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卫龙美味全球控股有限公司
WEILONG Delicious Global Holdings Ltd
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 9985)

CONNECTED TRANSACTION
SUBSCRIPTION OF SHARES IN THE JOINT VENTURE COMPANY

SUBSCRIPTION OF SHARES IN THE JOINT VENTURE COMPANY

The Board is pleased to announce that on 20 June 2024 (after trading hours), the Company entered into the Supplemental Joint Venture Agreement with HH Green Philosophy and HH Innovation Group, pursuant to which the Parties agreed that each of the Listco SPV 1, the Listco SPV 2 and the Controlling Shareholders SPV shall subscribe for 80,999,190, 9,499,905 and 9,499,905 ordinary shares of the Joint Venture Company, respectively, newly issued by the Joint Venture Company at total subscription prices of RMB81 million, RMB9.5 million and RMB9.5 million, respectively, on a pro-rata basis in proportion to their respective existing shareholding in the Joint Venture Company. Each such subscription is on the same terms. Pursuant to the Supplemental Joint Venture Agreement, there are no restrictions which apply to the subsequent sale of such subscription shares by the Listco SPV 1 and the Listco SPV 2.

As at the date of this announcement, the Listco SPV 1, the Listco SPV 2 and the Controlling Shareholder SPV hold 81.0%, 9.5% and 9.5% equity interests in the Joint Venture Company, respectively. After the Share Subscription, such shareholding percentages will remain unchanged, and the Joint Venture Company will remain as a subsidiary of the Company and its financial results will continue to be consolidated into the financial statements of the Group.

The subscription prices payable by the Listco SPV 1 and the Listco SPV 2 will be funded by the existing internal resources of the Group.

IMPLICATIONS UNDER THE LISTING RULES

Each of HH Green Philosophy and HH Innovation Group is a controlling shareholder of the Company. In addition, as at the date of this announcement, HH Green Philosophy is wholly owned by Mr. LIU Weiping and HH Innovation Group is wholly owned by Mr. LIU Fuping. Mr. LIU Weiping and Mr. LIU Fuping are both the executive Directors and controlling shareholders of the Company. As such, each of HH Green Philosophy and HH Innovation Group is a connected person of the Company. Accordingly, the Share Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all conducted within a 12-month period or were otherwise related. The Parties entered into the Joint Venture Agreement on 28 March 2024 in relation to the formation of the Joint Venture Company and the capital contribution of US\$0.081, US\$0.0095 and US\$0.0095 by the Listco SPV 1, the Listco SPV 2 and the Controlling Shareholders SPV, respectively. As all the contracting parties to the Supplemental Joint Venture Agreement and the Joint Venture Agreement, respectively, comprise the Parties and the Share Subscription and the JV Formation are similar in nature, such transactions shall be aggregated as a series of transactions in accordance with Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Supplemental Joint Venture Agreement and the Share Subscription thereunder (both on a standalone basis and upon aggregation with the Joint Venture Agreement and the JV Formation thereunder) exceeds 0.1% but is less than 5%, the Supplemental Joint Venture Agreement and the Share Subscription thereunder are subject to the reporting and announcement requirements but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

SUBSCRIPTION OF SHARES IN THE JOINT VENTURE COMPANY

The Board is pleased to announce that on 20 June 2024 (after trading hours), the Company entered into the Supplemental Joint Venture Agreement with HH Green Philosophy and HH Innovation Group, pursuant to which the Parties agreed that each of the Listco SPV 1, the Listco SPV 2 and the Controlling Shareholders SPV shall subscribe for 80,999,190, 9,499,905 and 9,499,905 ordinary shares of the Joint Venture Company, respectively, newly issued by the Joint Venture Company at total subscription prices of RMB81 million, RMB9.5 million and RMB9.5 million, respectively, on a pro-rata basis in proportion to their respective existing shareholding in the Joint Venture Company. Each such subscription is on the same terms. Pursuant to the Supplemental Joint Venture Agreement, there are no restrictions which apply to the subsequent sale of such subscription shares by the Listco SPV 1 and the Listco SPV 2.

The Company entered into the Joint Venture Agreement with HH Green Philosophy and HH Innovation Group on 28 March 2024, pursuant to which the Parties agreed to, among other things, establish the Joint Venture Company and make an initial capital contribution of US\$0.1 in total by the Listco SPV 1, the Listco SPV 2 and the Controlling Shareholders SPV in accordance with their respective shareholding.

As at the date of this announcement, the Listco SPV 1, the Listco SPV 2 and the Controlling Shareholder SPV hold 81.0%, 9.5% and 9.5% equity interests in the Joint Venture Company, respectively. After the Share Subscription, such shareholding percentages will remain unchanged, and the Joint Venture Company will remain as a subsidiary of the Company and its financial results will continue to be consolidated into the financial statements of the Group.

The principal terms of the Supplemental Joint Venture Agreement are as follows:

Date: 20 June 2024

Parties:

- (1) the Company;
- (2) HH Green Philosophy; and
- (3) HH Innovation Group.

Share Issuance: The Joint Venture Company shall issue 99,999,000 new ordinary shares (with a par value of US\$0.0001 each), after which the total number of issued shares of the Joint Venture Company will increase from 1,000 ordinary shares to 100,000,000 ordinary shares.

Share Subscription: The Listco SPV 1, the Listco SPV 2 and the Controlling Shareholders SPV shall subscribe for 80,999,190, 9,499,905 and 9,499,905 ordinary shares of the Joint Venture Company, respectively, newly issued by the Joint Venture Company at total subscription prices of RMB81 million, RMB9.5 million and RMB9.5 million (or the equivalent amount in US\$ at the average benchmark exchange rate of RMB to US\$ as published by the People’s Bank of China on 1 July 2024), respectively.

The shareholding structure of the Joint Venture Company immediately before and after the Share Subscription is as follows:

Shareholder	Before the Share Subscription		After the Share Subscription	
	No. of shares held	Percentage of shareholding in the total issued shares	No. of shares held	Percentage of shareholding in the total issued shares
Listco SPV 1	810	81.0%	81,000,000	81.0%
Listco SPV 2	95	9.5%	9,500,000	9.5%
Controlling Shareholders SPV	95	9.5%	9,500,000	9.5%
Total	1,000	100%	100,000,000	100%

The relevant number of new ordinary shares of the Joint Venture Company shall be issued to the Listco SPV 1, the Listco SPV 2 and the Controlling Shareholder SPV within 7 working days after the date of the Supplemental Joint Venture Agreement.

Payment Schedule of the Subscription Prices: The Listco SPV, the Listco SPV 2 and the Controlling Shareholders SPV shall pay their respective subscription price in two (2) instalments in the following manner:

- (1) 50% of the total subscription price shall be paid before 5 July 2024; and
- (2) the remaining 50% of the total subscription price shall be paid in accordance with the provisions as set out in the written notice served by the Joint Venture Company based on its actual investment needs.

The new ordinary shares to be issued by the Joint Venture Company and subscribed for under the Share Subscription will rank *pari passu* among themselves and with all the ordinary shares of the Joint Venture Company in issue.

The terms of the Share Subscription (including the subscription prices) were determined between the Parties through arm's length negotiations with reference to, among other things, the future development plans of the Joint Venture Company and its expected financing and funding needs.

The subscription prices payable by the Listco SPV 1 and the Listco SPV 2 will be funded by the existing internal resources of the Group.

REASONS FOR AND BENEFITS OF THE SHARE SUBSCRIPTION

The Joint Venture Company is principally engaged in the investment holding of businesses in respect of the manufacturing and sales of snack food and raw ingredients outside of Mainland China. The Share Subscription is in line with the Group's strategy to expand its business coverage to overseas/international markets and to invest in snack food and raw ingredients opportunities globally. Such expansion is in line with the Group's mission to "let the world fall in love with Chinese flavors" and is essential to the future business development of the Group.

For the above reasons, the Directors (including the independent non-executive Directors, but excluding Mr. LIU Weiping and Mr. LIU Fuping both of whom have a material interest in the Share Subscription) are of the view that the terms of the Supplemental Joint Venture Agreement and the Share Subscription thereunder are on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Each of Mr. LIU Weiping and Mr. LIU Fuping has a material interest in the Supplemental Joint Venture Agreement and the Share Subscription thereunder due to their respective ultimate beneficial interest in the Controlling Shareholders SPV, and has abstained from voting on the relevant Board resolutions accordingly. Save as disclosed, none of the other Directors is considered to have any material interest in the Supplemental Joint Venture Agreement and the Share Subscription thereunder and, hence, none of the other Directors is required to abstain from voting on the relevant Board resolutions.

INFORMATION OF THE PARTIES

The Group, the Listco SPV 1 and the Listco SPV 2

The Group is a leading spicy snack food enterprise integrating research and development, production and sales in China. The Group's major products cover seasoned flour products, vegetable products, bean-based and other products, etc.

Each of the Listco SPV 1 and the Listco SPV 2 is a company established under the laws of the British Virgin Islands with limited liability by the Company to invest in the Joint Venture Company, the principal business of which is investment holding, and is wholly owned by the Company as at the date of this announcement. In addition, the Listco SPV 2 is intended to be used for share incentive purposes of the Joint Venture Company and its subsidiaries and/or stake-holding by other investors in the future. As at the date of this announcement, the Joint Venture Company has not adopted any share scheme through the Listco SPV 2 which is subject to Chapter 17 of the Listing Rules.

HH Green Philosophy, HH Innovation Group and the Controlling Shareholders SPV

HH Green Philosophy is a company incorporated under the laws of the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this announcement, HH Green Philosophy is wholly owned by Mr. LIU Weiping, an executive Director and a controlling shareholder of the Company.

HH Innovation Group is a company incorporated under the laws of the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this announcement, HH Innovation Group is wholly owned by Mr. LIU Fuping, an executive Director and a controlling shareholder of the Company.

The Controlling Shareholders SPV is a company jointly established under the laws of the British Virgin Islands with limited liability by HH Green Philosophy and HH Innovation Group, and is principally engaged in investment holding. As at the date of this announcement, the Controlling Shareholders SPV is owned as to 51% by HH Green Philosophy and 49% by HH Innovation Group.

IMPLICATIONS UNDER THE LISTING RULES

Each of HH Green Philosophy and HH Innovation Group is a controlling shareholder of the Company. In addition, as at the date of this announcement, HH Green Philosophy is wholly owned by Mr. LIU Weiping and HH Innovation Group is wholly owned by Mr. LIU Fuping. Mr. LIU Weiping and Mr. LIU Fuping are both the executive Directors and controlling shareholders of the Company. As such, each of HH Green Philosophy and HH Innovation Group is a connected person of the Company. Accordingly, the Share Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all conducted within a 12-month period or were otherwise related. The Parties entered into the Joint Venture Agreement on 28 March 2024 in relation to the formation of the Joint Venture Company and the capital contribution of US\$0.081, US\$0.0095 and US\$0.0095 by the Listco SPV 1, the Listco SPV 2 and the Controlling Shareholders SPV, respectively. As all the contracting parties to the Supplemental Joint Venture Agreement and the Joint Venture Agreement, respectively, comprise the Parties and the Share Subscription and the JV Formation are similar in nature, such transactions shall be aggregated as a series of transactions in accordance with Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Supplemental Joint Venture Agreement and the Share Subscription thereunder (both on a standalone basis and upon aggregation with the Joint Venture Agreement and the JV Formation thereunder) exceeds 0.1% but is less than 5%, the Supplemental Joint Venture Agreement and the Share Subscription thereunder are subject to the reporting and announcement requirements but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors of the Company
“China” or “PRC” or “Mainland China”	the People’s Republic of China, for the purpose of this announcement only, excluding the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company”	WEILONG Delicious Global Holdings Ltd (卫龙美味全球控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 6 July 2018, and its shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholders SPV”	He He Investment Ltd (和和國際投資有限公司), a company incorporated in the British Virgin Islands with limited liability on 15 April 2024, and is owned as to 51% by HH Green Philosophy and 49% by HH Innovation Group as at the date of this announcement

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HH Green Philosophy”	HH Green Philosophy Ltd (和和綠色理念有限公司), a company incorporated under the laws of the British Virgin Islands on 28 June 2018 with limited liability and is wholly owned by Mr. LIU Weiping, an executive Director and a controlling shareholder of the Company, as at the date of this announcement
“HH Innovation Group”	HH Innovation Group Ltd (和和集團創新有限公司), a company incorporated under the laws of the British Virgin Islands on 28 June 2018 with limited liability and is wholly owned by Mr. LIU Fuping, an executive Director and a controlling shareholder of the Company, as at the date of this announcement
“Joint Venture Agreement”	the investment agreement regarding the joint venture to establish overseas business holding company (《關於合資設立海外業務控股公司之投資協議》) entered into among the Company, HH Green Philosophy and HH Innovation Group on 28 March 2024 in relation to, among other things, the JV Formation
“Joint Venture Company”	HONGLONG International Holdings Ltd (紅龍國際控股有限公司), a company incorporated in the Cayman Islands with limited liability on 17 April 2024
“JV Formation”	the formation of the Joint Venture Company and the capital contribution of US\$0.081, US\$0.0095 and US\$0.0095 by the Listco SPV 1, the Listco SPV 2 and the Controlling Shareholders SPV, respectively, pursuant to the Joint Venture Agreement
“Listco SPV 1”	WEILONG Investment Holdings Ltd (卫龙投資控股有限公司), a company incorporated in the British Virgin Islands with limited liability on 15 April 2024 and is wholly owned by the Company as at the date of this announcement
“Listco SPV 2”	Yizheng Innovation Management Ltd (一正創新管理有限公司), a company incorporated in the British Virgin Islands with limited liability on 15 April 2024 and is wholly owned by the Company as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

“Parties”	the Company, HH Green Philosophy and HH Innovation Group
“RMB”	Renminbi, the lawful currency of the PRC
“Share Subscription”	the subscription of 80,999,190 and 9,499,905 ordinary shares of the Joint Venture Company by the Listco SPV 1 and the Listco SPV 2, respectively, at total subscription prices of RMB81 million and RMB9.5 million, respectively, pursuant to the Supplemental Joint Venture Agreement
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Joint Venture Agreement”	The supplemental investment agreement regarding the joint venture to establish overseas business holding company (《關於合資設立海外業務控股公司之投資協議的補充協議》) entered into among the Company, HH Green Philosophy and HH Innovation Group on 20 June 2024 in relation to the Share Subscription
“US\$”	United States dollars, the lawful currency of the United States
“%”	Per cent

By order of the Board
WEILONG Delicious Global Holdings Ltd
LIU Weiping
Chairman

Hong Kong, China
20 June 2024

As at the date of this announcement, the executive directors of the Company are Mr. LIU Weiping, Mr. LIU Fuping, Mr. SUN Yinong, Mr. PENG Hongzhi, Mr. LIU Zhongsi and Mr. YU Feng; and the independent non-executive directors of the Company are Ms. XU Lili, Mr. ZHANG Bihong and Ms. XING Dongmei.