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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)

**ANNOUNCEMENT OF THE ANNUAL RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

2024 Annual Results Highlights

- Total revenue was RMB6,266.3 million, representing a year-on-year increase of 28.6%;
- Gross profit was RMB3,016.1 million, representing a year-on-year increase of 29.9%;
- Gross profit margin was 48.1%, representing a year-on-year increase of 0.4 percentage points;
- Profit for the year was RMB1,068.1 million, representing a year-on-year increase of 21.3%;
- Basic earnings per share was RMB0.46, representing a year-on-year increase of 21.1%;
- Proposed final dividend per ordinary share was RMB0.11, and proposed special dividend per ordinary share was RMB0.18;
- The interim dividend of RMB0.16 per ordinary share has been distributed in October 2024.

The board (the “**Board**”) of directors of WEILONG Delicious Global Holdings Ltd (the “**Company**” or “**WL Delicious**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**” or “**we**” or “**us**”) for the year ended December 31, 2024 (the “**Current Year**” or “**Reporting Period**”) prepared in accordance with IFRS Accounting Standards, together with the comparative figures for the corresponding year ended December 31, 2023 (the “**Previous Year**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended December 31, 2024

	<i>Notes</i>	2024 <i>RMB’000</i>	2023 <i>RMB’000</i>
Revenue from contracts with customers	3	6,266,326	4,871,666
Cost of sales of goods	3, 6	(3,250,194)	(2,548,983)
Gross profit		3,016,132	2,322,683
Distribution and selling expenses	6	(1,026,306)	(806,709)
Administrative expenses	6	(491,005)	(458,927)
Net impairment gains on financial assets		36	386
Other income, net	4	76,980	43,470
Other gains/(losses), net	5	(174,820)	2,810
Operating profit		1,401,017	1,103,713
Finance income	7	179,470	197,085
Finance costs	7	(19,234)	(21,526)
Finance income, net	7	160,236	175,559
Profit before income tax		1,561,253	1,279,272
Income tax expense	8	(493,146)	(398,918)
Profit for the year		1,068,107	880,354
Profit is attributable to:			
– Owners of the Company		1,068,512	880,354
– Non-controlling interests		(405)	–
Earnings per share for profit attributable to owners of the Company (RMB)			
Basic earnings per share	9	0.46	0.38
Diluted earnings per share	9	0.46	0.38

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*Year ended December 31, 2024*

	2024 RMB'000	2023 RMB'000
Profit for the year	1,068,107	880,354
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	7,862	(3,755)
Items that may not be reclassified to profit or loss:		
Exchange differences on translation of the Company	34,753	46,961
Other comprehensive income for the year, net of tax	42,615	43,206
Total comprehensive income for the year	1,110,722	923,560
Total comprehensive income for the year is attributable to:		
– Owners of the Company	1,111,143	923,560
– Non-controlling interests	(421)	–

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2024

		December 31,	
		2024	2023
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Assets			
Non-current assets			
Property, plant and equipment		1,205,219	1,100,998
Right-of-use assets		474,100	460,829
Goodwill		4,269	–
Other intangible assets		17,219	19,980
Term deposits with initial term over three months		2,879,414	2,570,023
Deferred income tax assets		22,224	22,683
Other non-current assets		60,270	4,343
Total non-current assets		4,662,715	4,178,856
Current assets			
Trade, other receivables and prepayments	<i>11</i>	253,353	211,531
Inventories		878,262	419,893
Financial assets at fair value through profit or loss		–	122,820
Restricted cash		–	166
Term deposits with initial term over three months		1,546,366	1,594,087
Cash and cash equivalents		841,717	526,193
Total current assets		3,519,698	2,874,690
Total assets		8,182,413	7,053,546

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

December 31, 2024

		December 31, 2024	2023
	Note	RMB'000	RMB'000
Liabilities			
Non-current liabilities			
Borrowings		176,015	178,960
Lease liabilities		19,826	8,930
Deferred income		154,324	158,407
Deferred income tax liabilities		125,807	93,362
Total non-current liabilities		475,972	439,659
Current liabilities			
Trade and other payables	12	826,627	662,744
Contract liabilities and refund liabilities		597,310	206,343
Current income tax liabilities		53,510	33,258
Borrowings		212,945	1,980
Lease liabilities		9,619	3,692
Total current liabilities		1,700,011	908,017
Total liabilities		2,175,983	1,347,676
Net assets		6,006,430	5,705,870
Equity			
Share capital		155	155
Other reserves		2,009,487	2,680,382
Retained earnings		3,987,709	3,025,333
Equity attributable to owners of the Company		5,997,351	5,705,870
Non-controlling interests		9,079	–
Total equity		6,006,430	5,705,870
Total equity and liabilities		8,182,413	7,053,546

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on July 6, 2018 as an exempted company with limited liability under the Company Act (Cap 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of its registered office is the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the production and sale of spicy snack food in the People’s Republic of China (“**PRC**”).

The ultimate holding company of the Company is HH Global Capital Ltd. The ultimate controlling parties are Mr. Liu Weiping and his brother Mr. Liu Fuping (the “**Controlling Shareholders**”), who are also the chairman and the executive director of the board of the directors of the Company, respectively.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since December 15, 2022 (the “**Listing**”) by way of its initial public offering (“**IPO**”).

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and interpretations as issued by International Accounting Standards and Standing Interpretations Committee applicable to companies reporting under IFRS Accounting Standards. The financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets at fair value through profit or loss. These consolidated financial statements are presented in Renminbi (“**RMB**”) and rounded to nearest thousand, unless otherwise stated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year’s financial statements.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “ 2020 Amendments ”)
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> (the “ 2022 Amendments ”)
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised IFRS Accounting Standards are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at January 1, 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ²
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendments to IAS 21	<i>Lack of Exchangeability</i> ¹
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ²

¹ Effective for annual periods beginning on or after January 1, 2025

² Effective for annual periods beginning on or after January 1, 2026

³ Effective for annual/reporting periods beginning on or after January 1, 2027

⁴ No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised standards upon initial application. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specific totals and subtotals. It also requires disclosure of management-defined performance measures in a note and introduces new requirements for aggregation and disaggregation of financial information. The new requirements are expected to impact the Group's presentation of the statement of profit or loss and disclosures of the Group's financial performance. So far, the Group considers that the new and revised standards are unlikely to have a significant impact on the Group's results of operations and financial position.

3. SEGMENT INFORMATION

The Group is principally engaged in the production and sale of spicy snack food. Majority of the Group's revenue and business activities are conducted in the PRC.

For management purposes, the Group is organized into business units based on their products and has three reportable operating segments as follows:

By product type:

- Seasoned flour products, primarily comprising Big Latiao, Mini Latiao, Spicy Hot Stick, Mini Hot Stick, Kiss Burn and Mala Mala
- Vegetable products, primarily comprising Konjac Shuang, Fengchi Kelp and XIAO MO NV
- Bean-based and other products, primarily comprising Spicy Tofu Skin and others

The chief operating decision-maker (“CODM”) monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on gross profit. No analysis of segment operating profit is presented as CODM does not regularly review such information for the purposes of resource allocation and performance assessment. Segment assets and liabilities are not presented as CODM reviews the assets and liabilities on a central basis. Therefore, only segment revenue and segment gross profit are presented.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments.

	Seasoned flour products RMB'000	Vegetable products RMB'000	Bean-based and other products RMB'000	Total RMB'000
For the year ended December 31, 2024				
Revenue	2,667,081	3,370,552	228,693	6,266,326
Cost of sales	(1,401,552)	(1,701,283)	(147,359)	(3,250,194)
Gross profit	1,265,529	1,669,269	81,334	3,016,132
	Seasoned flour products RMB'000	Vegetable products RMB'000	Bean-based and other products RMB'000	Total RMB'000
For the year ended December 31, 2023				
Revenue	2,549,244	2,118,519	203,903	4,871,666
Cost of sales	(1,379,477)	(1,032,501)	(137,005)	(2,548,983)
Gross profit	1,169,767	1,086,018	66,898	2,322,683

(a) *Geographical information*

Revenue from external customers by location of the customers is shown in the table below:

	2024 RMB'000	2023 RMB'000
PRC	6,187,110	4,774,043
Overseas	79,216	97,623
	<u>6,266,326</u>	<u>4,871,666</u>

Majority of the Group's identifiable assets and liabilities were located in the PRC.

(b) *Information about major customers*

No revenue from the Group's sales to a single customer amounted to 10% or more of the Group's total revenue during the reporting period.

(c) *An analysis of revenue is as follows:*

	2024 RMB'000	2023 RMB'000
<i>Revenue from contracts with customers</i>		
Sale of goods	<u>6,266,326</u>	<u>4,871,666</u>

The timing of the above revenue recognition is when the performance obligations of sales and delivery of goods are satisfied at a point in time.

The performance obligation is satisfied upon delivery of the goods and payment in advance is normally required, except for customers with credit terms up to 90 days. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration.

All contract liability balances at the beginning of the year were recognized as revenue in the reporting period.

The Group has no revenue contract that has an original expected duration of more than one year, thus management has applied the practical expedient under IFRS 15 and is not required to disclose the aggregate amount of the transaction prices allocated to the performance obligations that are unsatisfied or partially satisfied as of the end of the reporting period.

4. OTHER INCOME, NET

	2024 RMB'000	2023 RMB'000
Government grants		
Related to income (a)	49,436	19,857
Related to assets (b)	6,686	5,983
Sale of scraps and raw materials		
Proceeds income related to scraps and raw materials	28,933	20,308
Cost related to scraps and raw materials	(9,422)	(4,684)
VAT reduction	1,347	2,006
	<u>76,980</u>	<u>43,470</u>

The government grants represent subsidy income received from various government authorities as incentives to certain subsidiaries of the Group in the PRC.

- (a) The government grants and subsidies related to income have been received to reward for the contribution to the local economic growth. These grants related to income were recognized in profit or loss upon receipt of these rewards and the related conditions associated with the rewards, if any, are being met. There are no unfulfilled conditions or contingencies relating to these grants.
- (b) The Group has received certain government grants related to the investments in production plants. The grants related to assets were recognized in profit or loss over the useful lives of relevant assets.

5. OTHER GAINS/(LOSSES), NET

	2024 RMB'000	2023 RMB'000
Fair value gains/(losses) on financial assets at fair value		
through profit or loss	(120,061)	19,377
Net foreign exchange losses	(26,540)	(8,906)
Impairment of property, plant and equipment	(21,970)	(4,896)
Loss on disposal of property, plant and equipment	(6,109)	(245)
Donation	(2,014)	(2,348)
Loss on disposal of other intangible assets	(1,417)	–
Others	3,291	(172)
	<u>(174,820)</u>	<u>2,810</u>

- (a) Included in fair value loss for the year was mainly fair value changes of the Group's investment in a wealth management fund (the "Fund"), namely "Enhanced Fixed Income SP", through a reputable financial institution since 2021. In October 2024, the Group was notified by the financial institution that the Fund is undergoing its voluntary winding up petition and the joint provisional liquidators ("JPLs") are appointed to formulate a viable restructuring plan. The Directors considered the JPLs' assessment reports that fair value of the Group's investments in the Fund is less likely than not that it could possibly be fully realisable as of December 31, 2024, and the decline in fair value of RMB125,488,000 was recognised in profit or loss during the year ended December 31, 2024.

6. EXPENSES BY NATURE

	2024 RMB'000	2023 RMB'000
Consumption of raw materials	2,581,344	1,922,757
Changes in inventories of finished goods, semi-finished goods, and goods in transit	(65,432)	36,607
Employee benefit expenses	1,119,817	985,388
Transportation expenses	200,812	150,667
Utilities	148,255	99,995
Promotion and advertising expenses	280,456	213,970
Other tax expenses	64,432	50,242
Depreciation and amortization	142,091	128,450
Travelling expenses	54,448	45,188
Repairs and maintenance	50,900	35,529
Office expenses	74,529	56,252
Auditor's remuneration		
– Audit services	4,000	3,800
– Non-audit services	1,557	980
Expense relating to short-term leases	17,853	17,833
Professional fees	43,288	36,129
Others	49,155	30,832
	<hr/>	<hr/>
Total of cost of sales of goods, distribution and selling expenses, and administrative expenses	4,767,505	3,814,619

7. FINANCE INCOME, NET

	2024 RMB'000	2023 RMB'000
Finance income		
Interests from bank	179,470	197,085
	<hr/>	<hr/>
Finance costs		
Interest expenses on borrowings	(19,938)	(22,398)
Finance costs on lease liabilities	(719)	(648)
Less: borrowing costs capitalized in property, plant and equipment	1,423	1,520
	<hr/>	<hr/>
	(19,234)	(21,526)
	<hr/>	<hr/>
Finance income, net	160,236	175,559

(a) Capitalized borrowing costs

The capitalization rate used to determine the amount of borrowing costs to be capitalized is 3.97%, which was applicable to the Group's borrowings during the year ended December 31, 2024 (2023: 3.97%).

8. INCOME TAX EXPENSE

	2024 RMB'000	2023 RMB'000
<i>Current tax</i>		
Current tax on profits for the year	404,398	306,394
<i>Deferred income tax</i>		
Decrease in deferred income tax assets	2,684	32,380
Increase in deferred income tax liabilities	86,064	60,144
Total deferred tax expense	88,748	92,524
Income tax expense	493,146	398,918

(a) Cayman Islands income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and, accordingly, is exempted from local income tax.

(b) British Virgin Islands profit tax

The Company's direct subsidiaries in the British Virgin Islands were incorporated under the BVI Companies Act, 2004 and accordingly, are exempted from British Virgin Islands income tax.

(c) Hong Kong profits tax

No provision for Hong Kong profit tax was provided as the Company. Pursuant to the two-tiered profit tax rates regime, the Group's first HKD2,000,000 of assessable profits under Hong Kong profits tax during the reporting period were subject to a tax rate of 8.25%. The Group's remaining assessable profits above HKD2,000,000 will continue to be subject to a tax rate of 16.5% during the reporting period.

(d) PRC corporate income tax

Enterprises incorporated in the PRC are subject to income tax rate of 25% throughout the reporting period unless subject to tax exemption set out below.

Certain of the Group's PRC subsidiaries are qualified as small and micro enterprises and were entitled to a preferential corporate income tax rate of 5% during the reporting period.

One of the Group's PRC subsidiaries is accredited as a "High and New Technology Enterprise" and was therefore entitled to a preferential income tax rate of 15% during the years ended December 31, 2024 and 2023. Such qualification is subject to review by the relevant tax authority in the PRC for every three years.

Certain of the Group's PRC subsidiaries are engaged in agriculture and entitled to the tax exemption on agricultural products.

The income tax provision of the Group has been calculated at the applicable tax rate on the estimated assessable profits for the reporting period based on existing legislations, interpretations and practices.

(e) **PRC Withholding Tax (“WHT”)**

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profit derived after 1 January 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be 5%.

Deferred income tax liabilities have been recognized at December 31, 2024 for the withholding tax that would be payable on the earnings of certain subsidiaries incorporated in the PRC that are expected to be distributed in the foreseeable future. The remaining undistributed earnings generated from January 1, 2008, for which withholding tax is not provided for, amounted to RMB2,830,214,000 as at December 31, 2024 (2023: RMB2,889,370,000).

9. EARNINGS PER SHARE

(a) **Basic**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the year.

	2024	2023
Profit attributable to equity holders of the Company (<i>RMB'000</i>)	1,068,512	880,354
Weighted average number of outstanding ordinary shares (<i>thousands</i>)	<u>2,312,789</u>	<u>2,309,771</u>
Basic earnings per share (<i>RMB</i>)	<u>0.46</u>	<u>0.38</u>

Outstanding ordinary shares that are contingently returnable (i.e. subject to recall) are not treated as outstanding and are excluded from the calculation of basic earnings per share until the date the shares are no longer subject to recall.

During the year ended December 31, 2024, an aggregate of 3,092,870 RSUs (2023: 2,981,331) become vested under the terms and conditions of the RSU Scheme, so the effect of these shares has been taken into account in the calculation of basic earnings per share since the vesting date.

(b) **Diluted**

Diluted earnings per share is calculated based on the profit attributable to owners of the Company after adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares during the year.

	2024	2023
Profit attributable to equity holders of the Company (<i>RMB'000</i>)	1,068,512	880,354
Weighted average number of outstanding ordinary shares (<i>thousands</i>)	2,312,789	2,309,771
Adjustments for:		
– RSUs (<i>thousands</i>)	<u>5,787</u>	<u>6,530</u>
Adjusted weighted average number of outstanding ordinary shares for diluted earnings per share (<i>thousands</i>)	<u>2,318,576</u>	<u>2,316,301</u>
Diluted earnings per share (<i>RMB</i>)	<u>0.46</u>	<u>0.38</u>

10. DIVIDENDS

	2024 RMB'000	2023 <i>RMB'000</i>
Final and special dividends declared in respect of year ended December 31, 2022	–	564,276
Final and special dividends declared in respect of year ended December 31, 2023	493,741	–
Interim dividend declared in respect of year ended December 31, 2023	–	282,138
Interim dividend declared in respect of year ended December 31, 2024	376,183	–
	869,924	846,414

On June 6, 2024, the Company's shareholders approved a profit distribution plan at an annual general meeting, pursuant to which a final dividend in respect of the year ended December 31, 2023 of RMB0.10 per share, amounting to a total final dividend of RMB235,115,000, and a special dividend in respect of the year ended December 31, 2023 of RMB0.11 per share, amounting to a total special dividend of RMB258,626,000, were declared to all shareholders.

On August 15, 2024, the Company's board of directors approved a profit distribution plan at the board meeting, pursuant to which an interim dividend in respect of the year ended December 31, 2024 of RMB0.16 per share, amounting to a total interim dividend of RMB376,183,000, was declared to all shareholders.

The dividend was paid in July and October 2024, except for dividend attributable to the unvested shares held by the trustee in relation to the RSU scheme amounting to RMB14,065,000, which the holders will entitle to dividend right upon vesting of the RSUs.

A final dividend in respect of the year ended December 31, 2024 of RMB0.11 per share, amounting to a total final dividend of RMB258,626,000, and a special dividend in respect of the year ended December 31, 2024 of RMB0.18 per share, amounting to a total special dividend of RMB423,206,000, are to be proposed at the forthcoming annual general meeting. These financial statements do not reflect these dividend payable.

11. TRADE, OTHER RECEIVABLES AND PREPAYMENTS

	December 31, 2024 RMB'000	2023 RMB'000
Trade receivables:		
Receivables from third parties	52,843	51,659
Loss allowance	(5)	(41)
	<u>52,838</u>	<u>51,618</u>
Other receivables:		
Deposits	5,258	4,535
Proceeds receivable from sale of property, plant and equipment	–	460
Loans to third parties (d)	200	200
Receivables from local government	–	29,068
Others	3,437	4,626
Loss allowance	(200)	(200)
	<u>8,695</u>	<u>38,689</u>
Prepayments:		
Prepayments for raw materials	64,869	25,530
Prepayments for services	17,287	28,110
Input VAT recoverable	67,480	63,151
Prepayment for income tax	42,184	4,433
	<u>191,820</u>	<u>121,224</u>
	<u>253,353</u>	<u>211,531</u>

- (a) Due to the short-term nature of the current receivables, their carrying amounts are considered to be approximate their fair value.
- (b) Trade receivables primarily arise from credit sales of products. The Group usually deliver products to distributors after they have made the payment, while for direct sale customers, the credit terms are generally up to 90 days. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing. All the trade receivables of the Group are from third parties.

As at December 31, 2024 and 2023, the aging analysis of the trade receivables based on invoice date is as follows:

	December 31, 2024 RMB'000	2023 RMB'000
Trade receivables:		
Within 90 days	47,392	40,344
91 to 180 days	5,451	11,315
	<u>52,843</u>	<u>51,659</u>

(c) **Impairment and risk exposure**

The Group applies the IFRS 9 simplified approach to measuring expected credit losses for trade receivables. The loss allowance for trade receivables at amortized cost was not material during the years ended December 31, 2024 and 2023.

(d) Loans to third parties were unsecured, interest-free and repayable on demand.

12. TRADE AND OTHER PAYABLES

	December 31,	
	2024	2023
	RMB'000	RMB'000
Trade payables:		
– Third parties	204,020	154,662
– Related parties	8,594	10,066
	212,614	164,728
Other payables:		
Salary and welfare payables	282,361	262,432
Amounts due to a related party	260	260
Deposits payables	80,791	80,384
Freight charges payables	24,371	17,584
Payables for purchase of property, plant and equipment	22,848	17,786
Tax payable	30,467	26,264
VAT payable related to contract liabilities	50,020	13,415
Utilities payables	15,673	10,612
Consideration payable for acquisition of a subsidiary	4,000	–
Others	103,222	69,279
	614,013	498,016
	826,627	662,744

The aging analysis of the trade payables based on invoice date is as follows:

	December 31,	
	2024	2023
	RMB'000	RMB'000
Within 90 days	212,614	164,728

The carrying amounts of trade and other payables are considered to be approximately their fair value, due to their short-term nature.

CHAIRMAN’S STATEMENT

“We specialize in turning authentic Chinese gourmet into casual snack food that consumers can enjoy anywhere and anytime. We are committed to adhering to the core value of “Integrity, Innovation, Customer First, Employee-Oriented” and the vision of “making authentic Chinese gourmet more entertaining, casual, convenient, affordable, data-enabled and automated, ultimately build a great business that brings joy and happiness to people for 123 years” that continuously provides better products and pleasant consumption experience for consumers.”

Dear shareholders,

On behalf of WL Delicious, I hereby submit to all shareholders the annual results of the Group for the Current Year.

The year of 2024, for WL Delicious, was a year of perseverance, effectively implementing various business development strategies and achieving growth. As domestic consumers have become more cautious and rational in their consumption, high-quality products, reasonable pricing, continuous brand innovation, precise and effective marketing and efficient service have continued to drive the unique resilience and vitality of the domestic snack food industry.

Under such a background, the Group remained strong confidence and actively expanded its market presence, and the overall business operations and financial performance demonstrated a positive growth trend. The overall revenue of the Group for the year was RMB6,266.3 million, representing an increase of 28.6% as compared with the Previous Year; gross profit margin was 48.1%, representing an increase of 0.4 percentage points as compared with 47.7% in the Previous Year; net profit was RMB1,068.1 million, representing an increase of 21.3% as compared with the Previous Year.

During the Current Year, the Group continued to deeply understand consumer needs and launched a variety of new products that are deeply loved by consumers based on their current taste preferences, consumption scenarios and consumption habits, further enriching the Group’s product matrix.

During the Current Year, the Group continued to expand and optimize its sales channels, advancing its omni-channel strategy across online and offline. Offline, we further strengthened cooperation with traditional channels such as chained supermarkets and convenience stores, while also actively exploring emerging channels such as snack specialty retailers, warehouse membership stores to better meet consumer needs. Online, in addition to strengthening partnerships with mainstream e-commerce platforms and optimizing store operations and marketing strategies, we also actively explored new models such as content-driven e-commerce and social e-commerce to build closer connections with consumers. Concurrently, the Company actively pursued expansion into overseas markets.

During the Current Year, through continuously innovative marketing strategies and brand initiatives, the Group actively cultivated a youthful, personalized, and fun brand image to resonate more deeply with young consumers, integrate into their lifestyles, and enhance their affinity and loyalty towards the Group. Brand marketing initiatives such as “Durian flavored Latiao (榴槤辣條)” generated positive responses among young consumer groups. Simultaneously, the Group emphasized the “humanistic core” of the brand, actively fulfilling its social responsibilities, focusing on giant panda conservation, and supporting public welfare undertakings, comprehensively strengthening the Group’s brand image.

During the Current Year, we remained committed to “employee-oriented” values, optimizing its talent management mechanisms and fostering efficient organizational growth. Concurrently, the Group actively pursued “data-enabled” and “automated” initiatives to comprehensively drive improvements in operational and management efficiency.

Looking forward to the new year, we will continue to monitor industry and consumer trends, strengthen product innovation and brand building, expand sales channels, prioritize sustainable and high-quality development, embrace change with agility, and enhance the supply chain, data-enabled capabilities, and organizational team construction. Through these efforts, the Group strives to continuously improve operational efficiency and create values for its shareholders and customers.

LIU Weiping
Chairman of the Board

Hong Kong, China
March 27, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

Macro and Industry Environment

Looking back at 2024, in the face of a complex and challenging domestic and international environment, China's economy maintained overall stability, achieving 5% growth for the year. This fully demonstrated the resilience and potential of the domestic economy amidst both internal and external challenges. The steady economic recovery and gradual rebound in consumer confidence have injected new vitality into the market.

China's consumer market, with its vast scale and dynamic growth, continues to play a central role in driving economic growth. Shaped by the global economic landscape and China's own economic development, the Chinese consumer market is constantly evolving with new and rapid changes. Consumer needs, preferences, and behaviour patterns are becoming increasingly fragmented. This "era of fragmented needs"¹ sees a growing number of consumers embracing a "rational" and "self-indulgent" approach to consumption. They prioritize the purchase of high-quality and reliable products. In particular, the younger generation, as key influencers and trendsetters in the consumer market, are especially focused on sophisticated lifestyles, exceptional consumer experiences and personalized consumption. Their brand awareness is also gradually strengthening. These emerging trends are creating more new structural business opportunities for consumer brands and driving continuous innovation, enabling brands to respond quickly to market and consumer changes.

On July 30, 2024, a meeting of the Political Bureau of the CPC Central Committee emphasized shifting the focus of economic policy more towards improving people's livelihoods and boosting consumption. Against this backdrop, the food and beverage industry was showing a robust recovery. The "*Food is Paramount: 2024 Chinese Food and Beverage Industry White Paper*"², a joint publication by Frost & Sullivan and Foodaily, indicates that China's casual snack food market, driven by the leisure needs of young consumers, is experiencing steady growth through continuous innovation and targeted marketing strategies. Meanwhile, emerging retail formats for snack foods, such as snack specialty retailers, and online content-driven e-commerce, are experiencing rapid expansion and high-growth rates due to their advantages in offering a wide range of brands, diverse product selections, and excellent value for money, accelerating the evolution of sales channels. Facing such a rapidly evolving market landscape, consumer brands must actively embrace changes and accelerate the innovation of products and services so as to gain a competitive edge in the market.

¹ Major Release | The Era of Fragmented Needs: Unlocking Brand Opportunities – Social Touch

² Frost & Sullivan and Foodaily Jointly Release 'Food is the First Necessity: 2024 China Food and Beverage Industry White Paper' – FrostSullivan.com

Business Review

In 2024, the Group remains committed to turning authentic Chinese gourmet into casual snack foods that consumers can enjoy anytime and anywhere. We have continued to enhance our corporate culture. While maintaining our original mission of “letting the world fall in love with Chinese flavours”, we have further updated our vision to “make authentic Chinese gourmet more entertaining, casual, convenient, affordable, data-enabled and automated, and ultimately build a great business that brings joy and happiness to people for 123 years”, we have also refined our core values to be “integrity, innovation, customer first, and employee-oriented”. This is aimed at fostering a highly efficient, pragmatic, open and innovative work environment that focuses on the quality of customer service and prioritizes employee experience and growth, thereby continuously driving the sustainable and healthy development of the enterprise and, in turn, providing better services and experiences for our clients and consumers.

During the Current Year, the Group has been committed to continuous innovation. By leveraging deep consumer insights to identify market needs and strengthening its research and development capabilities, the Group firmly believes that product competitiveness is the foundation of its development. It is the fundamental element for establishing connections and trust with consumers, ultimately building long-term loyalty. During the Current Year, the Group continued to adhere to its multi-category product strategy, further expanding its product portfolio and continuously improving product quality and innovation capabilities. We have consistently upgraded and innovated in areas such as product flavour, product technology, and product packaging, remaining dedicated to crafting quality products with dedication, improving product quality, and meeting the diversified and personalized needs of the market and consumers.

During the Current Year, the Group further aligned itself with the lifestyles and consumption habits of younger consumers through a diverse portfolio of online and offline marketing campaigns. By strengthening consumer engagement, we propelled continuous brand rejuvenation and market penetration, thereby further enhancing overall brand dynamism. Focusing on brand communication for the Group’s large single product, “Konjac Shuang”, we consistently launched innovative marketing strategies. Through creative campaigns and digital promotions, we further increased market penetration within the konjac snack category. Simultaneously, the “XIAO MO NV” IP became a significant driver for brand rejuvenation. The Group implemented various marketing activities centered around this image, further enhancing brand interactivity and dynamism.

Furthermore, cross-brand collaborations and pop-up events also became significant formats for the Group’s brand promotion in 2024. For example, the Group collaborated with the mobile game “Eggy Party”, launching a co-branded “Kiss Burn” product. The “Durian flavored Latiao” themed pop-up store marketing campaign, among others, also garnered extensive social media attention, further boosting brand buzz.

During the Current Year, the diversification of China's retail channels accelerated. While traditional channels continued to experience consumer attrition, small-sized retail models such as convenience stores and community supermarkets exhibited growth resilience due to their immediacy and convenience. Concurrently, a variety of emerging channels, including snack specialty retailers, content e-commerce platforms, warehouse membership stores and others, experienced rapid proliferation, accelerated changes in the snack food industry. The Group actively embraces changes, capitalizes on the trend of channel diversification, and continuously implements its omni-channel strategy to build stronger connections with consumers. Simultaneously, we proactively drive innovative marketing approaches and refine user operations to further enhance the experience for both clients and consumers.

During the Current Year, the Group recorded a total revenue of RMB6,266.3 million, representing an increase of 28.6% as compared with RMB4,871.7 million in the Previous Year, primarily driven by the Group's effective implementation of various business development strategies throughout the Current Year, particularly the proactive advancement of omni-channel development and brand building. As a result, both online and offline revenues demonstrated steady growth. The Group's gross profit increased by 29.9% from RMB2,322.7 million in the Previous Year to RMB3,016.1 million in the Current Year, and the Group's gross profit margin increased from 47.7% in the Previous Year to 48.1% in the Current Year, mainly due to an increase in capacity utilization rate in the Current Year. The Group's net profit increased by 21.3% from RMB880.4 million in the Previous Year to RMB1,068.1 million in the Current Year, primarily due to the increase of the Group's revenue in the Current Year. The Group's net profit margin decreased from 18.1% in the Previous Year to 17.0% in the Current Year.

Our Products

The Group is a leader and pioneer in the spicy snack food industry in China. The Group adheres to the strategy of multiple categories with its products covering seasoned flour products, vegetable products, and bean-based and other product categories. Seasoned flour products, also commonly known as Latiao (辣條), primarily comprise Big Latiao (大麵筋), Mini Latiao (小麵筋), Spicy Hot Stick (麻辣棒), Mini Hot Stick (小辣棒), Kiss Burn (親嘴燒), Mala Mala (麻辣麻辣) and others. Vegetable products primarily comprise Konjac Shuang (魔芋爽), Fengchi Kelp (風吃海帶) and XIAO MO NV (小魔女). Bean-based and other products primarily comprise Spicy Tofu Skin (香辣豆皮) and others.

During the Current Year, the Group continued to drive product innovation, launching a series of new products that further broadened its product portfolio and strengthened its leading position in the spicy snack market.

Within the "Mala Mala" and "Konjac Shuang" series, the Group unleashed explosively spicy Mala Mala and explosively spicy Vegetarian Tripe Konjac Shuang, which crafted with carefully selected new-generation chili peppers, premium Wudu Sichuan peppercorns, and others. This multi-chili blend delivers an intense aroma of peppers and an unforgettably fiery and numbing Mala sensation.

Within the “Big Latiao” series, the Group launched finger-licking barbecue-flavored Latiao, which crafted with carefully selected Xinjiang cumin, Wudu Dahongpao peppercorns, and traditional Chinese spices like cinnamon and licorice. Experience the sizzling aroma of BBQ meat and irresistible satisfaction in every bite.

Within the “XIAO MO NV” series, the Group launched “XIAO MO NV” spicy barbecue-flavored konjac tendon, hot and sour hotpot-flavored konjac vegetarian tripe. Among which, spicy barbecue-flavored konjac tendon are expertly crafted with Wudu Sichuan peppercorns and Xinjiang cumin to recreate authentic barbecue flavour. Combined with an upgraded cutting technique, they deliver a chewy yet delightfully crisp texture, while also being rich in dietary fibre, perfectly balancing delicious taste and health. Meanwhile, the hot and sour hotpot-flavored konjac vegetarian tripe features a large-slice design and a crisp, bouncy texture, catering to consumers’ dual desires for novel flavours and healthy food.

Within the “Fengchi Kelp” series, the Group launched extra spicy braised flavour Fengchi Kelp which is building upon the classic spicy flavour. Carefully selected from pristine sea areas, only the tender 25% middle section is used as the prime ingredient. Naturally infused with herbs and prepared using a secret braising technique, it boasts a rich, braised aroma, a soft and chewy texture, and a delightful sweetness. Experience authentic Chinese braised flavour and indulge guilt-free with its low-calorie goodness.

These new products not only catered to consumers’ pursuit of diverse and unique flavours but also demonstrate the Group’s keen insight into market trends. They infused the brand with fresh vitality and lasting appeal, further enhanced the brand’s competitiveness and market influence.

During the Current Year, our revenue was primarily derived from the sales of seasoned flour products and vegetable products. The following table sets forth a breakdown of our revenue by product categories for the years indicated:

Product category	Year ended December 31,			
	2024		2023	
	<i>RMB'000</i>	% of total revenue	<i>RMB'000</i>	% of total revenue
Seasoned flour products	2,667,081	42.6	2,549,244	52.3
Vegetable products	3,370,552	53.8	2,118,519	43.5
Bean-based and other products	228,693	3.6	203,903	4.2
Total	6,266,326	100.0	4,871,666	100.0

Revenue generated from our seasoned flour products increased by 4.6% from RMB2,549.2 million in 2023 to RMB2,667.1 million in 2024, primarily due to the progress of omni-channel construction. Revenue from our seasoned flour products as a percentage of total revenue decreased from 52.3% in 2023 to 42.6% in 2024, reflecting the solid growth momentum for our vegetable products.

Revenue from our vegetable products increased by 59.1% from RMB2,118.5 million in 2023 to RMB3,370.6 million in 2024 and its percentage to our total revenue increased from 43.5% in 2023 to 53.8% in 2024, mainly due to (i) the Group continued to strengthen its omni-channel construction and brand building; and (ii) our continuous expansion of the production capacity for such products during the Current Year.

Revenue from our bean-based and other products increased by 12.2% from RMB203.9 million in 2023 to RMB228.7 million in 2024 and its percentage to our total revenue decreased from 4.2% in 2023 to 3.6% in 2024, primarily due to the planning changes of the Group's braised eggs.

Our Customers and Sales Channels

Customers of the Group are primarily offline and online distributors, and to a lesser extent, direct sales customers and individual consumers who purchase from our self-operated online stores. Through in-depth channel building over years, we have a nationwide distribution network that deeply penetrates the Chinese market. As of December 31, 2024, we cooperated with 1,879 offline distributors and served for the key main national or regional supermarkets, snack specialty retailers, chained convenience stores and other points of sale (the "POS").

In 2024, emerging retail channels in China experienced rapid growth. Snack specialty retailers, with their good-value-for-money proposition and regional characteristics, expanded rapidly, gaining significant popularity among younger consumers. Warehouse membership stores, on the other hand, attracted the middle class with high-quality goods, imported snacks, and membership services, enhancing the overall consumer shopping experience.

We are improving the sales team’s capabilities of serving different kinds of channels. While empowering our distributors to improve the service capabilities of the POS, we continued to enhance the execution capabilities of POS to strengthen the selling power of each POS. During the Current Year, we continued to deepen our engagement with traditional offline channels and proactively seized development opportunities presented by emerging channels. By flexibly adapting to market demands, we effectively boosted sales performance at our offline POS.

The Group has proactively expanded its presence across major e-commerce platforms, implementing multiple initiatives to grow its online business and create strategic synergy with offline channels. On mainstream e-commerce platforms, the Group has established official flagship stores on Tmall, JD.com, and Pinduoduo, ensuring product visibility and seamless purchasing channels across platforms. Meanwhile, on emerging content-driven e-commerce platforms such as Douyin, Kuaishou, and Xiaohongshu, the Company actively leverages short videos, live streaming, and interactive content to engage younger consumer demographics. These efforts enhance brand interaction and amplify market influence through innovative digital touchpoints.

The table below sets out a breakdown of our revenue by sales channels for the years indicated:

	Year ended December 31,			
	2024		2023	
	<i>RMB'000</i>	% of total revenue	<i>RMB'000</i>	% of total revenue
Offline channels ⁽¹⁾	5,561,595	88.8	4,361,222	89.5
Online channels	704,731	11.2	510,444	10.5
– Online distribution ⁽²⁾	280,386	4.5	195,932	4.0
– Online direct sales ⁽³⁾	424,345	6.7	314,512	6.5
Total	6,266,326	100.0	4,871,666	100.0

- (1) Offline channels mainly include distribution through our offline distributors and direct sales through some emerging channels.
- (2) Online distribution refers to the sales model under which we distribute goods to online retailers such as Tmall Supermarket and JD Supermarket, or other online distributors, who then sell our products to consumers.
- (3) Online direct sales refer to the sales model under which we sell products directly to consumers through our self-operated online stores on multiple third-party online platforms, such as Tmall, JD.com, Pinduoduo, Douyin and Kuaishou.

Our revenue from offline channels increased by 27.5% from RMB4,361.2 million in the Previous Year to RMB5,561.6 million in the Current Year, reflecting our achievements in our offline omni-channel construction and brand building during the Current Year. Our revenue from offline channels as a percentage of our total revenue slightly decreased from 89.5% in the Previous Year to 88.8% in the Current Year, remaining stable.

Revenue from online channels increased by 38.1% from RMB510.4 million in the Previous Year to RMB704.7 million in the Current Year, of which our revenue from online distribution increased by 43.1% from RMB195.9 million in the Previous Year to RMB280.4 million in the Current Year and our revenue from online direct sales increased by 34.9% from RMB314.5 million in the Previous Year to RMB424.3 million in the Current Year, reflecting the Group's proactive efforts in advancing online omni-channel development, particularly its active embrace of growth opportunities brought by emerging online channels.

The table below sets forth a breakdown of revenue contribution as a percentage of our total revenue from offline distributors and certain direct sales channels by geographic locations of the registered offices during the years indicated:

	Year ended December 31,			
	2024		2023	
	<i>RMB'000</i>	<i>% of total revenue</i>	<i>RMB'000</i>	<i>% of total revenue</i>
Eastern China	1,313,111	23.6	967,111	22.2
Central China	875,412	15.7	749,874	17.2
Northern China	763,600	13.7	643,350	14.8
Southern China	1,094,525	19.7	781,126	17.9
Southwestern China	737,132	13.3	548,759	12.6
Northwestern China	698,599	12.6	573,379	13.1
Overseas ⁽¹⁾	79,216	1.4	97,623	2.2
Total	5,561,595	100.0	4,361,222	100.0

(1) Revenue contributed overseas is from offline distributors registered overseas.

We generated relatively balanced revenue from offline distributors in different geographic areas in China. The geographic distribution of our domestic revenue is generally in line with the economic development and population of different regions in China. During the Current Year, revenue generated overseas was immaterial.

Our Production Facilities and Capacities

During the Current Year, the Group continued to drive automation upgrades of our production facilities, ensuring efficient production and consistent product quality. Leveraging our five major production bases, we have a dedicated team of professional electrical control and mechanical design engineers who are responsible for the in-house research and development of automated production equipment and systems, tailored to our specific process requirements. Most of our automated equipment is developed in-house. Concurrently, we established partnerships with equipment manufacturers to further automate our production processes and upgrade our production facilities.

Meanwhile, to maximize production efficiency and broaden our product portfolio, the Group also cooperates with reliable OEM suppliers for the production of products that we sell in relatively smaller volumes.

As of December 31, 2024, the Group had five plants in Henan Province, namely Luohe Pingping Plant, Luohe Weilai Plant, Zhumadian Weilai Plant, Luohe Weidao Plant and Luohe Xinglin Plant, of which Luohe Xinglin Plant continues to expand and part of the production lines of the plant have already been put into operation.

The tables below set out the details of our designed production capacity, actual production, and utilization rates for the periods indicated, by product types and by plants:

Type of Products	Year ended December 31,					
	2024			2023		
	Designed Production Capacity (ton)	Actual Production (ton)	Utilization Rate	Designed Production Capacity (ton)	Actual Production (ton)	Utilization Rate
Seasoned flour products	202,065.0	132,113.9	65.4%	237,722.4	114,791.6	48.3%
Vegetable products	129,986.0	125,116.3	96.3%	96,228.0	69,309.0	72.0%
Bean-based and other products	6,124.4	5,439.7	88.8%	5,934.4	3,893.4	65.6%
Total	338,175.4	262,669.9	77.7%	339,884.8	187,994.0	55.3%

Our designed production capacity for seasoned flour products in the Current Year decreased compared with the Previous Year, primarily due to the planning adjustment of production lines for some products. Our designed production capacity for vegetable products increased compared with the Previous Year, primarily due to the addition of new production lines of konjac products. Our designed production capacity for bean-based and other products remained stable compared with the Previous Year. Our overall utilization rate increased compared with the Previous Year, primarily attributable to the increase in sales volume of the Group during the Current Year.

Production Plants	Year ended December 31,					
	2024	2023				
	Designed Capacity (ton)	Actual Production (ton)	Utilization Rate	Designed Capacity (ton)	Actual Production (ton)	Utilization Rate
Luohe Pingping Plant	71,757.5	56,663.3	79.0%	95,168.2	46,707.7	49.1%
Luohe Weilai Plant	60,999.7	41,945.2	68.8%	57,462.2	31,984.8	55.7%
Zhumadian Weilai Plant	48,125.0	31,442.8	65.3%	67,435.1	24,502.5	36.3%
Luohe Weidao Plant	105,450.6	83,539.2	79.2%	89,892.0	56,787.5	63.2%
Luohe Xinglin Plant	51,842.6	49,079.4	94.7%	29,927.3	28,011.5	93.6%
Total	338,175.4	262,669.9	77.7%	339,884.8	187,994.0	55.3%

During the Current Year, the changes for the annualized designed production capacity among our plants were mainly attributable to (i) the shift of some production lines to the plants with higher efficiency; (ii) the adjustment of some product specifications; and (iii) the adjustment of some production lines for some products. Overall utilization rate in 2024 increased compared with 2023, primarily attributable to the increase in sales volume of the Group during the Current Year.

Our Food Safety and Quality Control

As one of China's leading snack food enterprises, we always take quality as our core and regard food safety as the "lifeline" of our enterprise. We continuously improve and upgrade our food safety management system. We adhere to product quality and strictly control every aspect from raw material selection to the entire production process to ensure that we provide consumers with safe and reliable products. At the same time, we actively promote innovation and research and development, and aim to meet consumers' increasingly diverse needs with healthier and more delicious snack foods. We are committed to winning the trust and support of the market with high-quality products.

The Group established a sound food safety and quality assurance system of the whole chain and the whole product life cycle. The system covers the whole process of production, covering R&D, procurement, manufacturing, storage, distribution to sales and other links. Throughout the production process, the entire production process can be controllable by using the HACCP hazard analysis and critical control points. In terms of product inspection and release, "Product Inspection and Release Control Procedures" are strictly implemented; in terms of detection capacity, HPLC-MS, GC-MS, ICP-MS and other high-end detection equipments are applied to strictly monitor the food additives, heavy metals and other indicators; in terms of risk management, advance prevention is carried out through the "Food Safety Information Collection and Early Warning", "Food Safety Monitoring and Risk Assessment Norms", "Food Safety Self-inspection Management System" and other systems. In terms of risk management of new products, risk assessment is carried out under "New Product Quality Inspection Standards".

The Group has also set up a quality management department, which is mainly responsible for raw materials and packaging materials management, production process management and product testing management, OEM and customer service management and food safety and quality assurance, and strives to build a closed-loop management system of source control, production control, strict certification control and after-sales control, so as to provide consumers with the best quality products.

Our R&D Capabilities

The Group consistently implements the product R&D philosophy of “maximizing the intrinsic value of nature with an industrialized approach”, continuously building core competitiveness in the field of food technology. Based on a systematic R&D framework, we have established a modular innovation system covering the entire industry chain. R&D teams are set up in areas such as food basic research, flavour research, process technology, industrialized production technology, and packaging freshness preservation technology. These teams are staffed with technical experts to conduct in-depth specialized research. Through collaboration among professional teams, the technologies from each segment are integrated into the development stage of seasoned flour products, vegetable products, bean-based products, and other snack food products, significantly improving the Group’s success rate in upgrading existing products and launching new products.

The Group has also established long-term cooperative relationships with leading domestic food science universities, jointly building an industrialization demonstration base for food engineering technology research centres. We conduct joint research on forward-looking and critical technologies within the industry to achieve resource sharing and complementary strengths, and are committed to nurturing reserve talent, continuously strengthening our product and technology R&D advantages. As of December 31, 2024, the Group has established a R&D Centre for Infrastructure and Applications in Shanghai, with a professional research team covering fields such as food engineering, food safety and nutrition, polymer chemistry, biology, and testing and inspection. Through diverse R&D initiatives, by continuously upgrading, innovating, and researching emerging technologies, we aim to meet constantly changing consumer preferences and drive sustainable sales growth.

Our Information Technology

The Group continues to strengthen its digitalization strategy, actively advancing the development of “WL Delicious Digitalization”, dedicated to enhancing quality and efficiency for our business units, ultimately achieving our strategic goals of “automation and data-enablement.” Leveraging a robust IT foundation, the Group effectively monitors and optimizes our management systems, spanning multiple processes including procurement, sales, and R&D.

Our information systems are built upon four core infrastructure foundations: IaaS/PaaS Platform, three-level network architecture, data center, and hybrid cloud platform. Building on this foundation, and integrated with the seamless collaboration of various systems, we have comprehensive coverage including ERP, Sales Management System, “One-item-one-code” System (product traceability), Warehouse and Transportation System, Supplier Relationship Management (SRM) System, Quality Management System, Enterprise Asset Management (EAM) System, 5G+ Industrial IoT, Equipment Management System, Manufacturing Execution System (MES), OA Workflow Approval System, and Expense Control & Reimbursement System. This achieves comprehensive support for core functions such as product operations and enterprise management.

During the Current Year, we continued to advance the development of our Sales Management System, aiming to accelerate market expansion, enhance the POS coverage and operational efficiency, and strengthen the quality of POS management. Simultaneously, we have been persistently striving to build an agile and rapid-response supply chain system. By implementing a Supply Chain Planning System, Order Dispatch System, and Fully Automated Intelligent Warehouse System, we ensure that market demand can be promptly fulfilled and warehousing and logistics costs are effectively reduced.

Furthermore, by launching and continuously optimizing the Quality Control System, R&D Project Management System, Human Resources Management System, and BI Analysis Platform, we have further enhanced the overall corporate operational efficiency. We also persistently advanced process standardization initiatives, particularly conducting a comprehensive review and implementation of production floor operation standardization. Throughout the construction of all information systems, we adhered to the principle of process standardization and system embedding, streamlining unnecessary process steps and increasing risk control points to improve business operational efficiency.

Simultaneously, the Group is continuously driving optimization of the ERP system, Supplier Collaboration Management System, E-commerce Platform Middle Tier System, and Industrial Internet initiatives, among others. This comprehensively empowers business development and further enhances corporate operating efficiency.

FINANCIAL REVIEW

The following financial results are extracted from the financial report of the Group prepared in accordance with IFRS Accounting Standards during the Reporting Period:

Revenue and Gross Profit

The Group recorded a revenue of RMB6,266.3 million in the Current Year, representing an increase of 28.6% compared with RMB4,871.7 million in the Previous Year, primarily due to the active promotion of omni-channel construction and brand building by the Group in the Current Year.

Gross profit of the Group increased by 29.9% from RMB2,322.7 million in the Previous Year to RMB3,016.1 million in the Current Year. Gross profit margin of the Group increased by 0.4 percentage points from 47.7% in the Previous Year to 48.1% in the Current Year, mainly due to an increase in the capacity utilization.

Distribution and Selling Expenses

Distribution and selling expenses of the Group amounted to RMB1,026.3 million in the Current Year, representing an increase of 27.2% compared with RMB806.7 million in the Previous Year. In the Current Year, distribution and selling expenses of the Group accounted for 16.4% of the total revenue, representing a decrease of 0.2 percentage points as compared with 16.6% in the Previous Year. The increase in the Group's distribution and selling expenses was mainly due to an increase in the employee benefit expenses, promotion and advertising expenses as well transportation expenses in the Current Year.

Administrative Expenses

Administrative expenses of the Group increased by 7.0% from RMB458.9 million in the Previous Year to RMB491.0 million in the Current Year. The proportion of administrative expenses to total revenue decreased from 9.4% in the Previous Year to 7.8% in the Current Year.

Other Income, Net

Other income, net, of the Group increased by 77.0% from RMB43.5 million in the Previous Year to RMB77.0 million in the Current Year.

Other Gains/(Losses), Net

The Group recorded RMB174.8 million in other losses (2023: RMB2.8 million in other gains), which was primarily due to the combined effect of fair value losses on financial assets at fair value through profit or loss, foreign exchange losses and impairment of property, plant and equipment in the Current Year. The fair value losses on financial assets at fair value through profit or loss was mainly in relation to fair value changes of the Group's investment in a wealth management fund (the "**Fund**"), namely "Enhanced Fixed Income SP", through a reputable financial institution since 2021. In October 2024, the Group was notified by the financial institution that the Fund is undergoing its voluntary winding up petition and the joint provisional liquidators ("**JPLs**") are appointed to formulate a viable restructuring plan. The directors considered the JPLs' assessment reports and were of the view that fair value of the Group's investments in the Fund is less likely than not that it could possibly be fully realisable as of December 31, 2024, and the decline in fair value of RMB125,488,000 was recognised in profit or loss during the year ended December 31, 2024.

The Group is exploring appropriate remedial actions in recovering the fair value loss of the Group's investments in the wealth management fund through a reputable financial institution, which amongst others, maintaining communication with the financial institution and JPLs on formulating a viable restructuring plan, seeking professional legal support and contemplating possible legal actions for the purpose of protecting the interests of the Company.

Finance Income, Net

Net finance income of the Group decreased by 8.8% from RMB175.6 million in the Previous Year to RMB160.2 million in the Current Year, primarily due to a decrease in interests from banks.

Income Tax Expense

Income tax expense of the Group increased by 23.6% from RMB398.9 million in the Previous Year to RMB493.1 million in the Current Year, primarily due to an increase of the taxable income of the Group in the Current Year.

Profit for the Year

As a result of the foregoing, profit for the year of the Group increased by 21.3% from RMB880.4 million in the Previous Year to RMB1,068.1 million in the Current Year.

Dividends

Based on the Group's overall performance, having accounted for, including but not limited to, surplus, overall financial conditions, capital expenditures of the Group in the Current Year, the Board will propose at the forthcoming annual general meeting of the Company to declare a final dividend (the "**Final Dividend**") of RMB0.11 per share as of the end of Current Year (inclusive of tax, amounting to a total Final Dividend of approximately RMB258.6 million), representing approximately 24% of the net profit of the Group for the year ended December 31, 2024. The proposed Final Dividend and the interim dividend declared by the Board at the Board meeting held on August 15, 2024, totaled approximately RMB634.8 million, representing approximately 59% of the net profit of the Group for the year ended December 31, 2024. Besides, the Board will propose to declare a special dividend (the "**Special Dividend**") of RMB0.18 per share (inclusive of tax, amounting to a total Special Dividend of approximately RMB423.2 million), representing approximately 40% of the net profit of the Group for the year ended December 31, 2024. However, the implementation of the Final Dividend and the Special Dividend is subject to the approval of the annual general meeting. The Final Dividend and the Special Dividend are expected to be paid on or about June 30, 2025.

Term Deposits with Initial Term over Three Months, Restricted Cash, Cash and Cash Equivalents and Borrowings

As of the end of Current Year, the sum of term deposits with initial term over three months, restricted cash, cash and cash equivalents of the Group amounted to RMB5,267.5 million, representing an increase of 12.3% as compared with RMB4,690.5 million as of the end of Previous Year, mainly attributable to the cash generated from operating activities, which was partially offset by the cash used in the acquisition of property, plant and equipment and the payment of dividends during the Current Year. Borrowings of the Group were RMB180.9 million and RMB389.0 million as of the end of Previous Year and Current Year, respectively. Borrowings of the Group were bank loans which the Group obtained for the construction of plants and purchase of machinery and equipment.

Inventories

Inventories of the Group increased by 109.2% from RMB419.9 million as of the end of Previous Year to RMB878.3 million as of the end of Current Year, primarily due to the increased reserve of certain raw materials by the Group. Inventory turnover days of the Group remained relatively stable at 73 days in the Current Year and the Previous Year.

Trade, Other Receivables and Prepayments

Trade receivables of the Group increased by 2.3% from RMB51.6 million as of the end of Previous Year to RMB52.8 million as of the end of Current Year. The turnover days of trade receivables decreased from 4.4 days in the Previous Year to 3.0 days in the Current Year.

Other receivables of the Group decreased by 77.5% from RMB38.7 million as of the end of Previous Year to RMB8.7 million as of the end of Current Year.

Prepayments of the Group increased by 58.3% from RMB121.2 million as of the end of Previous Year to RMB191.8 million as of the end of Current Year, primarily due to an increase in prepayments for raw materials.

Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss of the Group were RMB122.8 million and nil as of the end of Previous Year and Current Year, respectively.

Trade and Other Payables

Trade payables of the Group increased by 29.1% from RMB164.7 million as of the end of Previous Year to RMB212.6 million as of the end of Current Year, primarily due to an increase in payables for purchasing raw materials. The turnover days of trade payables decreased from 25 days in the Previous Year to 21 days in the Current Year.

Other payables of the Group increased by 23.3% from RMB498.0 million as of the end of Previous Year to RMB614.0 million as of the end of Current Year.

Contract Liabilities and Refund Liabilities

Contract liabilities and refund liabilities of the Group increased by 189.5% from RMB206.3 million as of the end of Previous Year to RMB597.3 million as of the end of Current Year, primarily due to increased orders for the upcoming Chinese New Year at the end of Current Year.

Gearing Ratio

As of the end of Current Year, the gearing ratio of the Group, which is calculated as total interest-bearing borrowings divided by total equity, was 6.5%, compared with 3.2% as of the end of Previous Year.

Treasury Policy

The Group adopts a conservative financial management approach for its treasury policy to ensure a sustainable working capital management that the Group's liquidity structure comprising assets, liabilities and other commitments that fulfilling the Group operations requirements and its capital commitments. In addition, the Group reviews the treasury management policies on a regular basis so as to strengthen its investment portfolio strategy, particularly in relation with the fund management products to minimize the investment risk and protect the interests of the Group.

FOREIGN EXCHANGE RISK

The Group mainly operates in China with most of the transactions settled in RMB. The functional currency of the subsidiaries in mainland is RMB, while the functional currency of the Company and subsidiaries outside mainland of China is HKD, USD or IDR. Both the entities in and outside mainland of China have assets and liabilities, like cash at bank and other major licensed payment institutions, restricted cash, term deposits with initial term over three months which are denominated in USD, HKD and IDR. Foreign exchange risk arises from the fluctuations in exchange rates. The Group has continued to closely track and manage its exposure to fluctuation in foreign exchange rates confronted by the majority of the Group's deposits denominated in foreign currencies.

CONTINGENT LIABILITIES

As of the end of Previous Year and Current Year, the Group did not have any significant contingent liabilities.

CAPITAL COMMITMENTS

As of the end of Current Year, the Group had capital commitments for the construction of property, plant and equipment of approximately RMB169.4 million (Previous Year: RMB49.4 million).

PLEDGE OF ASSETS

As of the end of Current Year, the Group has pledged land use right amounting to RMB89.8 million (Previous Year: RMB91.8 million).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any significant investment held, or any material acquisition or disposal of any relevant subsidiary, associate and joint venture during the Reporting Period.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of the date of this announcement, save for the “Future Plans and Use of Proceeds” disclosed in the prospectus of the Company dated December 5, 2022 (the “**Prospectus**”), the Group did not have any existing plans for acquiring other material investments or capital assets.

USE OF PROCEEDS FROM LISTING

The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**” or “**Stock Exchange**”) on December 15, 2022 (the “**Listing Date**”). From the Listing Date to December 31, 2024, the Group progressively utilised the proceeds from the IPO according to the intended use set out in the Prospectus.

The net proceeds from the IPO of the shares of the Company on the Main Board of the Stock Exchange (after deducting underwriting fees and other related expenses) were approximately HK\$903.3 million. As of December 31, 2024, the Group utilized total proceeds of approximately HK\$656.3 million for the intended purposes set out in the Prospectus, accounting for 72.7% of all raised funds, and the remaining unutilized proceeds were approximately HK\$247.0 million.

Intended purposes of net proceeds	Net proceeds from the listing available (HK\$ million)	Unutilized net amount as at December 31, 2023 (HK\$ million)	Actual net amount utilized for the Current Year (HK\$ million)	Unutilized net amount as at December 31, 2024 (HK\$ million)	Expected timeline for fully utilizing unutilized net amount	Expected timeline as disclosed in the Prospectus
Production facilities and supply chain system	514.9	411.6	194.0	217.6	1-2 years	3-5 years
Expanding our sales and distribution network	135.5	16.9	16.9	–	–	3-5 years
Brand building	90.3	13.9	13.9	–	–	3-5 years
Product R&D activities and enhancement of R&D capabilities	90.3	74.8	52.0	22.8	1-2 years	3-5 years
Advancing the construction of digitization and intelligence	72.3	57.4	50.8	6.6	1-2 years	3-5 years
Total	903.3	574.6	327.6	247.0	–	–

Note: Due to rounding, there may be a difference between the sum of the individual sub-values and the total amount. The balance of the proceeds from the IPO will continue to be utilized according to the purposes and proportions disclosed in the Prospectus. The expected time for the full use of the proceeds was earlier than disclosed in the Prospectus, which was mainly due to the Group’s reassessment of the business execution plan. In addition, taking into account of the Company’s long-term development and changes in the supply of raw materials, the Board of Directors decided to cancel the plan for construction of a new plant in Qujing, Yunnan Province as disclosed in the Prospectus.

GOING CONCERN

On the basis of current financial projections and financing available, the Group has adequate financial resources to continue its operation in the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are carried out primarily in the PRC, while the shares of the Company are listed on the Hong Kong Stock Exchange. The businesses operated by the Group are mainly subject to the laws of PRC and Hong Kong and other relevant jurisdictions. During the year ended December 31, 2024 and as of the date of this announcement, the Group has complied with relevant laws and regulations that have significant impacts on the Group in the applicable jurisdictions. Specifically, as a manufacturer of casual snack food, the Group's operations are subject to the applicable food production, sale and safety laws and regulations, applicable consumer protection laws and regulations and competition law, and applicable environmental protection laws and regulations. In the Current Year, the Group did not have any material non-compliance with such laws and regulations.

HUMAN RESOURCES AND REMUNERATION POLICY

As at December 31, 2024, the total number of employees of the Group was 7,628, and the total employee benefits (including directors' remuneration) amounted to approximately RMB1,119.8 million in the Reporting Period. We always believe that the Group's long-term growth depends on the expertise and capability of our employees. We proactively optimize the talent selection and cultivation system in order to improve the general competitiveness of our employees and their sense of belongings to the Group.

The human resources are one of the Group's most important assets and the key to the continuous growth of the Group's business. The Group's remuneration policy is determined by the salary levels in different regions, employee rank and performance and the market conditions. Apart from basic remuneration, for all employees in Chinese Mainland, the Group makes contributions towards employee mandatory social security schemes including pensions, unemployment compensation, work-related injury insurance, maternity insurance and medical insurance in accordance with the applicable laws and regulations of Chinese Mainland. The Group also makes contributions towards housing provident fund schemes for employees in Chinese Mainland as required by applicable local laws and regulations in Chinese Mainland. For employees in Hong Kong and other countries, the Group also makes contributions towards relevant insurance schemes, pension schemes and provident fund as required by applicable local laws and regulations. Besides, performance bonus and other incentive systems are established, performance bonuses are paid based on the Group's revenue and profit targets as well as the performance of the organization in which the employee works and the performance of the individual employee, to recognize and encourage organizations and employees which have made outstanding contributions to the Group's business. Generally, a remuneration review is conducted annually to make sure that the overall remuneration policy is competitive.

In order to incentivize and reward our directors, members of senior management and other employees who have contributed to the development of the Group, the restricted share unit scheme (the "**RSU Scheme**") was approved and adopted by the Board on January 1, 2021 and March 21, 2024 (the "**Dates of Adoption**") respectively. The RSU Scheme shall be valid and effective for the period of ten (10) years commencing on the Dates of Adoption.

For details of the employee incentive scheme, please refer to the Prospectus published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.weilongshipin.com) and the 2024 annual report of the Company which is expected to be published by the end of April 2025.

The details of the incentive shares granted to the employees under the grant proposal will be published in the 2024 annual report of the Company, which is expected to be published by the end of April 2025.

OUTLOOK

In line with the mission of “letting the world fall in love with Chinese flavors”, the vision of “making authentic Chinese gourmet more entertaining, casual, convenient, affordable, data-enabled, automated and ultimately building a great business that brings joy and happiness to people for 123 years”, and the value of “Integrity, Innovation, Customer First, Employee-oriented”, the Group continues to build a leading company in the spicy snack food industry, thus providing more value to its customers, employees, and consumers.

Looking ahead, the Group will continue to deepen our multi-category product strategy. We will gain insights into evolving consumer preferences, develop more innovative products, and actively drive the iteration of our existing products, thereby satisfying the diversified and individualized consumer demands. Simultaneously, the Group will further increase investment and strengthen management of our supply chain, upgrade our quality control system, enhance product quality, and continuously optimize the user experience.

In terms of brand strategy, the Group believes that continuous innovation is the core driver of our growth. We will actively engage with younger consumers through their preferred marketing approaches to create more interaction and emotional connections, continuously enhancing our influence within the younger consumer demographic. We firmly believe that in a rapidly changing industry environment, only precise insight and constant innovation can continuously invigorate brand vitality.

In terms of channel strategy, the Group will continue to advance our omni-channel presence, enhancing consumer accessibility. Regarding offline channels, we will further optimize the structure of our traditional channels, explore business opportunities in emerging channels, expand our offline POS, and strengthen the execution capabilities of these POS, thereby continuously improving our market penetration. For online channels, we will continue to deepen the refined operation of traditional e-commerce platforms, capture growth opportunities in new channels such as content e-commerce and social e-commerce, strengthen the deep integration of online and offline channels, and enhance the consumer experience across all channels and in all scenarios.

Furthermore, adhering to improving supply chain quality and efficiency is also a key development strategy for the Group. The Group actively focuses on all aspects of the supply chain, continuously monitoring the improvement of automation levels at each stage. This ensures product quality while comprehensively enhancing the efficiency of the supply chain.

The Group also emphasizes the advancement of digital construction, continuously leveraging emerging technologies to enhance operational efficiency and drive ongoing business innovation. Concurrently, the development of organizational talent also plays a crucial role in corporate operations. The Group will continue to optimize our organizational structure, strengthen team building, and enhance talent development, to provide talent assurance for business growth.

Finally, the Group will continue to stay true to our original aspiration and keep our mission in mind, focusing on the creation of long-term corporate value, actively practicing social responsibility, and promoting the long-term sustainable development of the enterprise. We are committed to creating more value for consumers, customers, shareholders, investors, employees, and society as a whole.

DIVIDEND

Relevant resolution has been passed at a meeting of the Board held on March 27, 2025, and the Board proposed the distribution of a Final Dividend of RMB0.11 (tax inclusive) per share for the year ended December 31, 2024, with a total amount of approximately RMB258.6 million, and a Special Dividend of RMB0.18 (tax inclusive) per share, with a total amount of approximately RMB423.2 million. The distribution of such Final Dividend and Special Dividend is subject to approval by shareholders of the Company at the annual general meeting. The dividend is expected to be paid on or about June 30, 2025.

The Company will not be liable for any claim arising from any delay in, or inaccurate determination of the status of the shareholders or dispute over the withholding mechanism. The Board is not aware of any shareholders who have waived or agreed to waive any dividend.

DIVIDEND POLICY

We may distribute dividends by way of cash or by other means that our Board considers appropriate. Distribution of dividends is subject to the discretion of our Board and, if necessary, the approval of our shareholders. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial conditions, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant.

Subject to applicable laws and regulations, our dividend policy is to distribute to our shareholders no less than 25% of our distributable profits for any particular year after the listing. We cannot assure you that we will be able to distribute dividends of the above amount or any amount, or at all, in any year. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that the Company and our subsidiaries have entered into or may enter into in the future. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Cayman Companies Act. We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividends will depend on the availability of dividends received from our subsidiaries and other reserves lawfully available for distribution. Our shareholders may approve any declaration of dividends in a general meeting, which must not exceed the amount recommended by our Board. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

SUBSEQUENT SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

The Board is not aware of any material event requiring disclosure, that has taken place subsequent to December 31, 2024 and up to the date of this announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Thursday, June 12, 2025. A notice convening the annual general meeting of the Company will be published in the manner as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, June 9, 2025 to Thursday, June 12, 2025 (both days inclusive), during which period no transfer of shares will be registered. The record date to determine the entitlement of the shareholders to attend and vote at the annual general meeting will be Thursday, June 12, 2025. In order to qualify to attend the annual general meeting and to vote at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, June 6, 2025.

The register of members of the Company will also be closed from Wednesday, June 18, 2025 to Friday, June 20, 2025 (both days inclusive), during which period no transfer of shares will be registered. The record date to determine the entitlement of the shareholders to receive the Final Dividend and Special Dividend will be Friday, June 20, 2025. In order to qualify to receive the Final Dividend and Special Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Tuesday, June 17, 2025.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

As of the Current Year, none of the Company or its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Company. As of December 31, 2024, the Company did not hold any of treasury share.

AUDIT COMMITTEE

As of December 31, 2024 and the date of this announcement, the Audit Committee of the Company consists of three independent non-executive directors, namely Mr. ZHANG Bihong, Ms. XU Lili and Ms. XING Dongmei. Mr. ZHANG Bihong currently serves as the chairman of the Audit Committee. The primary responsibilities of the Audit Committee are to inspect, review and supervise financial data and reporting process for financial data of the Company. The Audit Committee has reviewed the consolidated annual results of the Group for the year ended December 31, 2024 and confirmed that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board and consequently no assurance has been expressed by Ernst & Young on this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE SET OUT IN APPENDIX C1 TO THE LISTING RULES

The Company is committed to the best practices on corporate governance. The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the “**CG Code**”) under Appendix C1 to the Listing Rules, and had complied with all applicable code provisions as set out in the CG Code for the year ended December 31, 2024.

COMPLIANCE WITH THE MODEL CODE SET OUT IN APPENDIX C3 TO THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct regarding the directors' dealings in the securities of the Company.

After making specific enquiries with all directors, all of them confirmed that they had complied with the provisions set out in the Model Code for the year ended December 31, 2024.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<https://www.weilongshipin.com>), and the 2024 annual report of the Company will be published on the aforementioned websites in due course.

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

Hong Kong, March 27, 2025

As of 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.