditures and other working capital purposes of our Group, and otherwise in accordance with the business plan or budget as approved or adopted. As of the Latest Practicable Date, approximately 56.3% of the net proceeds from the Pre-[REDACTED] Investments had been utilized.

### Basis of determining the consideration paid

The determination of the amount of consideration paid is based on arm’s-length negotiations between the relevant parties after taking into consideration the business value of the Company and its subsidiaries at the time of the Pre-[REDACTED] Investments with reference to the market condition.

### Special Rights of the Pre-[REDACTED] Investors

According to the Pre-[REDACTED] Shareholders’ Agreement, the Pre-[REDACTED] Investors had been granted certain special rights, including, among others, right of first refusal, right of co-sale, preemptive right, information and

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inspection rights. All of such special rights will be automatically terminated immediately upon the completion of an [REDACTED] of the Company or other earlier time on the condition that such termination is mandatory required by the relevant stock exchanges or the government authorities governing the proposed [REDACTED], provided in the event that (i) the [REDACTED] does not take place within twelve (12) months from such termination; or (ii) the Company suspends or terminates its application for an [REDACTED] within twelve (12) months from the first submission of its application materials for an [REDACTED], the rights so terminated shall resume automatically.

### **Strategic Benefit from Pre-[REDACTED] Investments**

We are of the view that our Company can benefit from the Pre-[REDACTED] Investments in the Company and their investments demonstrate their confidence in our Group’s operation and serve as an endorsement of our Company’s performance, strengths and prospects. Our Company is also of the view that we could benefit from the additional capital provided by the Pre-[REDACTED] Investments in our Company and their knowledge and experience.

### **Public Float**

Upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), none of the Pre-[REDACTED] Investors will hold 10% or more of our enlarged issued share capital. Therefore, the Shares held by the Pre-[REDACTED] Investors will count towards the public float of our Company according to Rule 8.08 of the Listing Rules.

### **Information about the Pre-[REDACTED] Investors**

#### **(a) CPE:**

CPE Investment XVIII Limited was incorporated as a limited liability company in the BVI on February 8, 2021. It is wholly owned by CPEChina Fund IV, L.P., an exempted limited partnership formed under the laws of Cayman Islands, whose general partner is CPE Funds IV Limited a company incorporated in Cayman Islands with limited liability. CPE Funds IV Limited is directly and wholly owned by CPE Management International Limited, which is in turn wholly owned by CPE Management International II Limited, both of which are companies incorporated in Cayman Islands with limited liability. CPE Management International II Limited is owned by a number of shareholders that are natural persons, none of whom controls CPE Management International II Limited. CPE Investment XVIII Limited principally focuses on investment in food industries.

CWL Food Co-invest Limited was incorporated as a limited liability company in the BVI on March 5, 2021. It is controlled by CPE Co-invest Management IV Limited, which is wholly owned by CPE Funds IV Limited. It principally focuses on investment in food industries.

#### **(b) CWL Management XVIII Limited:**

CWL Management XVIII Limited was incorporated as a limited liability company in the BVI on February 19, 2021. CWL Management XVIII Limited’s sole director and controlling person is HUANG Ye. CWL Management XVIII Limited is an investment fund which principally focuses on investment in food industries.

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(c) **Hillhouse:**

AUT-IV Holdings Limited was incorporated as a limited liability company incorporated under the laws of Cayman Islands on September 2, 2020. It is a wholly-owned subsidiary of Hillhouse Fund IV, L.P., which is in turn managed by Hillhouse Investment Management, Ltd. ("Hillhouse"). Hillhouse is a global private equity firm of investment professionals and operating executives who are focused on building and investing in high quality business franchises that achieve sustainable growth. Hillhouse invests in the fields of healthcare, business services, broad consumption and industrials. Hillhouse manages assets on behalf of institutional clients from across the globe.

(d) **Tencent:**

Image Flag Investment (HK) Limited was incorporated as a limited liability company under the laws of Hong Kong on January 5, 2016. It is a wholly-owned subsidiary of Tencent Holdings Limited, a company incorporated in the Cayman Islands and listed on the Stock Exchange (stock code: 0700).

(e) **Yunfeng Capital:**

YF Demeter Limited was incorporated as a limited liability company in the BVI on February 4, 2021. It is wholly owned by Yunfeng Fund IV, L.P., a limited liability partnership formed under the laws of Cayman Islands, which is ultimately managed by Yunfeng Capital Limited, which is in turn controlled by Mr. YU Feng. Yunfeng Fund IV, L.P. is an investment fund which principally focuses on investment in the emerging industries, including internet and new consumption, technology and business services, and healthcare.

(f) **Sequoia Capital China:**

SCC Growth VI Holdco F, Ltd., was incorporated as a limited liability company in the Cayman Islands on July 2, 2020. It is a wholly-owned subsidiary of Sequoia Capital China Growth Fund VI, L.P., which is an investment fund focusing on making equity investments in private companies. The general partner of Sequoia Capital China Growth Fund VI, L.P. is SC China Growth VI Management, L.P., whose general partner is SC China Holding Limited, a wholly-owned subsidiary of SNP China Enterprises Limited. Nanpeng Shen is the sole shareholder of SNP China Enterprises Limited.

(g) **Duckling Fund, L.P.:**

Duckling Fund, L.P. is a limited partnership incorporated under the laws of Cayman Islands on June 16, 2020. The general partner of Duckling Fund, L.P. is Grandiflora Hook GP Limited. The sole limited partner of Duckling Fund, L.P. is Lionet Fund, L.P., which is also managed by its general partner, Grandiflora Hook GP Limited. The ultimate beneficial owner of Grandiflora Hook GP Limited is Mr. Eric Li, an Independent Third Party. Mr. Li has served as a Director of Grandiflora Hook GP Limited since 2019. He has also served as a Director of Boundless Plain Holding Limited since 2018. Mr. Li has extensive experience in industry in the infrastructure construction area, and is also experienced in making equity investments in various industries, including consumer, logistics, healthcare, TMT, etc., across all stages, with some recent investments in the consumer industry including Dingdong Limited, Kanzhun Limited, etc. As Mr. Li is optimistic about the

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consumer industry in China, taking into account the long-term prospects of the snack market in China, historical financial performance and growth potential of the business of the Company, he believes that investing in the Company would be in the best interests of Duckling Fund, L.P.. Duckling Fund, L.P. focuses on investment opportunities being created in emerging industries driven by innovations, and traditional industries being transformed and upgraded. Duckling Fund, L.P. intends to make investments in growth-stage portfolios (and in early-stage and mature-stage portfolios where appropriate) in logistics, healthcare, TMT (including telecommunication, media and technology) and consumer industries, by acquiring, holding and disposing of such investments to provide long-term investment return to the limited partners.

(h) **Hosen Capital :**

Harmony Capital Limited was incorporated as a limited liability company in the Cayman Islands on January 15, 2020. It is a wholly owned subsidiary of the Hosen Private Equity III, L.P., a limited partnership formed under the laws of Cayman Islands, whose general partner is Hosen Private Equity III GP, LTD., which is ultimately controlled by Wang Hang and Alex Tianli Zhang. Hosen Private Equity III, L.P. primarily focuses on investment in food and other consumer sectors relating to PRC and PRC consumers.

(i) **Oceanpine Capital:**

Oceanpine Focus Fund LP was incorporated as an exempted limited partnership under the laws of Cayman Islands on January 4, 2021. The general partner of Oceanpine Focus Fund LP is Oceanpine Growth (Cayman) Limited, an exempted company incorporated in the Cayman Islands with limited liability, which is wholly owned by Dave Liguang Chenn. Oceanpine Focus Fund LP is an investment fund principally focusing on investment in new consumption areas.

(j) **Shanghai Hongluo:**

Shanghai Hongluo is a partnership incorporated in China (Shanghai) Pilot Free Trade Zone on June 15, 2021, with Henan Asset Management Co., Ltd (河南資產管理有限公司) as the general partner and Luohe Economic and Technological Development Zone Hongsheng Fund Partnership (Limited Partnership) (漯河經濟技術開發區泓晟基金合夥企業(有限合夥)) (“**Luohe Hongsheng**”) as its limited partner. Henan Asset Management Co., Ltd is ultimately controlled by Henan Provincial Department of Finance (河南省財政廳). The general partner of Luohe Hongsheng is Henan Asset Fund Management Co., Ltd (河南資產基金管理有限公司), which is wholly owned by Henan Asset Management Co., Ltd and ultimately controlled by Henan Provincial Department of Finance. The limited partners of Luohe Hongsheng are Henan Hongze Equity Investment Fund (Limited Partnership) (河南泓澤股權投資基金 (有限合夥)) and Luohe Economic Development Zone Investment Development Co., Ltd (漯河經濟開發區投資發展有限公司), which are ultimately controlled by Henan Provincial Department of Finance and Luohe Economic and Technological Development Zone Management Committee (漯河經濟技術開發區管委會) respectively. Shanghai Hongluo focuses on investment in high technology, intelligent manufacturing and consumption industries.

To the best knowledge of our Directors, each of the Pre-[REDACTED] Investors is an Independent Third Party.

## HISTORY AND REORGANIZATION

### COMPLIANCE WITH INTERIM GUIDANCE AND GUIDANCE LETTERS

On the basis that (i) the [REDACTED], being the first day of [REDACTED] on the Stock Exchange, will take place no earlier than 120 clear days after completion of the Pre-[REDACTED] Investments, and (ii) all special rights granted to the Pre-[REDACTED] Investors will be terminated upon completion of the [REDACTED], the Joint Sponsors have confirmed that the Pre-[REDACTED] Investments are in compliance with the Interim Guidance (HKEx-GL29-12) on pre-[REDACTED] investments issued by the Stock Exchange on October 13, 2010 and as updated in March 2017, and the Guidance Letter HKEx-GL43-12 issued by the Stock Exchange in October 2012 and as updated in July 2013 and March 2017. The Guidance Letter HKEx-GL44-12 issued by the Stock Exchange in October 2012 and as updated in March 2017 is not applicable to the Pre-[REDACTED] Investments as no convertible instrument was issued.

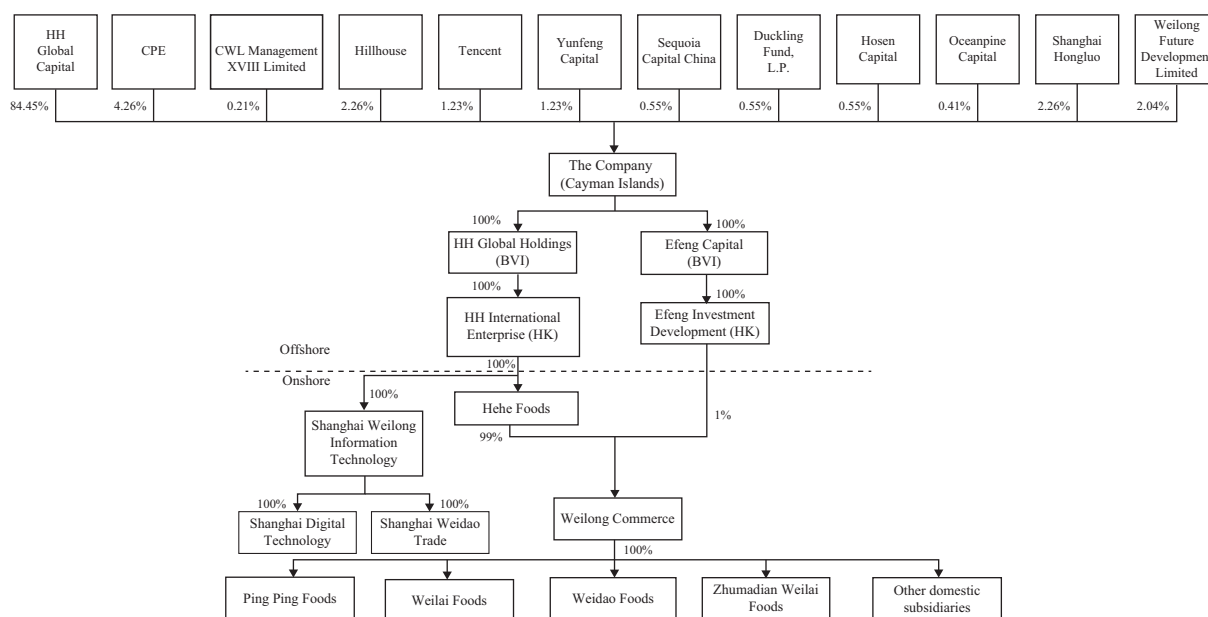
### ISSUANCE OF ORDINARY SHARES PURSUANT TO THE RSU SCHEME

On May 7, 2021 and April 27, 2022, the Company allotted and issued 41,389,000 and 4,509,681 ordinary shares, respectively, to Weilong Future Development Limited, representing in aggregate approximately 2.04% of the total issued Shares of the Company prior to the [REDACTED], to be held on trust by SWCS Trust Limited for the benefit of RSU Participants. All such shares held on trust by SWCS Trust Limited will be abstained from voting at the general meetings of the Company, and such shares will not be counted towards the public float of our Company according to Rule 8.08 of the Listing Rules.

### CORPORATE AND SHAREHOLDING STRUCTURE

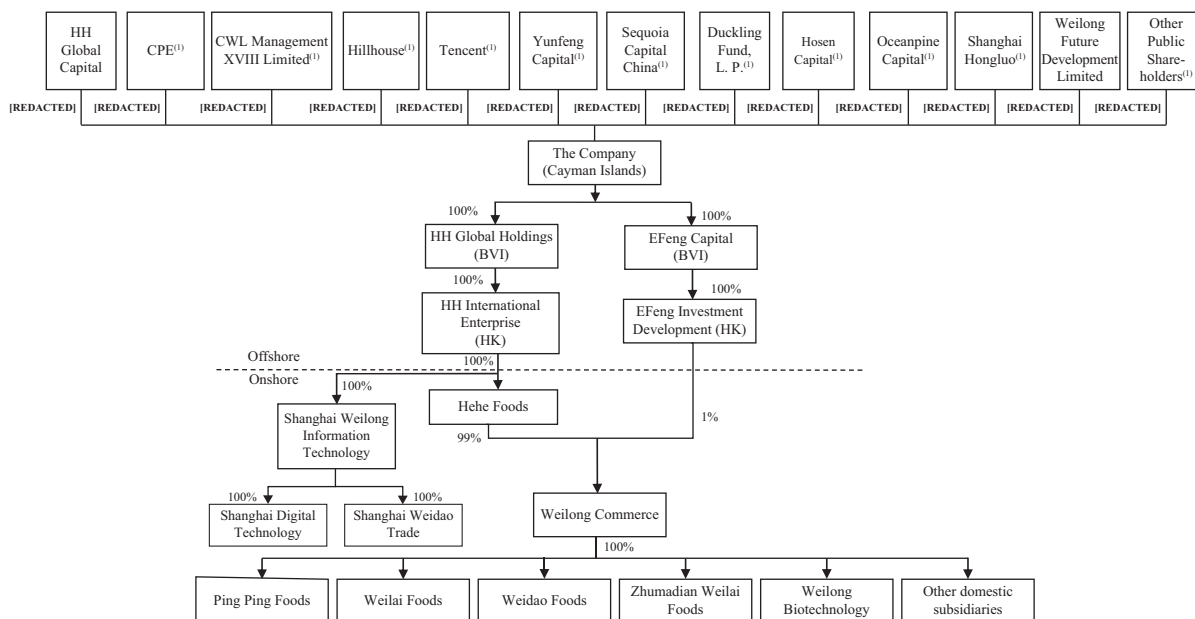
The following charts illustrate our shareholding and simplified shareholding structure (1) immediately prior to completion of the [REDACTED] and (2) immediately after the completion of the [REDACTED] (assuming that the [REDACTED] has not been exercised)

(1) Immediately prior to the completion of the [REDACTED]



**HISTORY AND REORGANIZATION**

(2) Immediately after the completion of the [REDACTED] (assuming that the [REDACTED] has not been exercised)



(1) counted as public float.

**PRC REGULATORY REQUIREMENTS**

Our PRC Legal Advisors advised that the Reorganization has been conducted in compliance with applicable laws and regulations of the PRC and all necessary regulatory approvals in connection with the Reorganization have been obtained.

**M&A Rules**

According to M&A Rules, where a domestic company, enterprise or natural person intends to acquire its or his/her related domestic company in the name of an offshore company which it or he/she lawfully established or controlled, the acquisition shall be subject to the examination and approval of the MOFCOM; and where a domestic company or natural person holds an equity interest in a domestic company through an offshore special purpose company by paying the acquisition price with equity interests, the overseas listing of that special purpose company shall be subject to approval by the CSRC. As advised by our PRC Legal Advisors, since Weilong Commerce is no longer a domestic company at the time of acquisition of 99% equity interest of Weilong Commerce by Hehe Foods, the M&A Rules is not applicable to the acquisition. Our PRC Legal Advisors further confirmed that no approval from MOFCOM is required for the aforesaid acquisitions.

**SAFE registration**

Pursuant to SAFE Circular 37, (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (the “Overseas SPV”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or

## **HISTORY AND REORGANIZATION**

financing, and (b) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV's PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV's capital, share transfer or swap, and merger or division. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be restricted from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

Pursuant to SAFE Circular 13, promulgated by SAFE and which became effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interests in the domestic entity are located.

As advised by our PRC Legal Advisors, each of Mr. LIU Weiping and Mr. LIU Fuping, who is known to us as being a PRC citizen, completed the initial registration in compliance with the SAFE Circular 37 on August 20, 2018.