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Vanov Holdings Company Limited

環龍控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2260)

SUPPLEMENTAL ANNOUNCEMENT RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of Vanov Holdings Company Limited (the “**Company**”) dated 21 March 2024 in relation to the renewal of continuing connected transactions contemplated under the 2023 Master Supply Agreements by entering into the 2024 Master Supply Agreements (the “**Announcement**”). Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Announcement.

The Company would like to provide the following supplemental information in relation to the continuing connected transactions contemplated under the 2024 Master Supply Agreements.

INTERNAL CONTROL MEASURES

The Group has adopted the following internal control procedures to monitor the continuing connected transactions contemplated under the 2024 Master Supply Agreements:

1. the management of the Company will discuss and assess the terms and conditions and the pricing mechanism of the ongoing transactions contemplated under the 2024 Master Supply Agreement on a regular basis of once per quarter to ensure that they are on normal commercial terms or better terms for the Company;
2. each time signing new purchase orders with Huanlong New Materials and Huanlong Daily Products, the Group will compare and obtain quotations from at least two other independent third parties for equivalent or comparable services and will only engage Huanlong New Materials, Huanlong Daily Products and/or its associates if the terms quoted by them are no less favourable than the terms quoted by such two other independent third parties;

3. the finance department of the Company will review the transactions entered into under the 2024 Master Supply Agreements on a monthly review and submit the relevant information for review by the management of the Company, including but not limited to the historical transaction amounts, to ensure that the relevant transactions are carried out in accordance with the terms of the 2024 Master Supply Agreements as well as the pricing policy and will not exceed the respective annual caps. In the event the annual caps under the 2024 Master Supply Agreements are expected to be exceeded, the Company will consider whether to revise the relevant annual caps and comply with the applicable requirements under the Listing Rules accordingly;
4. Ms. Yuan Aomei, an executive Director and Ms. Liu Jinping, the financial supervisor of the Company, will further monitor the transactions under the 2024 Master Supply Agreements to ensure full compliance with the applicable requirements under the Listing Rules and that the annual caps will not be exceeded; and
5. the independent non-executive Directors and auditors of the Company will conduct annual review of the transactions under the 2024 Master Supply Agreements (including the fees charged in respect of the transactions) and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the terms of the 2024 Master Supply Agreements; the Group's pricing policy measures, and to confirm if the price and terms offered are fair and reasonable and comparable to those offered by independent third parties.

The Board considers that the above internal control procedures adopted by the Group in connection with the continuing connected transactions with Huanlong New Material, Huanlong Daily Products and their associates are appropriate and sufficient, and will give sufficient assurance that the continuing connected transactions will be appropriately monitored by the Group.

INFORMATION ON HUANLONG NEW MATERIAL

Huanlong New Material is a limited liability company established in the PRC on 14 January 2011. To the Directors' best knowledge and information, the equity interests of Huanlong New Material was held as to approximately 33.44% by Huanlong Industrial Group Co., Ltd* 環龍工業集團有限公司 (which is in turn owned as to approximately 75% by Ms. Shen and 25% by Mr. Zhou), approximately 14.26% by New Stream Investment Limited ("**New Stream**") (which is an Independent Third Party), approximately 12.25% by Beijing Sequoia Mingde Equity Investment Center (Limited Partnership)* (北京紅杉銘德股權投資中心(有限合夥)) ("**Beijing Sequoia Mingde**"), an Independent Third Party, approximately 3.48% by Ms. Shen and the remaining interest of approximately 36.57% by 15 other Independent Third Parties (each holds less than 10%), respectively, as at the date of this announcement. Hence, Huanlong New Material is an associate of Ms. Shen and Mr. Zhou, and a connected person of the Company.

New Stream is a limited liability partnership incorporated in the Cayman Islands and is principally engaged in investment activities. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, New Stream is ultimately wholly-owned by Redview Capital L.P. (鴻為資本), a private equity investing fund set up in the Cayman Islands that focuses on traditional growth capital, on investments in new materials, clean energy, consumer, and advanced manufacturing in China and is ultimately controlled by Mr. Hebert Pang Kee Chan, a Malaysian natural person.

Beijing Sequoia Mingde is a limited partnership incorporated in the PRC, whose general partner is Beijing Sequoia Kund Investment Management Centre (Limited Partnership)* (北京紅杉坤德投資管理中心(有限合夥)) (“**Beijing Sequoia Kund**”). To the best knowledge and information of the Directors, Beijing Sequoia Mingde is owned as to approximately 66.67% by Beijing Sequoia Shengde Equity Investment Centre (Limited Partnership)* (北京紅杉盛德股權投資中心(有限合夥)) (“**Beijing Sequoia Shengde**”) and approximately 33.3% by Beijing Sequoia Capital Equity Investment Centre (Limited Partnership)* (北京紅杉濂德股權投資中心(有限合夥)).

To the best knowledge and information of the Directors, Beijing Sequoia Shengde is owned as to approximately 40.9% by Beijing Sequoia Virtue Equity Investment Centre (Limited Partnership)* (北京紅杉亞德股權投資中心(有限合夥)) (“**Beijing Sequoia Virtue**”). Ningbo Meishan Free Trade Port Zone Sequoia Aoide Investment Management Partnership (Limited Partnership)* (寧波梅山保稅港區紅杉薈德投資管理合夥企業(有限合夥)) (“**Ningbo Meishan**”) is the general partner of Beijing Sequoia Virtue.

Each of Beijing Sequoia Kund, Beijing Sequoia Shengde, Beijing Sequoia Virtue and Ningbo Meishan is an entity indirectly non-wholly owned by HongShan (紅杉中國).

HongShan is a leading venture capital and private equity investing fund investing across technology, healthcare and consumer sectors. Since 2005, HongShan has been fostering entrepreneurship and innovation, backing more than 1,500 companies around the globe with transformative technologies, disruptive business models and high-growth potential.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries Huanlong New Material, New Stream, Beijing Sequoia Mingde and its ultimate beneficial owners are Independent Third Parties.

On behalf of the Board
Vanov Holdings Company Limited
Shen Genlian
Chairperson of the Board and executive Director

Hong Kong, 9 April 2024

As at the date of this announcement, the Board comprises four executive Directors, namely Ms. Shen Genlian, Mr. Zhou Jun, Mr. Xie Zongguo and Ms. Yuan Aomei and three independent non-executive Directors, namely Mr. Ip Wang Hoi, Mr. Zhang Shenjin and Mr. Wang Yunchen.